

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS OF PIPAVAV SHIPYARD LIMITED

Registered Office: Pipavav Port, Post Uchchaya, Via Rajula, Rajula – 365 560, Gujarat, India.

CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM PUBLIC SHAREHOLDERS OF PIPAVAV SHIPYARD LIMITED

This Public Announcement ("Public Announcement" / "PA") is being issued by JM Financial Consultants Private Limited ("Manager to the Offer" or "JM Financial"), on behalf of SKIL Infrastructure Limited ("SKIL") and SKIL Shipyards Holdings Private Limited ("SSHIL") together with SKIL referred to as the "Acquirers", pursuant to and in compliance with, among others, regulation 11(1) and regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the "SEBI (SAST) Regulations").

1. BACKGROUND TO THE OFFER

1.1 Pipavav Shipyards Limited (hereinafter referred as "PSL" or "Target Company") is promoted by SKIL Infrastructure Limited, Punj Lloyd Limited (hereinafter referred as "Seller" / "PLL") and Grevek Investments and Finance Private Limited (hereinafter as referred as "Grevek"). SKIL, PLL and Grevek are together referred to as "Promoters" of the Target Company. The shareholding of Promoters and promoter group as on March 19, 2010 is as follows:

Shareholder	Number of Equity Shares	Percentage of total equity share capital
Promoters		
SKIL	121,650,500	18.27
Grevek	12,349,494	1.85
PLL	129,361,538	19.43
Total of Promoter holding	263,361,532	39.56
Promoter Group		
SSHIL	1	Negligible
Total holding of Promoter and promoter group	263,361,533	39.56

1.2 SKIL, SSHIL and the Seller have entered into a Share Purchase Agreement (hereinafter as referred as "SPA") dated March 27, 2010, pursuant to which the Seller has undertaken to sell to the Acquirers an aggregate of 129,361,538 Equity Shares (the "Sale Shares"), in two tranches, constituting 19.43% of the total issued and paid up capital of the Target Company for a total consideration of Rs. 6,564,644.312 (Rupees six hundred and fifty six crore forty six lakh forty four thousand three hundred and twelve only) at a price of Rs. 50.75 per Equity Share.

1.3 The Acquirers, Manager to the Offer have entered into an escrow agreement ("Escrow Agreement") dated March 26, 2007 with L&F Trust Company Limited ("Escrow Agent") pursuant to which the aforesaid Sale Shares will be held in an escrow account ("Sale Share Escrow"), and the Sale Shares shall continue to remain in the escrow account until the completion of all the Open Offer formalities.

1.4 The Seller has transferred a total of 79,361,538 Equity Shares to the Sale Share Escrow (the "First Sale Shares"). Of the First Sale Shares 49,401,538 Equity Shares relate to the sale of Equity Shares to SKIL and the balance 29,960,000 Equity Shares relate to the sale of Equity Shares to SSHIL.

1.5 Upon satisfaction of certain agreed conditions, a total of 49,999,000 Equity Shares ("Second Sale Shares") held by the Seller will also be transferred to the Sale Share Escrow.

1.6 The Escrow Agent shall hold the Sale Shares in trust for the benefit of the Acquirers until the completion of all of the Open Offer formalities. In terms of the Escrow Agreement, the Escrow Agent shall solely rely on the instructions received from the Manager to Offer for operation of Sale Share Escrow Account.

1.7 Some of the salient features of the SPA are as follows:
1.7.1 The SPA contains a provision that parties to the SPA undertake to reverse the sale and purchase of the Sale Shares in the event the Acquirers do not fulfill their obligations under the SEBI (SAST) Regulations.
1.7.2 The Sale Shares are subject to lock-in in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation, 2009 ("SEBI (ICDR) Regulations"). The Acquirers have undertaken that they shall comply with the requirements of lock-in in relation to the Sale Shares.

1.7.3 Upon the transfer of the First Sale Shares, the Seller shall procure the delivery to the Acquirers unconditional letters of resignation from Mr. Atul Punj and Mr. Luv Chhabra, as directors on the board of directors of the Target Company, stating that their resignation from the Board shall be effective as of the date of the transfer of the First Sale Shares. Upon the transfer of the First Sale Shares, shareholder agreement entered into between SKIL, the Target Company, PLL, Mr. Nikhil Gandhi and Mr. Bhavesh P. Gandhi dated September 15, 2007 shall stand automatically terminated save certain clauses of the shareholders agreement constituting in the SPA.
1.7.4 Acquirers acknowledge that till the successful closing of Open Offer, it will not be entitled to exercise any voting rights attached to the Sale Shares and all rights attached to the Sale Shares shall be exercised by the Escrow Agent in accordance with the Escrow Agreement.

1.7.5 Escrow Agent shall not, at any time, claim, have, be entitled to or exercise any voting rights or control (other than a non-discretionary obligation to hold the Sale Shares in, and transfer the Sale Shares strictly in accordance with the provisions of the Escrow Agreement) with respect to such Sale Shares.

2. THE OFFER
2.1 The Acquirers are making this Open Offer in compliance with regulation 11(1) and regulation 12 of the SEBI (SAST) Regulations.
2.2 The Acquirers hereby make this Open Offer to the public shareholders of the Target Company to acquire up to 133,159,678 fully paid up Equity Shares of the Target Company ("Offer Share") of face value of Rs. 10 each, representing in aggregate 20% of the fully diluted voting capital of the Target Company at a price of Rs. 61.50 (Rupees sixty one and fifty paise only) per Equity Share ("Offer Price") payable in cash subject to the terms and conditions mentioned in this Public Announcement and in the Letter of Offer which will be sent to the shareholders in accordance with the SEBI (SAST) Regulations (the "Letter of Offer").

2.3 The Acquirers as on March 19, 2010 hold 121,650,501 fully paid-up Equity Shares of face value of Rs. 10/- each in the Target Company constituting 18.27% of the issued and paid up Equity Share capital of the Target Company. Pursuant to the completion of all of the Open Offer formalities and assuming full acceptance in the Open Offer and the transfer of First Sale Shares and Second Sale Shares, (in accordance with the terms and conditions of the SPA) the Acquirers will hold 384,170,717 Equity Shares constituting 57.70% of the issued and paid up Equity Shares of the Target Company.

2.4 As of the date of this Public Announcement, the issued, subscribed and paid-up Equity Share capital of the Target Company is Rs. 6,567,983,880 divided into 665,798,388 outstanding fully paid-up Equity Shares of a face value of Rs. 10 each ("Voting Capital"). There are currently no outstanding partly paid up shares or any other instruments convertible into Equity Shares of the Target Company at a future date.

2.5 The purchases in the Open Offer will be made by both SKIL and SSHIL. In the proportion to be agreed between SKIL and SSHIL.
2.6 The Manager to the Open Offer does not hold any Equity Shares of the Target Company as on the date of this Public Announcement.

2.7 Subject to the receipt of regulatory and/or statutory approvals as set out in paragraph 7 below, and other terms and conditions as set out in this Public Announcement and the Letter of Offer to be sent to the public shareholders of the Target Company, Acquirers will acquire Equity Shares validly tendered pursuant to the Open Offer up to the number of Offer Shares. In terms of regulation 27 of the SEBI (SAST) Regulations, if the statutory approvals are refused, the Open Offer shall stand withdrawn.

2.8 This Offer is being made to all the public shareholders of the Target Company and is not conditional on any minimum level of acceptance by the public shareholders of the Target Company.
2.9 Neither the Acquirers, nor any of its directors (except Mr. P. Krishnamurthy, a director of SKIL) has acquired any share of the Target Company during the 12 month period prior to the date of this Public Announcement save and except for the First Sale Shares. The details of share purchases in the Target Company by Mr. P. Krishnamurthy are as below:

Name of the Director	Date	No. of Shares	Price Per Share
Mr. P. Krishnamurthy	July 22, 2009	1,50,000	Rs. 10

2.10 This is not a competitive bid. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of shares of the Target Company.
2.11 No person / individual / entity are acting in concert with the Acquirers for the purposes of this Offer.
2.12 The Equity Shares of the Target Company will be acquired by the Acquirers pursuant to the Open Offer as fully paid up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereon.

2.13 During the Open Offer period, Acquirers may acquire additional equity shares of the Target Company in accordance with the SEBI (SAST) Regulations. In the event that the Acquirers acquire additional equity shares of the Target Company during the Open Offer period, such purchase shall be disclosed to the stock exchanges where the equity shares of the Target Company are listed and to the Manager to the Offer in accordance with Regulation 22(17) of the SEBI (SAST) Regulations.
2.14 This Public Announcement is being released in The Financial Express, English national daily – all editions, Jansatta Hindi national daily – all editions, Ja Hind, Gujarati regional language daily – Rajkot edition as the registered office of the Target Company is situated in Rajula, Navsari, Marathi regional language daily – Mumbai edition as the equity shares of PSL are most frequently traded on NSE as per Regulation 15(1) of the SEBI (SAST) Regulations.

3. OFFER PRICE
3.1 The Equity Shares of the Target Company are listed on the Bombay Stock Exchange Limited, (the "BSE") and the National Stock Exchange of India Limited (the "NSE") and together with BSE (the "Stock Exchanges"). Based on the information available, the Equity Shares of the Target Company are frequently traded on the BSE and the NSE (within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations).
The annualized trading turnover in the shares of the Target Company in the above mentioned Stock Exchanges based on trading volume during the period between October 9, 2009 being the date of listing of the Equity Shares of the Target Company on the Stock Exchanges to February 28, 2010, viz. the calendar month preceding the month in which this Public Announcement is made is as given below:

Stock Exchange	Total No. of equity shares traded during the period between October 9, 2009 and February 28, 2010	Total No. of Listed Equity Shares	Annualised Trading Turnover (as % of Total Equity Shares Listed ⁽¹⁾)
BSE	177,409,886	665,798,388	70.12%
NSE	243,820,269	665,798,388	96.37%

(Source: www.bseindia.com, www.nseindia.com)
Note 1: Assumed 250 trading days in a year.
*As per the CA certificate dated March 27, 2010 provided by Mr. Bharat Shah (Partner: B. G. Shah and Associates, Chartered Accountants, Membership no. 32281)

3.2 The Offer Price of Rs. 61.50 per Equity Share is justified, in terms of Regulation 20(4) of the SEBI (SAST) Regulations, being the highest of the following:

(a) The negotiated price under the SPA	Rs. 50.75 per share
(b) Highest price paid by the Acquirer for acquisitions including by way of allotment in a public issue or rights issue or preferential allotment during the 26 weeks prior to the date of this Public Announcement i.e. March 29, 2010	Not applicable
(c) The average of the weekly high and low of closing prices of the Equity Shares of the Target Company, on NSE where it was most frequently traded for the 26 week preceding the date of this Public Announcement i.e. March 29, 2010*	Rs. 55.88 per share
(d) The average of the daily high and low prices of the Equity Shares of the Target Company, on the NSE where it was most frequently traded for the two week preceding the date of this Public Announcement i.e. March 29, 2010*	Rs. 61.49 per share

*As per the CA certificate dated March 27, 2010 provided by Mr. Bharat Shah (Partner: B. G. Shah and Associates, Chartered Accountants, Membership no. 32281)

3.3 If the Acquirers acquire Equity Shares of the Target Company after the date of this Public Announcement and up to 7 working days prior to the closure of the Open Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid applications received under this Open Offer.

4. INFORMATION ON THE ACQUIRERS
SKIL Infrastructure Limited (SKIL)
4.1 SKIL was incorporated as a private limited company on February 20, 1990 as Sea King Engineers Limited under the Companies Act 1956. With effect from January 14, 1999, its name was changed to Sea King Infrastructure Limited. Its name was subsequently changed to SKIL Infrastructure Limited with effect from March 25, 2004 and a fresh certificate of incorporation dated March 25, 2004 was issued. It commenced business on April 17, 1990. SKIL's registered office is located at SKIL House, 209 Bank Street Cross Lane, Fort, Mumbai – 400 023, Maharashtra, India, Tel. No. 022 66199000, Fax No. 022 22696023.
4.2 SKIL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 as amended or under any other regulation made under the SEBI Act. The shares of SKIL are not listed on any stock exchange.
4.3 As on the date of this Public Announcement, issued and paid up share capital of SKIL is as under:
• Equity capital of Rs. 2,549.12 million consisting of 254,912,010 fully paid up equity shares each of a face value of Rs. 10.
• Compulsorily convertible preference shares of Rs. 2,000.00 million consisting of 20,000 preference shares of face value of Rs. 100,000 each.
4.4 The names of the directors on the board of SKIL are as follows: Mr. Nikhil P. Gandhi, Mr. Bhavesh P. Gandhi, Mr. P. Krishnamurthy, Mr. B. P. Misra, Crmde V. G. Honnavar, Mr. A. Prasad, Mr. K. Roy Paul and Mr. Santosh Senapati.
4.5 The financial highlights of SKIL for fiscal 2007, fiscal 2008, fiscal 2009 and the nine month period ending December 31, 2009 are as given below:

As on or for Year/period ended	9 month ended December 31, 2009 (Reviewed)	Fiscal 2009 (Audited)	Fiscal 2008 (Audited)	Fiscal 2007 (Audited)
Total Income	27.32	52.49	300.87	176.71
Profit after Tax	4.70	13.00	64.81	36.68
Paid in Share Capital	2,549.12	2,549.12	2,523.88	2,523.88
Preference Share Capital	2,000.00	2,000.00	Nil	Nil
Reserves and Surplus	2,408.07	2,404.66	2,263.25	2,253.23
Net worth	6,957.19	6,953.78	4,787.13	4,777.11
Book Value per Equity Share	19.45	19.43	18.97	18.93
Earnings Per Share (basic)	0.01	0.05	0.26	0.14
Return on Net Worth (%)	0.05	0.19	1.35	0.75

(In Rs. million, unless stated otherwise)
Source: Certificate of the Auditors Mr. Bharat Shah (Partner: B. G. Shah and Associates, Chartered Accountants, Membership no. 32281) dated March 18, 2010.

4.6 The promoters of SKIL are Mr. Nikhil P. Gandhi and Mr. Bhavesh P. Gandhi.
4.7 SKIL is in the business of development of infrastructure projects in India. SKIL has been instrumental in the development of the Pipavav Port, the Pipavav Railway and the Pipavav Link Road. The Pipavav Port was developed by Gujarat Pipavav Port Limited, an entity originally promoted by SKIL (now divested), as the first private sector port in India. SKIL's interests in each of Pipavav Railway and the Pipavav Link Road were also divested in 2005. SKIL also initially led the development of the Mumbai Special Economic Zone as well as the Navi Mumbai Special Economic Zone.

4.8 SKIL has pioneered several infrastructure projects in the country. Each of the projects in key strategic areas such as port, shipyard, railways, roads, water and urban infrastructure are unique in their respective categories not only due to the first-time involvement of private sector initiative, capital and management therein but also on account of the concept and policy changes underlying each of these projects of national importance.
4.9 The shareholding pattern of SKIL as on March 26, 2010 is as follows:

Name of the Equity Shareholder	Number of equity shares	% of issued capital
Nikhil Gandhi, Bhavesh Gandhi Joint Holders*	151,217,247	59.32
Montana Infrastructure Limited	91,187,635	35.77
Ashwini Infrastructure Private Limited	9,510,500	3.73
Pratapraji Gandhi	433,433	0.17
Nikhil Gandhi	4,763	0.00

Rupali B. Gandhi	9,526	0.00
Bhavesh Gandhi	4,763	0.00
Neha Gandhi	4,763	0.00
Abhay Kumar Pandey	15,500	0.01
M2N2 Partners Limited	2,523,880	0.99
Total	254,912,010	100.00

(Name of the Preference Shareholder) (Number of Preference shares) (% Shareholding)
Ashoka Investment Holdings Limited 15,385 77
Ambadevi Mauritius Holding Limited 4,615 23
Nikhil Gandhi 20,000 100
*Nikhil Gandhi and Bhavesh Gandhi are partners in Metropolitan Industries, a partnership firm which holds the shares of SKIL.
Source: Management certificate dated March 26, 2010
SKIL Shipyards Holdings Private Limited (SSHIL)

4.10 SKIL Shipyards Holdings Private Limited (SSHIL) was incorporated as private limited company on August 16, 2005 under the Companies Act, 1956. The company was established for the purpose of carrying on the business of promoting, developing, building, creating, operating, owning infrastructure facilities including roads, ports, mass rapid transport systems, cargo movements and shipyard management system, cargo handling equipments, water supply relating to port infrastructure, environmental protection and pollution control and various other infrastructural services. Its registered office is located at SKIL House, 209 Bank Street Cross Lane, Fort, Mumbai – 400 023, Maharashtra, India. Tel. No. 022 66199000, Fax No. 022 22696023.
4.11 SSHIL has not been prohibited by SEBI from dealing in securities, in terms of directions issued under section 11B of the SEBI Act, 1992 as amended or under any other regulation made under the SEBI Act. The shares of SSHIL are not listed on any stock exchange.

4.12 As on the date of this Public Announcement, share capital of SSHIL consist of the paid up and subscribed equity capital of Rs. 0.01 million consisting of 10,000 fully paid up equity shares each of a face value of Rs. 10.
4.13 The names of the directors on the board of SSHIL are as follows: Mr. Nikhil P. Gandhi and Mr. Bhavesh P. Gandhi.
4.14 The financial highlights of SSHIL for the years ended fiscal 2007, fiscal 2008, fiscal 2009 and 9 month period ended December 31, 2009 are as given below:

As on or for Year/period ended	9 month ended December 31, 2009 (Reviewed)	Fiscal 2009 (Audited)	Fiscal 2008 (Audited)	Fiscal 2007 (Audited)
Total Income	NA	NA	NA	NA
Profit after Tax	NA	NA	NA	NA
Paid up Share Capital	0.10	0.10	0.10	0.10
Reserves and Surplus	Nil	Nil	Nil	Nil
Net worth	0.05	0.05	0.07	0.08
Book Value per Share	5.10	5.30	6.60	7.70
Earnings Per Share (basic)	Nil	Nil	Nil	Nil
Return on Net Worth (%)	NA	NA	NA	NA

(In Rs. million, unless stated otherwise)
Source: Certificate of the Auditors Bharat Shah & Associate Mr. Bharat Shah (Partner: B. G. Shah and Associates, Chartered Accountants, Membership no. 32281) dated March 18, 2010.
4.15 SSHIL is a wholly owned subsidiary of SKIL Infrastructure Ltd who is also one of the Acquirers disclosed in this Public Announcement.

4.16 The shareholding pattern of SSHIL as on March 22, 2010 is as follows:

Name of the Shareholder	Number of equity shares	% of issued capital
SKIL Infrastructure Limited	9,956	99.98
Mr. Nikhil P. Gandhi	1	0.00
Mr. Bhavesh P. Gandhi	1	0.00
Total	10,000	100.00

Source: Management certificate dated March 22, 2010
5. INFORMATION ABOUT THE TARGET COMPANY
5.1 Pipavav Shipyards Limited is a public limited company with its registered office located at Pipavav Port, Post Uchchaya, Via Rajula, Rajula – 365 560, Gujarat, India. Tel: +91 2794 286200. Facsimile: +91 2794 286373.
5.2 PSL was incorporated as Pipavav Ship Dismantling and Engineering Limited on October 17, 1997 under the Companies Act, 1956. Subsequently, in April 2005, the main business of the Target Company was changed from ship dismantling to shipbuilding and ship repair. Pursuant to a special resolution adopted by the shareholders of the Target Company at an extraordinary general meeting held on April 19, 2005, the name of the Target Company was changed to Pipavav Shipyards Limited to reflect the change in the primary business focus of the Target Company. A fresh certificate of incorporation to reflect the new name was issued by the Registrar of Companies, Gujarat, Dadra & Nagar Haveli ("RoC") on April 29, 2005. The Target Company received its certificate of commencement of business under the Companies Act on December 2, 1997 from the RoC.
5.3 The issued and paid up share capital of PSL as on the date of Public Announcement is Rs. 6,567,983,880 comprising of 665,798,388 Equity Shares ("Voting Capital"). There are no partly paid up shares or securities convertible into Equity Shares of the Target Company. Pursuant to Regulation 37(b) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2009, 413,588,483 equity shares are locked-in as applicable. The Acquirers have undertaken that it shall comply with the requirements of lock-in in relation to the Sale Shares under and in accordance with the provisions of the ICDR Regulations.
5.4 PSL is currently completing the construction of the Pipavav Shipyards, located on the west coast of India adjacent to major sea lanes between the Persian Gulf and Asia. Upon completion of construction, the Pipavav Shipyards will be capable of ship construction and repairs for a range of vessels of different sizes and types, including naval vessels and coast guard vessels, as well as the fabrication and construction of products such as offshore platforms, rigs, jackets and vessels for oil and gas companies. Commercial operations at the Pipavav Shipyards commenced on April 1, 2009. PSL is currently constructing vessels while simultaneously completing construction of the offshore yard and installation of two Goliath cranes at the Pipavav Shipyards. PSL had commenced construction of four vessels, the first of which is expected to be delivered during the second half of calendar year 2010, with subsequent deliveries expected to occur in intervals ranging from one to three months thereafter.
PSL, through its subsidiary E Complex Private Limited, is involved in the development of a sector-specific Special Economic Zone ("SEZ"). PSL has established a unit in the SEZ developed by E Complex Private Limited ("SEZ Unit"). This SEZ Unit was approved on January 8, 2008 and was established to carry out its fabrication and block assembly activities within the SEZ in order to benefit from certain advantages available to companies that operate within such SEZs. PSL has India's largest shipyard facility.
PSL is at present constructing a number of Panamax bulk carriers of 74,500 DWT each, for renowned international ship owners. These are amongst the largest ships being built in India today. PSL has also entered into a contract for construction of 12 off-shore supply vessels. PSL's agenda includes firm plans to tap the burgeoning offshore, naval and ship repair markets.
PSL has put in place India's largest and most technologically advanced shipbuilding infrastructure including huge dry dock measuring 662m x 65m, large workshop and several assembly & sub-assembly construction sheds.
PSL's expansion plans also include an Offshore Fabrication yard. Its 1st phase development consists of an area of 147 m (sea front) and 400 m length. This will be able to cater for two jackets, two well head platforms, piles, two heli-decks and flare towers.

5.5 The Equity Shares of PSL are listed on BSE and NSE. The shares of the Target Company have been listed on the BSE and on NSE since October 9, 2009.
5.6 The financial highlights of the Target Company for fiscal 2007, fiscal 2008, fiscal 2009 and for 9 months ended December 2009 are as follows:

As on or for Year/period ended	9 month ended December 31, 2009 (Reviewed)	Fiscal 2009 (Audited)	Fiscal 2008 (Audited)	Fiscal 2007 (Audited)
Total Income	4,865.44	6,177.78	2,777.49	-
Profit after Tax	1,914.22	49.24	48.59	-
Paid in Share Capital (Equity Shares)	6,657.98	5,803.48	5,796.93	2,897.20
Paid in Share Capital (Preference Shares)	Nil	Nil	Nil	45.20
Share Warrant Application Money	Nil	Nil	Nil	250.00
Reserves and Surplus (excluding revaluation reserves)	10,187.20	6,747.28	6,707.49	1,087.65
Net worth	16,845.18	12,550.77	12,468.72	4,030.03
Book Value per Equity Share	25.30	21.63	21.51	13.75
Earnings Per Share	(0.35)	0.08	(0.10)	Nil
Return on Net Worth (%)	(1.26)	0.35	(0.33)	0.00

(In Rs. million, unless stated otherwise)
Source: Certificate of the Auditors R. Koria (Partner: Chaturvedi & Shah, Chartered Accountants) dated March 27, 2010
6. Reasons for the Acquisition and the Open Offer and Future Plans
6.1 The Acquirers, as one of the Promoter / proprietor group of PSL, holds 18.27% of the Voting Capital of PSL as on the date of this Public Announcement. Pursuant to the execution of the SPA between the Acquirers and the Sellers, the Acquirers are making this mandatory Open Offer to public shareholders of PSL in accordance with regulation 11(1) and regulation 12 of the SEBI (SAST) Regulations. The acquisition from PLL and the consequent Open Offer will help the Acquirer consolidate its holding in PSL. This will enhance the Acquirers ability to implement its growth plans and thereby extend its market position in the ship building business.
6.2 As on the date of this Public Announcement, the Acquirers do not have any plans to make any major change to the existing lines of business of PSL or its subsidiaries or to dispose of or otherwise encumber any assets of PSL in the next 24 months, except in the ordinary course of business. It will be for the Board of Directors of PSL to take appropriate decisions in these matters as per the requirements of the business.
6.3 Other than as aforesaid, the Acquirers undertake that they shall not sell, dispose of or otherwise encumber any substantial asset of PSL without the prior approval of the shareholders of PSL to the extent such approval is required by applicable laws.

7. STATUTORY APPROVALS FOR THE OPEN OFFER
7.1 The Open Offer may be subject to approval from the Reserve Bank of India ("RBI") as may be required under the Foreign Exchange Management Act, 1999 and the rules and regulations framed thereunder.
7.2 The Acquirers shall complete all the procedures relating to the Open Offer within a period of 15 days from the closure of the Open Offer.
7.3 To the best of the Acquirers' knowledge as of the date of the Public Announcement, there are no other statutory approvals required to implement the Open Offer other than the one specified above. If any other statutory approvals become applicable prior to completion of the Open Offer, the Open Offer would also be subject to such other statutory approvals. Acquirers will have the right to proceed with the Open Offer in the event any of the statutory approvals that are required are refused in terms of Regulation 27 of the SEBI (SAST) Regulations.
7.4 In case of delay in receipt of any statutory approval(s), SEBI has the power to grant an extension of time to Acquirers for payment of consideration to public shareholders of the Target Company, subject to Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of the willful default or neglect or inaction or non-action by Acquirers in obtaining the requisite approval(s), the amount held in the escrow account shall be subject to forfeiture and be dealt with in the manner provided in Regulation 28(12) of the SEBI (SAST) Regulations.
7.5 Other than the best of its knowledge, the Acquirers do not require any approvals from financial institutions or banks for the Open Offer.

8. OPTION IN TERMS OF REGULATION 21(2)
8.1 As per the Listing Agreements with the Stock Exchanges and in terms of clause 40A of the Listing Agreement (as amended), the Target Company is required to maintain at least 10% public shareholding for listing on a continuous basis.
8.2 Pursuant to the successful closure of the Offer and even assuming full acceptances, the public shareholding in the Target Company shall not fall below 10% of the Voting Capital.
9. FINANCIAL ARRANGEMENTS
9.1 The total funding requirement for the Offer (assuming full acceptances) i.e. for the acquisition of up to 133,159,678 Equity Shares held by public shareholders in the Target Company at Rs. 61.50 per Equity Share is Rs. 8,189,320,197 (Rupees Eight hundred and eighteen crore ninety three lakh twenty thousand one hundred and ninety seven only) (the "Maximum Consideration").
9.2 The Acquirers, JM Financial and HDFC Bank ("Cash Escrow Agent"), a banking corporation incorporated under the laws of India and having one of its branch offices at Manekji Wadia Building, Nanak Motwane Marg, Fort, Mumbai 400 001 have entered into an Escrow Agreement for the purpose of the Open Offer (the "Cash Escrow Agreement") dated March 27, 2010 in accordance with Regulation 28 of the SEBI (SAST) Regulations. Pursuant to the Escrow Agreement, Acquirers had established a cash deposit for an amount of Rs. 970.00 million, which is in excess of the minimum escrow amount required as per the SEBI (SAST) Regulations being the sum of 25% of the value of the total consideration up to Rs. 1,000.00 million and 10% of the value of the total consideration beyond Rs. 1,000.00 million payable under the Open Offer (assuming full acceptances).
9.3 The Acquirers have made financial arrangements for financing the acquisition of the Equity Shares under the Open Offer in terms of Regulation 16(b) of the SEBI (SAST) Regulations. The Acquirers have tied up debt facilities to the extent of Rs. 7,300.00 million, from various Non-Banking Financial Companies ("NBFCs").
9.4 Mr. Bharat Shah (Partner: B. G. Shah and Associates, Chartered Accountants, Membership no. 32281) have vide their letter dated March 27, 2010 certified on the basis of the funds available with the Acquirers and committed credit lines, that Acquirers has sufficient means and financial capability for the purpose of acquiring in cash up to 133,159,678 fully paid up Equity Shares (being 20