JM FINANCIAL

March 04, 2015

BSE Limited
P.J. Towers,
Dalal Street,
Mumbai 400 001, India

National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1, G Block,
Bandra – Kurla Complex, Bandra (E),
Mumbai – 400 051, India

Dear Sir,

Sub: Pipavav Defence and Offshore Engineering Company Limited ("**Target Company**") open offer ("**Open Offer**" / "**Offer**")

Reliance Defence Systems Private Limited ("**Acquirer**") together with Reliance Infrastructure Limited ("**PAC**") as person acting in concert with the Acquirer has made an open offer to the public equity shareholders of the Target Company, excluding the parties to the Purchase Agreement (as defined in the attached public announcement) and persons acting in concert or deemed to be acting in concert with such parties including the PAC (the "**Public Shareholders**") to acquire up to 19,14,13,630 fully paid-up equity shares of face value of Rs. 10 each of the Target Company (the "**Offer Shares**"), constituting 26.00% of the total fully diluted voting equity share capital (as of the 10th working day from the closure of the tendering period for the Offer) (the "**Voting Share Capital**") of the Target Company at a price of Rs. 66 per Offer Share (the "**Offer Price**") aggregating to total consideration of Rs. 1,263.3 crores (the "**Offer Size**"), in cash, subject to the terms and conditions mentioned in this public announcement ("**Public Announcement**"), the detailed public statement (the "**DPS**") and the letter of offer (the "**LOF**") that are proposed to be issued in accordance with the SEBI (SAST) Regulations.

JM Financial Institutional Securities Limited
(Formerly known as JM Financial Institutional Securities Private Limited)
Corporate Identity Number : U65192MH1995PLC092522
Regd. Office: 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025.
T: +91 22 6630 3030 F: +91 22 6630 3330 www.jmfl.com

JM FINANCIAL

The Offer is being made in accordance with Regulation 3(1) and 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended, ("**SEBI (SAST) Regulations**").

In this respect we are pleased to inform you that we have been appointed as the "**Manager**" to the captioned Offer and have enclosed herewith the public announcement for the Offer.

As per the provisions of SEBI (SAST) Regulations, the Public Announcement is being sent to BSE Limited and National Stock Exchange of India Limited. The public announcement will also be sent to Securities and Exchange Board of India and the Target Company. We request you to kindly upload the public announcement on your website at the earliest.

Thanking You,

Yours truly,

For **JM Financial Institutional Securities Limited**

Authorized Signatory
Name: KUNAL JAIN
Designation: VICE PRESIDENT

Enclosed as above

PUBLIC ANNOUNCEMENT UNDER REGULATION 15(1) OF THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011

Open Offer for acquisition of up to 19,14,13,630 equity shares of Rs. 10 each of Pipavav Defence and Offshore Engineering Company Limited (the "Target Company") from the Public Shareholders (as defined below) of the Target Company by Reliance Defence Systems Private Limited (the "Acquirer") together with Reliance Infrastructure Limited as the person acting in concert ("Reliance Infra" or the "PAC") with the Acquirer ("Offer"/ "Open Offer").

This public announcement (the "**Public Announcement**" or "**PA**") is being issued by JM Financial Institutional Securities Limited (the "**Manager**") for and on behalf of the Acquirer and PAC, to the public equity shareholders of the Target Company, excluding the parties to the Purchase Agreement (as defined below) and persons acting in concert or deemed to be acting in concert with such parties including the PAC (the "**Public Shareholders**"), pursuant to and in compliance with Regulations 3(1) and (4) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto (the "**SEBI (SAST) Regulations**").

1. Offer Details

- **Size:** The Acquirer and the PAC hereby make this Offer to the Public Shareholders to acquire up to 19,14,13,630 fully paid-up equity shares of face value of Rs. 10 each of the Target Company (the "**Offer Share**s"), constituting 26.00% of the total fully diluted voting equity share capital (as of the 10th working day from the closure of the tendering period for the Offer) (the "**Voting Share Capital**") of the Target Company at a price of Rs. 66.00 per Offer Share (the "**Offer Price**") aggregating to total consideration of Rs. 1,263.3 crores (the "**Offer Size**"), subject to the terms and conditions mentioned in this Public Announcement, the detailed public statement (the "**DPS**") and the letter of offer (the "**LOF**") that are proposed to be issued in accordance with the SEBI (SAST) Regulations.

- **Price/ consideration:** The equity shares of the Target Company are frequently traded in terms of the SEBI (SAST) Regulations. The Offer Price of Rs. 66.00 per Offer Share is in accordance with Regulation 8(2) of the SEBI (SAST) Regulations.

- **Mode of payment:** The Offer Price is payable in cash in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations, and the terms and conditions mentioned in this Public Announcement, and in the DPS and LOF that are proposed to be issued in accordance with the SEBI (SAST) Regulations.

- **Type of offer:** This Offer is a mandatory offer in compliance with Regulations 3(1) and 4 of the SEBI (SAST) Regulations.

2. Transaction which has triggered the Open Offer obligations (Underlying Transaction)

This Offer is being made pursuant to the execution of a Purchase Agreement dated March 4, 2015 between Skil Infrastructure Limited ("**SIL**"), Skil Shipyard Holdings Private Limited ("**SSHPL**"), Grevek Investment And Finance Private Limited ("**Grevek**") (SIL, SSHPL and Grevek together referred to as the "**Sellers**"), Mr. Nikhil Gandhi, Mr. Bhavesh Gandhi, the Target Company, the Acquirer and the PAC (the "**Purchase Agreement**"), pursuant to which the Acquirer has agreed to purchase 13,00,00,000 equity shares of the Target Company constituting 17.66% of the paid-up equity share capital of the Target Company from SIL and SSHPL at a price of Rs. 63.00 per equity

share. In terms of the Purchase Agreement and subject to the conditions therein, the Sellers shall sell such number of additional equity shares of the Target Company to the Acquirer at a price of Rs. 63.00 per equity share that would result in the Acquirer acquiring 25.10% of the paid-up equity share capital in the Target Company after taking into account the acquisitions made under the Offer. Since the Acquirer has entered into an agreement to acquire voting rights in excess of 25% of the total voting rights of the Target Company, this Offer is being made under Regulation 3(1) of the SEBI (SAST) Regulations. Upon consummation of the transactions contemplated in the Purchase Agreement, the Acquirer will also acquire control over the Target Company. As such, this Offer is also being made under Regulation 4 of the SEBI (SAST) Regulations. The Purchase Agreement also sets forth the terms and conditions agreed between the Sellers, Mr. Nikhil Gandhi, Mr. Bhavesh Gandhi, the Target Company, the Acquirer and the PAC, and their respective rights and obligations.

Details of underlying transaction						
Type of Transaction (direct/ indirect)	**Mode of Transaction (Agreement/ Allotment/ market purchase)**	**Shares/ Voting rights acquired/ proposed to be Acquired**		**Total Consideration for shares/ Voting Rights (VR) acquired/ proposed to be acquired (Rs. in Crores)**	**Mode of payment (Cash/ securities)**	**Regulation which has triggered**
		Number	**% vis a vis total equity/ voting capital.**			
Direct	• Purchase Agreement dated March 4, 2015 between the Sellers, Mr. Nikhil Gandhi, Mr. Bhavesh Gandhi, the Target Company, the Acquirer and the PAC.	• 13,00,00,000 equity shares with an agreement to acquire upto an additional 5,47,87,774 equity shares in terms of the Purchase Agreement and depending upon the acquisitions made under the Offer. (1)	• 17.66% of the equity share capital with an agreement to acquire upto an additional 7.44% of the equity share capital. (1)	• Rs. 819.0 crores for 17.66% of the equity share capital (2); Additional consideration of upto Rs. 345.2 crores for 7.44% of the equity share capital. (1)	• Cash	• Regulations 3(1) and 4 of the SEBI (SAST) Regulations.

(1) In terms of the Purchase Agreement and subject to the conditions therein, the Sellers shall sell such number of additional equity shares of the Target Company to the Acquirer at a price of Rs. 63.00 per equity share so as to ensure that the Acquirers' shareholding is not less than 25.10% of the Target Company after taking into account the acquisitions made under the Offer.

(2) Purchase price of Rs. 63.00 per equity share multiplied by 13,00,00,000 equity shares, constituting 17.66% of the paid-up equity share capital of the Target Company.

3. Acquirer/ PAC

Details	Acquirer	PAC	Total
Name of Acquirer(s)/ PAC(s)	Reliance Defence Systems Private Limited	Reliance Infrastructure Limited	-
Address	502, Plot no. 91/ 94, Prabhat Colony, Santa Cruz (East), Mumbai 400 055, India.	H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai 400 710, India.	-
Name(s) of persons in control/ promoters of Acquirers/ PAC where Acquirers/ PAC are companies	The Acquirer is a wholly owned subsidiary of Reliance Infrastructure Limited.	The Promoter and Promoter Group of Reliance Infrastructure Limited are given below: • Reliance Project Ventures and Management Private Limited • Reliance Big Private Limited • Reliance Innoventures Private Limited • Reliance ADA Group Trustees Private Limited • Kokila D Ambani • Anil D Ambani • Jaianmol A. Ambani • Tina A Ambani • Jaianshul A. Ambani	-
Name of the Group, if any, to which the Acquirer/ PAC belongs to	Reliance Group	Reliance Group	-
Pre Transaction shareholding • Number • % of total share capital	Nil	Nil	Nil
Proposed shareholding after the acquisition of shares (including Offer Shares assuming full acceptance) which triggered the Open Offer	32,14,13,630 equity shares (43.66% of the paid-up equity share capital of the Target Company) (1)	Nil	32,14,13,630 equity shares (43.66% of the paid-up equity share capital of the Target Company) (1)
Any other interest in the Target Company	None	None	None

(1) Assuming full acceptance in the Offer and no sale of additional equity shares by the Sellers to the Acquirer. In case of full acceptance in the Offer, the Acquirer will acquire 13,00,00,000 equity shares of the Target Company constituting 17.66% of the paid-up equity share capital of the Target Company pursuant to the Purchase Agreement.

4. Details of selling shareholders

Names of selling shareholder	Part of promoter group (Yes/ No)	Details of shares/ voting rights held by the selling shareholders			
		Pre Transaction		Post Transaction [(1) (2)]	
		No of Shares	Percentage (%)	No of Shares	Percentage (%)
SIL	Yes	25,03,73,648	34.01	15,87,51,334	21.56
SSHPL	Yes	3,83,77,686	5.21		
Grevek	Yes	2,23,49,494	3.04	2,23,49,494	3.04
Total		**31,11,00,828**	**42.26**	**18,11,00,828**	**24.60**

(1) Assuming full acceptance in the Offer and no sale of additional equity shares by the Sellers to the Acquirer. In case of full acceptance in the Offer, the Acquirer will acquire 13,00,00,000 equity shares of the Target Company constituting 17.66% of the paid-up equity share capital of the Target Company from SIL and SSHPL.

(2) In terms of the Purchase Agreement and subject to the conditions therein, the Sellers shall sell such number of additional equity shares of the Target Company to the Acquirer that would result in the Acquirer acquiring 25.10% of the paid-up equity share capital in the Target Company after taking into account the acquisitions made under the Offer. Consequently, in case no equity shares are tendered in the Offer, in terms of the Purchase Agreement and subject to the terms contained therein, the Acquirers will acquire 5,47,87,774 additional equity shares constituting 7.44% of the paid-up equity share capital of the Target Company from the Sellers, and the shareholding of the Sellers will reduce from 31,11,00,828 equity shares constituting 42.26% of the paid-up equity share capital of the Target Company to 12,63,13,054 equity shares constituting 17.16% of the paid-up equity share capital of the Target Company.

5. Target Company

- **Name:** Pipavav Defence and Offshore Engineering Company Limited.

- **Registered Office:** Pipavav Port, Post Ucchaiya, Via-Rajula, District Amreli – 365 560, Gujarat, India.

- **Exchanges where listed:** The equity shares of the Target Company are listed on BSE Limited and National Stock Exchange of India Limited.

6. Other Details

- The DPS to be issued under the SEBI (SAST) Regulations shall be published on or before March 12, 2015 as required by Regulation 13(4) of the SEBI (SAST) Regulations. The DPS shall contain details of the Offer including detailed information on the Offer Price, the Acquirer, the PAC, the Target Company, the background to the Offer, the statutory approvals required for the Offer and details of financial arrangements and other terms of the Offer.

- The Acquirer and the PAC undertake that they are aware of and will comply with their obligations under the SEBI (SAST) Regulations and that they have adequate financial resources to meet their obligations under the Offer.

- The Offer is not conditional upon any minimum level of acceptance pursuant to the terms of Regulation 19 of the SEBI (SAST) Regulations.

- This Offer is not a competing offer under the terms of Regulation 20 of the SEBI (SAST) Regulations.

- The completion of the Offer and the underlying transaction, as envisaged under the Purchase Agreement, is subject to satisfaction of the conditions precedent set out in the Purchase Agreement and receipt of statutory approvals required, if any.

Issued by the Manager to the Offer



JM Financial Institutional Securities Limited
7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi,
Mumbai – 400 025, India.
Tel. No.: +91 22 6630 3030
Fax No.: +91 22 6630 3330
Email: lakshmi.lakshmanan@jmfl.com
Contact Person: Ms. Lakshmi Lakshmanan
SEBI Registration Number: INM000010361

On behalf of the Acquirer and the PAC

Reliance Defence Systems Private Limited

Reliance Infrastructure Limited

Place: Mumbai
Date: March 4, 2015