LETTER OF OFFER

"This Document is important and requires your immediate attention."

This Letter of Offer is sent to you as a shareholder(s) of Millars India Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or MB / Registrar to the offer. In case you have recently sold your shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum acknowledgement, Form of Withdrawal and Transfer Deed(s) to the Member of Stock Exchange through whom the said sale was effected.

CASH OFFER

Pursuant to Regulations 10 and 12 and applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereto **("the Regulations")**.

BY

Skyline Vision Pvt. Ltd, ("SVPL") having its registered office at 108, Sapphire Arcade, Mahatma Gandhi Road, Ghatkopar (East), Mumbai 400 077. Tel: 022-6755 4509/ 3294 0139 Email: skylinevision@gmail.com

Dave Builders Pvt. Ltd, ("DBPL") having its registered office at 5 - Neelkanth Market, Mahatma Gandhi Road, Ghatkopar (East), Mumbai – 400 077. Tel: 022-2509 4341/ 2509 4342 Fax: 022- 2512 5315.

Jatin Daisaria Realtors Pvt. Ltd. ("JDRPL"), 309, Bhaveshwar Market, Mahatma Gandhi Road, Ghatkopar (East), Mumbai-400 077. Telefax: 022-2515 3717 **(hereinafter collectively called as the "Acquirers"),**

Mr. Khyalilal M. Tater and Mr. Jitendra M. Tater, residing at 8th Kaustubh Apartment, Tilak Road, Ghatkopar (East), Mumbai–400 077., Tel: 022-3294 0139 Fax: 022-6755 4509

Mr. Jaysinh A. Dave, residing at "Rohini", B/14-205, Rajawadi Colony, Ghatkopar (East), Mumbai 400 077 Tel: 022-2516 0318,

Mr. Harshad P. Dave and Mr. Maulik H. Dave, both residing at 4- Neelkanth Park, Opp. Rajawadi Garden, Ghatkopar (East), Mumbai 400 077. Tel: 022-2510 6839

Mr Jatin V. Daisaria and Mrs. Urmi Manoj Daisaria, residing at 501, Panchavati, Mahatma Gandhi Road, Ghatkopar (East), Mumbai -400 077. Tel: 022-2512 2098 (**hereinafter collectively called as the "Persons Acting in Concert")**

TO THE EXISTING SHAREHOLDERS OF MILLARS INDIA LIMITED

(hereinafter referred to as "MIL" or "the Company" or "Target Company")

(**Registered Office**: 24, Kurla-Kirol Road, Ghatkopar (West), Mumbai 400 086. Tel: 022-2509 4146)

TO ACQUIRE

Upto 8,04,485 Fully Paid-up Equity Shares of Rs. 10/- each, representing in aggregate upto 20% of the Fully Expanded Equity Capital and of the Fully Expanded voting capital, for cash at a price of Rs. 80.00 per Fully Paid-up Equity Share.

1. The acceptance of shares from Non-Resident shareholders is subject to the approval of the Reserve Bank of India ("RBI") under the Foreign Exchange Management Act, 1999 ("FEMA"). The application to the RBI will be made at the appropriate time. Besides the said approval, to the best of knowledge and belief of the Acquirers as on the date of the Public Announcement, no other statutory approvals are required to acquire shares tendered pursuant to this Offer.
2. **Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement/ Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the Offer i.e. can withdraw on or before Tuesday, 3rd April, 2007.**
3. Should the Acquirers decide to revise the Offer Price upward, such upward revision, will be made in accordance with Regulation 26 of the Regulations not later than Wednesday, 28th March, 2007 i.e. 7 (seven) working days prior to the offer closing date. If the Offer Price is revised upward, such revised price will be payable to all the shareholders who have accepted this Offer and submitted their shares at any time during the period between the offer opening date and the offer closing date to the extent their shares have been verified and accepted by the Acquirers. Any such upward revision will be announced in the same newspapers in which the Public Announcement has appeared.
4. **There was no competitive bid.**
5. This Offer is not conditional upon any minimum level of acceptance.
6. The Acquirers do not have a right to withdraw the offer. In terms of Regulation 27, no public offer once made shall be withdrawn except under the circumstances mentioned in the Regulations viz: the statutory approvals required have been refused or under such circumstances as in the opinion of SEBI merits withdrawal. In the event of such withdrawal, the same would be notified by way of a Public Announcement in the same newspapers where the Public Announcement appeared.
7. **A copy of the Public Announcement, the Corrigendum Public Announcement and the Letter of Offer (including Form of Acceptance-cum-Acknowledgement and Form of Withdrawal) is also available on SEBI's website: www.sebi.gov.in**

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
LKP SHARES **LKP SHARES AND SECURITIES LIMITED** 112-A, Embassy Centre, Nariman Point, Mumbai: 400 021 Tel: (022) 4002 4785/86 Fax: (91-22) 22874787 Contact Person: Ms. Sonali Jain E-mail: sonali_jain@lkpsec.com	INTIME SPECTRUM REGISTRY LIMITED **INTIME SPECTRUM REGISTRY LTD.** C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai: 400 078 Tel: 91-22-2596 0320-28, Fax: 91-22-25960329 Contact person: Mr. Vishwas Attavar E-Mail: vishwasa@intimespectrum.com

OFFER OPENS ON : WEDNESDAY, 21ST MARCH, 2007	**OFFER CLOSES ON : MONDAY, 9TH APRIL, 2007**

(For Schedule of Major Activities please refer the next page)

Activity	Original Schedule		Revised Schedule	
	Day	Date	Day	Date
Public Announcement	Wednesday	6th December, 2006	Wednesday	6th December, 2006
Specified date *	Monday	11th December, 2006	Monday	11th December, 2006
Last date for a competitive bid	Wednesday	27th December, 2006	Wednesday	27th December, 2006
Date by which Letter of Offer will be dispatched to shareholders	Friday	19th January, 2007	Wednesday	14th March,2007
Date of Opening of the Offer	Thursday	25th January, 2007	Wednesday	21st March, 2007
Last date for revising the offer price / number of shares	Friday	2nd February, 2007	Wednesday	28th March, 2007
Last date for withdrawal of acceptance by the shareholders.	Thursday	8th February, 2007	Tuesday	3rd April, 2007
Date of closing of the Offer	Tuesday	13th February, 2007	Monday	9th April, 2007
Date by which rejection /acceptance would be intimated and date of payment of consideration for applications accepted	Tuesday	27th February, 2007	Monday	23rd April, 2007

* For the purpose of determining the names of shareholders to whom the Letter of Offer will be sent.

RISK FACTORS

Relating to the proposed Offer:

1. Acquirers require approval from RBI for acquisition / transfer of equity shares that are tendered in the open offer by Non-Residents. In case such approval is not received from RBI, the shares tendered by such non-residents shall be rejected. In case there is a delay in receipt of such approval from RBI, the payment to such non-residents may be delayed.
2. If the aggregate of valid responses exceeds the offer size, then the Acquirers will accept the valid applications on a proportionate basis in accordance with Regulation 21(6) of the Regulations. In such event, part of the shares tendered by the shareholders may be rejected.
3. In the event that either (a) a regulatory approval is not received in a timely manner, or (b) there is any litigation leading to a stay on the Offer, or (c) SEBI instructs the Acquirers 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 public shareholders of MIL who have offered their shares in the Offer as well as the return of shares not accepted by the Acquirers may be delayed.

Probable risk involved in associating with the Acquirers and PAC's:

1. The Acquirers will be in joint control of the Company along with the present management. Hence, the Acquirers / PAC's make no assurance with respect to the continuation of the past trend in the financial performance of the company.
2. Of the three Acquirer companies, SVPL has reported losses for the financial years ending 31st March 2004, 2005 and 2006 while DBPL has incurred losses for the years ending 31st March, 2004 and 2006. The third Acquirer, JDRPL has been recently incorporated and is yet to complete its first year of operations.

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Disclosure by Manager to the Offer with respect to the following Regulations:

1. **Regulation 24(1)(e):** LKP Shares and Securities Ltd., the Manager to the Offer does not hold any shares in MIL.
2. **Regulation 24(5A):** They declare and undertake that they shall not deal in shares of MIL during the period commencing from the date of their appointment as Manager to the Offer till the expiry of 15 days from the date of closure of the offer.

ABBREVIATIONS /DEFINITIONS

Acquirers	Skyline Vision Pvt. Ltd, Dave Builders Pvt. Ltd. and Jatin Daisaria Realtors Pvt. Ltd.
ASE	The Stock Exchange Ahmedabad
Book Value	$\frac{\text{Net worth}}{\text{No. of shares}}$
BSE	Bombay Stock Exchange Limited
CCI	Controller of Capital Issues
Convertible Warrants	13,50,000 warrants subscribed by the 3 Acquirers as per conditions listed out in the Subscription Agreement, as revised by the Supplementary Subscription Agreement at an issue price of Rs. 8 being 10% of the total price. Upon payment of balance Rs. 72 per warrant, the Acquirers will be entitled to receive 1 equity share of Rs. 10 each of MIL per warrant exercised.
Corrigendum PA	Corrigendum Public Announcement published on 13th March, 2007
DBPL	Dave Builders Pvt. Ltd.
Earnings Per Share (EPS)	$\frac{\text{Net Profit After Tax}}{\text{No. of shares}}$
Eligible Persons	All owners of shares of MIL, registered or unregistered (other than Acquirers, PAC's and the Existing Promoter Group) who own shares at any time prior to the closure of the Offer.
Existing Promoter Group	Patel Group, other relatives holding shares of MIL and Directors holding shares of MIL.
Form of Acceptance	Form of Acceptance-cum-acknowledgement.
Fully Expanded Equity Capital	Post Issue Equity Capital as enhanced by issue of equity shares to Acquirers upon exercise of their rights to get allotted equity shares against convertible warrants, which shall also be the total issued share capital and total voting capital as at the end of 15 days after the offer closure.
JDRPL	Jatin Daisaria Realtors Pvt. Ltd.
LOF	Letter of Offer
MIL/ Target Company/ the Company	Millars India Limited
Manager/Manager to the Offer/ LKPSS	LKP Shares and Securities Limited
Net worth	Equity Capital+ Reserves excluding Revaluation Reserve (-) Miscellaneous Expenditure not written off
NRI	Non-resident Indian
OCB	Overseas Corporate Body
Offer	Cash Open Offer made by the Acquirers on 6th December, 2006 and as amended by the Corrigendum PA for acquisition from shareholders of MIL upto 8,04,485 fully paid equity shares of Rs. 10 each representing 20% of the Fully Expanded Equity Capital at a price of Rs. 80 per share.
Offer Price	Rs. 80.00 per equity share of MIL.
Patel Group	Mr. Ashok J. Patel, his immediate family (Mrs. Urmi Ashok Patel, wife; Mr. Tarak Ashok Patel, son; Mrs. Uttara Gregory Gelhaus, daughter) and Associate Companies
Persons Acting in Concert / PAC's	Mr. Khyalilal M. Tater, Mr. Jitendra M. Tater, Mr. Harshad P. Dave, Mr. Jaysinh A. Dave, Mr. Maulik H. Dave, Mr. Jatin V. Daisaria and Mrs. Urmi Manoj Daisaria
Post Issue Equity Capital	Issued share capital after the Preferential Issue of 3,51,000 equity shares
Return on Net worth	$\frac{\text{Profit After Tax}}{\text{Net worth}} \times 100$

Preferential Issue	The issue and allotment of 3,51,000 equity shares of Rs. 10 each at a premium of Rs. 70 per share on a Preferential allotment basis to the 3 Acquirers.
Public Announcement /PA	Public Announcement of the Offer made by the Acquirers and PACs to shareholders of MIL on 6th December, 2006.
RBI	Reserve Bank of India
Registrar to the Offer	Intime Spectrum Registry Limited
SEBI	Securities and Exchange Board of India
SEBI (SAST) Regulations, 1997 or "the Regulations"	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereto
Skyline Group	Skyline Vision Pvt. Ltd., Dave Builders Pvt. Ltd., Jatin Daisaria Realtors Pvt. Ltd., Jascon Project Consultants Pvt. Ltd., Skyline Residency Pvt. Ltd., Safika Securities Ltd., Punjalal G.Dave Realtors Pvt. Ltd., Skyline Homes, Skyline Great Hills and Sky Star.
Specified Date	11th December, 2006.
Subscription Agreement / SA	Subscription Agreement dated 2nd December, 2006 between the Acquirers, Patel Group and MIL.
Supplementary Subscription Agreement	Supplementary Subscription Agreement dated 5th March, 2007 between the Acquirers, Patel Group and MIL
SVPL	Skyline Vision Pvt. Ltd.

Specified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of fully paid equity shares of the Target Company (except the Acquirers, PAC's and the existing Promoter group) are eligible to participate in the Offer anytime before the closure of the Offer.

1. 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 MILLARS INDIA LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE COMPANY WHOSE SHARES/ CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, LKP SHARES AND SECURITIES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 18TH DECEMBER 2006 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER."

2. DETAILS OF THE OFFER

2.1 Background of the Offer

2.1.1 The Offer is being made in compliance with Regulations 10 and 12 of the Regulations for substantial acquisition of shares and change in control of MIL.

2.1.2 Millars India Ltd. (hereinafter referred to as "MIL" or "the Company"), is a Company incorporated under the Indian Companies Act, 1913 having its Registered Office at 24, Kurla-Kirol Road, Ghatkopar (W), Mumbai 400 086 (Tel. No. 022-25094146, email id millars@vsnl.com) whose existing promoters are Mr. Ashok J. Patel, his immediate relatives and associate companies (hereinafter called "Patel Group"). The Patel Group holds 9,72,970 equity shares of MIL constituting 41.91% and together with their other relatives (1,19,425 equity shares, 5.15%) and Directors of MIL (2,300 equity shares, 0.10%) hold 10,94,695 equity shares of Rs. 10 each fully paid in MIL, constituting 47.16% of the paid up capital and of the voting capital. This group of persons is hereinafter collectively called "the existing promoter group".

2.1.3 Skyline Vision Pvt. Ltd.("SVPL"), Dave Builders Pvt. Ltd. ("DBPL"), and Jatin Daisaria Realtors Pvt. Ltd. ("JDRPL") (hereinafter collectively called as the "Acquirers") have entered into a Subscription Agreement with MIL and Patel Group on 2nd December, 2006, as amended by the Supplementary Subscription Agreement dated 5th March, 2007 pursuant to which the Acquirers have agreed to subscribe for and the Company has agreed to issue and allot on a preferential basis 351,000 equity shares (13.13% of the Post Issue Equity and voting capital) of MIL of Rs 10 each at an issue price of Rs. 80 (Rupees eighty only) per share payable in cash (hereinafter referred to as "the Issue" or "Preferential Issue" or "said shares"). The Preferential Issue is conditional upon the approval of the Company's shareholders which has been received on 2nd January, 2007 as explained in 2.1.9 below. On completion of the said Preferential Issue the paid up equity share capital of the Company enhanced to 26,72,425 equity shares (hereinafter referred to as the "Post Issue Equity Capital") and the Acquirers together with its PAC's hold 15.04% of the Post Issue Equity Capital and of the Post Issue voting capital. These shares have been allotted on 15th January, 2007. Accordingly, pursuant to the provisions of the Regulations, the Acquirers are making an Offer to the public shareholders of MIL to acquire upto 20% of the Fully Expanded Equity Share Capital and of the Fully Expanded Voting Capital.

2.1.4 The Acquirers have also agreed to subscribe for and get allotted 13,50,000 Convertible Warrants (hereinafter referred to as the "Warrants") to be issued by the Company giving the warrant holder the right to subscribe for and get allotted one fully paid up equity share of Rs.10 each at a premium of Rs. 70.00 for every such warrant. These Convertible warrants have been allotted on 15th January, 2007.

2.1.5 The said warrants have been issued and allotted with the following main terms and conditions:

(i) Each warrant will entitle the warrant holder to subscribe for and get allotted one fully paid up equity share of Rs. 10 each in the Company at a premium of Rs. 70.00.

(ii) The validity of the warrants shall be six months from the date of allotment.

(iii) Right to subscribe for shares as aforesaid will be exercisable by warrant holders before expiry of the term of the warrants.

(iv) Issue Price of warrants: Subscribers shall pay Rs. 8.00 per warrant which amount shall be adjusted towards subscription money for one equity share of Rs. 10 to be allotted at a premium of Rs. 70.00.

(v) The warrant holders may apply for shares in one or more tranches.

(vi) Warrants which are not converted into equity shares by the exercise of right as aforesaid within the said period of validity of warrants shall lapse and the amount paid for such warrants shall stand forfeited.

(vii) The Board of Directors of MIL at its discretion, shall decide the time within which the application for equity shares against surrender/exchange of the said Warrants shall be considered, subject to the aforesaid time limits.

2.1.6 Upon the special resolution being passed at the Extraordinary General Meeting of the Company, the Acquirers have subscribed for and paid for the equity shares and warrants as mentioned above. Allotment of such equity shares and warrants has been made by the Company to the Acquirers within 15 days of the passing of the special resolution in Extraordinary General Meeting of the Company.

2.1.7 If the shares tendered in this open offer are more than or equal to the open offer size of 20% of the fully expanded equity capital of the Company, the Acquirers will apply for only such number of shares pursuant to the said warrants, so that in the fully expanded equity share capital of the Company the shareholding of the non promoters is not reduced below 25% and the shareholding of the Acquirers and PAC's is not more than 49%. In the circumstances aforesaid which Acquirer should get allotted how many shares against the said warrants shall be mutually decided by Acquirers and communicated to the Company.

2.1.8 The shareholding structure desired to be achieved by the above agreement is :

(i) The Acquirers and PAC's become substantial shareholders holding upto 47.79% of the fully expanded equity capital of MIL.

(ii) The existing promoter group should continue holding 27.21% of the fully expanded equity capital of MIL.

(iii) The combined holding between the Acquirers and its PAC's and the existing promoter group should not be more than 75% of the fully expanded equity capital of MIL.

(iv) The public shareholding should be at least 25% of the fully expanded equity capital of MIL.

2.1.9 On 2nd December, 2006 the Board of Directors of MIL have authorised the issue and allotment of 3,51,000 equity shares of Rs 10 each constituting the Preferential Issue and have also authorized the issue and allotment of upto 13,50,000 convertible warrants to the Acquirers and in terms of Regulations 81(1A) of the Companies Act, 1956 have called for an Extraordinary General Meeting of the Company on 2nd January, 2007 to obtain approval of shareholders by passing a special resolution to authorize the Board to issue and allot the said shares and convertible warrants in compliance of the requirements of the Companies Act, 1956 and in compliance of Regulation 23(1)(b) of the Regulations. At the Extraordinary General Meeting of the Company held on 2nd January, 2007, the shareholders have approved the special resolution for issue of 3,51,000 equity shares of Rs.10 each at a premium of Rs. 70 per share and 13,50,000 convertible warrants each warrant carrying a right to subscribe to one equity share of Rs.10 each at a premium of Rs. 70 per share on a preferential basis.

2.1.10 The salient features of the Subscription Agreement as amended by the Supplementary Subscription Agreement include features described at 2.1.3 to 2.1.7 above and also include the following:

(i) The Acquirers will make an open offer to the shareholders of MIL to acquire upto 20% of the Fully Expanded Equity capital.

(ii) In the event that any or all Acquirers have sought conversion of the convertible warrants before the closure of the offer and the offer is fully or partially subscribed resulting in non promoter shareholding (i.e. shareholding by shareholders other than Patel Group and Skyline Group) coming down to less than 25% of the fully expanded equity capital, then the Acquirers agree to dilute their shareholding by selling to non promoters in the open market such number of shares of the Company within 90 days after acquisition of shares by the Acquirers pursuant to the Public Offer, so that the non-promoter shareholding is not below 25% of the Fully Expanded Equity Capital.

(iii) The intent of Patel Group and Acquirers is that both Groups will be joint promoters of the Company. The Managing Director shall be nominee of the Acquirers. Mr. Ashok J Patel will continue to be the Chairman of the Company. The Board of Directors of the Company shall be reconstituted within 30 days of the close of the Open Offer to reflect 2 nominees of the Patel Group, 3 nominees of the Acquirers and 3 independent Directors.

2.1.11 The Acquirers have agreed to acquire equal number of equity shares or as close as possible to equal number of equity shares for the purpose of allocation of shares among themselves received in this offer.

2.1.12 The Acquirers do not hold any equity shares of MIL as on the date of the PA. The PAC's collectively hold 51,086 equity shares of MIL as on the date of this PA. During the period of 12 months prior to the date of this PA, the PAC's had acquired 33,135 equity shares and sold 875 equity shares of MIL. The highest price and the average price paid by the PAC's for the said acquisition during the 12 months period prior to the date of the PA are Rs 67.50 and Rs 55.10 respectively.

2.1.13 Neither the Target Company, nor the Acquirers nor the PAC's nor the companies in which the PAC's hold controlling interest, have been prohibited by SEBI from dealing in securities, in terms of directions issued pursuant to section 11B of the SEBI Act, 1992 or under any of the Regulations made under the SEBI Act.

2.1.14 In compliance with the terms of the Subscription Agreement, a meeting of the Board of Directors of the Company will be held after completion of all formalities pertaining to this Offer, at which 3 persons as the Acquirers may nominate shall be appointed as Directors of MIL.

2.1.15 No approval is required from any lenders of funds to MIL with respect to the Open Offer.

2.1.16 The offer is not as a result of global acquisition resulting in indirect acquisition of MIL.

2.2 Details of the proposed offer

2.2.1 The Public Announcement in accordance with Regulation 15(1) of the Regulations and Corrigendum PA, was made in the following newspapers on Wednesday, 6th December, 2006 and Tuesday 13th March, 2007 respectively.

Newspaper	**Language**	**Editions**
The Financial Express	English, Gujarati	All editions
Jansatta	Hindi	All editions
Navshakti	Marathi	Mumbai

The Public Announcement and Corrigendum PA are also available on the SEBI website at www.sebi.gov.in

2.2.2 The Acquirers are making the Offer in terms of Regulations 10 & 12 of the Regulations.

2.2.3 The present offer is being made to the shareholders of MIL to acquire upto 8,04,485 (Eight lac four thousand four hundred eighty five) fully paid up equity shares of Rs. 10 each of MIL representing 20% of the Fully Expanded Equity Capital and of the Fully Expanded voting capital in terms of Regulation 21(1) of the Regulations on the terms and subject to conditions stated below at a price of Rs. 80.00 per fully paid up equity share (**the "offer price"**) payable in cash in terms of Regulation 20 of the Regulations (**the "offer"**).

2.2.4 The offer is not subject to any minimum level of acceptance. The Acquirers will acquire all the fully paid up equity shares of MIL that are validly tendered and accepted in terms of this offer upto 8,04,485 fully paid equity shares representing 20% of the Fully Expanded Equity capital and of the voting capital of the Company.

2.2.5 All shares tendered shall be free from lien, charges and encumbrances of any kind, whatsoever.

2.2.6 There are no partly paid shares in MIL.

2.2.7 There was no competitive bid.

2.2.8 The Acquirers and PAC's have not acquired any shares of MIL from the date of PA upto the date of this Letter of Offer except for the 3,51,000 equity shares and 13,50,000 warrants as approved by the shareholders at the Extraordinary General Meeting as described in 2.1.9 above.

2.3 Object of the Offer

2.3.1 The Acquirers visualize that on acquiring substantial shares and taking over joint control of MIL with existing promoters, they would be in a position to exploit opportunities available in property development and construction business through relevant managerial skills, technical assistance and infusion of funds.

2.3.2 Besides its main activities of manufacturing cranes and construction equipment, MIL has recently entered into property development business. The Skyline Group comprising of companies promoted by the PAC's, is based in Mumbai and has been in the business of property development since 2001.The Skyline Group has through its various companies and firms developed over 3 lac sq.ft. of property and is in the process of developing over 5 lac sq.ft. of property in the residential and commercial segment in Central Suburbs of Mumbai. Hence the Acquirers, being companies belonging to the Skyline Group, are in a similar line of business with respect to the property development business of MIL. The PAC's being promoters of the Acquirer companies have adequate experience in the business of property development. There is no change envisaged in the position of the Acquirers in terms of market position or capacity utilisation.

3 BACKGROU\ND OF ACQUIRERS AND PERSONS ACTING IN CONCERT

The Acquirers belong to the Skyline Group of Companies based in Mumbai which is in the business of real estate and property development in the Central Suburbs of Mumbai. No Company of the Skyline Group held shares in MIL as on the date of the PA. Further no company of the Skyline Group, other than the 3 Acquirer Companies, will acquire shares in MIL either through Preferential Allotment or through this Offer. The 3 Acquirer companies have agreed to acquire equal number of equity shares or as close as possible to equal number of equity shares for the purpose of allocation of shares among themselves received in this offer.

3.1.1 (i) Skyline Vision Pvt. Ltd. ("SVPL") has its Registered Office at 108, Sapphire Arcade, Mahatma Gandhi Road, Ghatkopar (East), Mumbai - 400 077. Tel: 022-6755 4509/ 3294 0139. Email: skylinevision@gmail.com.

(ii) SVPL was incorporated on 16th November, 1994 under the name of Pleine Luna Television Production Pvt. Ltd. Its name was changed to Samyak Enterprises Pvt. Ltd. on 24th April, 2000, and to Skyline Vision Pvt. Ltd. on 20th January, 2004. SVPL is not a listed company. It is in the business of investments and is a partner in a few partnership firms which are in the business of construction. The company's objects clause authorizes it to invest in securities as also to carry on the business as builders, contractors, architects etc of buildings, shops, factories, etc. The issued, subscribed and paid up capital as at 31st March, 2006 consists of 24,342 equity shares of Rs. 100 each aggregating Rs. 24,34,200. The Authorised Share Capital of SVPL has been increased with effect from 11th December, 2006 to Rs. 175 lacs comprising of 17,50,000 equity shares of Rs. 10 each.

(iii) SVPL was originally promoted by Mr. Babubhai Shah and Ms. Fiona Fernandes. Their shareholding was acquired in January, 2000 by Mr. Khyalilal M. Tater and Mr. Jitendra M. Tater who exercise joint control. The issued share capital is held by Mr. Khyalilal M.Tater and family and Mr. Jitendra M. Tater. Mr. Khyalilal M. Tater and Mr. Jitendra M. Tater are brothers.

(iv) Provisions of Chapter II of the Regulations have been complied by SVPL on allotment of shares on a preferential basis.

(v) The composition of the Board of Directors of SVPL is given below:

Name and residential address	**Experience**	**Qualification**	**Date of appointment**
Mr. Khyalilal Tater 8th Kaustubh Apartment, Tilak Road, Ghatkopar (East), Mumbai - 400 077. Tel: 022-3294 0139 Fax: 022-6755 4509	Business experience of over 30 years in Bullion and Jewellery	B.Sc.	17th January, 2000
Mr. Jitendra M. Tater 8th Kaustubh Apartment, Tilak Road, Ghatkopar (East), Mumbai - 400 077. Tel: 022-3294 0139 Fax: 022-6755 4509	Business experience of 15 years in the construction industry and trading of equity shares.	B. Com.	17th January, 2000

It is confirmed that neither of the above named Directors is on the Board of Directors of MIL.

(vi) The brief audited financial details of SVPL for the preceding three financial years ended 31st March 2004, 2005 and 2006 and un-audited financials duly certified by the Auditors for the period ended 30th September, 2006 are given below:

(Rs. In lacs)

Profit & Loss Statement for	**Period Ended 30-09-2006**	**Year Ended 31st March, 2006**	**Year Ended 31st March, 2005**	**Year Ended 31st March, 2004**
Income from operations	-	3.50	2.87	1.30
Other Income	-	-	0.05	-
Total Income	-	3.50	2.92	1.30
Total Expenditure	1.46	19.17	9.69	1.43
Profit/ (Loss) Before Depreciation, Interest and Tax	(1.46)	(15.67)	(6.77)	(0.13)
Depreciation	0.23	0.26	0.30	0.09
Interest	0.02	0.02	0.02	0.02
Profit /(Loss) Before Tax	(1.71)	(15.95)	(7.09)	(0.24)
Provision for Tax	-	-	-	0.07
Deferred tax liability	-	(0.07)	-	-
Profit /(Loss) After Tax	(1.71)	(16.02)	(7.09)	(0.31)

(Rs. In Lacs)

Balance Sheet Statement as at	**30-09-2006**	**31-03-2006**	**31-03-2005**	**31-03-2004**
Sources of Funds:				
Issued, Subscribed and Paid up Share Capital	24.34	24.34	24.34	16.34
Reserves & Surplus (net of P& L Debit balance)	66.68	68.39	84.42	(0.49)
Networth	90.93	92.63	108.63	15.70
Share Application Money	80.27	5.27	2.77	0.27
Secured Loans	-	-	-	-
Unsecured loans	102.72	105.12	141.84	123.33
Deferred Tax	-	0.07	-	-
Total	273.92	203.09	253.37	139.45
Uses of Funds				
Net Fixed Assets	2.22	2.36	2.40	2.71
Investments	269.33	222.48	162.42	24.64
Deposits	-	-	-	0.01
Net Current Assets	2.37	(21.75)	88.42	111.94
Total Miscellaneous expenditure not written off	0.09	0.10	0.13	0.15
Total	273.92	203.09	253.37	139.45

Other Financial Data for period ended	**30-09-2006**	**31-03-2006**	**31-03-2005**	**31-03-2004**
Dividend (%)	-	-	-	-
Earning Per Share (Rs.)	-	-	-	-
Return on Networth (%)	-	-	-	-
Book Value Per Share (Rs.) (Face Value of Rs. 100)	373.58	380.57	446.27	96.07

NOTES :

1. Since the company has made losses, computation of earnings per share and return on networth is not meaningful.
2. The company has not generated any income during the six month period 1st April, 2006 to 30th September, 2006 because there was no business activity.
3. The Reserves & Surplus as on 31st March, 2005 has increased from (Rs.0.49 lacs) to Rs.84.42 lacs because of issue of 8000 Equity Shares of Rs. 100 each at a premium of Rs. 1150 per share.
4. The Share Application Money of Rs.80.27 lacs as on 30th September, 2006 represents funds received from promoters and associates for further issue of capital.

(vii) Contingent liabilities not provided in Accounts : For all the accounting periods reported above, there are no contingent liabilities.

(viii) Reasons for fall /rise in total income and PAT in the relevant years are explained below:

a. Income increased from Rs. 1.30 lacs in year ended 31st March, 2004 to Rs. 2.87 lacs in year ended 31st March, 2005 reflecting an increase on account of income from trading of shares. However, the Company's loss increased in year ended 31st March, 2005 on account of increase in share of loss in partnership firm amounting to Rs. 7.27 lacs (previous year Rs.0.10 lacs), leading to an increase in the loss for the year ended 31st March, 2005.

b. Income increased from Rs. 2.87 lacs in year ended 31st March, 2005 to Rs. 3.50 lacs in year ended 31st March, 2006 on account of income from trading of shares. However, loss increased in year ended 31st March, 2006 on account of increase in share of loss in partnership firm amounting to Rs. 15.88 lacs compared to loss of Rs. 7.27 lacs in the previous year. This resulted in higher loss for the year ended 31st March, 2006.

(ix) Significant Accounting Policies:

a. Basis of Preparation of Financial Statement: The accounts of the Company are prepared under the historical cost convention in accordance with the generally accepted accounting principles and as per the provisions of the Companies Act, 1956 as adopted consistently by the Company using the accrual method of accounting.

The Company follows mercantile method of accounting and recognizes significant item of income and expenditure on accrual basis.

b Fixed Assets: Fixed assets are stated at historical cost less accumulated depreciation.

c. Depreciation: Depreciation on Fixed Assets has been provided on written down method at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.

d. Revenue Recognition: The revenue is recognized when no significant uncertainty as to determination of realization exists.

e. Inventories: The closing stock of shares & securities is valued at cost or net realizable value whichever is lower. Shares and securities whose market rate is not available are valued at nil.

f. Taxes on income: Current tax is determined as the amount of tax payable in respect of taxable income for the year based on applicable tax rates and laws.

g. Deferred tax liabilities and assets are recognized at substantively enacted tax rates on timing difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

h. Current tax is recognized as per Income Tax Act, 1961.

3.1.2 (i) Dave Builders Pvt Ltd . ("DBPL"), has its Registered Office at 5- Neelkanth Market, Mahatma Gandhi Road, Ghatkopar (East), Mumbai - 400 077. Tel: 022 -2509 4341/ 2509 4342 Fax: 022 - 2512 5315.

(ii) DBPL is a Company incorporated under the Companies Act, 1956 on 6th July, 1987. DBPL is not a listed company. DBPL is in the business of real estate development and building and construction. DBPL is a partner in 3 Partnership firms which are in the business of construction. The issued, subscribed and paid up share capital as at 31st March, 2006 comprised of 10,000 shares of Rs. 10 each, aggregating Rs. 1 lac. The Authorised Share Capital of DBPL has been increased with effect from 11th December, 2006 to Rs. 175 lacs comprising of 17,50,000 equity shares of Rs. 10 each.

(iii) DBPL was promoted by Mr Ambaprasad P. Dave and his brother Mr. Harshad P. Dave. Mr. Ambaprasad P. Dave and his family hold 50% of the share capital while Mr. Harshad P. Dave and his family hold the balance 50% of the share capital.

(iv) Provisions of Chapter II of the Regulations have been complied by DBPL on allotment of shares on a preferential basis.

(v) The composition of the Board of Directors of DBPL is given below:

Name and residential address	**Experience**	**Qualification**	**Date of appointment**
Mr. Harshad P. Dave 4- Neelkanth Park, Opp. Rajawadi Garden, Ghatkopar (East), Mumbai 400 077. Tel No.: 022-2510 6839	Business experience of over 40 years in real estate business.	Diploma In Chemical Engineering	6th July, 1987
Mr. Jaysinh A. Dave "Rohini", B/14-205, Rajawadi Colony, Ghatkopar (East), Mumbai 400 077. Tel No.: 022-2516 0318	Business experience of over 15 years in the field of real estate development.	B.E. (Civil)	24th October, 1996
Mr. Maulik H. Dave 4- Neelkanth Park, Opp. Rajawadi Garden, Ghatkopar (East), Mumbai 400 077. Tel No.: 022-2510 6839	Business experience of over 10 years in real estate marketing.	B.Com.	24th October, 1996

None of the above named Directors is on the Board of Directors of MIL.

(vi) The brief audited financial details of DBPL for the preceding three financial years ended 31st March 2004, 2005 and 2006 and un-audited financials duly certified by the Auditors for the period ended 30th September, 2006 are given below:

(Rs. In lacs)

Profit & Loss Statement for	**Period Ended 30-09-2006**	**Year Ended 31st March, 2006**	**Year Ended 31st March, 2005**	**Year Ended 31st March, 2004**
Income from operations :				
Sale of flats	-	9.46	536.00	-
Sale of shops	15.72	15.46	39.00	-
Interest	-	-	-	1.31
	15.72	24.92	575.00	1.31
Other Income	0.02	9.68	0.02	-
Increase/(Decrease) in Stock	(7.89)	(13.77)	21.67	-
Total Income	7.85	20.83	596.69	1.31
Total Expenditure	12.31	24.04	558.55	9.07
Profit/ (Loss) Before Depreciation, Interest and Tax	(4.46)	(3.21)	38.14	(7.76)
Depreciation	1.95	4.01	2.28	-
Interest	-	-	-	-
Profit /(Loss) Before Tax	(6.41)	(7.22)	35.86	-
Deferred Tax Asset	-	0.38	-	-
Provision for FBT	-	0.63	-	-
Provision for Tax	-	-	10.00	-
Profit /(Loss) After Tax	(6.41)	(7.47)	25.86	(7.76)

(Rs. In Lacs)

Balance Sheet Statement as at	**30-09-2006**	**31-03-2006**	**31-03-2005**	**31-03-2004**
Sources of Funds:				
Issued, Subscribed and Paid up Share Capital	1.00	1.00	1.00	1.00
Reserves & Surplus	3.72	10.13	17.62	(8.25)
Networth	4.72	11.13	18.62	(7.25)
Secured Loans	7.62	9.64	3.57	5.83
Unsecured loans	375.60	227.90	153.20	37.27
Total	**387.94**	**248.67**	**175.39**	**35.85**
Uses of Funds:				
Net Fixed Assets	13.36	15.31	6.54	8.38
Investments	368.87	221.87	150.26	1.61
Net Current Assets	5.71	11.49	18.59	25.86
Total	**387.94**	**248.67**	**175.39**	**35.85**

Other Financial Data for period ended	**30-09-2006**	**31-03-2006**	**31-03-2005**	**31-03-2004**
Dividend (%)	-	-	-	-
Earning Per Share (Rs.)	-	-	258.60	-
Return on Networth (%)	-	-	138.88	-
Book Value Per Share (Rs.) (Face Value of Rs. 10)	47.20	111.25	186.20	(72.50)

(vii) Major contingent liabilities: There is no contingent liability on account of any claim.

(viii) Reasons for fall /rise in total income and PAT in the relevant years are explained below:

a. There was an increase in income from Rs. 1.31 lacs in year ended 31st March, 2004 to Rs. 596.69 lacs in year ended 31st March, 2005 because in the year ended 31st March, 2004 the company did not have income from operations whereas in the year ended 31st March, 2005 the Company generated income by sale of flats and shops. Hence the increase in income is reflected in the overall improvement in profitability of the company.

b. In the year ended 31st March, 2006 the company had no new projects for construction and hence its income decreased. The company generated income by selling some unsold flats and shops out of stock in trade in the said year. This affected the overall profitability. The company recorded a loss of Rs. 7.47 lacs in year ended 31st March, 2006 compared to a profit after tax of Rs. 25.88 lacs in year ended 31st March, 2005 on account of share of loss from its partnership concerns amounting to Rs. 3.41 lacs.

(ix) Significant Accounting Policies:

a. Basis of accounting: The accounts have been prepared under the historical cost convention on an accrual basis as a going concern. Revenue recognized and expenses incurred are accounted on accrual basis on applicable mandatory standards, and in accordance with the requirements of the Companies Act, 1956.

b. Revenue Recognition: Income from construction activities is recognized upon completion of project and expenditure are shown as work in progress.

c. Fixed Assets: Fixed assets are recorded on historical cost concept.

d. Depreciation: Depreciation is provided on WDV basis method as per Schedule XIV of the Companies Act.

e. Inventories: Finished goods are valued at cost.

f. Taxes on Income: (1) Provisions for current taxes is made after taking into consideration benefits admissible under the provision of Income Tax Act, 1961. (2) Deferred tax resulting from timing difference between book & taxable profits is accounted for using the tax asset is recognized & carried forward only to the extent that there is reasonable certainty that the asset will be realized in future.

3.1.3 (i) Jatin Daisaria Realtors Pvt. Ltd. ("JDRPL"), has its Registered Office located at 309, Bhaveshwar Market, Mahatma Gandhi Road, Ghatkopar (East), Mumbai - 400 077. Telefax: 022-2515 3717.

(ii) JDRPL is a Company incorporated under the Companies Act, 1956 on 8th November, 2006. JDRPL has been recently incorporated and will carry on the business of Real estate developers and builders. Its authorized and paid up capital is Rs. 5 lacs. The Authorised Share Capital of JDRPL has been increased with effect from 11th December, 2006 to Rs. 175 lacs comprising of 17,50,000 equity shares of Rs. 10 each. JDRPL is not a listed company.

(iii) JDRPL was promoted by Mr. Jatin Valjibhai Daisaria and Mrs. Urmi Manoj Daisaria who are relatives. Mrs. Urmi Manoj Daisaria is the wife of Mr Manoj Valjibhai Daisaria who is the brother of Mr Jatin Valjibhai Daisaria.

(iv) Provisions of Chapter II of the Regulations have been complied by JDRPL on allotment of shares on a preferential basis.

(v) The composition of the Board of Directors of JDRPL is given below:

Name and residential address	**Experience**	**Qualification**	**Date of appointment**
Mr. Jatin V. Daisaria 501, Panchavati, Mahatma Gandhi Road, Ghatkopar (East). Mumbai -400077. Tel: 022-2512 2098	Business experience of over 16 years in construction industry.	B.Com	08-11-2006
Mrs. Urmi M. Daisaria 501, Panchavati, Mahatma Gandhi Road, Ghatkopar (East). Mumbai -400077. Tel: 022-2512 2098	Business experience of 5 years.	Bachelor of Home Science.	08-11-2006

Neither of the above named Directors is on the Board of Directors of MIL.

(vi) Since the company was incorporated recently it is yet to complete its first accounting period and hence there are no operational results available.

3.2 Persons Acting in Concert :

3.2.1.1 **Mr. Khyalilal M. Tater,** aged 59 years, resides at 8th Kaustubh Apartment, Tilak Road, Ghatkopar (East), Mumbai - 400 077. Tel: 022-3294 0139 Fax: 022-6755 4509.

3.2.1.2 Mr. Khyalilal M. Tater and Mr Jitendra M. Tater are brothers.

3.2.1.3 Mr. Khyalilal M. Tater's qualification is B. Sc. He has business experience of over 30 years in Bullion and Jewellery. He is one of the promoters of SVPL.

3.2.1.4 Mr. Vikrant Karnawat, Proprietor of M/s. Karnawat & Asso. Chartered Accountants, having office at 12, Bhoomi Tower, Plot No 28, Sector -04, Kharghar, Navi Mumbai 410 210 (Membership No. 400705, Telephone No. 022- 32592593) has certified vide his Certificates dated 4th December, 2006 and 27th February, 2007 that the networth of Mr Khyalilal M. Tater as at 30th September, 2006 and 31st January, 2007 is over Rs 84.35 lacs and over Rs.90.51 lacs respectively.

3.2.1.5 He purchased 33,135 shares (highest price Rs.67.50 per share; lowest price Rs.40.88 per share; average price Rs.57.36 per share) and sold 875 shares (725 shares at Rs.61 and 150 shares at Rs.68) of MIL in the last 12 months. He holds 32,260 equity shares of Rs. 10 each of MIL (representing 1.39% of the paid up & voting capital as on the date of PA). Provisions of Chapter II of the Regulations are not applicable as his aggregate purchases and holding of shares in MIL is less than 5% of the total paid up and voting capital of the Company.

3.2.1.6 He is on the Board of Directors of Skyline Vision Pvt. Ltd., which is an un-listed company. He is not on the Board of Directors of any listed company.

3.2.1.7 He is not a full time director of any company.

3.2.2.1 **Mr. Jitendra M. Tater,** aged 45 years, resides at 8th Kaustubh Apartment, Tilak Road, Ghatkopar (East), Mumbai - 400 077. Tel: 022- 3294 0139 Fax: 022-6755 4509.

3.2.2.2 Mr. Jitendra M. Tater and Mr. Khyalilal M. Tater are brothers.

3.2.2.3 Mr. Jitendra M. Tater's qualification is B. Com. He has business experience of 15 years in the Construction Industry and in Trading of Equity Shares. He is one of the Promoters of SVPL.

3.2.2.4 Mr. Hasmukh V. Jobanputra, Proprietor of M/s. Hasmukh Jobanputra & Co., Chartered Accountants, having office at 187, Princess Street, M. J. Building, 2nd Floor, Above Bank of Baroda, Mumbai 400 002 (Membership No. 30617, Telephone No. 022-22014879 Fax No. 022-22005896) has certified vide his Certificates dated 4th December, 2006 and 27th February, 2007 that the networth of Mr Jitendra M. Tater as at 30th September, 2006 and 31st January, 2007 is over Rs.144 lacs and over Rs. 138.14 lacs respectively.

3.2.2.5 He holds 1000 equity shares of Rs. 10 each of MIL (representing 0.04%of the present paid up & voting capital). Provisions of Chapter II of the Regulations are not applicable as his aggregate purchases and holding of shares is less than 5% of the total paid up and voting capital of the Company.

3.2.2.6 He is on the Board of Directors of SVPL, Jascons Project Consultants Pvt. Ltd., Skyline Residency Pvt. Ltd. and Safika Securities Ltd., all of which are un-listed companies. He is not on the Board of Directors of any listed company.

3.2.2.7 He is not a full time director of any company.

3.2.3.1 **Mr. Harshad P. Dave,** aged 59 years, resides at 4 - Neelkanth Park, Opp. Rajawadi Garden, Ghatkopar (East), Mumbai 400 077. Tel: 022-2510 6839. He is the father of Mr. Maulik H. Dave and uncle of Mr. Jaysinh A. Dave.

3.2.3.2 Mr. Harshad P.Dave's qualification is Diploma in Chemical Engineering. He has business experience of over 40 years in real estate business. He is one of the Promoters of DBPL.

3.2.3.3 Mr. Hasmukh V. Jobanputra, Proprietor of M/s. Hasmukh Jobanputra & Co., Chartered Accountants having office at 187, Princess Street, M.J. Building, 2nd Floor, Above Bank of Baroda, Mumbai 400 002 (Membership No. 30617, Telephone No. 022-22014879, Fax No. 022-22005896) has certified vide his Certificates dated 4th December, 2006 and 27th February, 2007 that the networth of Mr Harshad P. Dave as at 30th September, 2006 and 31st January, 2007 is over Rs.100.50 lacs and over Rs.105.70 lacs, respectively.

3.2.3.4 He has neither purchased any shares of MIL nor does he hold any equity shares of MIL and thus provisions of Chapter II of the regulations are not applicable to him.

3.2.3.5 He is on the Board of Directors of DBPL, Jascons Project Consultants Pvt. Ltd., Skyline Residency Pvt. Ltd. and Punjalal. G. Dave Realtors Pvt. Ltd. all of which are un-listed companies. He is not on the Board of Directors of any listed company.

3.2.3.6 He is not a full time director of any company.

3.2.4.1 **Mr. Jaysinh A. Dave,** aged 36 years, resides at "Rohini", B/14-205, Rajawadi Colony, Ghatkopar (East), Mumbai 400 077. Tel No.:022-2516 0318.

3.2.4.2 He is a relative of Mr. Harshad P. Dave and Mr. Maulik H. Dave.

3.2.4.3 Mr. Jaysinh A. Dave is a BE (Civil) having business experience of more than 15 years in the field of real estate development. He is one of the promoters of DBPL.

3.2.4.4 Mr. Hasmukh V. Jobanputra, Proprietor of M/s. Hasmukh Jobanputra & Co., Chartered Accountants having office at 187, Princess Street, M.J. Building, 2nd Floor, Above Bank of Baroda, Mumbai 400 002 (Membership No. 30617, Telephone No. 022- 22014879, Fax No. 022-22005896) has certified vide his Certificates dated 4th December, 2006 and 27th February, 2007 that the networth of Mr Jaysinh A. Dave as at 30th September, 2006 and 31st January, 2007 is over Rs. 70.00 lacs and over Rs. 107 lacs respectively.

3.2.4.5 He holds 16,875 equity shares of Rs. 10 each of MIL (representing 0.73% of the paid up & voting capital as on the date of PA). Provisions of Chapter II of the Regulations are not applicable to him as his aggregate purchases and holding of shares is less than 5% of the paid up and voting capital of the company.

3.2.4.6 He is on the Board of Directors of DBPL, Jascons Project Consultants Pvt. Ltd., Skyline Residency Pvt. Ltd., and Punjalal. G. Dave Realtors Pvt. Ltd all of which are un-listed companies. He is not on the Board of Directors of any listed company.

3.2.4.7 He is not a full time director of any company.

3.2.5.1 **Mr. Maulik H. Dave,** aged 32 years, resides at 4- Neelkanth Park, Opp. Rajawadi Garden, Ghatkopar (East), Mumbai 400 077. Tel No.: 022-2510 6839.

3.2.5.2 He is the son of Mr. Harshad P. Dave and a relative of Mr. Jaysinh A. Dave.

3.2.5.3 Mr. Maulik H. Dave's qualification is B. Com. He has business experience of over 10 years in real estate marketing. He is one of the promoters of DBPL.

3.2.5.4 Mr. Hasmukh V. Jobanputra, Proprietor of M/s. Hasmukh Jobanputra & Co., Chartered Accountants having office at 187, Princess Street, M.J. Building, 2nd Floor, Above Bank of Baroda, Mumbai 400 002 (Membership No. 30617, Telephone No. 022-22014879, Fax No. 022-22005896) has certified vide his Certificates dated 4th December, 2006 and 27th February, 2007 that the networth of Mr Maulik H. Dave as at 30th September, 2006 and 31st January, 2007 is over Rs. 89.10 lacs and over Rs.88.62 lacs respectively.

3.2.5.5 He holds 951 equity shares of Rs. 10 each of MIL (representing 0.04% of the paid up and voting capital of the Company as on the date of PA). Provisions of Chapter II of the regulations are not applicable to him as his aggregate purchases and holding of shares is less than 5% of the paid up and voting capital of the Company.

3.2.5.6 He is on the Board of Directors of DBPL, Jascons Project Consultants Pvt. Ltd., Skyline Residency Pvt. Ltd and Punjalal. G. Dave Realtors Pvt. Ltd; all of which are un-listed companies. He is not on the Board of Directors of any listed company.

3.2.5.7 He is not a full time director of any company.

3.2.6.1 **Mr Jatin V. Daisaria,** aged 42 years, resides at 501, Panchavati, Mahatma Gandhi Road, Ghatkopar (East). Mumbai -400077. Tel: 022-2512 2098

3.2.6.2 Mr. Jatin V. Daisaria and Mrs. Urmi Manoj Daisaria are relatives.

3.2.6.3 Mr. Jatin V. Daisaria's qualification is B. Com. He has business experience of 16 years in construction industry. He is one of the promoters of JDRPL.

3.2.6.4 Mr. Rajesh P. Shah, Proprietor of M/s. Rajesh P. Shah & Co., Chartered Accountants having office at 283/18, Devkaran Niwas, 2nd Floor, Samuel Street, Mumbai 400 003 (Membership No. 35563, Telephone No. 022-23447878, Fax No. 022- 2341 3535) has certified vide his Certificates dated 4th December, 2006 and 6th March, 2007 that the networth of Mr Jatin V. Daisaria as at 23rd November, 2006 and 6th March, 2007 is over Rs. 98.40 lacs and Rs.154 lacs respectively

3.2.6.5 He is on the Board of Directors of JDRPL, Jascons Project Consultants Pvt. Ltd., and Skyline Residency Pvt. Ltd all of which are un-listed companies. He is not on the Board of Directors of any listed company.

3.2.6.6 He has neither purchased any shares of MIL nor does he hold any equity shares of MIL and thus provisions of Chapter II of the regulations are not applicable to him.

3.2.6.7 He is not a full time director of any company.

3.2.7.1 **Mrs. Urmi Manoj Daisaria,** aged 39 years, resides at 501, Panchavati, Mahatma Gandhi Road, Ghatkopar (East). Mumbai -400077. Tel: 022-2512 2098

3.2.7.2 She is a relative of Mr. Jatin V. Daisaria.

3.2.7.3 Mrs. Urmi Manoj Daisaria's qualification is Bachelor of Home Science. She has business experience of 5 years. She is one of the promoters of JDRPL. She is also a partner in 3 partnership firms.

3.2.7.4 Mr. Rajesh P. Shah, Proprietor of M/s. Rajesh P. Shah & Co., Chartered Accountants having office at 283/18, Devkaran Niwas, 2nd Floor, Samuel Street, Mumbai 400 003 (Membership No. 35563, Telephone No. 022-23447878, Fax No. 022- 2341 3535) has certified vide his Certificates dated 4th December, 2006 and 6th March, 2007 that the networth of Mrs Urmi Manoj Daisaria as at 23rd November, 2006 and 6th March, 2007 is over Rs 79.90 lacs and Rs.135.50 lacs respectively.

3.2.7.5 She is on the Board of Directors of JDRPL, which is an un-listed company. She is not on the Board of Directors of any listed company.

3.2.7.6 She does not hold any shares in MIL hence provisions of Chapter II of the Regulations are not applicable.

3.2.7.7 She is not a full time director of any company.

3.3 The respective Promoters of the 3 Acquirer companies are not relatives but are business associates i.e. Mr. Khyalilal Tater and Mr. Jitendra Tater being promoters of SVPL are not related to Mr. Harshad Dave, Mr. Jaysinh Dave and Mr. Maulik Dave, promoters of DBPL, nor are they related to Mr. Jatin V. Daisaria and Mrs. Urmi M. Daisaria, promoters of JDRPL. Similarly, Mr. Jatin V. Daisaria and Mrs. Urmi M. Daisaria are not relatives of Mr. Harshad P. Dave, Mr. Jaysinh A. Dave and Mr. Maulik H. Dave. They all are business associates belonging to the Skyline Group of companies based in Mumbai which is in the business of real estate and property development in central suburbs of Mumbai.

3.4 Provisions of Chapter II of the Regulations have been complied by the Acquirers. Provisions of Chapter II of the Regulations are not applicable to the PACs as they have neither purchased shares in excess of 5% nor do they hold 5% or more of the present paid up and voting capital of the Company.

3.5 None of the Acquirers Companies nor its Board of Directors and neither the PACs nor companies promoted by them have been prohibited by SEBI from dealing in securities, under directions issued by SEBI pursuant to Section 11B of the SEBI Act, 1992 or under any of the regulations made under the SEBI Act, 1992.

3.6 Brief particulars of companies promoted by PAC's and of partnership firms in the business of real estate development and construction where PAC's are partners:

3.6.1 Name of the Company: **Jascon Project Consultants Pvt. Ltd.**

Date and place of Incorporation:	Originally incorporated on 7th July,1988 at Mumbai, Maharashtra as Dave Estates Pvt. Ltd., name changed to Jascon Project Consultants Pvt. Ltd. on 30th March, 1999.
Name of the PAC's who are Promoters:	Mr. Harshad P. Dave, Mr. Jaysinh A. Dave and Mr. Maulik H. Dave.
Nature of Business:	Real estate development and construction

Financial Information as per Audited Accounts for the years ended 31st March, 2004, 2005 and 2006 is given below:

(Rs. in lacs)

	Year ended 31st March, 2006	**Year ended 31st March, 2005**	**Year ended 31st March, 2004**
Equity Share Capital	1.00	1.00	1.00
Reserves (excluding revaluation reserves)	(0.63)	(0.58)	(0.55)
Total	0.37	0.42	0.45
Total Income	-	-	-
Profit/(Loss) After Tax	(0.05)	(0.04)	(0.04)
Earning Per Share * (Rs.)	(0.50)	(0.40)	(0.40)
Book Value per Share * (Rs.)	3.70	4.20	4.50

* Face Value of Rs. 10 each

Note: There have been no transactions in this company w.e.f. 1st April, 2003.

3.6.2 Name of the Company: **Skyline Residency Pvt. Ltd.**

Date and place of Incorporation	Originally incorporated on 1st September, 1999 at Mumbai, Maharashtra as Jascon Trading Pvt. Ltd., name changed to Skyline Residency Pvt. Ltd. on 25th November, 2002.
Name of the PAC's who are Promoters	Mr. Harshad P. Dave, Mr. Jaysinh A. Dave and Mr. Maulik H. Dave.
Nature of Business	Real estate development and construction

Financial Information as per Audited Accounts for the years ended 31st March, 2004, 31st March 2005 and 31st March 2006 and unaudited certified accounts for six months ended 30th September, 2006:

(Rs. in lacs)

	Six Months Ended 30-09-2006	**Year Ended 31st March, 2006**	**Year Ended 31st March, 2005**	**Year Ended 31st March, 2004**
Equity Share Capital	20.00	20.00	20.00	20.00
Reserves (excluding revaluation reserves)	392.50	142.67	(44.92)	(7.69)
Total	412.50	162.67	(24.92)	12.31
Total Income	Please see Note	312.81 @	1.95	0.45
Profit/(Loss) After Tax	Please see Note	187.60	(37.24)	(7.70)
Construction work in progress	5494.23	4890.63	2936.72	
Earning Per Share * (Rs.)	Please see Note	93.8	(18.62)	(3.85)
Book Value per share *(Rs.)	Please see Note	27.43	(57.04)	(13.09)

* Face Value of Rs. 10 per share

@ Sale of Development Rights.

Note: The Company is developing a residential complex at Vidya Vihar, Mumbai which will have a saleable area of over 3,10,000 sq. feet. The Company follows the accounting method of recognizing income on project completion basis i.e. when flats are handed over to the purchasers, till which time the expenditure incurred on the project will be considered as construction work in progress and will be appropriately charged as costs against the sales / revenues of the project. The company will be completing the project before 31st March, 2007 at which time it will appropriately charge off the construction cost for the completed project including infrastructure costs.

3.6.3 Name of the Company: **Safika Securities Limited**

Date and Place of Incorporation	4th November, 1994 at Mumbai
Name of the PAC's who are Promoters	Mr. Jitendra M. Tater
Nature of Business	Dealers in shares and securities and making investments (Member of OTC Exchange of India, SEBI Registration No. INB200836138)

Financial Information as per Audited Accounts for the years ended 31st March, 2004, 31st March 2005 and 31st March 2006.

(Rs. in lacs)

	Year ended 31st March, 2006	**Year ended 31st March, 2005**	**Year ended 31st March, 2004**
Equity Share Capital	40.07	40.07	40.07
Reserves (excluding revaluation reserves)	(14.22)	(14.89)	(14.78)
Total	25.85	25.18	25.29
Total Income	1.77	1.83	1.41
Profit/(Loss) After Tax	0.66	(0.08)	0.39
Earning Per Share * (Rs.)	0.17	(-) 0.02	0.10
Book Value per share *(Rs.)	6.46	6.28	6.31

* Face Value of Rs. 10 each

3.6.4 Name of the Company: **Punjalal G. Dave Realtors Pvt. Ltd.**

Date and Place of Incorporation	Incorporated on 14th November, 2006 in Mumbai, Maharashtra
Name of the Acquirers who are Promoters	Mr. Jaysinh A. Dave, Mr. Harshad P. Dave and Mr. Maulik H. Dave
Nature of Business	Real estate developers and construction.

It has authorised capital of Rs.5 lacs and paid up capital of Rs. 1 lac. It is not a listed company. Since the company was incorporated recently it is yet to complete a financial period and hence there is no financial information.

3.6.5 Name of the Partnership Firm: **M/s. Skyline Homes**

Date and Place of Partnership Deed	31st January, 2004, at Mumbai.
Name of the Acquirers and PAC's who are Partners	SVPL, DBPL, Mr. Jatin V. Daisaria and Mrs. Urmi Manoj Daisaria
Nature of Business:	Real estate development and construction

Financial Information as per Audited Accounts for the years ended 31st March 2005 and

31st March 2006 and unaudited certified accounts for six months ended 30th September, 2006:

(Rs. In lacs)

	Six Months ended 30-09-2006	**Year ended 31st March, 2006**	**Year ended 31st March, 2005**
Partner's Capital	111.07	108.49	14.63
Reserves (excluding revaluation reserves)	-	-	-
Total	111.07	108.49	14.63
Total Income	1.48	4.07	0.36
Profit/(Loss) After Tax	(4.81)	(8.65)	(1.00)
Earning Per Share (Rs.)	NA	NA	NA
Book Value per share (Rs.)	NA	NA	NA

NA = Not Applicable since this entity is a partnership firm

3.6.6 Name of the Partnership Firm: **M/s. Skyline Great Hills**

Date and Place of Partnership Deed	8th April 2004, reconstituted on 25th August, 2005 at Mumbai
Name of the Acquirers and PAC's who are Partners	SVPL, DBPL, Mr. Jitendra M. Tater, Mr. Jatin V. Daisaria and Mrs. Urmi Manoj Daisaria
Nature of Business:	Real estate development and construction

Financial Information as per Audited Accounts for the years ended 31st March 2005 and 31st March 2006 and unaudited certified accounts for period ended 7th December, 2006:

(Rs. in lacs)

	Period Ended 30-09-2006	**Year ended 31st March, 2006**	**Year ended 31st March, 2005**
Partner's Capital	1078.74	1101.55	142.16
Reserves (excluding revaluation reserves)	-	-	-
Total	1078.74	1101.55	142.16
Total Income	Please see Note	Please see Note	Please see Note
Profit/(Loss) After Tax	Please see Note	Please see Note	Please see Note
Construction work in progress	1218.83	765.70	252.83
Earning Per Share (Rs.)	NA	NA	NA
Book Value per share (Rs.)	NA	NA	NA

NA = Not Applicable since this entity is a partnership firm

Note: The firm is developing residential complex at Powai, Mumbai with over 1 lac sq. feet of area. The firm follows the accounting method of recognizing income on project completion basis, i.e. when flats are handed over to the purchasers, till which time the expenditure incurred on said project is considered as construction work-in-progress and will be appropriately charged as costs against the sales/revenues of the project in the year of handing over the flats to the purchasers. Thus above financials do not reflect "Income" since construction work is in progress. As of 7th December, 2006, the firm has sold flats valued at Rs.1622.35 lacs for which the corresponding income and expenditure will be recorded when flats will be handed over to purchasers.

3.6.7 Name of the Partnership Firm: **M/s. Sky Star**

Date of Partnership Deed	17th January, 2005
Name of the Acquirers and PAC's who are Partners	SVPL, DBPL, Mr. Jatin V. Daisaria, and Mrs. Urmi M. Daisaria
Nature of Business:	Real estate development and construction

Financial Information as per Audited Accounts for the years ended 31st March, 2005 and 31st March 2006 and unaudited certified accounts for six months ended 30th September, 2006:

(Rs. in lacs)

	Six Months ended 30-09-2006	**Year ended 31st March, 2006**	**Year ended 31st March, 2005**
Partner's Capital	2528.64	1917.94	1405.52
Reserves (excluding revaluation reserves)	-	-	-
Total	2528.64	1917.94	1405.52
Total Income	1.01	Please see Note	-
Profit/(Loss) After Tax	Please see Note	(0.07)	(0.08)
Construction work in progress	2974.49	1754.47	-
Earning Per Share (Rs.)	NA	NA	NA
Book Value per share (Rs.)	NA	NA	NA

NA= Not Applicable since this entity is a partnership firm

Note : The firm has undertaken a project of constructing an IT Park of approximately 5.50 lac sq. feet at Andheri-Kurla Road, Mumbai. The firm follows the accounting method of recognizing income on project completion till which time the expenses incurred on said project is considered as construction work in progress and will be appropriately charged as costs against the sales/revenues of the project in the year of completion of the project.

3.7 Disclosure in terms of Regulation 16(ix)

3.7.1 The Acquirers have entered into a Subscription Agreement with MIL to seek preferential allotment of equity shares and warrants as described in 2.1.3 and 2.1.4 above, thereby enabling the Acquirers to exercise joint control, along with existing promoters, over MIL, through the right to appoint Directors or through control over management or policy decisions, by virtue of their shareholding. As a result of this, the provisions of Regulations 10 & 12 of the Regulations are attracted. The Acquirers are making this offer in compliance with Regulations 10 & 12 of the Regulations for the purpose of substantial acquisition of equity shares and voting rights, and the resultant change in control / management of MIL.

3.7.2 The Target Company, MIL has commenced property development business in 2003-04. The Skyline Group is in the business of property development. The PAC's being promoters of the Acquirer Companies have adequate experience in the business of property development.

3.7.3 The Acquirers visualize that on acquiring substantial shares and taking over joint control of MIL with existing promoters, they would be in a position to exploit opportunities available in property development and construction business through relevant managerial skills, technical assistance and infusion of funds as described in 2.1.2 and 2.1.3.

3.7.4 The Acquirers and PACs do not intend to dispose off or otherwise encumber any assets of MIL in the succeeding two years except in the ordinary course of business of the Company. Further, the Acquirers undertake that they shall not sell, dispose off or otherwise encumber any substantial asset of MIL except with the prior approval of the shareholders of MIL.

3.8 Future plans/strategies of the Acquirers with regard to the Target Company

On acquiring substantial shares and taking over joint control of MIL the Acquirers shall endeavor to exploit opportunities available in property development and construction business through relevant managerial skills and technical assistance.

4. OPTION IN TERMS OF REGULATION 21(3)

The Subscription Agreement as amended by the Supplementary Subscription Agreement provides that in the event of Non-Promoter shareholding coming down to below 25% of the Fully Expanded Equity share capital of the company, the Acquirers agree to dilute their shareholding by selling to non promoters in the open market transaction such number of shares of the Fully Expanded Capital of the Company within 90 days after acquisition of shares by the Acquirers pursuant to the Public Offer , so that the non-promoter shareholding is not below 25% of the Fully Expanded share capital which is the limit specified in the Listing Agreement with the Stock Exchanges for the purpose of listing on continuous basis.

5. BACKGROUND OF THE TARGET COMPANY

5.1 MIL was incorporated as The Acme Manufacturing Company Ltd. on 28th November, 1919 under the Indian Companies Act, 1913. Its name was changed to Millars India Ltd. on 4th January, 2002. The Company's registered office is at 24, Kurla-Kirol Road, Ghatkopar (West), Mumbai 400 086. (Telephone No: 022-2509 4146). E-mail id :millars@vsnl.com

5.2 The Company was promoted by the Walchand Group. Mr. Ashok J. Patel, son of Mr. J. V. Patel acquired the shares from Walchand Group and took over the management in 1972. Khandelwal Udyog Limited a manufacturer of EOT Cranes and Millars Timber and Trading Company were acquired by Mr J. V. Patel in 1969 and 1970 respectively. Khandelwal Udyog Limited was merged with The Acme Manufacturing Company Ltd. with effect from 1st October, 1974 as per the order of the Bombay High Court, dated 13th August, 1976. The running business of construction machinery of M/s Millars Machinery Co. Pvt Ltd was taken over by the Company in 1984. Mr Ashok J Patel was the Managing Director of the company from 1974 to 1984 and thereafter he became the Chairman of the company and continues to be the Chairman of the company.

5.3 The main activities of MIL are manufacturing of construction equipment and EOT Cranes and execution of projects. It has recently entered into property development business. The Company's manufacturing activities which were being carried out at its unit at Ghatkopar, Mumbai have been fully shifted since October, 2003 from Ghatkopar, Mumbai to its Works at Anand - Sojitra Road, Karamsad; 388325 Karamsad, Gujarat. The factory shed is constructed on a total area of 4871 sq.metre and the office area is about 546 sq.metre. The factory is well connected by road and all civic amenities are available. The total number of permanent employees in the Company are 40.

5.4 The Company continued to make operating profits and net profits upto 1994-95. It started incurring operating losses from 1995-96. Due to recession in the capital goods industry and high labour cost at Ghatkopar, Mumbai, the crane manufacturing activity at Ghatkopar started incurring losses from 1996 and thereafter due to continuous losses in the Company for four years, it was declared as a sick industrial undertaking by the Board for Industrial and Financial Reconstruction (BIFR). BIFR sanctioned a scheme of Rehabilitation in 2001 appointing Bank of India as a monitoring agency. As a rehabilitation measure, the Company shifted its manufacturing activities from Ghatkopar, Mumbai to Karamsad, Gujarat in October, 2003, entered into development Agreement for its Ghatkopar property and the company adopted various other rehabilitation measures which has resulted in its net worth becoming positive from 2003-04. Consequently, as per the summary record of the proceedings of the review hearing held on 17th October 2006, the BIFR has discharged the company from the purview of the Sick Industrial Companies (Special Provisions) Act, 1985 / BIFR. Accordingly, MIL is no longer a "sick" Company.

5.5 As on the date of the Public Announcement MIL has issued and subscribed equity capital of Rs. 232,14,250 comprising of 23,21,425 equity shares of Rs. 10 each fully paid. There are no partly paid equity shares in the Company.

5.6 The Share Capital Structure after issue of Equity Shares and Convertible Warrants on a Preferential basis to the Acquirers is as follows:

Paid up Equity Shares of MIL	Number of Shares/ voting rights	% of shares w.r.t. Fully Expanded Equity Capital	% of shares w.r.t. Fully Expanded Voting Capital
Fully paid equity shares prior to the Preferential Issue	23,21,425	57.71	57.71
Preferential Allotment of Equity Shares	3,51,000	8.73	8.73
Issue of Equity Shares on exercise of right on convertible warrants	13,50,000	33.56	33.56
Fully Expanded Equity Capital	40,22,425	100	100

Note: The fully expanded structure includes the 13,50,000 Convertible Warrants agreed to be subscribed for by the Acquirers since the allottees are entitled to subscribe for shares on the basis of the said warrants.Hence, above capital structure represents the voting rights as at expiration of fifteen days after the closure of the public offer in compliance with Regulation 21(5) of the Regulations.

5.7 Details of Share capital history of MIL as on the date of PA are as follows:

Date/ Year of allotment	**No. of shares issued**	**% of shares issued**	**Cumulative paid up capital (Rs.)**	**Mode of allotment**	**Identity of allottees (promoters / ex-promoters / others)**	**Status of compliance**
Upto 1972	2,34,000 Equity Shares of Rs. 10 each	100	23,40,000	Unlisted company. Allotment to ex-promoters	Ex- Promoters	Unlisted company. Substantial shares acquired by existing promoters namely Patel Group
30-06-1977	4,14,015 Equity Shares of Rs. 10 each fully paid up	63.89	64,80,150	Note 1	Shareholders of Khandelwal Udyog Ltd. including Patel Group	Complied with the High Court Order and Sanction letter of CCI dated 22nd March, 1977.
28-05-1984	2,00,000 Equity Shares of Rs. 10 each	23.58	84,80,150	Initial Public Offering	Public	Complied with the CCI Guidelines.
1991	9,73,410 Equity Shares of Rs. 10 each	53.44	1,82,14,250	Allotted on conversion of 97,341 14% Secured Redeemable Partly Convertible Debentures	Promoters: 1,72,100 Others: 8,01,310	Complied with CCI Guidelines.
29-03-1996	5,00,000 Equity Shares of Rs. 10 each	21.54	2,32,14,250	Preferential Allotment	Promoters: 4,96,000 Employees: 4,000	Complied with applicable laws

Note 1: Shares issued under the Scheme of Amalgamation of Khandelwal Udyog Ltd. with the company pursuant to the order of the Bombay High Court dated 13th August, 1976.

5.8 The shares of MIL are listed on Bombay Stock Exchange Limited ("BSE") and The Ahmedabad Stock Exchange ("ASE"). The equity shares of the Company have not been suspended for trading from ASE and BSE from the time the shares have been listed on the Stock Exchanges.

5.9 All the issued and subscribed equity shares of MIL have been listed on ASE and BSE. The Company has obtained permission from National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") and the shares are in dematerialized form.

5.10 Besides 13,50,000 Convertible Warrants described at 2.1.4 above, there are no outstanding instruments in the nature of warrants / fully convertible debentures/partly convertible debentures etc. convertible into equity shares upto 15 days after completion of the open offer. It is confirmed that the above said 13,50,000 convertible warrants have been taken into account for calculating voting rights of MIL in compliance with Regulation 21(5) of the Regulations.

5.11 MIL has not complied with the provisions of Regulations 6(2), 6(4) and 8(3) of Chapter II of the Regulations for the years 1997 to 2006. SEBI may initiate adjudication proceedings for such non-compliance. The promoters have complied with the provisions of Regulations 6(3) and 8(3) of Chapter II of the Regulations.

5.12 The shares of MIL are listed on ASE and BSE. MIL has complied with the listing requirements of the said stock exchanges except for submitting disclosures required under the provisions of Regulations 6(2), 6(4) and 8(3) of the Regulations. MIL has confirmed to LKPSS vide its letter dated 4th December, 2006 that no punitive action has been taken against it by BSE or ASE.

5.13 As on the date of the PA the composition of the Board of Directors of MIL is as follows:

Name & Address of the Director	Qualification	Experience	Date of appointment	Designation
Mr. Ashok J. Patel	B.Sc Mechanical Engg., MBA	36 years	17.03.1972	Chairman
Mr. Anand J. Vashi	B.Com, FCA	25 years	22.05.1993	Director
Mr. Vinod N. Joshi	B.Mech	28 years	25.07.1997	Director
Mr. N. V. Subramanyam	BA / BL	47 years	29.09.2004	Director
Mr. Narendra H. Bhatt	M.Com, LLB	38 years	29.12.2003	Director
Mr. Tarak A. Patel	Bachelor's of Economics from University of Rochester, USA	10 years	29.12.2003	Director

Note: There are no nominees(s) of the Acquirer Companies or of the PACs on the Board of Directors of MIL.

5.14 There has been no merger/de-merger or spin off during the last three years involving MIL. The Company's name was changed from "The Acme manufacturing Company Ltd." to "Millars India Limited" on 4th January, 2002.

5.15 The brief audited financial details of MIL for the preceding three years ended 31st March, 2004, 31st March, 2005 and 31st March, 2006 and certified un-audited accounts for the 6 months period ended 30th September, 2006 are mentioned below:

(Rs. In lacs)

	Period Ended 30-09-2006	Year Ended 31-03-2006	Year Ended 31-03-2005	Year Ended 31-03-2004
Income from Operations	510.26	743.90	597.15	566.17
Surplus on sale of Ghatkopar land	-	-	-	1449.21
Premium on Ghatkopar project	-	-	-	713.16
Sale of flats	134.96	-	-	-
Other Income :				
Rent	20.88	41.76	42.96	42.96
Profit on sale of assets	-	-	-	93.87
Profit on sale of Long Term Investments	-	-	-	3.70
Sales tax refund	-	-	0.62	1.74
Misc.	-	0.20	0.09	0.83
Excess provision written back	50.00	-	-	-
Credit balances written back	27.77	-	-	-
	98.65	41.96	43.67	143.10
Increase/(Decrease) in Stocks	(27.48)	(76.24)	(20.75)	(5.58)
Total Income	716.39	709.62	620.07	2866.06
Total Expenditure	614.81	758.07	696.91	1393.07
Profit/(Loss) for the year before exceptional item	101.58	(48.45)	(76.84)	1472.99
Extra Ordinary items (Net)	-	241.37	123.09	96.62
Profit/(Loss) for the Year before Tax	101.58	192.92	46.25	1569.61
Provision for Tax	14.90	18.82	4.03	-
Profit/(Loss) for the year	**86.68**	**174.10**	**42.22**	**1569.61**

(Rs. In lacs)

Balance Sheet as at	30-09-2006	31-03-2006	31-03-2005	31-03-2004
Sources of Funds:				
Issued, and subscribed share capital	232.14	232.14	232.14	232.14
Less: Allotment and Call Money in arrears	0.02	0.02	0.02	0.02
Total paid up capital	232.12	232.12	232.12	232.12
Reserves and Surplus	595.15	508.46	334.37	292.14
Networth	827.27	740.58	566.49	524.27
Loan Funds				
Secured Loans	11.69	21.85	120.79	460.23
Unsecured Loans	-	-	268.57	380.34
TOTAL	**838.96**	**762.43**	**955.85**	**1364.84**
Application of Funds				
Net Block	177.83	182.82	190.96	187.06
Investments	140.25	0.25	0.25	0.25
Net Current Assets	520.88	579.36	764.65	1177.53
TOTAL	**838.96**	**762.43**	**955.85**	**1364.84**

Other Financial Data as at		30-09-2006	31-03-2006	31-03-2005	31-03-2004
Dividend	%	-	-	-	
Earning Per Share (Basic & Diluted with extra-ordinary items)	Rs.	3.74*	7.50	1.82	67.61
Earning Per Share (Basic & Diluted without extra-ordinary items)	Rs.	3.74*	(2.09)	(3.31)	63.45
Return on Networth (with extraordinary item)	%	10.48*	23.51	7.45	299.39
Return on Networth (without extraordinary item)	%	10.48*	(6.54)	(13.56)	280.96
Book Value	Rs.	35.64	31.90	24.40	22.58

* Not Annualised

Notes:

There has been a fall in the total income and Profit After Tax for the year ended on 31-03-2005 as compared to the year ended on 31-03-2004 because in the year ended 31-03-2004 a substantial income was on account of surplus on sale of land (Rs.1449.21 lacs) and due to Premium on Ghatkopar Project (Rs.713.16 lacs). The same also reflects in the profits of the Company in the said year.

5.16 The Pre and Post-Offer shareholding pattern of MIL based on the fully expanded equity capital is as follows :

Shareholders Category	Shareholding & voting rights prior to the agreement/ acquisition and Offer		Shares/ Voting rights agreed to be subscribed which triggered the Regulations (including convertible warrants)		Shares/ Voting rights to be acquired in Open Offer (Assuming full acceptances)		Shareholding / voting rights after subscription, offer, exercise of warrants and after Acquirers disinvest excess holdings in open market	
	(A)		(B)		(C)		(A) + (B) + (C)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter Group								
a. Parties to agreement:								
Sellers:	-	-	-	-	-	-	-	-
b. Promoters other than (a) above								
i. Mr. A. J. Patel and family	1,00,443	4.32	-	-	-	-	1,00,443	2.50
ii. A. J. Patel Inv and Trdg Co. P Ltd	2,09,600	9.03	-	-	-	-	2,09,600	5.21
iii Glass Lined Equipment Co. Ltd	59,650	2.57	-	-	-	-	59,650	1.48
iv. GMM Pfaudler Ltd	1,40,600	6.06	-	-	-	-	1,40,600	3.50
v. Millars Machinery Co Pvt Ltd	4,62,677	19.93	-	-	-	-	4,62,677	11.50
vi. Others	1,21,725	5.25	-	-	-	-	1,21,725	3.02
Total 1 (a+b)	**10,94,695**	**47.16**	**-**	**-**	**-**	**-**	**10,94,695**	**27.21**
(2) Acquirers								
a. Main Acquirers								
i. SVPL	-	-	5,67,000	14.10	2,68,161	6.66	6,23,679 @	15.50
ii DBPL	-	-	5,67,000	14.10	2,68,162	6.67	6,23,679 @	15.51
iii JDRPL	-	-	5,67,000	14.09	2,68,162	6.67	6,23,679 @	15.51
b. Persons Acting in Concert								
i. Mr. Khyalilal M. Tater	32,260	1.39	-	-			32,260	0.80
ii Mr. Jitendra M. Tater	1,000	0.04	-	-			1,000	0.03
iii Mr. Jaysinh A. Dave	16,875	0.73	-	-			16,875	0.42
iv Mr. Maulik H. Dave	951	0.04	-	-			951	0.02
Total 2 (a+b)	**51,086**	**2.20**	**17,01,000**	**42.29**	**8,04,485**	**20.00**	**19,22,123**	**47.79**
(3) Parties to agreement other than (1)(a)&(2)	-	-	-	-	-	-	-	-
(4) Public (other than parties to agreement, Acquirers)								
a. FIs/MFs/FIIs/Banks:								
i. Mutual Fund /UTI	-	-	-	-				
ii FI/Banks Canara Bank	100	0.00						
b. Others:								
1. Corporate Bodies	1,04,885	4.52	-	-				
2. NRIs/OCBs								
3. Indian Public	10,70,659	46.12	-	-	(8,04,485)	(20)	10,05,607@	25.00
(No. of Shareholders = 5386)								
Total (4) (a+b)	**11,75,644**	**50.64**	**-**	**-**	**(8,04,485)**	**(20.00)**	**10,05,607**	**25.00**
GRAND TOTAL (1+2+3+4)	**23,21,425**	**100.00**	**17,01,000**	**42.29**	**-**	**-**	**40,22,425**	**100.00**

@ In case of full acceptance of the open offer, the shareholding of the Patel Group and the Acquirers / PAC's will be 90.77% of the fully expanded equity capital. In compliance with the provisions of the Listing Agreement, the Acquirers will sell 6,34,448 equity shares to the non-promoters in the open market so that the non-promoter shareholding is not below 25% of the fully expanded equity capital.

Note : The actual position of shareholding pattern will depend upon the response of the shareholders to the open offer by Acquirers which cannot be known at this point of time.

5.17 The details of the change in shareholding of the Promoters in MIL since listing as and when it happened and status of compliance with the applicable provisions of the Regulations and other applicable regulations under the SEBI Act, 1992 and other statutory requirements are as under:

Year	Details of change of shareholding of promoters	Number of Shares	Percentage of Capital	Cumulative number of shares	Percentage of Capital	Status of compliance
1984	Shares of Promoters as of date of listing through IPO in 1984	3,08,102	36.33	3,08,102	36.33	Complied
1985	Shares bought through market purchases	10,075	1.19	3,18,177	37.52	Not Applicable
1989	Shares bought through market purchases	30,000	3.53	3,48,177	41.06	Not Applicable
1991	Shares allotted to promoters upon conversion of debentures	1,72,100	9.44	5,20,277	28.57	Complied
1991	Shares bought through market purchases	13,000	0.71	5,33,277	29.28	Not Applicable
1995	Shares bought through market purchases	34,150	1.87	5,67,427	31.15	Not Applicable
1996	Shares bought through market purchases	2,050	0.11	5,69,477	31.26	Not Applicable
1996	Preferential Allotment of Shares to promoters in accordance with share holders approval vide a special resolution passed at the Extraordinary General Meeting on 15th April,1995	4,96,000	21.37	10,65,477	45.90	Complied with provisions of Companies Act, 1956 and Guidelines on the Preferential Issue, dated August 4, 1994, issued by SEBI.
1999	Shares bought through market purchases	8,750	0.38	10,74,227	46.28	Not Applicable
2003	Shares bought through market purchases	8,700	0.38	10,82,927	46.66	Not Applicable
2004	Shares bought through market purchases	1,001	0.04	10,83,928	46.70	Not Applicable
2006	Shares bought through market purchases	10,767	0.46	10,94,695	47.16	Not Applicable
	Total Shareholdings of the promoters as on date of PA.			**10,94,695**	**47.16**	

5.18 The Company has duly complied with the various requirements of Clause 49 of the Listing Agreement regarding Corporate Governance.

5.19 Details regarding pending litigations against MIL as per Company's letter dated 4th December, 2006 are mentioned below in the following table:

Sr. No.	Details of Litigations	Name of the Court & Place of Litigation	Ref. No. of the Case	Principal Parties thereto	Current Status	Claim sought (Rs. In lacs)
1.	Supply of Hot Mix Asphalt Plants involving Rs. 2,68,79,162/- with interest till date of disposal of the suit	Justice R P Gupta, Arbitrator, New Delhi	AA 178/1999	Union of India (Director General of Border Roads)	Matter is pending for hearing before Arbitral Tribunal.	268.79
2.	Supply of defective gas generator plant, demanded Rs.11,80,000/-	6th Add Dist & Session Court, Gwalior	29/1997	AVN Tubes Ltd.	Matter pending	11.80
3.	Recovery of outstanding amount of Rs. 1,50,000/-	Shri S S Malhotra, CJ, Delhi	79/2001	Adarsh Cement Products Pvt Ltd	Matter pending	1.50
4.	Recovery of outstanding amount of Rs. 38,029/-	High court, Bombay	1136/1999	Harshad Ratilal Parekh	Matter pending	0.38
5.	Recovery of outstanding amount of Rs.2,40,602/-	City Civil Court, Ahmedabad	2857/1999	Rajratna Electrodes Ltd.	Matter pending	2.41
6.	Recovery of outstanding amount of Rs. 1,70,000/-	City Civil Court, Valsad	169/2000	Skylab Paints Pvt Ltd	Matter pending	1.70
7.	Batching & Mixing Plant was not supplied as per the terms. Filed for Compensation for Rs. 7,00,000/-	3rd Joint Civil Judge (Sr.Div), Bhuj	26/1998	Precast Concrete Pipe Products	Matter pending	7.00
8.	Recovery of outstanding amount of Rs. 86,148/-	High court, Bombay	15000/2001	Asian Printers	Matter pending	0.86
9.	Recovery of outstanding amount of Rs. 48,120/-	City Civil Court, Mumbai	1868/1999	B B Electro Tech	Matter pending	0.48
10.	Recovery of outstanding amount of Rs. 25,959/-	High court, Bombay	1867/1999	Insu Tech Corpn.	Matter pending	0.26
11.	Breach of contract of supply of Spares. Advance Amount Rs.25,581/- & Damages.	Civil Judge (Sr. Div), Valsad	134/1999	Tankrete India Ltd	Matter pending	0.26
12.	Recovery of outstanding amount of Rs. 3,25,749/-	Civil Judge (Sr. Div), Kolhapur	689/1998	Manon Metaliks Ltd	Matter pending	3.26
13.	Supply of sub standard materials. Damages for Rs. 83,643/-	Dist Consumer Forum, Ahemednagar	159/1997	V B Raut & Co.	Forum granted stay on the further proceeding.	0.84
14.	Bank Guarantee is involved for Rs.3,83,000/-	High court, Mumbai	267/1983	Bhavnagar Municipal Copn & Bank Of India	Matter pending	3.83
15.	Recovery of outstanding amount of Rs. 34,368/-	Civil Civil Court, Chennai	2602/1998	Dev Fastners	Matter pending	0.35
16.	Against unfair Labour Practices	Labour Court and industrial Court	Various cases	Labour dues of employees	Matters are pending in Labour & Industrial Courts	15.00

5.20 The Compliance Officer of MIL with effect from 26th October, 2006 is Mr. Dhawal Vora, Company Secretary, Millars India Limited, 24, Kurla-Kirol Road, Ghatkopar (W), Mumbai 400 086. Tel No.: 022-2509 4146 E-mail: millars@vsnl.net

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer price

6.1.1 The equity shares of MIL are listed on the BSE and ASE.

6.1.2 Based on the information available, the shares of MIL are frequently traded on BSE in terms of explanation (i) to Regulation 20(5) of the Regulations (Source: www.bseindia.com) and are infrequently traded on ASE in terms of explanation (i) to Regulation 20(5) of the Regulations. (Source: ASE letter dated 20-12-2006). The details are mentioned herebelow:

Names of Stock Exchanges	Total no. of shares traded during the 6 calendar months prior to the month in which PA was made.	Total No. of listed Shares	Annualized Trading turnover (in terms of % to total listed shares)
ASE	No Trade	23,21,425	NIL
BSE	9,92,143	23,21,425	85.47%

(Source: Website of BSE viz: www.bseindia.com)

6.1.3 (a) The weekly high and low of the closing prices of shares of MIL on BSE during the 26 weeks preceding the date of the Board Meeting held for authorising the preferential allotment are given below:

Weeks	Week Ending	Closing High (Rs.)	Closing Low (Rs.)	Average (Rs.)	Volume (No. of shares)
1	9-June-06	52.95	38.35	45.65	14612
2	16-June-06	47.85	39.30	43.58	15656
3	23-June-06	45.65	42.00	43.83	10796
4	30-June-06	45.80	44.00	44.90	6942
5	7-July-06	49.90	48.00	48.95	6503
6	14-July-06	51.30	49.65	50.48	4243
7	21-July-06	52.00	48.55	50.28	5424
8	28-July-06	50.50	49.20	49.85	3113
9	4-Aug-06	51.15	50.00	50.58	3100
10	11-Aug-06	54.95	50.00	52.48	4708
11	18-Aug-06	56.00	54.95	55.48	13712
12	25-Aug-06	54.25	50.55	52.40	8177
13	1-Sep-06	54.25	51.90	53.08	11948
14	08-Sep-06	54.15	50.65	52.40	6770
15	15-Sep-06	55.65	51.30	53.48	9518
16	22-Sep-06	54.50	52.00	53.25	4708
17	29-Sep-06	53.25	52.00	52.63	8118
18	6-Oct-06	58.90	53.00	55.95	7981
19	13-Oct-06	58.80	56.70	57.75	25465
20	21-Oct-06	91.15	67.85	79.50	584525
21	27-Oct-06	82.75	77.35	80.05	30627
22	03-Nov-06	73.10	69.20	71.15	30917
23	10-Nov-06	73.55	68.80	71.18	15524
24	17-Nov-06	82.55	71.55	77.05	108309
25	24-Nov-06	82.95	74.95	78.95	36924
26	1-Dec-06	81.15	79.10	80.13	14560
Average Price = Rs. 57.88					

6.1.3 (b) The daily high and low prices of shares on BSE, during the two weeks preceding the date of the Board Meeting held for authorising the preferential allotment are given below:

Weeks	Dates	High (Rs.)	Low (Rs.)	Average (Rs.)	Volume (No. of shares)
1	20-Nov 06	82.90	77.00	79.95	2835
	21-Nov-06	82.35	80.00	81.18	4107
	22-Nov-06	81.70	73.50	77.60	3519
	23-Nov-06	80.90	76.00	78.45	7349
	24-Nov-06	83.25	79.00	81.13	19114
2	27-Nov-06	83.00	78.90	80.95	5100
	28-Nov-06	81.80	76.50	79.15	2880
	29-Nov-06	81.70	77.00	79.35	1260
	30-Nov-06	81.50	76.50	79.00	3567
	01-Dec-06	81.90	77.40	79.65	1753
	Average Price = Rs. 79.64				

6.1.4 In accordance with Regulations 20(4) and 20 (5) of the Regulations, the Offer price of Rs 80.00 per share is justified in view of the following:

(a) Negotiated price under the Subscription Agreement in terms of which the Acquirers have agreed to seek allotment of 351,000 equity shares and upto 13,50,000 equity shares on conversion of warrants	Rs. 80.00
(b) Highest price paid by the Acquirers and its PAC's for acquisition of equity shares of MIL including by way of allotment in a Public or Rights or Preferential Issue during the period of 26 weeks prior to the date of the PA.	Rs.67.50
(c) The average of the weekly high and low of the closing prices quoted on BSE being the Stock Exchange where the shares of MIL are most frequently traded during the 26 week period preceding the date of the Board Meeting.	Rs. 57.88
(d) The average of daily high and low prices quoted on BSE being the Stock Exchange where the shares of MIL are most frequently traded during the 2 weeks preceding the date of the Board Meeting.	Rs 79.64
(e) Other parameters based on the last audited accounts of MIL for the year ended 31st March, 2006:	
• Return on networth before Exceptional Items	(-) 6.54%
• Return on networth after Exceptional Items	23.51%
• Book value	Rs 31.90
• Earnings per share before Exceptional Items	Rs(-) 2.09
• Earnings per share after Exceptional Items	Rs 7.50
• Price earning ratio based on offer price	
Before exceptional items	Not meaningful
After exceptional Items	10.66

MIL had been operating at a loss since 1995-96. The Company was also registered with BIFR till recently. Even in 2005-06, it reported loss before exceptional items. Exceptional items represent write back of excess provision of expenses and write back of sundry credit balances as reduced by bad debts, provision for doubtful debts and provision of sales tax. The company is operating in industry segment "Engineering" with an industry PE of 20.9 (Source: Capital Market Volume XXI/20 dated December 4-17, 2006). The industry PE is not strictly comparable as the segment of companies covered by "Capital Market" in computing the Industry PE have varied and different businesses and also whose financial parameters vary widely with that of MIL.

6.1.5 In view of the parameters considered and presented in paragraphs 6.1.4, in the opinion of the Acquirers, PAC's and Managers to the Offer, the offer price of Rs. 80.00 per share being the highest of the prices mentioned above is justified in terms of Regulation 20(4) and Regulation 20(5) of the Regulations.

6.1.6 Non-compete Fee:

The Acquirers have not entered into any agreement for payment of non-compete fee and have not made any non-compete payment of fees.

6.1.7 The Acquirers and PAC's shall not acquire any shares in MIL during the Offer Period except in compliance with the Regulations and the details of such acquisitions shall be disclosed to the Stock Exchange and to the Manager within 24 hours thereof in terms of Regulation 22(17) of the Regulations.

6.1.8 If the Acquirers acquire shares after the original PA & upto seven working days prior to closure of the offer at a price higher than the Offer Price, then the highest price paid for such acquisitions shall be payable for all the acceptances received under the Offer. Any such revision in the Offer Price shall be notified by advertisement in the same newspapers in which the PA has appeared.

6.2 Financial arrangements:

6.2.1 The maximum fund requirement for the Offer assuming full acceptance will be Rs. 643.59 lacs. In accordance with Regulation 28 of the Regulations, the Acquirers have deposited Rs. 161.25 lacs, being over 25% of the entire amount of the consideration in Escrow Accounts with UTI Bank Ltd, "Atlanta", Nariman Point, Mumbai 400 021 in the form of Fixed Deposits and a lien has been marked in favour of the Manager to the Offer. The Acquirers have duly authorized the Manager to the Offer to operate the Escrow Accounts in accordance with the Regulations.

6.2.2 The Acquirers have empowered the Manager to the Offer to realise the value of the Escrow Account in terms of Regulation 28(5) of the Regulations. UTI Bank Ltd., Nariman Point, Mumbai has confirmed that a lien has been marked on the said fixed deposits of Rs. 161.25 lacs in favour of the Manager to the Offer vide its confirmation on the Fixed Deposit Receipt.

6.2.3 In terms of Regulation 16(xiv) of the Regulations, it is confirmed that the Acquirers and PAC's have adequate and firm financial resources and also have sufficient liquid resources to fulfill their Offer obligations in full.

6.2.4 The respective promoters of the 3 Acquirer Companies have certified that they will provide adequate funds to their respective companies in the form of share application money or loans to ensure that the respective Acquirer Companies have adequate resources to meet their obligations arising from this Offer. The promoters of the respective companies have been treated as Persons Acting in Concert and certificates from their respective Chartered Accountants certifying the networth of each PAC has been obtained as disclosed in para 3.2 above. Hence, the financial obligations of the Acquirers under the Offer will be fulfilled through the existing resources of the Acquirers and PAC's and no further borrowings from Banks or Financial Institutions or NRI's or otherwise is envisaged.

6.2.5 Mr. Hasmukh V. Jobanputra, Proprietor of M/s. Hasmukh Jobanputra & Co., Chartered Accountants, having office at 187, Princess Street, M. J. Building, 2nd Floor, Above Bank of Baroda, Mumbai 400 002 (Membership No. 30617, Telephone No. 022-22014879 Fax No. 022-22005896), Mr. Vikrant Karnavat, Proprietor of M/s. Karnavat & Asso. Chartered Accountants, having office at 12, Bhoomi Tower, Plot No. 28, Sector -04, Kharghar, Navi Mumbai 410210 (Membership No. 400705, Telephone No. 022-32592593) and Mr. Rajesh P. Shah, Proprietor of M/s Rajesh P. Shah & Co., Chartered Accountants, having office at 283/18, Dewan Niwas, 2nd Floor, Samuel Street, Mumbai 400 003 (Membership No. 35563, Telephone No. 022-23447878, Fax No. 022-23413535) have certified vide their respective Certificates dated 4th December, 2006 and 27th February, 2007 or 6th March, 2007 as applicable, that on the basis of necessary information and explanation given by the respective Acquirers and PAC's and on the verification of their respective assets, liabilities and the requirement of the funds, the Acquirers and PAC's have adequate resources to meet the financial requirements of the Open Offer.

6.2.6 The Acquirers and PAC's, in compliance of Regulation 22(11) of the Regulations have made firm financial arrangements to fulfil the obligations under the Offer.

6.2.7 The Manager to the Offer is satisfied about the ability of the Acquirers to implement the Offer in accordance with the Regulations and confirms that firm arrangements for funds and money for payment through verifiable means are already in place to fulfil the Offer obligations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 Operational terms and conditions:

7.1.1 The Offer is being made in compliance with the provisions of Regulations 10 and 12 and other applicable provisions of the Regulations for the purpose of substantial acquisition of equity shares accompanied with change in control and Management of MIL.

7.1.2 The acceptance of the Offer is entirely at the discretion of the equity shareholders of MIL and each shareholder (except the Acquirers, PAC's and Existing Promoter Group) of MIL holding fully paid-up equity shares to whom this Offer is being made is free to offer his shareholding in MIL, in whole or in part while accepting the Offer.

7.1.3 Accidental omission to despatch this Letter of Offer or any further communication to any person to whom this Offer is made or the non-receipt of this Letter of Offer by any such person shall not invalidate the Offer in any way.

7.1.4 The instructions, authorisations and provisions contained in the Form of Acceptance and Form of Withdrawal constitute an integral part of the terms of this Offer.

7.1.5 The acceptance of the Offer must be unconditional and should be sent in the attached Form of Acceptance along with the other documents duly filled in and signed by the applicant shareholder(s) which should be received by the Registrar to the Offer at any of the collection centres mentioned in para 8.1 under "Procedure for Acceptance and Settlement" on or before Monday, 9th April, 2007. If any change or modification is made in the Form of Acceptance, the same is liable to be rejected.

7.1.6 The Offer is not subject to any minimum level of acceptance. The Acquirers will acquire all the fully paid up equity shares of MIL that are validly tendered and accepted in terms of this Offer upto 804,485 fully paid-up equity shares of Rs. 10 each representing 20.00% of the paid up and voting capital of the Company. Thus, the Acquirers will proceed with the Offer even if they are unable to obtain acceptance to the full extent of the equity shares MIL for which this Offer is made.

7.1.7 All shares tendered under this Offer should be free from any charge, lien or encumbrances of any kind whatsoever.

7.1.8 The Acquirers will not be responsible in any manner for any loss of equity share certificate(s) and Offer acceptance documents during transit. The equity shareholders of MIL are advised to adequately safeguard their interest in this regard.

7.1.9 Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement/Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the Offer i.e. upto Tuesday, 3rd April, 2007.

7.1.10 If the aggregate of the valid responses to the Offer exceeds 8,04,485 fully paid up equity shares, then the Acquirers shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the Regulations in such a way that acquisition from a shareholder shall not be less than the market lot or the entire holding, if it is less than the market lot. The equity shares of MIL are currently traded in dematerialised mode and the market lot of the shares is 1.

7.1.11 The Acquirers do not have a right to withdraw the offer. In terms of Regulation 27, no public offer once made shall be withdrawn except under the circumstances mentioned in the Regulations viz: the statutory approvals required have been refused or under such circumstances as in the opinion of SEBI merits withdrawal. In the event of such withdrawal, the same would be notified by way of a Public Announcement in the same newspapers where the Public Announcement appeared.

7.2 **Locked in shares:** There are no shares of MIL that are "locked-in" as per SEBI guidelines, other than the 3,51,000 equity shares allotted to the Acquirers on 15th January, 2007 which are locked in upto 16th January, 2010.

7.3 **Eligibility for accepting the Offer:** The Offer is made to all the equity shareholders (except Acquirers, PAC's and the Existing Promoter Group) of MIL whether registered or not who own the fully paid shares anytime prior to the closure of the offer. However, the Letter of Offer is being mailed to those shareholders whose names appear on the Register of Members of MIL on the Specified Date i.e. Monday, 11th December, 2006. Shareholders (except Acquirers, PAC's and the Existing Promoter Group) holding fully paid shares of MIL any time prior to the closure of the Offer are eligible to tender their shares in terms of this Offer.

7.4 **Statutory Approvals:**

7.4.1 The Offer is subject to the Acquirers obtaining the approval of RBI under the FEMA, for acquiring and transferring the equity shares of non-resident shareholders tendered in this Offer. The application to RBI would be made after closure of the Offer.

7.4.2 In case the RBI's approval for acquisition of shares from non-resident shareholders is unduly delayed, the Acquirers and PAC's reserve the right to proceed with payment to the resident shareholders whose shares have been accepted by Acquirers in terms of this Offer, pending payment to the non-resident shareholders, subject to the entire amount payable to non-resident shareholders being kept in a separate Escrow Account whose value can be realised by the Manager as per the Regulations.

7.4.3 To the best of knowledge and belief of the Acquirers and PAC's, as of the date of this Letter of Offer, there are no further statutory approvals required to implement the Offer other than those indicated above.

7.4.4 In case of delay in receipt of any statutory approval, SEBI has the power to grant an extension of the time required for payment under the Offer provided that the Acquirers agree to pay interest in accordance with Regulation 22(12) of the Regulations. Further, if the delay occurs due to the wilful default or neglect or inaction of Acquirers in obtaining the requisite approvals, Regulation 22(13) will also become applicable and the amount lying in the Escrow Account shall be liable to be forfeited and dealt in the manner provided in Regulation 28(12)(e) of the Regulations, apart from the Acquirers and PAC's being liable for penalty as provided in the Regulations.

PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

8.1 Shareholders of MIL, who qualify and wish to avail this Offer should forward their shares alongwith Form of Acceptance and other relevant documents mentioned below to the Registrar to the Offer at Intime Spectrum Registry Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai: 400 078 by Registered Post at the applicant's sole risk on or before the Offer closing date in accordance with the procedures as specified in this Letter of Offer and the Form of Acceptance cum Acknowledgement. **The relevant documents should NOT be sent to the Acquirers, PAC's, Existing Promoter Group, MIL or the Managers to the Offer.**

All owners of fully paid equity shares of MIL, registered or unregistered who wish to avail and accept the Offer can also hand deliver the Form of Acceptance-cum-Acknowledgement alongwith the relevant documents on all working days i.e. from Monday to Friday between 10.00 a.m. to 4.00 p.m. and on Saturday from 11.00 a.m. to 2.00 p.m. at:

Name & Address of Collection Centres	Contact Person & Contact Numbers	Mode of Delivery
Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai - 400 078.	Mr. Vishwas Attavar Tel.No. : 022- 2596 0320-28 Fax No.: 022- 2596 0329 E-mail ID : vishwasa@intimespectrum.com	Hand Delivery & Registered Post
Intime Spectrum Registry Ltd., 203, Davar House, Next to Central Camera, D N Road, Fort, Mumbai - 400 001.	Mr. Vivek Limaye Tel.No.: 022-2269 4127 E-mail ID : vivek.limaye@intimespectrum.com	Hand Delivery

Delivery made by Registered Post would be received on all days except Sundays and Public Holidays.

8.2 **For equity shares held in physical form**, Shareholders should send all the relevant documents mentioned below:

8.2.1 Form of acceptance duly completed (in English) and signed (by all the shareholders in the same order in which shares are held as per the Register of Members of MIL in case the shares are in joint names) as per the specimen signature(s) lodged with MIL and witnessed.

8.2.2 Original Share Certificate(s)

8.2.3 Valid Share Transfer Deed(s) duly signed as transferors (by all shareholders in the same order in which shares are held as per the Register of Members of MIL in case the shares are in joint names) as per the specimen signature(s) lodged with MIL and duly witnessed at the appropriate place. The Transfer Deed should be left blank, excepting the signature as mentioned above. Attestation, where required (thumb impression, 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 recognised Stock Exchange, under his seal of office and membership number, or manager of the transferor's bank.

8.2.4 In case the shares stand in the name of a sole shareholder, who is deceased, then the Form of Acceptance must be signed by the legal representative(s) of the deceased and submitted alongwith the probate /letter of administration/ succession certificate in original or a certified or attested true copy, while accepting this Offer. The original will be returned on scrutiny.

8.2.5 Incase of registered shareholder, non-receipt of the aforesaid documents, but receipt of the share certificates and the duly completed transfer deed, the Offer shall be deemed to be 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 MIL or are not in the same order, such shares are liable to be rejected under this Offer even if the Offer has been accepted by a bona fide owner of such shares.

8.2.6 Duly attested power of attorney, if any person other than the shareholder has signed the acceptance form and transfer deed(s).

8.2.7 In case of companies, the necessary corporate authorisations including the following:

a. Board resolution authorising such acceptance /power to sell the shares.

b. Board resolution authorising execution of transfer documents.

c. Signature(s) of the Authorised Signatories duly attested.

8.3 **<u>For Equity Shares held in dematerialised Form</u>:**

8.3.1 Registrar to the Offer has opened a Special Depository Escrow Account (hereinafter referred to as "Special Depository Escrow Account") with Kotak Securities Limited, named as "ISRL-Millars Open Offer-Escrow Account".

8.3.2 Beneficial owners should send Form of Acceptance duly completed (in English) and signed (by all the shareholders in the same order in which shares are held as per the Register of Members of MIL in case the Shares are in joint names) as per the specimen signature(s) lodged with MIL and witnessed to the Registrars to the Offer.

8.3.3 Alongwith the Form of Acceptance, Shareholders should also send a photocopy of the Delivery instruction in "Off-Market" mode or counterfoil of the delivery instruction in "Off-Market" mode, duly acknowledged by the relevant Depository Participant (DP) in favour of "ISRL-Millars Open Offer-Escrow Account" filled in as per the instructions given hereunder:

Depository	National Securities Depository Limited ("NSDL")
DP Name	Kotak Securities Limited
Client ID Number	12642962
DP ID Number	IN 300214

8.3.4 For each delivery instruction, the beneficial owner should submit separate Form of Acceptance.

8.3.5 The Beneficial Owners who hold shares in demat form are required to execute a trade by tendering the Delivery Instruction for debiting their Beneficiary Account with NSDL and crediting the Special Depository Escrow Account.

8.3.6 Shareholders having their beneficiary account in CDSL will have to use inter-depository delivery instruction slip for the purpose of crediting their equity shares in favour of the Special Depository Escrow Account with NSDL as described above.

8.3.7 Incase of non-receipt of the aforesaid documents, but receipt of the shares in the Special Depository Escrow Account, the Acquirers may deem the Offer to have been accepted by the beneficial owner.

8.3.8 Shareholders should ensure that the credit for the delivered shares should be received in the Special Depository Escrow Account on or before the Closure of the Offer i.e. Monday, 9th April, 2007. In order to ensure this, beneficial owners are advised to tender the delivery instructions at least 2 working days prior to closure of the Offer.

8.4 Unregistered owners should enclose:

8.4.1 Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein by the person accepting the Offer.

8.4.2 Original share certificate(s)

8.4.3 Valid transfer deed(s). The details of buyer should be left blank failing which the same will be considered invalid under the Offer.

8.4.4 Original contract note issued by the broker of a recognised stock exchange, through whom the shares were acquired.

8.4.5 No indemnity is required from unregistered owners.

8.5 Unregistered owners who have tendered their Shares for registration should enclose:

8.5.1 Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein by the person accepting the Offer.

8.5.2 Share transfer deed(s) duly executed by the unregistered owner.

8.5.3 Owners who have lodged their shares for transfer with MIL must also send the acknowledgement, if any, received from MIL towards such lodging of shares.

8.6 The equity shares of MIL are currently traded in dematerialized mode and the market lot of the shares is one.

8.7 **The shareholders holding shares in physical form, who have sent their shares for dematerialisation need to ensure that the process of getting the equity shares dematerialised is completed well in time so that the credit in the Escrow Account should be received on or before the date of closure of the Offer, i.e. Monday, 9th April, 2007 or else the Acquirers reserve the right to reject such equity shares.**

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 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 MIL.
- A copy of the dematerialisation request form duly acknowledged by the Shareholder's depository participant.

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

8.9 Non-Resident Shareholders:

8.9.1 Non-Resident Shareholders may tender their Shares in accordance with the Procedure mentioned at 8.2 or 8.3 (as applicable) above. In case the RBI approvals are not submitted, the Acquirers reserve the right to reject such equity shares.

8.9.2 **While tendering Equity Shares under the Offer, non-resident shareholders (if any) will be required to submit the previous FIPB approvals or RBI approvals (specific or general) obtained by them for acquiring the shares of MIL and No Objection Certificate /Tax Clearance Certificate from the Income Tax authorities under the Income Tax Act, 1961, indicating the rate at which the tax is to be deducted by the Acquirers before remitting the consideration. In case such FIPB or RBI approvals are not submitted, the Acquirers and PAC's reserve the right to reject the tendered shares. Incase the aforesaid No Objection Certificate/ Tax Clearance Certificate is not submitted, the Acquirers will deduct tax at the currently prevailing rate as advised by their tax advisors on the entire consideration amount payable to such non-resident shareholder.**

8.10 **The above documents should not be sent to the Acquirers, or PAC's or the Existing Promoter Group or MIL or to the Manager to the Offer. The same should be sent to the Registrar to the Offer only at collection centres given above in 8.1.**

8.11 Procedure for acceptance of the Offer by unregistered shareholders, or those who do not receive the Letter of Offer:

8.11.1 In case of non-receipt of the Letter of Offer, shareholders may obtain a copy of the same by writing to the Registrar to the Offer at either of the collection centres mentioned at 8.1 marking the envelope **"MIL-Open Offer"**. Alternatively, eligible shareholders may send their acceptance to the Registrar to the Offer, on a plain paper stating their name, address, folio nos., distinctive nos., no. of Shares held, No. of Shares tendered, (alongwith documents as mentioned at 8.2 if shares are in physical form) and DP name, DP ID, beneficiary account number (alongwith documents as mentioned at 8.2 and 8.3 if shares are in dematerialised form) so as to reach the Registrar to the Offer on or before the closure of the Offer i.e. 9th April, 2007.

8.11.2 Shareholders whose names do not appear on the Register of Members of the Company on the specified date are also eligible to participate in the Offer. Unregistered Shareholders can send in writing to the Registrar to the Offer on plain paper their name, address, number of shares held, number of shares tendered, distinctive nos., folio number, together with the original share certificate(s), valid transfer deed(s) and the original contract note(s) issued by the broker through whom they acquired the shares. No indemnity is required in this regard.

8.12 In case of physical shares, the Registrar to the Offer will hold in trust the share certificates, Form of Acceptance duly filled in and the transfer deed(s) on behalf of the shareholders of MIL who have accepted the Offer, till the cheques/ drafts for the consideration and /or the share certificates are posted.

8.13 In case of dematerialised shares, the shares would reside in the Special Depository Escrow Account as mentioned in 8.3.1. The Registrar to the Offer will debit the Special Depository Escrow Account to the extent of payment of consideration made by the Acquirers and give instructions for credit of the beneficial account of Acquirers.

8.14 Barring un-forseen circumstances and factors beyond his control, the Acquirers intend to complete all formalities pertaining to the Offer, including despatch of consideration to the shareholders who have accepted the Offer, by Monday, 23rd April, 2007.

8.15 In case of physical shares, to the extent the equity shares are not accepted under the Offer, the rejected Share Certificates, transfer deed(s) and other documents, if any, will be returned by Registered Post / Speed Post by the Registrar to the Offer to the shareholders /unregistered owners sole risk by Monday, 23rd April, 2007. For the physical shares accepted under the Offer, the Registrar to the Offer shall take action for transferring the shares to the Acquirers after the consideration cheques are released to the shareholders concerned.

8.16 The Equity Shares held in dematerialised form to the extent not accepted under the Offer will be released to the Beneficial Owner's Depository Account with the respective DP as per details furnished by the Beneficial Owner in the Form of Acceptance, at the sole risk of the Beneficial Owner by Monday, 23rd April, 2007. An intimation to that effect will be sent to the Beneficial Owner by Ordinary Post. For the shares lying in the Special Depository Escrow Account, the Registrar shall take action for transferring the shares to Acquirers after the consideration cheques are released to the Beneficial Owners.

8.17 Payment of Consideration:

Payment of consideration to those shareholders whose share certificates and other documents are found in order and accepted by Acquirers will be made by crossed account payee cheque/demand draft. Such payment will be despatched together with the intimation regarding the acquisition (in part or full) to the shareholders by Registered Post/Speed Post in case of consideration amount exceeding Rs. 1,500/- at the shareholder's sole risk. All other dispatches will be made by ordinary post at the shareholder's own risk. All cheques and demand drafts will be drawn in the name of the first holder, in case of joint registered holders. In case of unregistered shareholders, payment will be made in the name of the person stated in the contract note. It will be desirable if the shareholders provide their bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the cheque/demand draft.

8.18 In terms of Regulation 22(5A) of the Regulations, shareholders desirous of withdrawing their acceptance tendered in the Offer, can do so up to three working days prior to the date of Closure of Offer. The withdrawal option can be exercised by submitting the document as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centres mentioned above as per the mode of delivery indicated therein on or before Tuesday, 3rd April, 2007.

8.18.1 The withdrawal option can be exercised by submitting the Form of Withdrawal as enclosed herewith.

8.18.2 The Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer at para 8.1 as per the mode of delivery indicated therein on or before the last date of withdrawal.

8.18.3 Shareholders should enclose the following:

For Equity Shares held in Physical Form:

Registered Shareholders should enclose:

- Duly signed and completed Form of Withdrawal
- Copy of the Form of Acceptance-cum-Acknowledgement /Plain Paper application submitted and the Acknowledgement slip in original.
- 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 MIL and duly witnessed at the appropriate place.

Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal
- Copy of the Form of Acceptance-cum-Acknowledgement/Plain Paper application submitted and the Acknowledgement slip in original.

For Equity Shares in Demat form:

Beneficial owners should enclose:

- Duly signed and completed Form of Withdrawal
- Copy of the Form of Acceptance-cum-Acknowledgement /Plain Paper application submitted and the Acknowledgement slip in original.
- Photocopy of the delivery instruction slip in "Off-Market" mode or counterfoil of the delivery instruction slip in "Off-Market" mode, duly acknowledged by the DP.

8.18.4 The withdrawal of equity shares will be available only for the Share Certificates/Shares that have been received by the Registrar to the Offer or credited to the Special Depository Escrow Account.

8.18.5 The intimation of returned shares to the Shareholders will be sent at the address as per the records of MIL/ Depository as the case may be.

8.18.6 The Form of Withdrawal along with enclosures should be sent to the Registrar to the Offer at any of the collection centres mentioned in 8.1 only.

8.18.7 In case of partial withdrawal of equity shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from MIL. The facility of partial withdrawal is available only to Registered Shareholders / beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.

8.18.8 Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP Account.

8.18.9 In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper alongwith the following details:

- In case of physical shares: Name, Address, Distinctive Nos., Certificate Nos., Folio Number, Number of Shares tendered and withdrawn.
- In case of dematerialised shares: Name, Address, Number of Shares tendered, DP name, DP ID, beneficiary account number and a photocopy of delivery instructions slip in "off-market" mode or counterfoil of the delivery instruction slip in "off-market" mode, duly acknowledged by the DP, in favour of the Special Depository Escrow Account.

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

8.18.11 The physical shares withdrawn by the shareholders would be returned by registered post.

9. DOCUMENTS FOR INSPECTION

The following documents will be available for inspection to the shareholders of MIL at the Office of LKP Shares and Securities Limited at 112-A, Embassy Centre, Nariman Point, Mumbai 400 021 on all working days except Sundays and bank holidays till the Offer closing date (i.e, Monday, 9th April, 2007). Timings for working days are as under:

Monday to Saturday: From 10.00 a.m. to 2.00 p.m.

9.1 Memorandum of Understanding dated 4th December, 2006 between Acquirers and LKP Shares and Securities Limited.

9.2 Letter dated 5th March, 2007 issued by the Acquirers appointing Intime Spectrum Registry Limited as the Registrar to the Open Offer to the shareholders of MIL.

9.3 Copy of the Share Subscription Agreement dated 2nd December, 2006 entered into between MIL, the Acquirers and the Patel Group.

9.4 Certificate of Incorporation, Memorandum and Articles of Association of MIL.

9.5 Audited Accounts of MIL for the financial years ended 31st March 2004, 31st March 2005 and 31st March 2006 and un-audited certified accounts for the six month period ended 30th September, 2006.

9.6 Certificates dated 4th December, 2006 and 27th February, 2007 by Mr. Hasmukh V. Jobanputra, Proprietor of M/s. Hasmukh Jobanputra & Co., Chartered Accountants, having office at 187, Princess Street, M. J. Building, 2nd Floor, Above Bank of Baroda, Mumbai 400 002 (Membership No. 30617, Telephone No. 022-22014879 Fax No. 022-22005896), Mr. Vikrant Karnawat, Proprietor of M/s. Karnawat and Asso., Chartered Accountants having office at 12, Bhoomi Tower, Plot No.28, Sector -04, Kharghar, Navi Mumbai: 410210 (Membership No. 400705, Telephone no. 022-32592593) and certificates dated 4th December, 2006 and 6th March, 2007 by Mr. Rajesh P. Shah, Proprietor of M/s. Rajesh P. Shah & Co., Chartered Accountants having office at 283/18. Devkaran Niwas, 2nd Floor, Samuel Street, Mumbai 400 003 (Membership No. 35563, Telephone No. 23447878, Fax No. 022-23413535) certifying that the respective Acquirers and PAC's have adequate resources to meet the financial requirements of the Open Offer.

9.7 Certificate dated 4th December, 2006 and 27th February, 2007 issued by Mr. Vikrant Karnawat, Proprietor of M/s. Karnawat & Asso. Chartered Accountants, having office at 12, Bhoomi Tower, Plot No.28, Sector -04, Kharghar, Navi Mumbai: 410210 (Membership No. 400705, Telephone no. 022-32592593) certifying the networth of Mr. Khyalilal Tater, PAC.

9.8 Certificates dated 4th December, 2006 and 27th February, 2007 issued by Mr. Hasmukh V. Jobanputra, Proprietor of M/s. Hasmukh Jobanputra & Co., Chartered Accountants, having office at 187, Princess Street, M. J. Building, 2nd Floor, Above Bank of Baroda, Mumbai 400 002 (Membership No. 30617, Telephone No. 022-22014879 Fax No. 022-22005896) certifying the networth of some PAC's Mr Jitendra M. Tater, Mr. Harshad P. Dave, Mr. Jaysinh A. Dave and Mr. Maulik H. Dave.

9.9 Certificates dated 4th December, 2006 and 6th March, 2007 by Mr. Rajesh P. Shah, Proprietor of M/s. Rajesh P. Shah & Co., Chartered Accountants having office at 283/18. Devkaran Niwas, 2nd Floor, Samuel Street, Mumbai 400 003 (Membership No. 35563, Telephone No. 23447878, Fax No. 022-23413535) certifying the networth of some PAC's Mr. Jatin V. Daisaria and Mrs. Urmi Manoj Daisaria.

9.10 Certificate of Incorporation and Memorandum and Articles of Association of Acquirers: SVPL, DBPL and JDRPL.

9.11 Certificate of Incorporation and Memorandum and Articles of Association of Skyline Residency Pvt. Ltd., Jascons Project Consultants Pvt. Ltd., Safika Securities Ltd. and Punjalal G. Dave Realtors Pvt. Ltd, being companies promoted by PAC's.

9.12 Audited Accounts of SVPL and DBPL for the years ended 31st March 2004, 31st March 2005 and 31st March 2006 and certified accounts for the six months period ended 30th September, 2006.

9.13 Audited Accounts of (i) Skyline Residency Pvt. Ltd., for the years ended 31st March 2004, 31st March 2005 and 31st March 2006 and certified accounts for the six months period ended 30th September, 2006, (ii) Jascons Project Consultants Pvt. Ltd., for the years ended 31st March 2004, 31st March 2005 and 31st March 2006. (iii) Safika Securities Ltd., for the years ended 31st March, 2004, 31st March 2005 and 31st March 2006.

9.14 Audited Accounts of (i) M/s. Skyline Homes (ii) M/s. Skyline Great Hills and (iii) M/s. Sky Star for the years ended 31st March 2004, 31st March 2005 and 31st March 2006 and certified accounts for the six months period ended 30th September, 2006 for M/s. Skyline Homes and M/s. Sky Star; and certified true accounts for the period ended 7th December, 2006 for M/s. Skyline Great Hills.

9.15 Deposit Receipts dated 5th December, 2006 and 5th March, 2007 of UTI Bank, "Atlanta", Nariman Point, Mumbai 400 021 aggregating Rs. 161.25 lacs being over 25% of the entire amount of consideration payable, (assuming full acceptances in the open offer), kept in the Escrow Accounts with a lien in favour of Managers to the Offer.

9.16 Share price quotations and volume data downloaded from BSE's website (www.bseindia.com) and ASE letter dated 20-12-2006.

9.17 Copy of the document executed with Depository Participant for opening a Special Depository Escrow Account for the purpose of the Offer.

9.18 Copy of Form 5 and Challan GAR 7 of Ministry of Company Affairs received from each of the 3 Acquirer Companies (SVPL, DBPL, JDRPL) in support of enhancement of their respective authorised share capital with effect from 11th December, 2006.

9.19 A copy of the Public Announcement published on Wednesday, 6th December, 2006.

9.20 A copy of Corrigendum Public Announcement published on Tuesday, 13th March, 2007.

9.21 A copy of the Supplementary Subscription Agreement dated 5th March, 2007 entered into between MIL , the Acquirers and the Patel Group.

9.22 Copy of letters bearing reference number CFD/DCR/TO/AK/86652/2007 dated February 15, 2007 and CFD/DCR/TO/AK/88458/2007 dated March 8, 2007 received from SEBI in terms of proviso to Regulation 18(2) of the Regulations.

10. DECLARATION BY THE ACQUIRERS AND PERSONS ACTING IN CONCERT

10.1 In terms of Regulation 22(6) of the Regulations, the Acquirers, Directors of the Acquirers and PAC's accept full responsibility for the information contained in the Letter of Offer and also for the respective obligations of the Acquirers as laid down in the Regulations.

10.2 Each of the Acquirers and PAC's are severally and jointly responsible for ensuring compliance with the provisions of the Regulations. All information contained in this document is as on date of the Public Announcement, unless stated otherwise.

10.3 The Manager to the Offer hereby states that the persons signing this Letter of Offer are authorised by the Board of Directors of the respective Acquirer companies and PAC's are personally signing this Letter of Offer.

For **Skyline Vision Pvt. Ltd.**	For **Dave Builders Pvt. Ltd.**	For **Jatin Daisaria Realtors Pvt. Ltd.**
Authorised Signatory	*Authorised Signatory*	*Authorised Signatory*

Mr. Khyalilal M. Tater

Mr. Jitendra M. Tater

Mr. Harshad P.Dave

Mr. Jaysinh A. Dave

Mr. Maulik H. Dave

Mr. Jatin V. Daisaria

Mrs. Urmi M. Daisaria

Place : Mumbai
Date : 13th March, 2007

Attached : i) Form of Acceptance-cum-Acknowledgement
ii) Form of Withdrawal

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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
(Please send this form with enclosures to the Registrars to the Offer at its address given overleaf)
PLEASE READ THE "PROCEDURE FOR THE ACCEPTANCE AND SETTLEMENT" ON PAGES 30-34 OF THIS LETTER OF OFFER BEFORE FILLING THIS FORM

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

From:

OFFER	
OPENS ON	**WEDNESDAY, 21ST MARCH, 2007**
CLOSES ON	**MONDAY, 9TH APRIL, 2007**

To,
INTIME SPECTRUM REGISTRY LIMITED.
C-13 Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai: 400 078
Tel: 91-22-2596 0320-28 **Fax:** 91-22-25960329
Contact Person: Mr. Vishwas Attavar E-Mail: vishwasa@intimespectrum.com

Dear Sir,

Sub: Open Offer for acquisition of 8,04,485 fully paid-up equity shares of Rs. 10/- each representing 20% of Fully Expanded Equity Capital and of the Fully Expanded Voting Capital from the shareholders of Millars India Limited ("MIL") for cash at a price of Rs. 80.00 per share by Skyline Vision Pvt. Ltd., Dave Builders Pvt. Ltd, and Jatin Daisaria Realtors Pvt. Ltd (hereinafter collectively called as the "Acquirers") Mr. Khyalilal M. Tater, Mr. Jitendra M.Tater, Mr. Harshad P. Dave, Mr. Jaysinh A. Dave, Mr. Maulik H. Dave, Mr. Jatin V. Daisaria and Mrs. Urmi Manoj Daisaria (hereinafter called as the Persons Acting in Concert or PAC's).

I/We refer to the Letter of Offer dated 13th March, 2007 for acquiring the equity shares held by me/us in MIL. I/We the undersigned have read the Letter of Offer and accept unconditionally its contents including the terms and conditions and procedures mentioned therein.

<u>For Shares held in Physical Form:</u>

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

Ledger Folio No. ________ No. of Share Certificate(s) ________ No. of Equity Shares ________

S. No.	Certificate No.	Distinctive Nos.		No. of Equity Shares
		From	To	
1				
2				
3				
4				
		Total Number of Equity Shares		

(Incase of insufficient space, please use additional sheet and authenticate the same)

I/We note and understand that the original share certificate(s) and valid share transfer deed(s) will be held in trust for me/us by the Registrar to the Offer until the time the Acquirers give the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirers will remit purchase consideration only after verification of the documents and signatures.

<u>For Shares held in Demat Form:</u>

I/We hold shares in demat form and accept the Offer and enclose photocopy of the Delivery Instruction duly acknowledged by my/our DP in respect of my/our equity shares as detailed below:

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

TEAR HERE

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Acknowledgement Receipt for the Acquirer
INTIME SPECTRUM REGISTRY LIMITED
Sr. No.

C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai: 400 078
Tel: 91-22-2596 0320-28 **Fax:** 91-22-25960329 **Contact Person**: Mr. Vishwas Attavar E-Mail: vishwasa@intimespectrum.com

Received from Mr./Ms. ________ Address ________

Form of Acceptance cum Acknolwledgement, as per details below:

Folio No. ________ Number of Certificate enclosed ________ Certificate No. ________ Total No. of Shares Enclosed: ________ Copy of Delivery Instruction to DP ________

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

(Delete whichever is not applicable)

I/We have done an off market transaction for crediting the shares to the Escrow Account named "**ISRL - Millars open offer - Escrow Account**" whose particulars are:

● Depository: **National Securities Depository Limited** ("NSDL") ● DP Name: **Kotak Securities Limited** •Client ID Number: **12642962**

● DP ID Number: **IN 300214**

Since my/our shares are held in a beneficiary account with CDSL, I/We enclose a copy of the "Inter Depository Instructions" for the transfer of my/our shares to the Depository Escrow Account.

I/we note and understand that the shares would lie in the Special Depository Escrow Account until the time the Acquirers make payment of the purchase consideration as mentioned in the Letter of Offer.

I/We confirm that the equity shares of MIL which are being tendered herewith by me/us under this offer, are free from liens, charges, encumbrances of any kind whatsoever.

I/We authorise the Acquirer:

1. To accept the shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer
2. To return to me/us, the equity share(s) that are found invalid/not accepted, specifying the reason thereof.

I/We authorise the Registrar to the Offer to send by Registered Post or Under Postal Certificate the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned below.

Yours faithfully,

Signed & Delivered:

	1st Shareholder	**2nd Shareholder**	**3rd Shareholder**
Full Name &Address			
PAN/GIR No. allotted under the Income Tax Act 1961			
Signature			

Note: In case of joint holdings, all shareholders must sign. A corporation must affiix its common seal and attach herewith the necessary Board Resolution.

Place: ____________________ Date:____________________

So as to avoid fraudulent encashment of the cheque or demand draft in transit, the shareholder(s) may provide details of Bank Account of the First/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Name of the Bank, Branch Address	**Account No.**	**Savings/Current/NRE/NRO Others**

Details of Collection Centres:

Name & Address of Collection Centres	**Contact Person & Contact Numbers**	**Mode of Delivery**
Intime Spectrum Registry Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (W), Mumbai – 400 078.	Mr. Vishwas AttavarTel.No. : 022- 2596 0320-28 Fax No.: 022- 2596 0329 E-mail ID: vishwasa@intimespectrum.com	Hand Delivery & Registered Post
Intime Spectrum Registry Ltd., 203, Davar House, Next to Central Camera, D N Road, Fort, Mumbai – 400 001.	Mr. Vivek LimayeTel.No.: 2269 4127 E-Mail ID:vivek.limaye@intimespectrum.com	Hand Delivery

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All future correspondence if any should be addressed to Registrar to the Offer at the following address:

MINTIME SPECTRUM REGISTRY LIMITED.
C-13 Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai: 400 078
Tel: 91-22-2596 0320-28 **Fax:** 91-22-25960329
Contact Person: Mr. Vishwas Attavar
E-Mail: vishwasa@intimespectrum.com

PLEASE USE THIS FORM ONLY IF YOU HAVE TENDERED THE SHARES AND WISH TO WITHDRAW YOUR APPLICATION

FORM OF WITHDRAWAL

You have an OPTION TO WITHDRAW the acceptance tendered in response to the Offer any time upto three working days prior to the date of closure of the Offer i.e. on or before Tuesday, 3rd April, 2007 In case you wish to withdraw your acceptance, please use this form.

OFFER SCHEDULE	
OPENS ON	**WEDNESDAY, 21ST MARCH, 2007**
LAST DATE OF WITHDRAWAL	**TUESDAY, 3RD APRIL, 2007**

From:

Name:

Address:

Tel No. : ____________ Fax No. : ____________ e-mail : ____________

To,
INTIME SPECTRUM REGISTRY LIMITED
C-13 Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West),
Mumbai: 400 078
Tel: 91-22-2596 0320-28 **Fax:** 91-22-25960329 **Contact Person:** Mr. Vishwas Attavar **E-Mail:** vishwasa@intimespectrum.com

Dear Sir

Sub: Open Offer for acquisition of 804,485 fully paid-up equity shares of Rs. 10/- each representing 20% of Fully Expanded Equity Capital and of the Fully Expanded Voting Capital from the shareholders of Millars India Limited ("MIL") for cash at a price of Rs. 80.00 per share by Skyline Vision Pvt. Ltd., Dave Builders Pvt. Ltd, and Jatin Daisaria Realtors Pvt. Ltd (hereinafter collectively called as the "Acquirers") Mr. Khyalilal M. Tater, Mr. Jitendra M.Tater, Mr. Harshad P. Dave, Mr. Jaysinh A. Dave, Mr. Maulik H. Dave, Mr. Jatin V. Daisaria and Mrs. Urmi Manoj Daisaria (hereinafter called as the Persons Acting in Concert or PAC's).

I/We refer to the Letter of Offer dated 13th March, 2007 for acquiring the above-mentioned shares.

I/We, the undersigned,have read the Letter of Offer and accept unconditionally its contents including the terms and conditions and procedures as mentioned therein.

I/We have read the procedure for withdrawal of equity shares tendered by me/us in the Offer as mentioned in para 8.18 of the Letter of Offer & unconditionally agree to the terms and conditions mentioned herein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our shares from the Offer and I/We further authorise the Acquirers 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 shares from the Offer, no claim or liability shall lie against the Acquirers /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 on or before the last date of withdrawal (i.e. Tuesday, 3rd April, 2007)

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

I/We also note and understand that the Acquirers will return the original share certificate(s) and share transfer deed(s) only on completion of verification of the documents, signatures etc. and beneficiary position data as available from the Depository from time to time, respectively.

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Acknowledgement Slip : Sr. No.

INTIME SPECTRUM REGISTRY LIMITED
C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai: 400 078
Tel: 91-22-2596 0320-28 **Fax:** 91-22-25960329V **Contact Person**: Mr. Vishwas Attavar
E-Mail: vishwasa@intimespectrum.com

Folio No. ____________

Received from Mr./Ms. ____________ Address____________

Form of Withdrawal dated ________ Number of Certificates ________ representing ________ Equity Shares.

#Copy of delivery instruction to DP for _______ Equity Shares.

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

Delete whichever is not

For Shares in Physical Form:

The particulars of the tendered share(s) that I/We wish to withdraw are detailed below:

Ledger Folio No. ____________________ No. of Share Certificate(s) ____________________

S. No.	Certificate Nos.	Distinctive Nos.		No of Shares
		From	To	
	Tendered			
1				
2				
3				
	Total Shares Tendered			
	Withdrawn			
1				
2				
3				
	Total Shares Withdrawn			

(Incase of insufficient space, please use additional sheet and authenticate the same.)

For Shares in Dematerialised Form:

I/We hold the following shares in dematerialised form and had tendered the Shares in the Offer and had done an off-market transaction for crediting the shares to **"ISRL - Millars open offer - Escrow Account"** whose particulars are:

● Depository: **National Securities Depository Limited** ("NSDL") ● DP Name: **Kotak Securities Limited** ● Client ID Number: **12642962** ● DP ID Number: **IN 300214**

Please find enclosed a photocopy of the Depository Delivery Instruction(s) duly acknowledged by DP. The particulars of the account from which my/our equity shares have been tendered are as detailed below:

DP Name	BOID	No of Equity Shares	Beneficiary Name

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.

In case of dematerialised equity 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.

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

Yours faithfully,

Signed & Delivered by

Signed and delivered	Full Name(s) & Address	Signature	Verified and Attested (by DP in case of Demat Shares and by Bank in case of Physical Shares)
First /Sole Holder			
Joint Holder 1			
Joint Holder 2			

Note: In case of joint holdings all shareholders must sign. A corporation must affiix its common seal and attach herewith the necessary Board Resolution.

Place : Date :

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All future correspondence if any should be addressed to Registrar to the Offer at the following address:

INTIME SPECTRUM REGISTRY LIMITED

C-13 Pannalal Silk Mills Compound,

LBS Marg, Bhandup (West),

Mumbai: 400 078

Tel: 91-22-2596 0320-28 Fax: 91-22-25960329

Contact person: Mr. Vishwas Attavar

E-Mail: vishwasa@intimespectrum.com