# 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 Vaghani Techno-Build Limited (VTL)**. If you require any clarification about the action to be taken, you may consult your Stock Broker or Investment consultant or Manager to the Offer/Registrar to the Offer. In case you have sold your Equity 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 to the Member of Stock Exchange through whom the said sale was effected.


**MR. KANTILAL MANILAL SAVLA**

Residing at 1003 / 1004, Kailash Palace, Upashray Lane, Ghatkopar (East), Mumbai 400 077

Tel No. (022) 25116139, Fax No. (022) 25119157, Email id : kanti.savla@pranaygroup.com

**MS. PRATIKSHA POPATLAL GALA**

**&**

**MR.KARTIK POPATLAL GALA**

Both residing at 402, Krishna Baug, Near Madhu Park, 8th & 11th Cross Road, Khar (West), Mumbai – 400 052

Tel No. (022) 67518800, Fax (022) 67518855

Email id: pratiksha.gala@pranaygroup.com, kartik.gala@pranaygroup.com


**(hereinafter referred to as "the Acquirers")**

**MAKES A CASH OFFER AT RS. 5/- (RUPEES FIVE ONLY) PER FULLY PAID EQUITY SHARE**

**to acquire upto**

10,44,000 Equity Shares of Rs. 10/- each, representing 20 % of the

Paid Up and Voting Equity Share Capital of

**the Target Company**

**VAGHANI TECHNO-BUILD LIMITED**

**Regd. Office:** 278/281 Kamalanagar House, village- Badarakha, Tal. Dholka.

Dist – Ahmedabad – 382270, E-mail ID: vtblcs@gmail.com

**Corporate Office:** 401, Swagat Complex, Near Lal Bugalow, C.G. Road, Ahmedabad - 380006

Tel (079) 32948834/30424656, E mail Id: bjvaghani@gmail.com

**Mumbai Corporate Office:** 126/12, Shiv Center, Sector 17, Plot No. 72, Vashi, Navi Mumbai 400 703

Telefax (022) 27891905, E mail Id: bjvaghani@gmail.com

**Notes:**

- This Offer is made pursuant to and in compliance with Regulations 10 & 12 of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997 and subsequent amendments thereof.
- This Offer is not conditional on any minimum level of acceptance.
- This is not a competitive bid.
- There has been no revision of Offer price, till the date of this Letter of Offer
- As on the date of this Letter of Offer, no Statutory approvals are required to acquire the Equity Shares that are tendered pursuant to this Offer. However, the Offer would be subject to all Statutory approvals that may become applicable at a later date.
- **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 3 working days prior to the date of closure of the Offer. The Last date for such withdrawal is Friday, September 12, 2008.**
- The Acquirers can revise the Offer Price upto 7 working days prior to the date of closure of the Offer. The last date for such revision is Monday, September 8, 2008. Any upward revision or withdrawal of the Offer would be informed by way of a Public Announcement in the same Newspapers where the original Public Announcement had appeared.
- **Consideration at the same rate will be paid for all Equity Shares tendered anytime during the Offer period**.
- Details of Competitive bids , if any : **There is no Competitive bid**
- **If there is a competitive bid; the public offers under all the subsisting bids will close on the same date. As the offer price cannot be revised during 7 working days prior to the closing date of the offers/bids, it would, therefore, be in the interest of Shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly**
- The Registration of all the Intermediaries associated with the Offer, viz. Fedex Securities Ltd, Manager to the Offer and Intime Spectrum Registry Ltd, Registrar to the Offer are valid and no action has been initiated by SEBI or any other Government body against them.
- A copy of this Letter of Offer (including the Form of Acceptance and Acknowledgement, Form of Withdrawal) and the Public Announcement are available on SEBI's web –site: www.sebi.gov.in

| MERCHANT BANKER TO THE OFFER | REGISTRARS TO THE OFFER |
|---|---|
| **FEDEX SECURITIES LIMITED**<br>SEBI Regn. No. INM 000010163<br>3rd Floor, Jay Chambers<br>Service Road Adj. Western Express Highway<br>Vile Parle (East), Mumbai 400 057<br>Tel. Nos. (022) 26136460/61<br>Fax No. (022) 2618 6966<br>E Mail: fedex@vsnl.com<br>**Contact Person: Mr. R. Ramakrishnan** | **INTIME SPECTRUM REGISTRY LIMITED**<br>SEBI Regn No: INR 000003761<br>C-13, Pannalal Silk Mills Compound<br>L B S Marg, Bhandup (W), Mumbai – 400 078<br>Telephone No. (022) 25960320 • Fax No. (022) 25960329/28<br>**Toll Free No. 1800-22-0320**<br>Fax No. (022) 25960329/28<br>Email id : vaghani-offer@intimespectrum.com<br>**Contact Person: Ms. Awani Thakkar** |

**The Schedule of activities is as follows:**

| Activity | Date |
|---|---|
| Public Announcement (PA) | Saturday, July 12, 2008 |
| Specified date | Friday, August 08, 2008 |
| Last date for a competitive bid | Saturday, August 02, 2008 |
| Letter of Offer to be posted to shareholders | Monday, August 25, 2008 |
| Date of opening of the Offer | Friday, August 29, 2008 |
| Last date for withdrawing acceptance from the Offer | Friday, September 12, 2008 |
| Date of closing of the Offer | Wednesday, September 17, 2008 |
| Last date for revising the Offer price/ number of shares. | Monday, September 08, 2008 |
| Last date of communicating rejection/ acceptance and payment of consideration for applications accepted | Thursday, October 02, 2008 |

**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 and all owners (registered or unregistered) of Shares of VTL anytime before the closure of the Offer, are eligible to participate in the Offer.**

**Risk Factors relating to the transaction and probable risks involved in associating with the Acquirers**

**A. Relating to the transaction**

1. The Acquirers propose to take joint control of the Target Company, alongwith the present promoters. The likely changes in the management /taking joint control by the Acquirers shall be subject to successful completion of the Open Offer formalities, including despatch of consideration for the Shares accepted. The likely changes in the management of the Target Company shall also be subject to compliance with Regulation 23(6) of the Regulations.

2. Assuming full acceptance of this Offer, the post Offer holding of the promoters, including the Acquirers shall be 75.0004% of the paid up and voting Capital.

**B. Relating to the proposed Offer**

1. Shareholders accepting this Offer will be tendering their Equity Shares before getting payment of consideration as the Acquirers have 15 days time from date of closure of offer to make payment of consideration. Further, they will not be able to take advantage of any favorable price movements in the market.

2. As on date of this Letter of Offer no Statutory approvals are required to acquire the Equity Shares that are tendered pursuant to the Offer. However, the Offer would be subject to all Statutory approvals that may become applicable at a later date. The despatch of consideration can be delayed beyond 15 days from date of closure of Offer, in case any statutory approval which becomes so applicable on a later date is not received. In terms of Regulation 22(12) of the Regulations, in the case of non-receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment, subject to, the Acquirers agreeing to pay interest to the Shareholders for delay beyond 15 days from date of closure of Offer.

**C. Probable Risks in associating with the Acquirers**

1. There are a few litigations against the Acquirers/ventures promoted by them, details of which are given in Page Nos. 13-14 of this Letter of Offer.

2. Association of the Acquirers with VTL/taking joint control of VTL by the Acquirers do not warrant any assurance with respect to the future financial performance of VTL.

3. The Acquirers, Companies/Ventures promoted by the Acquirers are also in similar line of activity as the Target Company and hence there is potential conflict of interest.

4. Among the ventures promoted by the Acquirers, Pranay Properties returned net loss in 2005-06 and Pranay Leela Associates returned net loss in 2004-05.

**D. Other Risks/Notes**

1. The trading in Equity Shares of the Target Company is suspended from BSE since the year 2000.

2. The Target Company is at present returning losses.

3. A Criminal Complaint was filed by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, on 03-03-2007 against VTL and Shri. Shailesh Thakkar, erstwhile Managing Director, in the Court of Additional Chief Metropolitan Magistrate, Ahmedabad alleging violation of Sections 211(3A) and 211(2B) of the Companies Act 1956, (admitted as Case No. 62 of 2007) in the years 2001-02, 02-03 and 2003-04 and the case is pending.

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***DEFINITIONS/ABBREVIATIONS***

| | | |
|---|---|---|
| 1 | VTL/Target Company | Company whose Equity Shares are proposed to be acquired viz. Vaghani Techno-Build Ltd |
| 2 | Acquirers | Mr. Kantilal Manilal Savla, Ms. Pratiksha Popatlal Gala and Mr. Kartik Popatlal Gala who are offering to acquire Shares through this Offer |
| 3 | PAC/Person acting in Concert | Person who is acting in concert with the Acquirers in connection with the open Offer, in this case none. |
| 4 | RBI | Reserve Bank of India |
| 5 | SEBI/Board | Securities and Exchange Board of India |
| 6 | Merchant Banker/ Manager to the Offer | Fedex Securities Limited |
| 7 | Registrar to the Offer | Intime Spectrum Registry Limited |
| 8 | PA/ Public Announcement | Announcement of the Offer made by the Acquirers, published in the dailies on Saturday, July 12, 2008. |
| 9 | HUF | Hindu Undivided Family |
| 10 | Offer | Cash offer being made by the Acquirers to the Shareholders of the Target Company, to acquire upto 10,44,000 Equity Shares at a price of Rs.5/- per Equity Share. |
| 11 | Shares | Equity Shares |
| 12 | EPS | Earnings Per Equity Share, for the period under reference and annualized |
| 13 | Book Value | Book Value of each Equity Share as on the date referred to |
| 14 | Regulations/Takeover Regulations/ SEBI(SAST) Regulations | SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 as amended till date |
| 15 | NAV | Net Asset Value per Equity Share |
| 16 | Persons not eligible to participate in the Offer | Parties to the Agreement, promoter group Shareholders of the Target Company & the Acquirers |
| 17 | Persons eligible to participate in the Offer | All Equity Shareholders of the Target Company, other than the Acquirers, parties to the Agreement and promoter group Shareholders of the Target Company. Both registered and unregistered Shareholders can participate in the Offer |
| 18 | BSE | Bombay Stock Exchange Ltd |
| 19 | ASE | Ahmedabad Stock Exchange Assn. Ltd |
| 20 | RNW | Return on Net Worth |
| 21 | FIIs | Foreign Institutional Investors |
| 22 | NRIs | Non Resident Indians and persons of Indian origin residing abroad |
| 23 | FIs | Financial Institutions |
| 24 | PAT | Profit After Tax |
| 25 | SEBI Insider Trading Regulations | SEBI ((Prohibition of Insider Trading Regulations) 1992 as amended. |
| 26 | NSDL | National Securities Depository Ltd |
| 27 | CDSL | Central Depository Services (India) Ltd |
| 28 | Share Purchase Agreement/ Agreement/SPA | Share Purchase Agreement entered into between the Acquirers and present promoters of the Target Company |
| 29 | BIFR | Board for Industrial and Financial Reconstruction |
| 30 | DRT | Debt Recovery Tribunal |
| 31 | OTC | One Time Settlement |
| 32 | PE Ratio | Price Earnings Ratio |

## 1. DISCLAIMER CLAUSE

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SECURITIES AND EXCHANGE BOARD OF INDIA (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 VAGHANI TECHNO-BUILD LIMITED (VTL), THE TARGET COMPANY, TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE 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 THE 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 THE ACQUIRERS DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER (MANAGER) TO THE OFFER M/S. FEDEX SECURITIES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JULY 18, 2008 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF.**

## 2. DETAILS OF THE OFFER

### 2.1 Background of the Offer

2.1.1. This Offer is in compliance with Regulations 10 & 12 of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997 and subsequent amendments thereof (hereinafter referred to as the “Regulations”).

2.1.2. Mr. Kantilal Manilal Savla, residing at 1003/1004, Kailash Palace, Upashray Lane, Ghatkopar (East), Mumbai 400077 (Tel No.(022)25116139, Fax No. (022)25119157, Email id : kanti.savla@pranaygroup.com), Ms. Pratiksha Popatlal Gala, residing at 402, Krishna Baug, Near Madhu Park, 8th & 11th Cross Road, Khar (West), Mumbai – 400 052, (Tel No. (022) 67518800, Fax (022) 67518855, Email id: pratiksha.gala@pranaygroup.com ) and Mr. Kartik Popatlal Gala, residing at 402, Krishna Baug, Near Madhu Park, 8th & 11th Cross Road, Khar (West), Mumbai – 400 052 ( Tel No.(022) 67518800,Fax(022)67518855, Email id: kartik.gala@pranaygroup.com) (hereinafter referred to as “the Acquirers”) are making an Open Offer to the public Shareholders (i.e. Shareholders other than the Acquirers, parties to the Agreement and promoter group Shareholders of VTL) of Vaghani Techno-Build Limited (“VTL”, “the Target Company”) to acquire 10,44,000 Equity Shares of Rs. 10/- each representing 20.00 % of paid up & voting Capital of VTL (“the Offer”), at a price of Rs. 5/- (Rupees Five only) (“the Offer Price”), payable in cash, subject to the terms and conditions mentioned hereinafter. There are no partly paid Shares.

2.1.3. There are no Persons acting in Concert (PAC) with the Acquirers.

2.1.4. The Acquirers presently hold 5,92,706 Equity Shares in VTL, constituting 11.35% of the paid up and voting Capital. The Acquirers have, on July 10, 2008, entered into a Share Purchase Agreement (SPA) with Mr. Bavchandbhai J Vaghani, Chairman & Managing Director , residing at Sector 21, Plot No. 199, “ Samudra” Nerul, Navi Mumbai 400706 (Tel No. (022) 27724144, E Mail ID: bjvaghani@gmail.com) one of the present promoters of the Target Company and representing the entire promoter group Shareholders, to acquire 3,20,814 Equity Shares of VTL, constituting 6.15% of the total paid up and voting Capital of the Target Company at the price of Rs.3/-(Rupees Three only) per Equity Share for cash consideration(the Negotiated Price). The Agreement also provides that the Acquirers will also be given joint control of VTL alongwith the present promoters. This Agreement has necessitated the Open Offer in terms of Regulation 10 and 12 of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997. The Offer is subject to the provisions of the Companies Act 1956, SEBI (SAST) Regulations as amended and listing agreement of the Target Company with the Stock Exchanges and other applicable Laws and Regulations in force.

**2.1.5. The major terms and conditions of the Agreement is as follows:**

(i) The Acquirers, through a Merchant Banker, shall ensure compliance of SEBI Regulations (Defined as "SEBI (Substantial Acquisition of Shares and Takeovers ) Regulations 1997 as amended")

(ii) Within two working days of issuance of a Certificate by the Merchant banker certifying the fulfillment of all obligations by the Acquirers of the SEBI Regulations, Delivery instructions to the Depository Participant shall be delivered to the DP for transfer of the Shares in favor of the Acquirers.

(iii) Within two working days of the issuance of Certificate of completion of formalities of SEBI Regulations by the Merchant Banker under Regulation 23(6) of Takeover Regulations, the promoters of the Target Company shall secure the resignation of 2 Directors representing the promoter group from the Board of the Target Company and in places thereof shall ensure the appointment of nominees of the Acquirers. The said change in Board in favor of Acquirers/ Transfer of joint control in favor of Acquirers shall be subject to compliance with Regulation 22(7) of Takeover Regulations

(iv) In case of non-compliance with any of the provisions of the Takeover Regulations, the Agreement for acquisition of Shares and change in control shall not be acted upon by the sellers or the Acquirers.

(v) The consideration will be paid after issuance of a Certificate by the Merchant Banker certifying the fulfillment of all obligations by the Acquirers of the SEBI Regulations.

2.1.6. The Acquirers, the Target Company, its promoters/Directors and the sellers under the Share Purchase Agreement have not been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any of the regulations made under the SEBI Act. No other action has been taken against them by SEBI.

2.1.7. The Acquirers are not on the Board of Directors of VTL. There is no person in the Board of the Target Company, representing or having interest in the Acquirers.

2.1.8. Subject to satisfaction of the provisions under the Companies Act, 1956 and /or any other Law or Regulation(s), the Acquirers intend to make changes in the management of VTL to the effect that the management control will be jointly with the present promoters/persons in control. It is proposed to induct 2 new Directors on the Board of VTL, in place of 2 Directors representing the present promoters. The names of such persons who will be so inducted has not been decided yet. The likely changes in the management of VTL shall be subject to compliance with Regulation 23(6) of the Regulations.

2.2 **Details of the proposed Offer**

2.2.1. A Public Announcement, as per Regulation 15 (1) of the Regulations, was made in all editions of one English national daily with wide circulation, one Hindi national daily with wide circulation and one Gujarati daily published at Ahmedabad, the place where the Registered Office of the Target Company is situated, as given below:

| Newspaper | Language | Editions | Date of PA |
|---|---|---|---|
| Business Standard (covers all editions) | English | Mumbai, Delhi, Kolkata, Bangalore, Chennai, Hyderabad, Lucknow, Bhubaneshwar, Chandigarh, Kochi & Ahmedabad editions | Saturday, July 12, 2008 |
| Business Standard - Hindi (covers all editions) | Hindi | Mumbai, Delhi, Kolkata, Patna, Lucknow, Bhopal & Chandigarh editions | Saturday, July 12, 2008 |
| Business Standard – Gujarati | Gujarati | Ahmedabad | Saturday, July 12, 2008 |

**The Public Announcement is also available at SEBI's Website: www.sebi.gov.in**

2.2.2 The Offer is to acquire 10,44,000 Equity Shares of Rs. 10/- each, representing 20 % of the paid up and voting Equity Capital of VTL.

2.2.3 The consideration will be paid in Cash. There is no differential price since entire consideration is payable in cash.

2.2.4 The Offer price is Rs. 5/- (Rupees Five only) per each fully paid up Equity Share. There are no partly paid Equity Shares.

2.2.5 This is not a competitive bid.

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

2.2.7 As on date of PA, the Acquirers hold 5,92,706 Equity Shares in VTL, constituting 11.35% of the paid up and voting Capital. The Equity Shares were acquired prior to the date of PA.

2.2.8 Details of competitive bids, if any : **There is no competitive bid**

2.2.9 Fedex Securities Limited, Manager to the Offer does not hold any Equity Shares in the Target Company. They declare and undertake that they shall not deal in the Shares of the Target Company during the period commencing from the date of their appointment as Manager to the Offer till the expiry of fifteen days from the date of closure of the Offer.

2.2.10 The Acquirers have not acquired any Equity Share of VTL after the date of PA. In the event of any further acquisition of Equity Shares from the date of P.A. till 7 days prior to date of closure of the Offer by the Acquirers at a price higher than the Offer Price, then the Offer price will be revised upwards to be equal to or more than the highest price paid for such acquisition. However, they shall not be acquiring any Equity Shares of VTL during the period of 7 working days prior to the date of closure of the Offer.

**3. OBJECT AND PURPOSE OF ACQUISITION AND FUTURE PLANS OF THE ACQUIRERS WITH RESPECT TO VTL**

3.1 The objects of the acquisition are substantial acquisition of Shares of VTL and taking joint control of VTL. The Acquirers are proposing to acquire joint control with the present promoters.

3.2 Barring unforeseen circumstances, the Acquirers are confident of ensuring sustained growth. VTL was originally carrying on dairy and related business but performance was not satisfactory. Since the present promoters took over, the Company has decided to enter the real estate and construction business and has commenced taking up activities in the construction and real estate sector, albeit in a limited way. VTL has also signed MoU with Gujarat Government to set up an Industrial Park. The Acquirers are well experienced in the construction and real estate business and VTL will utilize their experience to further its prospects. Their experience and expertise will help VTL in this line of activity.

3.3 The Offer will result in change in control of VTL to the extent that the Acquirers will take joint control alongwith the present promoters. Subject to satisfaction of the provisions under the Companies Act, 1956 and/or any other Laws/Regulation(s), the Acquirers intend to make changes in the management of VTL. It is proposed to induct 2 Directors representing the Acquirers on the Board of VTL in place of 2 existing Directors representing the present promoters, but the Acquirers are yet to decide on the name of the persons who will be so inducted to the Board. The likely changes in the management/ taking joint control by the Acquirers shall be subject to successful completion of the Open Offer formalities, including despatch of consideration for the Shares accepted and shall be subject to compliance with Regulation 23(6) of the Regulations.

3.4 The Acquirers do not have any plans to dispose off or otherwise encumber any assets of VTL in the succeeding two years from the date of closure of the Offer, except in the ordinary course of business as may be permissible. They undertake that they shall not sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders.

3.5 There will be conflict of interest between the Target Company and the Acquirers/ Companies/Ventures promoted by the Acquirers since they are also engaged in Construction /Real Estate/Infrastructure activities, the activities in which the Target Company is presently engaged in.

**4. BACKGROUND OF THE ACQUIRERS**

4.1.1 The Acquirers are individuals.

4.1.2 Mr. Kantilal Manilal Savla, S/o. Mr. Manilal J Shah, aged 47 years, B. Com, residing at 1003/ 1004, Kailash Palace, Upashray Lane, Ghatkopar (East), Mumbai 400 077 (Tel No. (022) 25116139, Fax (022) 25119157, Email id: kanti.savla@pranaygroup.com) is in construction and real estate business. He started his business career in the year 1979 looking after furniture business. In 1982 he started his construction business in the Eastern Suburbs of Mumbai. He is a Director in Pranay Leasing & Finance Ltd engaged in leasing and finance and trading in Transfer of Development Rights (TDR) activities, Integrated Coreinfra Private Limited, engaged in identifying, developing and promoting infrastructural development projects and Escube Ports Limited, engaged in construction of ports, docks jettys, wharfs and to deal with matters related thereto.

4.1.3 Ms. Pratiksha Popatlal Gala, D/o. Mr. Popatlal Gala, aged 32 years, B Com, residing at 402, Krishna Baug, Near Madhu Park, 8th & 11th Cross Road, Khar (West), Mumbai – 400 052, ( Tel No. (022) 67518800, Fax (022) 67518855, Email id: pratiksha.gala@pranaygroup.com), was initially a Director in a private limited company which was undertaking turnkey Electrical Installation Projects. Since 1999, she is a working partner in Pranay Group of Companies and ventures, which are engaged in Construction and real estate business and is looking after Finance & Marketing Activities. She is also Director in Pranay Leasing & Finance Ltd, engaged in leasing and finance and trading in Transfer of Development Rights (TDR) activities.

4.1.4 Mr. Kartik Popatlal Gala, S/o. Mr. Popatlal Gala, aged 37 years, B.E, MBA, residing at 402, Krishna Baug, Near Madhu Park, 8th & 11th Cross Road, Khar (West), Mumbai – 400 052 ( Tel No. (022) 67518800, Fax (022) 67518855, Email id: kartik.gala@pranaygroup.com) started his career in 1998 with Larsen & Toubro Ltd. in its automation division and was with them till 2002. From 2002 he is involved in the family business, as a Partner in Pranay Group of entities, handling technical matters. He is also Director in Pranay Leasing & Finance Ltd, engaged in leasing and finance and trading in Transfer of Development Rights (TDR) activities.

4.1.5 There are no PACs.

4.1.6 Among the Acquirers, Ms. Pratiksha Popatlal Gala is sister of Mr. Kartik Popatlal Gala.

4.1.7 There is no agreement by the Acquirers with any other person/entity, in connection with this Offer. The entire Shares proposed to be acquired under this Offer will be acquired by the Acquirers and no other person/entity proposes to take part in the acquisition. Out of the 3,20,814 Equity Shares under the Share Purchase Agreement, 1,04,774 Equity Shares will be acquired by Mr. Kantilal Manilal Savla and 2,16,040 Shares by Mr. Kartik Popatlal Gala. The quantum of Shares that will be acquired by each of the Acquirers from out of the Open Offer has not been decided yet.

4.1.8 As per Certificate dated 24th June, 2008 from Mr. Kamlesh Gajaria (Membership No.39280), Chartered Accountant, having his office at 3, Laxmi Niwas, 1st Floor, Zaver Road, Mulund ( W) Mumbai – 400 080 (Tel. Nos. (022) 25605536, Fax No. (022) 25643844, Email ID: k.gajaria@rediffmail.com) the Net worth of Mr. Kantilal Manilal Savla as on 31st March, 2008 is Rs.996.80 Lacs.

4.1.9 As per Certificate dated 19th May, 2008 from Mr. Bharat Parikh(Membership No. 37776), Chartered Accountant, having his office at C-412, Kailash Esplanade, LBS Marg, Opp. Shreyas Cinema, Ghatkopar (West) Mumbai - 400086 (Tel. No. (022) 25002037, Fax No. (022) 25005395, Email ID: dineshpatel1234@hotmail.com), the Net worth of Ms. Pratiksha Popatlal Gala as on 31st March, 2008 is Rs. 919.31 Lacs

4.1.10 As per Certificate dated 19th May 2008 from Mr. Bharat Parikh( Membership No. 37776), Chartered Accountant, having his office at C-412, Kailash Esplanade, LBS Marg, Opp. Shreyas Cinema, Ghatkopar (West) Mumbai - 400086 (Tel. No. (022) 25002037, Fax No. (022) 25005395, Email ID: dineshpatel1234@hotmail.com) the Net worth of Mr. Kartik Popatlal Gala as on 31st March, 2008 is Rs.105.98 Lacs

4.1.11 Mr. Bharat Parikh (Membership No. 37776), Chartered Accountant, having his office at C-412, Kailash Esplanade, LBS Marg, Opp. Shreyas Cinema, Ghatkopar ( West) Mumbai - 400086 (Tel. No. (022) 25002037, Fax No. (022) 25005395, Email ID: dineshpatel1234@hotmail.com) has, vide his Certificate dated 10th July 2008, certified that Ms. Pratiksha Gala and Mr. Kartik Gala have adequate liquid resources to meet the funds requirements of the Offer.

4.1.12 Mr. Kamlesh Gajaria (Membership No. 39280), Chartered Accountant, having his office at 3, Laxmi Niwas, 1st Floor, Zaver Road, Mulund ( W) Mumbai – 400 080 (Tel. No. (022) 25605536, Fax No. (022) 25643844, Email ID: k.gajaria@rediffmail.com), has, vide his Certificate dated 10th July, 2008, certified that Mr. Kantilal Manilal Savla has adequate liquid resources to meet the funds requirements of the Offer.

**4.1.13 The details of the liquid resources available with the Acquirers are as follows:**

(Rs. in Lacs)

| Name of the Acquirer | Nature of liquid source | Amount | Total liquid funds |
|---|---|---|---|
| Mr. Kantilal Manilal Savla | Bank balance | -0.04 | |
| | Investment in Mutual Funds | 16.81 | |
| | Capital and Loans to Partnerships | 904.75 | 921.52 |
| Ms. Pratiksha Popatlal Gala | Bank balance | 0.03 | |
| | Quoted Shares ( Market Value) | 3.83 | |
| | Capital in Partnership Firm | 778.23 | |
| | Capital in Partnership Firm | 47.63 | |
| | Loans & advances given | 9.82 | |
| | Cash on hand | 4.90 | 844.44 |
| Mr. Kartik Popatlal Gala | Bank balance | 0.07 | |
| | Quoted Shares ( Market Value) | 3.00 | |
| | Capital in Partnership Firm | 49.53 | |
| | Capital in Partnership Firm | 17.43 | |
| | Loans & advances given | 24.37 | |
| | Cash on hand | 3.33 | 97.73 |

4.1.14 The applicable provisions of Regulation 7 of Chapter II of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 have been complied with by the Acquirers. The provisions under Reg. 6 & Reg. 8 are not applicable to the Acquirers.

4.1.15 The Acquirers have not promoted any listed Company nor do they have controlling interest in any listed Company. None of the Acquirers are on the Board of Directors of any listed Company. Mr. Kantilal Manilal Savla is a Director in Pranay Leasing & Finance Ltd, Integrated Coreinfra Private Limited and Escube Ports Limited, unlisted Companies. Ms. Pratiksha Popatlal Gala is a Director in Pranay Leasing & Finance Ltd. Mr. Kartik Popatlal Gala is a Director in Pranay Leasing & Finance Ltd. Of these, Pranay Leasing & Finance Ltd is promoted by the Acquirers. In addition, they are proprietors/partners in a few ventures engaged in real estate, construction and infrastructure related activities.

4.1.16 The Acquirers belong to the Pranay Group of Mumbai, engaged in Construction, Real Estate and trading in Transfer of Development Rights (TDR).

4.1.17 The Acquirers are not on the Board of Directors of VTL. There are no persons on the Board of the Target Company, representing or having interest in the Acquirers.

4.1.18 There are a few pending litigations against the Acquirers/ventures promoted by them. (1)Ms. Edna Mathews Thekkekara has filed a case against Shah Construction Company and several others vide LC Suit No. 1047/06 in the City Civil Court, Mumbai claiming to be in use, occupation & possession of the Property situated at C.T.S.No. 1, 71/1 & 2 of village Ghatkopar situated at Gavdevi Road, Ghatkopar (W). The suit is filed by the Plaintiff for order of Injection for restraining defendants from trespassing over the Property & put up any construction or wall around the Property and or from interfering in any way with the possession of the Property and dispossessing the Plaintiff without due process of Law. The next posting is on 10.09.2008. (2) Mrs. Janabai Babibai Laxman Kharat has filed suit against RK Enterprises (a Special Purpose Vehicle in which Mr. Kanitlal Manilal Savla was a partner) and several others, in the City Civil Court, Mumbai, vide suit no. LC4044/06 seeking allotment of separate Tenements in lieu of suit premises being property bearing CTS No. 5775, FP No. 215, TPS III, situated at Hingwala Cross Lane, Ghatkopar (East), Mumbai. Case last posted for hearing on 12.08.2008. Next date awaited (3) Mr. Ishabi Mohammad Jamal Siddi and others have filed suit against Mr. Kantilal Manilal Savla and others, vide contempt petition 79/06 at the High Court, Mumbai, in connection with property bearing CTS No. 3(pt) situated at Nehru Nagar, Kurla (East), Mumbai, seeking proceedings for contempt of Court in the Order passed in Appeal No. 912 of 2004 by the High Court. (4) The State of Maharashtra through Pantnagar Police Station has filed a Criminal complaint against Mr. Kantilal Manilal Savla and another for recovery of Rent arrear due towards allotment of land for construction of Temporary Transit Accommodation. Case No. 50/PW/06. Last posted for 17-07-2008 but did not come up for hearing. Next date of hearing is awaited. (5) The State of Maharashtra through Nehrunagar Police Station has filed a Criminal complaint against Mr. Kantilal Manilal Savla and another for recovery of Rent arrear due towards allotment of land for construction of Temporary Transit Accommodation. Case not posted yet. Case No. 343/PW/04 at Vikhroli Criminal Court. (6) Ms. Geeta M Kharat has filed a criminal case vide Case No. CC47/C/99 at Vikhroli Criminal Court, against Mr. Kantilal Manilal Savla and several others, for illegal demolition of structures erected by her. Case is posted for 29.08.2008. These litigations against the Acquirers/their ventures will not have any impact on the acquisition of Shares in VTL through this Offer.

4.1.19 The Acquirers or ventures promoted by them have also filed a few Civil suits in various Courts at Mumbai, which are in connection with their construction /real estate business.

4.1.20 No action has been taken by SEBI or Stock Exchanges against the Acquirers or ventures promoted by them or in which they are Directors.

4.1.21 The Acquirers/Companies or ventures promoted by them or in which they have substantial interest or in which they are Directors are not registered with SEBI as a market intermediary.

4.1.22 During the Offer period, i.e. from date of signing the Agreement till completion of all formalities relating to the Offer and certification by the Merchant Banker, the Acquirers/their nominees shall not be entitled to be appointed on the Board of Directors of the Target Company.

**4.2.1. BRIEF DETAILS OF THE ACQUIRERS AS ON DATE OF LETTER OF OFFER ARE TABULATED BELOW:**

| Contact details | Relationship, if any, with any other Acquirers | Net Worth as certified by Chartered Accountant | Companies in which is a full time Director |
|---|---|---|---|
| **Mr. Kantilal Manilal Savla**<br>1003 / 1004, Kailash Palace<br>Upashray Lane, Ghatkopar (East)<br>Mumbai 400 077<br>Tel No. (022) 25116139<br>Fax (022)25119157<br>Email id :<br>kanti.savla@pranaygroup.com | None | Rs. 996.80 Lacs (Certificate dated 24-06-2008) | **Listed**<br>NIL<br>**Unlisted**<br>Pranay Leasing & Finance Ltd<br>Integrated Coreinfra Private Limited<br>Escube Ports Ltd |
| **Ms. Patiksha Popatlal Gala**<br>402, Krishna Baug<br>Near Madhu Park<br>8th & 11th Cross Road, Khar (W)<br>Mumbai – 400 052<br>Tel No. (022) 67518800<br>Fax (022) 67518855<br>Email id:<br>pratiksha.gala@pranaygroup.com | Sister of Mr. Kartik Popatlal Gala | Rs. 919.31 Lacs (Certificate dated 19-05-2008) | **Listed**<br>NIL<br>**Unlisted**<br>Pranay Leasing & Finance Ltd |
| **Mr. Kartik Popatlal Gala**<br>402, Krishna Baug<br>Near Madhu Park<br>8th & 11th Cross Road, Khar (W)<br>Mumbai – 400 052<br>Tel No. (022) 67518800<br>Fax (022) 67518855<br>Email id :<br>kartik.gala@pranaygroup.com | Brother of Ms. Pratiksha Popatlal Gala | Rs. 105.98 Lacs (Certificate dated 19-05-2008) | **Listed**<br>NIL<br>**Unlisted**<br>Pranay Leasing & Finance Ltd |

4.2.2. The Acquirers have not promoted any listed Company nor have any control over any listed Company.

4.2.3. **BRIEF DETAILS OF VENTURES/UNLISTED COMPANIES PROMOTED BY THE ACQUIRERS**

**(i) Name of the Company**: Pranay Leasing & Finance Limited

Date of Incorporation : 29-08-2006

Name of Directors : Mr. Kantilal Manilal Savla
Miss. Partiksha Poptlal Gala
Mr. Kartik Popatlal Gala

Nature of activities : Leasing & Transfer of Development Rights (TDR) trading

Brief financials based on Audited Accounts since incorporation till date of last audit and Certified (Certified by Auditors) financials as on 31.03.2008 are given below:

(Rs. in Lacs)

| **Details** | **2008** (Certified) | **31.03.2007** |
|---|---|---|
| Paid Up Equity Capital | 16.50 | 16.50 |
| Reserves & Surplus ( Net of Misc. expenses not written off) | 444.95 | 367.80 |
| Total Income | 10562.68 | 9976.34 |
| Profit after Tax | 198.38 | 371.67 |
| Earnings per Share per Rs.10/- paid up (in Rs.) | 120.23 | 225.26 |
| Net Asset Value per Share of Rs.10/- each (Rs.) | 277.91 | 232.91 |

The Company is not a Sick Industrial Company.

**(ii) Name of the Firm** : Parnay Investments

Constitution : Partnership

Date of Constitution : 01-04-1999

Partners : Mr. Kantilal Manilal Savla
Miss. Partiksha Poptalal Gala

Nature of activities : Transfer of Development Rights (TDR) trading

Brief financials based on Audited Accounts in the last three years and certified financials ( Certified by Auditors) are given below:

(Rs. in Lacs)

| **Details (Year ending March 31)** | **2008** (Certified) | **2007** | **2006** | **2005** |
|---|---|---|---|---|
| Partners' Capital | 260.02 | 779.60 | 346.46 | 231.90 |
| Secured Loans | 775.36 | 7.22 | 313.95 | 381.60 |
| Unsecured Loans | 770.99 | 68.03 | 100.00 | 0.00 |
| Total Income | 8026.28 | 8289.47 | 10123.53 | 9004.53 |
| Net Profit | 255.32 | 423.37 | 182.52 | 84.55 |

**(iii) Name of the Firm** : Pranay Properties

Constitution : Partnership

Date of Constitution : 25-05-2000

Partners : Mr. Kantilal Manilal Savla
Mr. Prakash Mehta
Mr. Dilip Mehta

Nature of activities : Construction, Real Estate

Brief financials based on Audited Accounts in the last three years and Certified (Certified by Auditors) financials as on 31.03.2008 are given below:

(Rs. in Lacs)

| Details (Year ending March 31) | 2008 (Certified) | 2007 | 2006 | 2005 |
|---|---|---|---|---|
| Partners' Capital | 431.54 | 166.56 | 127.95 | 137.80 |
| Secured Loans | 32.62 | 358.04 | 185.48 | 103.83 |
| Unsecured Loans | 206.92 | 0.00 | 58.70 | 75.00 |
| Total Income | 1110.04 | 665.51 | 489.06 | 367.68 |
| Net Profit (Loss in brackets) | 326.27 | 1.02 | (34.39) | 15.57 |

**(iv) Name of the Firm** : Parnay Leela associates

Constitution : Partnership

Date of Constitution : 03-05-2001

Partners : Miss. Pratiksha Gala
Leela Agencies Private Ltd

Nature of activities : Construction, Real Estate

Brief financials based on Audited Accounts in the last three years and Certified (Certified by Auditors) financials as on 31.03.2008 are given below:

(Rs. in Lacs)

| Details (Year ending March 31) | 2008 (Certified) | 2007 | 2006 | 2005 |
|---|---|---|---|---|
| Partners' Capital (Negative figure in brackets) | (33.75) | (46.15) | 0.40 | (14.84) |
| Secured Loans | 1.89 | 0.00 | 11.89 | 10.00 |
| Unsecured Loans | 0.00 | 0.00 | 0.00 | 336.97 |
| Total Income | 37.31 | 103.02 | 505.78 | 631.53 |
| Net Profit (Loss in brackets) | 3.48 | 38.52 | 111.35 | (43.74) |

**(v) Name of the Firm** : Shah Construction Company

Constitution : Partnership

Date of Constitution : 30-09-1995

Partners : Mr. Kantilal Manilal Savla
Miss. Partiksha Popatlal Gala
Mr. Kartik Popatlal Gala
Mr. Nishit Kantilal Savla
Kantilal Manilal Savla HUF
Mr. Popatlal Devraj Gala
Mrs. Gunvantiben Popatlal Gala

Nature of activities : Construction, Real Estate

Brief financials based on Audited Accounts in the last three years and Certified (Certified by Auditors) financials as on 31.03.2008 are given below:

(Rs. in Lacs)

| Details (Year ending March 31) | 2008 (Certified) | 2007 | 2006 | 2005 |
|---|---|---|---|---|
| Partners' Capital | 1131.56 | 401.38 | 313.84 | 472.08 |
| Secured Loans | 0.00 | 0.00 | 21.47 | 11.62 |
| Unsecured Loans | 1.05 | 1292.19 | 486.52 | 159.02 |
| Total Income | 183.58 | 743.67 | 580.67 | 182.65 |
| Net Profit | 29.63 | 29.96 | 104.58 | 151.32 |

**4.2.4 Details of earlier acquisitions by the Acquirers in the Target Company and position of compliance**

| Date of allotment/ Acquisition Transfer | No. of Shares Issued /acquired | Cumulative Share holding of Acquirers (No. of Shares) | Mode of allotment/ Acquisition/ Transfer | Status of compliance with SEBI (SAST) Regulations other Regulations under SEBI Act 1992 & other statutory requirements, as applicable |
|---|---|---|---|---|
| 03-07-2008 | 2,40,720 (4.61% of the listed and voting Capital) acquired by Ms. Partiksha Popatlal Gala | 2,40,720 (4.61% of the listed Capital) | Off Market | Reported under Reg. 7(1) No other provisions applicable |
| 03-07-2008 | 3,51,986 (6.74% of the listed and voting Capital) acquired by Mr. Kantilal Manilal Savla | 5,92,706 (11.35% of the listed and voting Capital) | Off Market | Reported under Reg. 7(1) No other provisions applicable |

**4.3 OBJECT AND PURPOSE OF ACQUISITION AND FUTURE PLANS OF THE ACQUIRERS WITH RESPECT TO VTL**

4.3.1 The objects of the acquisition are substantial acquisition of Shares of VTL and taking joint control of VTL. The Acquirers are proposing to acquire joint control with the present promoters.

4.3.2 Barring unforeseen circumstances, the Acquirers are confident of ensuring sustained growth. VTL was originally carrying on dairy and related business but performance was not satisfactory. Since the present promoters took over, the Company has decided to enter the real estate and construction business and has commenced taking up activities in the construction and real estate sector, albeit in a limited way. VTL has also signed MoU with Gujarat Government to set up an Industrial Park. The Acquirers are well experienced in the construction and real estate business and VTL will utilize their experience to further its prospects. Their experience and expertise will help VTL in this line of activity.

4.3.3 The Offer will result in change in control of VTL to the extent that the Acquirers will take joint control alongwith the present promoters. Subject to satisfaction of the provisions under the Companies Act, 1956 and/or any other Regulation(s), the Acquirers intend to make changes in the management of

VTL. It is proposed to induct 2 Directors representing the Acquirers on the Board of VTL in place of 2 Directors representing the present promoters but the Acquirers are yet to decide on the name of the persons who will be so inducted to the Board. The likely changes in the management/taking joint control by the Acquirers shall be subject to successful completion of the Open Offer formalities, including despatch of consideration for the Shares accepted and shall also be subject to compliance with Regulation 23(6) of the Regulations.

4.3.4 The Acquirers do not have any plans to dispose off or otherwise encumber any assets of VTL in the succeeding two years from the date of closure of the Offer, except in the ordinary course of business as may be permissible. They undertake that they shall not sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders.

4.3.5 There will be conflict of interest between the Target Company and other Companies/Ventures promoted by the Acquirers since they are also engaged in Construction/Real Estate/Infrastructure activities, the activities in which the Target Company is presently engaged in.

## 5. COMPLIANCE WITH REGULATION 21(2) & CLAUSE 40A OF THE LISTING AGREEMENT

The acquisition of 20% of the paid up and voting capital of the Target Company by the Acquirers under this Offer together with the Equity Shares already held by them and Shares being acquired from the present promoter group Shareholders through the Share Purchase Agreement will result in public shareholding falling below the level required for continued Listing. Assuming full acceptance under this Offer, the post offer holding of the Public shall be 24.9996% of the paid up and voting Capital, i.e. marginally below the level required for continued listing. If consequent to the Shares being acquired through the Agreement, this offer and any further acquisitions by the Acquirers/ present promoter group during the Offer Period/revision of Offer size, the public holding falls below the level required for continued listing, then the Acquirers/present promoters/Target Company will comply with the relevant provisions of Clause 40A of the listing agreement in this regard, within the time limits stipulated therein. The Acquirers /present promoters of VTL, undertake and declare that they do not have any intention to delist the Equity Shares of the Target Company after this Open Offer.

## 6 BACKGROUND OF THE TARGET COMPANY

6.1.1 VTL was originally incorporated on 6th October 1994 as a public limited Company in the State Gujarat in the name and style " Dhruv Makan(India) Ltd". VTL made its Initial Public Offer of Equity Shares in February 1996 and got its Equity Shares listed at Ahmedabad Stock Exchange Association Ltd (ASE) and The Bombay Stock Exchange Ltd (BSE). The members of VTL, vide Special Resolution adopted in the Annual General Meeting held on 12th August, 2006, resolved to change the name to " Vaghani Techno-Build Ltd" and the Company obtained fresh Certificate in this regard from the Registrar of Companies, Gujarat, Dadra and Nagar Haveli on 10th October 2006. The Shares were subsequently delisted from ASE w.e.from 04-06-2007.

6.1.2 The Registered Office is situated at 278/281 Kamalanagar House, village- Badarakha, Tal. Dholka. Dist, Ahmedabad – 382270 (E-mail ID: vtblcs@gmail.com). The Members of VTL, in their General Meeting held on 08.09.2007, through a Special Resolution, have resolved to shift the Registered Office from the State of Gujarat to State of Maharahstra. VTL has filed necessary petition with the Company Law Board (CLB). The final date for hearing is not announced yet. A decision is awaited.

6.1.3 The Corporate Office is at 401, Swagat Complex, Near Lal Bugalow, C.G. Road, Ahmedabad – 380006 ( Tel (079) 32948834 E mail Id: bjvaghani@gmail.com). The Mumbai Corporate Office is at 126/12, Shiv Center, Sector 17, Plot No. 72, Vashi, Navi Mumbai 400 703( Tel (022) 27891905, E mail Id: bjvaghani@gmail.com.)

6.1.4 VTL was originally promoted by Mr. Shailesh R Thakkar, Mr. Navin R Thakkar and their associates/ family members. Mr. Bavchandbhai J Vaghani, Mr. Govindbahi J Vaghani, Mrs. Hasumati B Vaghani and Mrs. Kirtiben G Vaghani, entered into a Share Purchase Agreement with the then promoters and others, on 17-06-2005, to acquire 25,12,790 Equity Shares(excluding disputed shares) constituting 28.88% of the then paid up and voting capital and to take control of VTL. An Open Offer, in compliance with Regulations 10 & 12 of SEBI (SAST) Regulations was made by them in the year 2005, - which opened on 17-08-2005 and closed on 05-09-2005 - to acquire 20% of the then paid up and voting capital. (After the then Public Announcement, a dispute arose with respect to 17,18,000 Equity Shares covered under the original Share Purchase Agreement and consequently a fresh agreement was entered into, on 17-06-2005, excluding the disputed Shares, as stated above). The then Acquirers, who are now in control of VTL, thus acquired 25,12,790 Equity Shares constituting 28.88% of then paid up and voting Capital and took over control of VTL. As on date of the present Public Announcement, the promoter group/persons in control, hold 22,78,314 Equity Shares (Post Reduction), each fully paid up, representing 43.65% of the present paid up and voting Capital. The then Acquirers have not acquired the disputed Shares. The present promoters have complied with the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations at the time of takeover.

6.1.5 The Fixed Assets owned by VTL are Land, Building, Computers, furniture and fixtures.

6.1.6 The Directors of VTL are Mr. Bavchandbhai J Vaghani (Chairman & Managing Director, Executive), Mr. Govindbhai J Vaghani (Wholetime Director, Executive), Mr. Mahendra D Ganatra (Non Executive), Mr. Dilipbhai Hiralal Siddhapura (Non Executive, Independent), Mr. Kishore S Dudhatra (Non Executive, Independent) and Mr. Babubhai N Dhamelia (Non Executive, Independent).

6.1.7 The Authorized Capital is Rs.1000 Lacs, divided into 1,00,00,000 Equity Shares of Rs 10/- each. The issued, subscribed and paid up Equity Share Capital after the Public Issue was 87,00,000 Equity Shares of Rs. 10/- each. The Members of VTL, vide Special Resolution adopted on 12.08.2006, resolved to approve a restructuring proposal by reducing the paid up capital to 52,20,000 Equity Shares of Rs. 10/- each aggregating to Rs. 522.00 Lacs . The same was approved by the Gujarat High Court; vide its order dated 10-07-2007. All the outstanding Equity Shares are fully paid up and the entire post IPO Capital was listed and admitted for trading at BSE. However, the trading in Equity Shares are suspended at BSE from 02$^{nd}$ May, 2000, for non compliances with various clauses of the listing agreement. VTL has also received necessary permission from BSE for the reduction in Capital. There are no warrants or options or convertible instruments, convertible into Equity Shares, at a later stage. No Shares are subject to lock-in.

6.1.8 As on date of the Public Announcement, the promoter group/persons presently in control hold 22,78,314 Equity Shares(Post Reduction), each fully paid up, representing 43.65% of the present paid up and voting Capital.

6.1.9 VTL has signed agreement with NSDL for offering Shares in dematerialized form. The ISIN Number is INE554H01021. Necessary steps have been taken to sign agreement with CDSL also. The Marketable lot for the Shares of VTL for the purpose of this Offer shall be 1 (one only).

6.1.10 VTL has, as its main objects, (1) to carry on business as manufacturers, importers, exporters, traders packers, agents, distributors etc. of dairy products, chocolates, other milk preparations etc. (2) To carry on business as developers, owners, occupiers , purchasers, sellers etc. of land, Agricultural farms, Agro Food Processing Parks, real estate etc (3) to carry on the business of construction, and to build , take on lease , purchase, acquire, convert, improve, etc. of buildings, reservoirs, canals, roads and other infrastructure etc. (4) to carry of IT and IT enabled services etc.

6.1.11 VTL was originally engaged in processing/ manufacture and marketing of dairy products such as Ghee, Butter Milk, and Condensed Milk etc. VTL was also having own cattle farm. The activity has been discontinued since 2006. Presently, VTL is engaged in construction business and is setting up Office Godowns, Industrial Park etc., which are in an early stage of implementation. VTL has also signed an MoU with Gujarat Government to set up an Industrial Park.

6.1.12 VTL has no Subsidiaries

6.1.13 VTL has not declared Dividend in the last 3 years.

6.1.14 None of the Directors of VTL represent the Acquirers.

6.1.15 The Marketable lot for the Shares of VTL for the purpose of this Offer is 1 (One only).

6.1.16 The Equity Shares of VTL are at present listed only at The Bombay Stock Exchange Ltd (BSE). The Shares were originally listed at ASE but got itself delisted from the Exchange and ASE, vide its letter dated June 4, 2007 has confirmed delisting/removal from the list of the Exchange. The Shares are not admitted as a permitted security at any other Stock Exchange. The Shares are suspended from trading at BSE from 02nd May, 2000 for non compliance with various clauses of the listing agreement. VTL is at present complying with the provisions of the listing agreement except signing agreement with CDSL for offering Shares in dematerialized form and has initiated steps to get suspension revoked. All the outstanding issued Equity Shares of VTL post IPO are listed and admitted for trading. There are no partly paid Equity Shares. There are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage. No Shares are subject to lock in. VTL has obtained approval of BSE for the reduction in capital and got the post reduction of capital listed. The Shares continue to be under suspension from trading.

6.1.17 VTL has no arrears of listing fee to Stock Exchange. Except for the suspension of trading since 02nd May, 2000, no action is taken by BSE or SEBI against VTL, its promoters or Directors.

6.1.18 VTL is complying with the provisions of Clause 49 of the Listing Agreement.

6.1.19 VTL has been complying with the filing requirements under Reg. 6 & Reg. 8 of Chapter II of SEBI (SAST) Regulations and there has not been any delay/default. The present promoters of VTL have complied with filing requirements under Regs. 6,7 & 8 of Chapter II, in time. Till 31.03.2008, there were no major Shareholders who were required to report under the Regulations. The Acquirers have complied with the reporting requirements under Chapter II for the acquisitions made by them on 03-07-2008.

6.1.20 VTL is not a Sick Company and is not referred to BIFR.

6.1.21 There has not been any merger or demerger or spin off of activity in the preceding 3 years.

6.1.22 VTL has no overdue liabilities to Banks/FIs or Deposit holders. However, there is a past case of overdue liabilities to Dena Bank, the Bank had attached certain immovable properties and had filed petition before the Debt Recovery Tribunal (DRT), Ahmedabad. Consequent to a consent term agreed to between the VTL and Dena Bank, necessary petition was filed before DRT, Ahmedabad and DRT vide order dated 02-09-2004, ordered release of the securities upon payment of dues as per the consent terms. The dues as per consent terms were paid by VTL, securities were released by the Bank and there are no liabilities now.

6.1.23 A Criminal Complaint has been filed by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, on 30-01-2003 against then Directors of VTL in the Court of Additional Chief Metropolitan Magistrate, Ahmedabad alleging offenses under Sections 63, 68 and 628 of the Companies Act 1956, (admitted as Case No. 57 of 2003) alleging failure to implement the project for which funds were raised through Public Issue. The case is pending. A Criminal Complaint was filed by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, on 03-03-2007 against VTL and Shri. Shailesh Thakkar, erstwhile Managing Director, in the Court of Additional Chief Metropolitan Magistrate, Ahmedabad alleging violation of Sections 211(3A) and 211(2B) of the Companies Act 1956, (admitted as Case No. 62 of 2007) in the years 2001-02, 02-03 and 2003-04 and the case is pending. For the same alleged offence, a petition filed before the Company Law Board, Western Region, was compounded with a fine of Rs. 1000/- on 27.01.2008. There are a few Income Tax related notices, orders and appeals pending, which are routine in nature.

6.1.24 The Compliance Officer of VTL is Mr. Bavchandbhai J Vaghani, Chairman & Managing Director , residing at Sector 21, Plot No. 199, “ Samudra” Nerul, Navi Mumbai 400706 (Tel No. (022) 2772 4144, E Mail ID: bjvaghani@gmail.com) who will be available at the Mumbai Corporate Office address of VTL and shall attend to all investor grievances.

## 6.2 Equity Share Capital History

### 6.2.1 Equity Share Capital Structure of VTL as on Saturday, July 12, 2008 the date of Public Announcement

| Paid up Equity Shares of CIL | No. of Shares | % of Shares | Voting Rights | % of voting rights. |
|---|---|---|---|---|
| Fully paid up Equity Shares | 52,20,000 | 100 | 52,20,000 | 100 |
| Partly paid up Equity Shares | 0 | 0 | 0 | 0 |
| Total paid up Equity Shares | 52,20,000 | 100 | 52,20,000 | 100 |
| Total voting rights in Target Company | 52,20,000 | 100 | 52,20,000 | 100 |

### 6.2.2 Build Up of Current Capital

### 6.2.2.1. Build up of Authorized capital (In Rs.)

| Date | From | To | Authorized Capital after enhancement |
|---|---|---|---|
| On Incorporation | 0 | 10,00,000 | 10,00,000 |
| 15-12-1994 | 10,00,000 | 1,00,00,000 | 1,00,00,000 |
| 19-01-1995 | 1,00,00,000 | 2,00,00,000 | 2,00,00,000 |
| 19-04-1995 | 2,00,00,000 | 9,00,00,000 | 9,00,00,000 |
| 21-07-1995 | 9,00,00,000 | 10,00,00,000 | 10,00,00,000 |

The Authorized Capital consist of Equity Share Capital only

### 6.2.2.2 Build up of Current Paid up Capital

| Date of allotment | No. and % of Shares Issued | Cumulative paid up capital (Rs.) | Mode of allotment | Identity of allottees (e.g.-promoters /others | Status of compliance With SEBI (SAST) Regulations other Regulations under SEBI Act 1992 |
|---|---|---|---|---|---|
| On Incorporation | 70 0.001% of current capital | 700 | Signatories to the Memorandum, for cash | Signatories to the Memorandum | Provisions of Companies Act, complied with |
| 22-04-1995 | 6,67,630 12.79% of current Capital | 66,77,000 | Allotted to promoters, friends, relatives & associates | promoters, friends, relatives & associates. | Provisions of Companies Act, complied with |
| 20-08-1995 | 11,0400 2.11% of current Capital | 77,81,000 | Allotted to promoters, friends, relatives & associates | promoters, friends, relatives & associates. | Provisions of Companies Act, complied with |
| 28-09-1995 | 5,71,900 10.96% of Current Capital | 1,35,00,000 | Allotted to promoters, friends, relatives & associates | promoters, friends, relatives & associates. | Provisions of Companies Act, complied with |
| 19-04-1996 | 17,90,000 34.29% of Current Capital | 3,14,00,000 | Allotted to promoters, friends, relatives & associates | promoters, friends, relatives & associates. | Provisions of Companies Act, complied with SEBI Clarifications on Public Issue complied with |
| 19-04-1996 | 55,60,000 106.51% of Current Capital | 8,70,00,000 | Allotted to Public through Prospectus | Public | Provisions of Companies Act, complied with SEBI Clarifications on Public Issue complied with |

| | | | | | |
|---|---|---|---|---|---|
| 27-10-2007 | Reduced 34,80,000 Equity Shares 66.67% of Current Capital | 5,22,00,000 | | All Shareholders | Provisions of Companies Act, complied with. Reduction in Capital consequent to member resolution and approval by the Gujarat High Court. |

### 6.2.2.3. Change in holding of present promoters/persons in control and position of Compliance

| Date of allotment /acquisition/ Sale | No. of Shares Issued/ acquired / sold/ reduced | Cumulative Shareholding ( No. of Shares) | Mode of allotment/ Acquisition | Identity of allottees /acquirers (e.g.- promoters /others | Status of compliance with SEBI (SAST) Regulations other Regulations under SEBI Act 1992 & other statutory requirements, as applicable |
|---|---|---|---|---|---|
| Holding prior to SPA with then promoters ,dated 17-06-2005 | 4,30,700 Shares (4.95 % of then paid up and listed capital) | 4,30,700 Shares (4.95 % of then paid up capital) | Market acquisitions /holding as public Shareholders | Present promoters | The provisions are not applicable. |
| September 2005 | 72,500 Shares (0.83 % of then paid up and listed capital) | 5,03,200 Shares (5.78 % of then paid up capital) | Acquired through Open Offer | Present promoters | Complied with SEBI (SAST) Regulations. Open Offer was made as per the Regulations. Offer closed on 05-09-2005. |
| Acquired from then promoters consequent to Share Purchase Agreement dated 17-06-2005 and closure of Open Offer. | 25,12,790 (28.88 % of then paid up and listed capital) | 30,15,990 (34.67 % of then paid up and listed capital) | Transfer consequent to a Share Purchase Agreement with then promoters | Present promoters | Complied with SEBI (SAST) Regulations. Open Offer was made as per the Regulations. Offer closed on 05-09-2005. Complied with other statutory requirements |
| 16-12-2006 | Purchased 2,44,100 Shares (2.81 % of the then paid up and listed capital) | 32,60,090 ( 37.48% of the then paid up and listed capital) | Market acquisitions | Present promoters | Acquisition within the limits under Reg. 11(1). Reported under Reg. 7(1A). The acquisition is after 6 months from date of closure of Open Offer . |
| 17-01-2007 | Purchased 1,46,500 Shares (1.68% of the then paid up and listed capital) | 34,06,590 ( 39.16% of the then paid up and listed capital) | Market acquisitions | Present promoters | Acquisition within the limits under Reg. 11(1). Reported under Reg. 7(1A). |
| 05-06-2007 | Purchased 3,90,600 Shares (4.49% of the then paid up and listed capital) | 37,97,190 ( 43.65 % of the then paid up and listed capital) | Market acquisitions | Present promoters | Acquisition within the limits under Reg. 11(1). Reported under Reg. 7(1A). |
| 27-10-2007 | Reduced 15,18,876 Shares (17.46 % of the then paid up and listed capital) | 22,78,314 ( 43.65% of the present listed capital) | Reduction | Present promoters | Reduction consequent to Scheme of restructuring, approved by Gujarat High Court. |

6.3 There are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later date.

6.4 All the present issued Equity Shares of VTL are listed at the Stock Exchanges.

6.5 No action has been initiated by SEBI against the Target Company and its promoters/Directors. BSE has suspended trading in Equity Shares for non compliance with various provisions of the listing agreement. At present, VTL is complying with the same except signing with both the Depositories for offering the Shares in dematerialized form. VTL has already signed agreement with NSDL and is in the process of submitting application with CDSL.

6.6.1 **Board of Directors as on Saturday, July 12, 2008, the date of PA:**

| **Name** | **Date of appointment** | **Residential Address** | **Designation** |
|---|---|---|---|
| Mr. Bavchandbhai J Vaghani | 07-06-2004 | Sector 21, Plot No. 199<br>" Samudra" Nerul<br>Navi Mumbai 400706<br>Tel No. 022- 27724144<br>E Mail ID: bjvaghani@gmail.com | Chairman & Managing Director |
| Mr. Govindbhai J Vaghani | 07-06-2004 | Sector 8 A, Plot No. 16, CBD<br>Belapur, Navi Mumbai 400614<br>Tel No. 022 – 27891905<br>E mail ID: rahihotboy@gmail.com | Wholetime Director |
| Mr. Mahendra D Ganatra | 25-04-2005 | 15, Chaitali Society<br>Jodhpurgam, Satellite<br>Ahmedabad 380015<br>Tel No. 079 32948834<br>E Mail ID: mdgantra@gmail.com | Director<br>(Non Executive) |
| Mr. Dilipbhai Hiralal Sidhapura | 15-10-2005 | 501, Sidhapura Complex,<br>Krishna Baug, Maninagar<br>Ahmedabad 380008<br>Tel No. (079) 25461020<br>E Mail ID: info@fso.net.in | Director<br>(Non Executive, Independent) |
| Mr. Kishore S Dudhatra | 15-10-2005 | B-4, Balaji Park<br>Lad Society Road<br>Vastrapur, Ahmedabad 380015<br>Tel No. 079 27430594<br>E Mail ID: ksdudhatra@yahoo.com | Director<br>(Non Executive, Independent) |
| Mr. Babubhai M Dhamelia | 31-10-2007 | B-42, Sujan Tower<br>Near Shastri Nagar, Navrangpura<br>Ahmedabad 380063<br>Tel No. 079 26400091<br>E Mail ID: jaycoexport@yahoo.com | Director<br>(Non Executive, Independent) |

**6.6.2 Experience, Qualification etc. of the Board of Directors**

| **Name** | **Age, Qualification, Occupation** | **Experience, in brief** |
|---|---|---|
| Mr. Bavchandbhai J Vaghani | Age: 61years<br>Qualification: B.E. (Civil)<br>Occupation: Business | Civil Engineer, and engaged in civil contracts. Is also a civil contractor for Satyam Concast Private Limited, where he is also a Director. |
| Mr. Govindbhai J Vaghani | Age: 45 years<br>Qualification: Diploma in Civil Engineering<br>Occupation: Business | Civil Engineer ( holding Diploma) and engaged in the construction business as a civil contractor for Satyam Concast Private Limited wherein he is a director. |

| | | |
|---|---|---|
| Mr. Mahendra D Ganatra | Age: 59 years<br>Qualification: B.A<br>Occupation: Retired | At present retired. Earlier he was in State Bank of India as an Officer for more 20 years and thereafter obtained VRS. |
| Mr. Dilipbhai Hiralal Sidhapura | Age: 49 years<br>Qualification: SSC<br>Occupation: Business | He is doing private construction work. He develops industrial Galas sells them, primarily in State of Gujarat. |
| Mr. Kishore S Dudhatra | Age: 42 years<br>Qualification: C.S.<br>Occupation: Company Secretary in practice | He is a Company Secretary in practice. |
| Mr. Babubhai M Dhamelia | Age: 49 years<br>Qualification: M.B.B.S<br>Occupation: Business | He is by profession a Doctor. However he is engaged in the business of export – import. |

**Note :** None of the present Directors represent the Acquirers.

**6.6.3 There has been the following change in Board of Directors in the last three years.**

| Name | Date of change | Nature of change |
|---|---|---|
| Mr. Mihir B Shah | 15.10.2005 | Resigned |
| Mr. Kishore S Dudhatra | 15.10.2005 | Appointed as Director |
| Mr. Dilipbhai S Sidhpura | 15.10.2005 | Appointed as Director |
| Mrs. Shailes Daxini | 01.12.2005 | Resigned as Director |
| Mr. Rajnikant B Joshi | 07.04.2007 | Resigned |
| Mr. S R Nigam | 01.12.2005 | Appointed as Director |
| Ms. Rahi G Vaghani | 31.07.2007 | Appointed as Director |
| Mr. Babubhai D Dhamelia | 31.10.2007 | Appointed as Director |
| Mr. S R Nigam | 31.10.2007 | Resigned |
| Mr. J B Patel | 31.10.2007 | Appointed as Director |
| Mr. J B Patel | 03.12.2007 | Resigned |
| Ms. Rahi G Vaghani | 03.12.2007 | Resigned |

6.7 There has not been any mergers/demergers involving the Target Company nor was there any spin off of activity during the last three years. There has been change of name since Incorporation . The name at the time of Incorporation was " Dhruv Makhan (India) Ltd" which was changed to " Vaghani Techno-Build Limited" consequent to a Special Resolution adopted by Members on 12th August, 2006 and the Company obtained fresh Certificate in this regard from the Registrar of Companies, Gujarat, Dadra and Nagar Haveli on 10th October 2006

6.8. **Brief Audited Financial data for the last three years are given hereunder:**

(Rs. In Lacs)

| Profit & Loss Statement | 31.03.08 | 31.03.07 | 31.03.06 |
|---|---|---|---|
| Income from Operations | 49.86 | 16.50 | 10.26 |
| Other Income | 0.15 | 0.71 | 0.00 |
| Extra Ordinary Income (Profit from Sale of Commodities) | 0.82 | 0.00 | 0.00 |
| **Total Income** | **50.83** | **17.21** | **10.26** |
| Total Expenditure | 11.08 | 22.21 | 8.02 |
| Extra ordinary expenditure | 43.37 | 0.99 | 3.36 |
| Profit before Depreciation, Interest and Tax (Loss in brackets) | (3.62) | (5.99) | (1.12) |
| Depreciation | 39.74 | 10.73 | 6.84 |
| Interest & Fin charges | 0.00 | 0.00 | 0.00 |
| Profit Before Tax before Extraordinary Income/Extraordinary exp. (Loss in brackets) | (0.81) | (15.73) | (4.60) |
| Profit Before Tax after Extraordinary income/Extra ordinary exp. (Loss in brackets) | (43.36) | (16.72) | (7.96) |
| Less: Provision for Current Taxes | 0.01 | 0.01 | 0.00 |
| **Profit After Tax/Loss for the year** | (43.37) | (16.73) | (7.96) |
| Net Profit/Loss carried to B/s. | (43.37) | (16.73) | (7.96) |
| **Balance Sheet Statement** | **31.03.08** | **31.03.07** | **31.03.06** |
| **Sources of funds** | | | |
| Paid up Equity Share Capital | 522.00 | 870.00 | 870.00 |
| Reserves & Surplus (Negative figure in brackets) | (60.10) | (247.09) | (230.36) |
| **Net Worth** | **461.90** | **622.91** | **639.64** |
| Secured Loans | 0.00 | 0.00 | 0.00 |
| Unsecured Loans | 40.00 | 18.50 | 0.00 |
| **Total Source of funds** | **501.90** | **641.41** | **639.64** |
| **Uses of funds** | | | |
| Net Fixed Assets | 445.54 | 520.28 | 219.40 |
| Investments | 0.00 | 65.13 | 342.58 |
| Net Current Assets | 56.36 | 55.98 | 77.66 |
| **Total** | **501.90** | **641.42** | **639.64** |

| **Other Financial Data** | | | |
|---|---|---|---|
| Dividend (%) | NIL | NIL | NIL |
| Earnings per Share (Rs.) Fully diluted. (Negative figure in brackets) | (0.83) | (0.19) | (0.09) |
| Return on Net Worth (%) (Profit after Tax X100/Net Worth) (Negative figure in brackets) | (9.39) | (2.69) | (1.24) |
| Book Value Per Share (Rs.) (Net Worth/No. of Shares) | 8.85 | 7.16 | 7.35 |

**Details of Other Income during the above period**

(Rs. In Lacs)

| Details | 31.03.08 | 31.03.07 | 31.03.06 |
|---|---|---|---|
| Share Trading | 0.15 | 0.71 | 0.00 |
| **Total** | 0.15 | 0.71 | 0.00 |

**Details of Extraordinary Expenditure during the above period**

(Rs. In Lacs)

| Details | 31.03.08 | 31.03.07 | 31.03.06 |
|---|---|---|---|
| Loss on conversion of Land to Stock | 43.21 | | |
| Loss on Sale of Investments | 0.16 | | |
| Loss on trading in Commodities | | 0.99 | |
| Loss on Sale of Buffalos | | | 1.53 |
| Loss on Sale of Fixed Assets | | | 1.83 |
| **Total** | **43.37** | **0.99** | **3.36** |

**Notes:**

- There is no change in accounting policies during the above period except in 2007-08 when VTL changed Land held under Fixed Assets to Stock in Trade.
- There is no Revaluation Reserves
- **Reasons for rise/fall in Total Income and PAT during the above period:** VTL was in the dairy and related business but had not been performing satisfactorily and incurring losses. The business was in the process of being wound up during the above period. VTL was disposing off the cattle and fixed assets relating to the dairy activity. In view of this the Income was gradually coming down which is reflected in Income from Operations in 2005-06 & 2006-07. The Losses too were moving in tandem in the said years. In the year 2006-07, there was a spurt in expenditure as the Company just entered the real estate related business and incurred initial costs and expenses thereof. In the year 2007-08, the old activity was discontinued altogether and the entire Income is from new activity viz. real estate related business. So, is the expenditure except the administrative expenditure which too has increased. The Company also disposed off dairy animals at significant losses. The Depreciation charges are also significantly higher. The effect of these have resulted in Company returning significantly higher Net loss 2007-08 compared to earlier year.
- **Significant Accounting policies as on 31-03-2008, date of last audit**
  a. The accounts are prepared under the historical cost convention , on the basis of a going concern with revenue recognized and expenses accounted on accrual basis
  b. Fixed Assets are carried at cost less depreciation. Depreciation is provided on WDV method at the rates specified in Schedule XIV of Companies Act 1956.
- **There are no significant qualifications by Auditors as on 31. 03. 2008.**

**6.9. Pre and Post- Offer Share holding pattern of VTL shall be as follows:**

| Shareholders' category | Shareholding prior to the agreement/ Acquisition and offer. (A) | | Shares to be acquired which triggered off the Regulations (B) | | Shares to be Acquired in Open Offer (Assuming full acceptances) (C) | | Share holding after the acquisition and Offer. (D) | |
|---|---|---|---|---|---|---|---|---|
| | No | % | No | % | No | % | No | % |
| **1.Promoter group** **Parties to the Agreement** | | | | | | | | |
| Mr. B J Vaghani | 13,95,654 | 26.74 | (3,20,814) | (6.15) | 0 | 0 | 10,74,840 | 20.59 |
| Mr. Govind Jivrajbhai Vaghani | 1,28,820 | 2.47 | 0 | 0 | 0 | 0 | 1,28,820 | 2.47 |
| Mrs. Kirtiben G Vaghani | 1,44,660 | 2.77 | 0 | 0 | 0 | 0 | 1,44,660 | 2.77 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| Mr. Govindbhai J Vaghani | 4,63,260 | 8.87 | 0 | 0 | 0 | 0 | 4,63,260 | 8.87 |
| Mrs. Hasumati B Vaghani | 1,45,920 | 2.80 | 0 | 0 | 0 | 0 | 1,45,920 | 2.80 |
| **Total (1)** | **22,78,314** | **43.65** | **(3,20,814)** | **(6.15)** | **0** | **0** | **19,57,500** | **37.50** |
| **2. Acquirers** | | | | | | | | |
| Mr. Kantilal Manilal Savla | 3,51,986 | 6.74 | 1,04,774 | 2.01 | | | | |
| Ms. Pratiksha Popatlal Gala | 2,40,720 | 4.61 | | | | | | |
| | | | | | 10,44,000 | 20 | 19,57,520 | 37.50 |
| Mr. Kartik Popatlal Gala | 0 | 0 | 2,16,040 | 4.14 | | | | |
| **Total of Acquirers (2)** | **5,92,706** | **11.35** | **3,20,814** | **6.15** | **10,44,000** | **20** | **19,57,520** | **37.50** |
| **3. Total of Promoters and Acquirers (1+2)** | | | | | | | **39,15,020** | **75.00** |
| **4 Public Holding** | | | | | | | | |
| a. Indian Public | 23,48,920 | 45.00 | 0 | 0 | (10,44,000) | (20) | 13,04,980 | 25.00 |
| b. FIIs/FIs/Mutual Funds/Banks | 60 | 0.00 | | | | | | |
| c. NRIs | 0 | 0 | | | | | | |
| **Total Public (4) (a+b+c)** | 23,48,980 | 45.00 | **0** | **0** | **(10,44,000)** | **(20)** | 13,04,980 | 25.00 |
| **Total (3+4)** | **52,20,000** | **100** | | | | | **52,20,000** | **100** |

**Notes:**

a. Post Offer, the holding of the Acquirers will be clubbed with Promoter Group holding

b. There are no partly paid Equity Shares.

c. There are no warrants, options or convertible instruments, convertible at a later stage.

d. No Shares are subject to lock in

e. The Acquirers have not acquired any Shares from the date of the Public Announcement till date of this Letter of Offer.

f. The number of Shareholders under Public Category, i.e. under 4 above, on the Specified Date is 726

g. Assuming full acceptance under this Offer, the post offer holding of the Public shall be 24.9996% of the paid up and voting Capital, i.e. marginally below 25% which is the level required for continued listing. If, post Offer, the public holding falls below the level required for continued listing, then the Acquirers/present promoters/Target Company will comply with the relevant provisions of Clause 40A of the listing agreement in this regard, within the time limits stipulated therein, either by divesting a part of their holding or by making a fresh issue/allotment of Capital to Public so that the Public holding reaches the level required for continued listing.

## 7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 7.1 Justification of Offer price

7.1.1 The Equity Shares of VTL are listed at The Bombay Stock Exchange Ltd. (BSE). The Shares are not admitted as permitted Security in any other Stock Exchange.

7.1.2 The annualized trading turnover of Shares of VTL, on BSE during the preceding 6 calendar months prior to the month in which Public Announcement was made (i.e. during the months January 2008 to June 2008) is NIL.

**The trading data is given below:**

| **Name of stock exchange(s)** | **Total no. of Shares traded during the 6 calendar months prior to the month in which the P A was made.** | **Total No. of listed Shares** | **Annualized Trading turnover ( in terms of % to total listed Shares)** |
|---|---|---|---|
| The Bombay Stock Exchange Ltd (BSE) | 0 | 52,20,000 | 0 |

The trading volume data in respect of BSE have been taken from the BSE's website www.bseindia.com.

The Equity Shares are thus infrequently traded in terms of Regulation 20 (5), explanation (i) at the Stock Exchanges

7.1.3 Since the Equity Shares of the Target Company has been infrequently traded as per explanation (i) to Regulation 20(5) at the Stock Exchanges during the 6 calendar months preceding the month in which the Public Announcement is made, the Offer price has been justified, taking into account, the following parameters, as set out under Regulations 20(5)©:

| | | |
|---|---|---|
| 1 | Negotiated price paid by the Acquirers under the any Agreement referred to in sub regulation (1) of Regulation 14. | Rs. 3.00 |
| 2 | Highest price paid by the Acquirers for acquisition including by way of allotment in a Public or Rights issue, if any, during the twenty-six week period prior to the date of Public Announcement. | Rs. 3.00 |
| 3 | Price paid by the Acquirers under any Preferential allotment made to them any time during the twenty six weeks preceding the date of PA | N.A. |
| 4 | Book Value of the Equity Shares as on 31.03.2008 (audited) | Rs. 8.85 |
| 5 | Earnings Per Share (EPS) as on 31.03.2008 | -0.83 |
| 6 | Return on Net Worth during the preceding Financial year ended 31.03.2008 (based on Audited results) | -9.39% |
| 7 | Fair Value arrived at as per the formula suggested by Supreme Court in HLL vs. Employees case | Rs. 1.02 |
| 8 | Offer Price | Rs. 5.00 |

7.1.4. This is not an indirect acquisition/control.

**7.1.5 Non Compete Fee:** There is no non-compete agreement for payment to any person.

7.1.6 The Offer price is justified in terms of Regulation 20 (11) of the Regulations. In the opinion of the Manager to the Offer and the Acquirers, the Offer price is justified. The Offer price of Rs. 5/- per Equity Share (fully paid up) is higher than the price being paid for acquisition under the Share Purchase Agreement . The Offer price is also higher than the price paid by the Acquirers for acquisition of Shares in the 26 weeks preceding the date of Public Announcement . The Offer price is also justified considering the Book Value of Equity Shares, EPS, Return on Net Worth etc. Industry/Peer Group PE ratio is not considered as VTL has returned Net loss in the last three years. The Offer price is also justified as it is higher than the Fair Value determined as per the formula in the Supreme Court decision in HLL vs. Employees case. There are no partly paid Equity Shares

7.1.7 In the event of any further acquisition of Equity Shares by the Acquirers upto 7 working days prior to the closure of the Offer at a price higher than the Offer price, then the Offer price will be revised upwards to be equal to or more than the highest price paid for such acquisition. However, the Acquirers shall not be acquiring any Equity Shares of VTL during the period of 7 working days, prior to the date of closure of the Offer.

**7.2 Financial arrangements**

7.2.1 The Acquirers have adequate resources to meet the financial requirements of the Offer. The funds requirements will be met from own sources/Net Worth and no borrowings from Banks/FIs/others or Foreign sources such as NRIs is envisaged.

7.2.2 Assuming full acceptance, the total funds requirements to meet this Offer is Rs. 52,20,000/- (Rupees Fifty Two Lacs Twenty Thousand only).

7.2.3 In accordance with Regulation 28 of the SEBI (SAST) Regulations, the Acquirers have created an Escrow Account in the form of Bank Deposit for Rs.13, 05,000/- (Rupees Thirteen Lacs Five Thousand only), which is 25 % of the total consideration payable under the Offer, and the requisite funds were deposited with The Federal Bank Ltd., Manickpur, Vasai (West), 401 202 on July 10, 2008. The Fixed Deposit was created on July 14, 2008 with w.e.from July 12, 2008 and lien has been marked on the said account in favor of Fedex Securities Ltd., Manager to the Offer.

7.2.4 The Acquirers have authorized Fedex Securities Ltd., Managers to the Offer to realize the value of the Escrow Account in terms of the Regulations.

7.2.5 As per Certificate dated 24th June, 2008 from Mr. Kamlesh Gajaria (Membership No.39280), Chartered Accountant, having his office at 3, Laxmi Niwas, 1st Floor, Zaver Road, Mulund ( W) Mumbai – 400 080 (Tel. No.(022) 25605536, Fax No. (022) 25643844, Email ID: k.gajaria@rediffmail.com), the Net worth of Mr. Kantilal Manilal Savla as on 31st March, 2008 is Rs.996.80 Lacs.

7.2.6 As per Certificate dated 19th May, 2008 from Mr. Bharat Parikh( Membership No. 37776), Chartered Accountant, having his office at C-412, Kailash Esplanade, LBS Marg, Opp. Shreyas Cinema, Ghatkopar (West) Mumbai - 400086 (Tel. No. (022) 25002037, Fax No. (022) 25005395, Email ID: dineshpatel1234@hotmail.com), the Net worth of Ms. Pratiksha Popatlal Gala as on 31st March, 2008 is Rs. 919.31 Lacs

7.2.7 As per Certificate dated 19th May, 2008 from Mr. Bharat Parikh( Membership No. 37776), Chartered Accountant, having his office at C-412, Kailash Esplanade, LBS Marg, Opp. Shreyas Cinema, Ghatkopar ( west) Mumbai - 400086 (Tel. No. (022) 25002037, Fax No. (022) 25005395, Email ID: dineshpatel1234@hotmail.com), the Net worth of Mr. Kartik Popatlal Gala and Mr. Kartik Gala as on 31st March, 2008 is Rs.105.98 Lacs.

7.2.8 Mr. Bharat Parikh (Membership No. 37776), Chartered Accountant, having his office at C-412, Kailash Esplanade, LBS Marg, Opp. Shreyas Cinema, Ghatkopar (West) Mumbai - 400086 (Tel. No. (022) 25002037, Fax No. (022) 25005395, Email ID: dineshpatel1234@hotmail.com), has, vide his Certificate dated 10th July 2008, certified that Ms. Pratiksha Popatlal Gala and Mr. Kartik Popatlal Gala have adequate liquid resources to meet the funds requirements of the Offer.

7.2.9 Mr. Kamlesh Gajaria (Membership No. 39280), Chartered Accountant, having his office at 3, Laxmi Niwas, 1st Floor, Zaver Road, Mulund (W) Mumbai – 400 080 (Tel. No. (022) 25605536, Fax No. (022) 25643844, Email ID: k.gajaria@rediffmail.com), has, vide his Certificate dated 10th July 2008, certified that Mr. Kantilal Manilal Savla has adequate liquid resources to meet the funds requirements of the Offer.

**7.2.10 The liquid resources available with the Acquirers are**

(Rs. in Lacs)

| Name of the Acquirer | Nature of liquid source | Amount | Total liquid funds |
|---|---|---|---|
| Mr. Kantilal Manilal Savla | Bank balance | -0.04 | |
| | Investment in Mutual Funds | 16.81 | |
| | Capital and Loans to Partnerships | 904.75 | 921.52 |
| Ms. Pratiksha Gala | Bank balance | 0.03 | |
| | Quoted Shares ( Market Value) | 3.83 | |
| | Capital in Partnership Firm | 778.23 | |
| | Capital in Partnership Firm | 47.63 | |
| | Loans & advances given | 9.82 | |
| | Cash on hand | 4.90 | 844.44 |
| Mr. Kartik Gala | Bank balance | 0.07 | |
| | Quoted Shares ( Market Value) | 3.00 | |
| | Capital in Partnership Firm | 49.53 | |
| | Capital in Partnership Firm | 17.43 | |
| | Loans & advances given | 24.37 | |
| | Cash on hand | 3.33 | 97.73 |

7.2.11 The Acquirers will utilize their investments in Mutual Funds, Loans and advances given and capital held in Partnership Firms to meet the funds requirements for the acquisition through Share Purchase Agreement as well as this Offer. The said liquid resources are adequate to meet the funds requirements.

7.2.12 Fedex Securities Limited, Manager to the Offer certify and confirm that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

**8. TERMS AND CONDITIONS OF THE OFFER**

8.1

a. This Offer will open on Friday, August 29, 2008 and will close on Wednesday, September 17, 2008. The Equity Shares offered under this Offer should be free from all liens, charges, equitable interests, encumbrances and are to be offered together with, if any, of all rights of dividends, bonuses or rights from now on and hereafter.

b. This is not a conditional Offer and there is no stipulation on any minimum level of acceptance.

c. The Specified date for this Offer is Friday, August 8, 2008.

**d. Specified date is only for the purpose of determining the names of the Shareholders/ beneficial owners holding Shares in dematerialized form, as on such date, to whom the Letter of Offer would be sent and all owners (registered or unregistered) of Shares of VTL anytime before the closure of the Offer, are eligible to participate in the Offer.**

e. The Acquirers will comply with the Takeover Regulations and complete the offer formalities irrespective of the compliance or fulfillment or outcome of the Agreement for purchase of Shares and change in Control (joint control) and its related conditions.

f. In case of non-compliance with any of the provisions of the Takeover Regulations, Agreement for Purchase of Shares & change in Control shall not be acted upon by the Sellers or the Acquirers.

g. VTL has signed agreement with NSDL for offering Shares in dematerialized form. The ISIN Number is INE554H01021. Necessary steps have been taken to sign agreement with CDSL also.

h. The Marketable lot for the Shares of VTL for the purpose of this Offer shall be 1 (one only).

8.2 **Locked in Shares:** There are no Equity Shares, which are subject to Lock in.

**8.3. Eligibility for accepting the Offer**

8.3.1 The Letter of Offer shall be mailed to all Equity Shareholders /beneficial owners (except the present promoters, parties to the agreement and the Acquirers) whose names appear in register of Target Company as on Friday, August 8, 2008, the Specified Date.

8.3.2 This Offer is also open to persons who own Equity Shares in VTL but are not registered Shareholders as on the "Specified date".

8.3.3 All Equity Shareholders/beneficial owners (except the present promoters, parties to the Agreement and the Acquirers) who own Equity Shares of Target Company anytime before the closure of the Offer are eligible to participate in the Offer.

8.3.4 The Form of acceptance and other documents required to be submitted, herewith, will be accepted by Registrar to the Offer, M/s. Intime Spectrum Registry Ltd, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup(W), Mumbai – 400 078 (Telephone Nos. (022) 25960320 , Fax No. (022) 25960329/28, Toll Free No. 1800-22-0320**,** email id: vaghani-offer@intimespectrum.com **(Contact Person: Ms. Awani Thakkar)** between 10 a.m. to 1 p.m and 2 to 5. p.m. on working days and between 10. a.m. to 1 p.m. on Saturdays, during the period the Offer is open.

8.3.5 The Public Announcement, Letter of Offer, the Form of Acceptance and Form of Withdrawal will also be available on the SEBI website: www.sebi.gov.in. In case of non-receipt of the Letter of Offer, all Shareholders including unregistered Shareholders, if they so desire, may download the Letter of Offer, the Form of Acceptance or Form of Withdrawal from the SEBI website for applying in the Offer or to withdraw from the Offer.

8.3.6 Unregistered Shareholders, those who hold in street name and those who apply in plain paper will not be required to provide any indemnity. They may follow the same procedure mentioned above for registered Shareholders.

8.3.7 Unregistered Shareholders may follow the same procedure mentioned above for registered Shareholders.

8.3.8 The acceptance of this Offer by the Equity Shareholders of VTL must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

8.3.9 The acceptance of this Offer is entirely at the discretion of the Equity Shareholders of VTL.

8.3.10 The Acquirers, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of Equity Share Certificates, Offer Acceptance Forms, Withdrawal Form, Share Transfer Dee etc. during transit and the Equity Shareholders of VTL are advised to adequately safeguard their interest in this regard.

8.3.11 The acceptance of Shares tendered in the Offer will be made by the Acquirers in consultation with the Manager to the Offer.

8.3.12 The instructions, authorizations and provisions contained in the Form of Acceptance and Form of Withdrawal constitute part of the terms of the Offer.

8.3.13 The Manager to the Offer shall submit a final report to SEBI within 45 days of closure of the Offer in accordance with Regulation 24 (7) of the Regulations.

8.3.14 For any assistance please contact Fedex Securities Limited, Manager to the Offer or the Acquirers or the Registrar to the Offer.

8.4 **Statutory Approvals :**

8.4.1 As on the date of this Letter of Offer, no approvals are required to acquire the Equity Shares that are tendered pursuant to the Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date.

8.4.2 Barring unforeseen circumstances, the Acquirers would endeavor to obtain all the approvals within 15 days from the date of closure of the Offer. In terms of Regulation 22(12) of the Regulations, in the case of non-receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment subject to, the Acquirers agreeing to pay interest to the Shareholders for delay beyond 15 days from the date of closure of Offer. In case the Acquirers fail to obtain requisite Statutory approvals in time, on account of any willful default or neglect or inaction or no-action, then action in terms of Regulation 22(13) will be initiated by SEBI.

8.4.3 No approval is required to be obtained from Banks/Financial Institutions for the Offer.

## 9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

### ACCEPTANCE OF THE OFFER

9.1.1 Name and Address of the persons (Registrars to the Offer) to whom the Equity Shares along with documents required to be submitted therewith, should be sent.

| Registrars to the Offer | Working days and timings | Mode of delivery |
|---|---|---|
| **INTIME SPECTRUM REGISTRY LIMITED**<br>C-13, Pannalal Silk Mills Compound,<br>L B S Marg, Bhandup (W),<br>Mumbai – 400 078<br>Telephone No. (022) 25963838<br>Fax No. (022) 25960329/28<br>**Toll Free No. 1800-22-0320**<br>Email id : vaghani-offer@intimespectrum.com<br>**Contact Person: Ms. Awani Thakkar** | **Monday to Friday**<br>10.00 a. m. to 1.00 p.m. and 2.00 to 5.00 p.m.<br><br>**Saturday**<br>10.00 a. m. to 1.00 p m | By Post/Courier/ Hand delivery |

9.1.2 Shareholders holding Shares in physical form and wishing to tender their Equity Shares will be required to send their form of acceptance, original Share certificates and transfer deeds to the Registrar to the Offer: M/s. M/s. Intime Spectrum Registry Ltd, C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup(W), Mumbai – 400 078 Telephone Nos. (022) 25960320, Fax No. (022) 25960329/28,Toll Free No. 1800-22-0320, email id: vaghani-offer @ intimespectrum.com **(Contact Person: Ms. Awani Thakkar**) either by hand delivery or by Registered Post, to reach them on or before the closure of the Offer, i.e. Wednesday, September 17, 2008 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance. In case the Share Certificate(s) and Transfer Deeds are lodged with VTL /its Share Transfer Agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) The Share Transfer Deed(s) and (ii) The acknowledgement of the lodgment with, or receipt issued by VTL /its transfer agents for the Share Certificate(s) so lodged. Where the Transfer Deeds are signed by a constituted Attorney, a certified copy of the Power of Attorney shall also be lodged. In the case of body corporate/limited Companies, certified copy of the Memorandum & Articles of Association and copy of the Board Resolution authorizing the signatory, shall also be sent. Even if the Registrar to the Offer does not receive all the documents listed above but receives the original Share Certificates and valid transfer deed from a registered Shareholder, then the Offer will be deemed to have been accepted by such Shareholder.

9.1.3 Beneficial owners (holders of shares in Dematerialized Form) who wish to tender their shares will be required to send their Form of Acceptance-cum-acknowledgement along with a photocopy of the delivery instructions in “Off –market” mode or counterfoil of the delivery instruction in “Off –market” mode, duly acknowledged by the Depository Participant (DP) in favor of the Special Depository account opened by the Registrar to the Offer, in accordance with instructions specified in this Letter of Offer and in the Form of Acceptance-cum-acknowledgement. The Offer will be deemed to have been accepted, upon receipt of the Equity Shares in the Special Depository Escrow Account, even if all the aforesaid documents are not submitted by the beneficial owner. The details of the Special Depository Account is given below:

| | |
|---|---|
| DP Name | STOCK HOLDING CORPORATION OF INDIA LIMITED |
| DP ID | IN301330 |
| Client Name | OPEN OFFER FOR VAGHANI TECHNO BUILD LTD |
| Client ID | 20590857 |

**9.1.4 For the attention of Beneficial Owners holding Shares in dematerialized form:** Please note that the above account is maintained with National Securities Depository Ltd (NSDL)

9.1.5 The Acceptance Form along with Share Certificates/copy of delivery instruction to DP and other relevant documents shall be sent to the Registrars only. The same shall not be sent to the Acquirers, Target Company or Manager to the Offer.

**9.2. Procedure for acceptance of the Offer by unregistered Shareholders/owners of Shares who have sent them for transfer or those who did not receive the Letter of Offer**

9.2.1. Accidental omission to dispatch the Letter of Offer to any person will not invalidate the Offer in any way.

9.2.2 In case of non-receipt of the letter of Offer, the eligible person(s), holding Equity Shares of VTL in physical form, may send his/her/their consent on plain paper stating the name, address, number of Shares held, distinctive numbers, certificate numbers and the number of Equity Shares offered along with the Share certificates, duly signed transfer forms and other required documents to the Registrar to the Offer so as to reach them on or before the date of closure of the Offer.

9.2.3 In case of non receipt of the Letter of Offer, beneficial owners holding Equity Shares in dematerialized form, may send their applications in writing to The Registrar to the Offer, on a plain paper stating the name, address, number of Shares held, number of Shares offered, DP name, DP ID, beneficiary account number and photocopy of the delivery instruction in “Off-market”, or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP, in favor of the Special Depository account, so as to reach the Registrar to the Offer on or before the date of closure of the Offer.

9.2.4 In case the Share Certificate(s) and Transfer Deeds are lodged with VTL /its Share Transfer Agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) The Share Transfer Deed(s) and (ii) The acknowledgement of the lodgment with, or receipt issued by VTL /its Share Transfer Agent, for the Share Certificate(s) so lodged. Where the Transfer Deeds are signed by a constituted Attorney, a certified copy of the Power of Attorney shall also be lodged. In the case of body corporate/limited Companies, certified copy of Memorandum & Articles of Association shall also be sent.

**Unregistered owners holding Equity Shares in physical Form should enclose**

a. Form of Acceptance-cum-acknowledgement duly completed and signed in accordance with instructions contained therein, by all Shareholders whose names appear on the Share certificates.

b. Original Share Certificates.

c. Original broker contract note of a registered broker of a recognized Stock Exchange

d. Valid Share transfer form as received from the market. The details of the buyer should be left blank. If the details of buyer are filled in, the tender will not be valid under the Offer. All other requirements for valid transfer will be pre-conditions for acceptance.

9.3 The Acquirers shall accept all valid fully paid up Shares tendered (except those which are withdrawn, within the date specified for withdrawal).

9.4 If the number of Equity Shares offered by the Shareholders are more than the Offer size, then the acquisition from each Shareholder will be as per Regulation 21 (6) of the SEBI (SAST) Regulations, on proportionate basis.

9.5 The market lot for VTL's Shares for the purpose of this Offer is 1(one only).

9.6 Consideration for Equity Shares accepted will be paid by Crossed Account Payee Cheque drawn at Mumbai and sent by Registered Post/Under Certificate of Posting.

9.7 The Equity Shares Certificate(s) and the transfer form (s) or Shares transferred to the Special Depository Account together with the Acceptance Form submitted by the acceptors of the Offer, will be held by the Registrars in trust for the acceptors of the Offer until the Acquirers pays the Offer Price.

9.8 In terms of Regulation 22(12) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997, in case of non receipt of statutory approvals, SEBI has the power to grant extension of time beyond 15 days from the date of closure of offer, for the purpose of making payment, subject to, the Acquirers agreeing to pay interest to the Shareholders for delay beyond 15 days from date of closure of the Offer.

9.9 In case of acceptance on proportionate basis/or rejection for any reason, the unaccepted Share Certificates, Transfer deeds and other documents, if any, will be returned by Registered Post at the Share holder's/unregistered holder's sole risk as per the details furnished in the form of acceptance-cum-acknowledgement. Shares held in demat form to the extent not accepted will be returned to the beneficial owner to the credit of the beneficial owner's DP Account with the respective DP as per the details furnished by the beneficial owner in the form of acceptance cum acknowledgement.

9.10 Shareholders who are desirous of withdrawing their acceptances tendered in the Offer can do so upto three working days prior to the date of closure of the Offer, in terms of Regulation 22(5A).

9.11 The Withdrawal option can be exercised by submitting the Form of Withdrawal attached to the Letter of Offer duly filled in, with relevant particulars, so as to reach the Registrar to the Offer on or before Friday, September 12, 2008.

9.12 The Withdrawal option can also be exercised by making an application on plain paper along with the following details:

a. Name, Address, Distinctive numbers, Folio nos., No. of Shares tendered/ withdrawn, if held in physical form

b. Name, Address, DP Name, DP ID, Beneficiary Account/Client ID No. of the Account from where

Shares were tendered, photocopy of the delivery instruction in " Off Market Mode" duly acknowledged by the DP in favor of the Special Depository Account in the name of Registrar and number of Shares tendered /withdrawn.

9.13. The Shares withdrawn by Shareholders, which are in physical form will be returned by Registered Post. Shares tendered in dematerialized form and withdrawn will be returned by credit to the beneficial owner's DP Account with the respective DP as per the details furnished by the beneficial owner in the form of acceptance cum acknowledgement.

**9.14 SETTLEMENT/ PAYMENT OF CONSIDERATION**

9.14.1 The Acquirers shall arrange to pay the consideration on or before Thursday, October 2, 2008. Payment will be made to the person named by the acceptors in the relevant box in the Acceptance Form by "Account Payee" crossed Cheque payable at Mumbai as indicated in the form of acceptance. If no such details are filled in by the acceptor(s), then the same will be sent by registered post/certificate of posting to the Sole/ First holder at their registered address at the Equity Share holder's own risk. Tax at applicable rate(s) will be deducted, in those cases where Tax Deduction at Source (TDS) is applicable.

9.14.2 Consideration for Equity Shares accepted will be paid by Cheque crossed "Account Payee" and drawn at Mumbai. Payment Cheques upto Rs. 1,500/- will be sent by Certificate of Posting and for amount of Rs.1,500/- and above by Registered Post.

9.14.3 In terms of Regulation 22(12) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997, in the case of non receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment subject to the Acquirers agreeing to pay interest to the Shareholders for delay beyond the last date mentioned for payment of consideration.

**10. DOCUMENTS FOR INSPECTION**

Copies of the following documents will be available for inspection at 1003/1004, Kailash Palace, Upashray Lane, Ghatkopar (East), Mumbai 400 077, the place of residence of Mr. Kantilal Manilal Savla, one of the Acquirers. The documents can be inspected during normal business hours (10.00 A.M. to 5.00 P.M.) on all working days (except Saturdays and Sundays) during the period from the date of this Letter of Offer, till date of closure of the Offer.

1. Certificate dated 24th June, 2008 from Mr. Kamlesh Gajaria (Membership No.39280), Chartered Accountant, having his office at 3, Laxmi Niwas, 1st Floor, Zaver Road, Mulund ( W) Mumbai – 400 080 certifying the Net worth of Mr. Kantilal Manilal Savla as on 31st March, 2008.

2. Certificate dated 19th May, 2008 from Mr. Bharat Parikh( Membership No. 37776), Chartered Accountant, having his office at C-412, Kailash Esplanade, LBS Marg, Opp. Shreyas Cinema, Ghatkopar (West) Mumbai - 400086 certifying the Net worth of Mr. Kartik Popatlal Gala and Mr. Kartik Popatlal Gala as on 31st March, 2008.

3. Certificate dated 10th July 2008 from Mr. Bharat Parikh (Membership No. 37776), Chartered Accountant, having his office at C-412, Kailash Esplanade, LBS Marg, Opp. Shreyas Cinema, Ghatkopar ( west) Mumbai - 400086 certifying the adequacy of liquid resources with Ms. Pratiksha Popatlal Gala and Mr. Kartik Popatlal Gala.

4. Certificate, dated 10th July 2008 from Mr. Kamlesh Gajaria (Membership No. 39280), Chartered Accountant, having his office at 3, Laxmi Niwas, 1st Floor, Zaver Road, Mulund ( W) Mumbai – 400 080 certifying the adequacy of liquid resources with Mr. Kantilal Manilal Savla.

5. Certified Copies of Certificate of Incorporation and Certificate for Commencement of Business of VTL, the Target Company.

6. Certified copies of Certificate of Incorporation consequent to change of name of VTL, dated

10th October 2006, issued by Registrar of Companies, Gujarat , Dadra and Nagar Haveli.

7. Order dated 21-07-2007 from High Court of Gujarat, Ahmedabad approving Reduction of Capital of VTL.

8. Copy of Company Petition submitted before the Company Law Board, Western Region, Mumbai, seeking approval for shifting of registered office of VTL from the State of Gujarat to the State of Maharashtra.

9. Copy of Criminal Complaint filed by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, on 30-01-2003 against then Directors of VTL in the Court of Additional Chief Metropolitan Magistrate, Ahmedabad alleging offenses under Sections 63, 68 and 628 of the Companies Act 1956 , admitted as Case No. 57 of 2003.

10. Copy of Criminal Complaint filed by the Registrar of Companies, Gujarat, Dadra and Nagar Haveli, against VTL and its then Managing Director in the Court of Additional Chief Metropolitan Magistrate, Ahmedabad alleging offenses under Sections 211(3A) and 211(2B) of the Companies Act 1956 , admitted as Case No. 62 of 2007.

11. Copy of Order of Company Law Board, Western Region, Mumbai dated 27-01-2008, in the petition filed by Registrar of Companies, Gujarat, Dadra and Nagar Haveli, on 30-01-2003 against VTL and its erstwhile Managing Director.

12. Audited Balance Sheet, Profit and Loss Account, Report of Auditors, Directors etc. of VTL as on 31.03.2006, 31.03.2007 and 31.03.2008

13. Copy of Share Purchase Agreement dated July 10, 2008 between the Acquirers & present promoters of VTL for purchase of Shares and change in control of VTL.

14. Copy of Fixed Deposit Receipt No. C 438980, A/c No. 15440400004975 dated 14-07-2008 of The Federal Bank Ltd, Vasai West Branch for Rs. 13, 05,000/- being Escrow Account created.

15. Copy of Letter dated 16-05-2008 from The Federal Bank Ltd, Vasai West Branch, certifying opening of Escrow Account and noting of lien in favour of Fedex Securities Ltd, Manager to the Offer.

16. Copy of Letter dated July 10, 2008 from the Acquirers, authorizing Fedex Securities Ltd, to realize the value of Escrow Account, in terms of the Regulations.

17. Audited Accounts/Certified Accounts, Memorandum & Articles of Association, Certificate of Incorporation & Certificate for Commencement of Business etc., as applicable, of all Companies/Ventures promoted by the Acquirers, details of which are given in this Letter of Offer.

18. Published Copies of the Public Announcement made in newspapers on July 12, 2008.

19. Client Master Data sheet relating to opening of the Special Depository Account by the Registrar to the Offer .

20. Copy of MOU dated July 10, 2008 between the Acquirers and Manager to the Offer.

21. Copy of MOU dated July 10, 2008 between the Acquirers and the Registrar to the Offer.

22. Due Diligence Certificate dated July 18, 2008 submitted to SEBI by Fedex Securities Ltd., Manager to the Offer

23. SEBI Observation letter No. CFD/DCR/TO/HB/134596/08 dated August 08, 2008

## 11. DECLARATION

The Acquirers jointly and severally accepts full responsibility for the information contained in this Letter of Offer and Form of Acceptance. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise.

The Acquirers shall be responsible for ensuring compliance of the Regulations.

**The Acquirers**

| | | |
|---|---|---|
| **Mr. Kantilal Manilal Savla** | **Ms. Pratiksha Popatlal Gala** | **Mr. Kartik Popatlal Gala** |

Place : Mumbai
Date : 12-08-2008

**Encl.:**

1. Form of Acceptance cum Acknowledgement
2. Form of Withdrawal
3. Share Transfer Deed

# FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

*(Please send this Form with enclosures to the Registrars to the Offer)*

| | |
|---|---|
| Offer opens on | Friday, August 29, 2008 |
| Offer closes on | Wednesday, September 17, 2008 |

From:

To

**Shri. Kantilal Manilal Savla & Others**
**C/o INTIME SPECTRUM REGISTRY LIMITED**
**Unit: Vaghani Techno-Build Limited – Open Offer**
C-13, Pannalal Silk Mills Compound,
L B S Marg, Bhandup (W), Mumbai – 400 078
**Contact Person: Ms. Awani Thakkar**

Dear Sir,

**Sub: Open Offer to acquire 10,44,000Equity Shares representing 20 % of the Issued, Subscribed, paid up and voting Equity Capital of Vaghani Techno-Build Limited**

**by**

**Shri. Kantilal Manilal Savla & Others**

I/We refer to the Letter of Offer dated August 12, 2008 for acquiring the Equity Shares held by me/us in Vaghani Techno-Build Limited.

I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein. I/We, hold Equity Shares of Vaghani Techno-Build Limited in physical form, 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:

(In the case of Shares in Physical Form)

| Sl. No | Ledger Folio No. | No. of Shares | Share Certificate Nos. | No. of Share Certificates | Distinctive Numbers | |
|---|---|---|---|---|---|---|
| | | | | | From | To |
| | | | | | | |
| | | | | | | |

(In case of insufficient space, please attach a separate sheet.)

I/We confirm that the Equity Shares of Vaghani Techno-Build Limited which are being tendered herewith by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We note and understand that the original Share certificate(s) and valid Share transfer deed will be held in trust for me/us by the Registrars to the Offer until the time the Acquirers makes payment of the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the consideration only after verification of the documents and signatures.

I/We hold the following Equity Shares of Securities Vaghani Techno-Build Limited in Dematerialized Form and accept the Offer and enclose a photocopy of the Depository Delivery instruction(s) duly acknowledged by the DP in respect of my/our Equity Shares.

I/We have done an Off market transaction for crediting the Shares to the Special Depository Account noted below:

| | |
|---|---|
| DP Name | STOCK HOLDING CORPORATION OF INDIA LIMITED |
| DP ID | IN301330 |
| Client Name | OPEN OFFER FOR VAGHANI TECHNO BUILD LTD |
| Client ID | 20590857 |

**For the attention of Beneficial Owners holding Shares in dematerialized form:** Please note that the above account is maintained with National Securities Depository Ltd (NSDL)

Tear Here

***Acknowledgement Receipt***

Received from Mr./Ms./M/s ____________________ Form of acceptance cum acknowledgement in connection with open offer to Shareholders of **Vaghani Techno-Build Limited**

Ledger Folio No. __________ No. of Share Certificates /Copy of Delivery instructions to DP for __________ Shares of Vaghani Techno-Build Limited.

| | |
|---|---|
| Stamp of Registrar | In case of physical Shares, verify the number of Share certificates / number of Shares |
| | In case of dematerialized Shares, ensure that copy of the delivery instruction to the DP and duly acknowledged by the DP is submitted with the tender / offer form. |

I/We note and understand that the Shares transferred to the above Special Depository Account will be held in trust for me/us by the Registrars to the Offer until the time the Acquirers makes payment of the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the consideration only after verification of the documents and signatures.

I/We confirm that the Equity Shares of Vaghani Techno-Build Limited which are transferred by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirers 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 and I/We further authorize the Acquirers to return to me/us, Equity Share certificate(s) in respect of which the offer is not found valid /not accepted, specifying the reasons thereof. I/We authorize the Acquirers or the Manager to the Offer or the Registrars to the Offer to send by registered post/under certificate of posting, the Cheque, in settlement of the amount to the sole/first holder at the address mentioned below:

The permanent Account No. (PAN) allotted under the Income Tax Act 1961 is as under

| | PAN |
|---|---|
| 1st Shareholder | |
| 2nd Shareholder | |
| 3rd Shareholder | |
| 4th Shareholder | |

Yours faithfully

Signed and delivered

| | Full Name | Holder's Signature |
|---|---|---|
| Sole / First Holder | | |
| Joint Holder 1 | | |
| Joint Holder 2 | | |
| Joint Holder 3 | | |
| Joint Holder 4 | | |

Place : ________________

Date : ________________

So as to avoid fraudulent encashment in transit, the applicants are requested to provide details of Bank account of the sole/first Shareholder and the consideration Cheque will be drawn accordingly.

| | |
|---|---|
| Name of the Bank | |
| Full address of the Branch | |
| | |
| Nature of Account | |
| Account Number | |

Tear Here

**Note** : All future correspondence, if any, should be addressed to the Registrars to the Offer, at the following address:

**INTIME SPECTRUM REGISTRY LIMITED**

**Unit: Vaghani Techno-Build Limited – Open Offer**

C-13, Pannalal Silk Mills Compound, L B S Marg, Bhandup (W),
Mumbai – 400 078
Telephone No. (022) 25963838 • Toll Free No. 1800-22-0320
Fax No. (022) 25960329/28
Email id : vaghani-offer@intimespectrum.com
**Contact Person: Ms. Awani Thakkar**

## FORM OF WITHDRAWAL

| | |
|---|---|
| Offer opens on | Friday, August 29, 2008 |
| Offer closes on | Wednesday, September 17, 2008 |

From:

To

**Shri. Kantilal Manilal Savla & Others**
**C/o INTIME SPECTRUM REGISTRY LIMITED**
**Unit: Vaghani Techno-Build Limited – Open Offer**
C-13, Pannalal Silk Mills Compound,
L B S Marg, Bhandup (W), Mumbai – 400 078
**Contact Person: Ms. Awani Thakkar**

Dear Sir,

**Sub : Open Offer to acquire 10,44,000Equity Shares representing 20 % of the Issued, Subscribed, paid up and voting Equity Capital of Vaghani Techno-Build Limited**

**by**

**Shri. Kantilal Manilal Savla & Others**

I/We refer to the Letter of Offer dated August 12, 2008 for acquiring the Equity Shares held by me/us in Vaghani Techno-Build Limited

I/We, hereby consent to unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/We further authorize the Acquirers to return to me/us, the tendered Equity Shares 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 the Acquirers/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay /loss in transit of the Share Certificate(s) due to incomplete or inaccurate particulars.

I/We also note and understand that the Acquirers will return the original Share Certificate(s) , Share Transfer Deed(s) or credit back the Shares to my/our Beneficiary Account for Shares held in dematerialized form, only on completion of verification of the documents .

The particulars of Share Certificate(s) tendered and duly signed Transfer Deeds which are wished to be withdrawn from the Offer are as given below:

(In the case of Shares in physical form)

| Sl. No | Ledger Folio No. | No. of Shares | Share Certificate Nos. | No. of Share Certificates | Distinctive Numbers | |
|---|---|---|---|---|---|---|
| | | | | | From | To |
| | | | | | | |
| | | | | | | |

The particulars of Shares held in Dematerialized Form, which were transferred to Special Depository account noted below

| | |
|---|---|
| DP Name | STOCK HOLDING CORPORATION OF INDIA LIMITED |
| DP ID | IN301330 |
| Client Name | OPEN OFFER FOR VAGHANI TECHNO BUILD LTD |
| Client ID | 20590857 |

**For the attention of Beneficial Owners holding Shares in dematerialized form:** Please note that the above account is maintained with National Securities Depository Ltd (NSDL)

Tear Here

### *Acknowledgement Receipt*

Received from Mr./Ms./M/s. ______________________________ Form of withdrawal.

Ledger Folio No. ____________ No. of Share Certificates /photocopy of delivery instructions to DP for ____________ Shares of

**Vaghani Techno-Build Limited**

| | | |
|---|---|---|
| Stamp of Registrar | In case of physical Shares, verify the number of Share certificates / number of Shares | In case of dematerialized Shares, ensure that copy of the delivery instruction to the DP is submitted with the withdrawal form |

The Shares proposed to be withdrawn are as follows. I wish to withdraw the under noted Shares so transferred.

| Sl. No | DP Name. | DP ID | Client ID | Name of beneficiary | No. of Shares |
|---|---|---|---|---|---|
| | | | | | |
| | | | | | |
| | | | | | |

(In case of insufficient space, please attach a separate sheet.)

I/We confirm that the Equity Shares of Vaghani Techno-Build Limited, which were tendered by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.

Please find a photocopy of the Delivery instructions duly acknowledged by the DP.

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

Yours faithfully

Signed and delivered

| | Full Name | Holder's Signature |
|---|---|---|
| Sole / First Holder | | |
| Joint Holder 1 | | |
| Joint Holder 2 | | |
| Joint Holder 3 | | |
| Joint Holder 4 | | |

Place : ________________

Date : ________________

Tear Here

**Note** : All future correspondence, if any, should be addressed to the Registrars to the Offer, at the following address:


**INTIME SPECTRUM REGISTRY LIMITED**

**Unit: Vaghani Techno-Build Limited – Open Offer**

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