# LETTER OF OFFER

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

*This Letter of Offer is sent to you as shareholder(s) of* ***Vanasthali Textile Industries Limited*** *If you require any clarification about the action to be taken, you may please consult your stockbroker or investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your equity shares in Vanasthali Textile Industries Limited, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal cum Acknowledgement and Transfer Deed(s) to the Member of Stock Exchange through whom the said sale was effected.*

**OPEN OFFER BY**

**Millennium Holdings Limited (hereinafter referred to as the "Acquirer"), a Mauritian company which is duly incorporated and existing under the laws of Mauritius and having its registered office at 5B1 Cyber Tower 1, Ebene Cyber City, Rose Hill, Mauritius, Ph No. 230-4676000, Fax No. 230-4671717 alongwith Person Acting in Concert Mr Nikhil Poddar resident of 195 Arreton Road, Princeton, NJ 08540, Tel No.: 609924 3393, Fax No. 732 238 8225**

**To**

**Acquire 39,62,500 equity shares of Rs. 10/- each representing 20% of the total equity/voting share capital of Target Company at a price of Rs. 5.70/- (Rupees Five and Paisa Seventy Only) per fully paid equity share payable in Cash.**

**of**

***VANASTHALI TEXTILE INDUSTRIES LIMITED***

**Registered Office: F-3-5, RIICO Industrial Complex, Vigyan Nagar,**
**Shahjahanpur-301706, Dist-Alwar, Rajasthan**

Tel No. (01494) 235205, 235209, 235254, Fax No. (01494)235209

Pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof

**ATTENTION:**

1. **The Offer is subject to approval of Foreign Investment and Promotion Board (FIPB) and Reserve Bank of India (RBI) and Acquirer have filed an application before FIPB and RBI for their approval.**
2. **The Offer is not a Conditional Offer.**
3. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the offer i.e. upto **Friday, 20th February, 2009**.
4. If there is any upward revision in the Offer Price by the Acquirer upto seven working days prior to the date of closure i.e. upto **Monday, 16th February ,2009** the same would be informed by way of a Public Announcement in the same newspapers where the original Public Announcement had appeared. Such revision in the Offer Price would be payable for all the equity shares tendered anytime during the Offer Period.
5. **If there is a Competitive Bid:**

**5.1 The Public Offers under all the subsisting bids shall close on the same date.**

**5.2 As the Offer Price can not 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.**

6. **This is not a Competitive Bid.**
7. **A copy of Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal are also available on SEBI's web-site: www.sebi.gov.in**

**FOR PROCEDURE FOR ACCEPTANCE OF THIS OPEN OFFER PLEASE REFER SECTION 11 "PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER" (PAGE NOS. 14 TO 15)**

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT AND FORM OF WITHDRAWAL ARE ENCLOSED WITH THIS LETTER OF OFFER**

**All future correspondence, if any, should be addressed to the Manager / Registrar to the Offer at the following addresses:**

| Manager to the Offer | Registrar to the Offer |
|---|---|
| **CHARTERED CAPITAL & INVESTMENT LIMITED**<br>13, Community Centre, East of Kailash,<br>New Delhi - 110065.<br>Tel nos.: 011-26419079/ 26218274;<br>Fax no.: 011 - 26219491;<br>E mail: charteredcapital@gmail.com<br>delhi@charteredcapital.net<br>Contact Person : **Mr Priyaranjan** | **Beetal Financial & Computer Services Pvt. Limited**<br>Beetal House, 3rd Floor, 99, Madangir<br>Near Dada Harsukh Das Mandir,<br>New Delhi-110062<br>E- Mail: beetal@rediffmail.com<br>Tel. Nos.: 29961281-82, Fax No.: 29961284<br>Contact Person: ***Mr. Punit Mittal*** |
| **OFFER OPENS ON : February 6, 2009 (Friday)** | **OFFER CLOSES ON : February 25, 2009 (Wednesday)** |

**SCHEDULE OF MAJOR ACTIVITIES OF THE OFFER**

| Activity | DATE AND DAY | DATE AND DAY |
|---|---|---|
| **Public Announcement Date** | **December 01, 2008 Monday** | **December 01, 2008 Monday** |
| **Specified Date** (For the purpose of determining the names of shareholders to whom Letter of Offer would send) | December 26, 2008 Friday | December 26, 2008 Friday |
| **Last date for a competitive bid** | **December 22, 2008 Monday** | **December 22, 2008 Monday** |
| **Date by which Letter of Offer will be dispatched to the shareholders** | **January 12, 2009 Monday** | **February 03, 2009 Tuesday** |
| **Offer Opening Date** | **January 21, 2009 Wednesday** | **February 06, 2009 Friday** |
| **Last date for revising the offer price/number of shares** | **January 29, 2009 Thursday** | **February 16, 2009 Monday** |
| **Last date for withdrawal by shareholders** | **February 04, 2009 Wednesday** | **February 20, 2009 Friday** |
| **Offer Closing Date** | **February 09, 2009 Monday** | **February 25, 2009 Wednesday** |
| Date by which the acceptance/rejection would be intimated and the corresponding payment for the acquired shares and /or the share certificate for the rejected shares will be dispatched | February 24, 2009 Tuesday | March 12, 2009 Thursday |

**RISK FACTORS**

**(A) Relating to Transaction**

**i. The Offer is subject to approval of Foreign Investment and Promotion Board (FIPB) and Reserve Bank of India (RBI) and acquirer had already filed an application before FIPB and RBI for their approval. In the event that either (a) the regulatory approvals are not received in timely manner (b) there is any litigation to stay the offer, or (c) SEBI instructs the Acquirer not to proceed with the offer, then the offer proceeds may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of VTIL, whose shares have been accepted in the offer as well as the return of shares not accepted by the Acquirer, may be delayed.**

**(B) Relating to Proposed Offer**

**i. The shares tendered in the offer will be held in trust by the Registrar, till the completion of the offer formalities. Accordingly, the Acquirer make no assurance with respect to any decision by the shareholders on whether or not to participate in the offer.**

**ii. In the event of over-subscription to the offer, the acceptance will be on a proportionate basis.**

**(C) Relating to Acquirer**

**i. Association of the Company with the Acquirer does not warrant any assurance with respect to the future financial performance of the Company.**

**The risk factors set forth above, pertain to the offer and not in relation to the present or future business or operations of VTIL or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the offer. Shareholders of VTIL are advised to consult their stockbrokers or investment consultants, if any, for further risk with respect to their participation in the offer.**

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## 1. DEFINITIONS

| | | |
|---|---|---|
| 1. | Acquirer or The Acquirer | Millennium Holdings Limited |
| 2 | Book Value per share | Net worth / Number of equity shares issued |

| | | |
|---|---|---|
| 3 | BSE | The Bombay Stock Exchange Limited |
| 4 | EPS | Profit after tax / Number of equity shares issued |
| 5 | Form of Acceptance | Form of Acceptance cum Acknowledgement |
| 6 | Form of Withdrawal | Form of Withdrawal cum Acknowledgement |
| 7 | FIPB | Foreign Investment Promotion Board |
| 8 | FEMA | Foreign Exchange Management Act, 1999 |
| 9 | LOO or Letter of Offer | Offer Document |
| 10 | Manager to the Offer or, Merchant Banker | Chartered Capital And Investment Limited |
| 11 | N.A. | Not Available/Not Applicable |
| 12 | Negotiated Price | Rs. 5.70/- (Rupees Five and Paisa Seventy Only) per fully paid up equity share/ voting share capital of face value of Rs.10/- each |
| 13 | Offer or The Offer | Open Offer for acquisition of 39,62,500 equity shares of Rs. 10/- each representing 20% of the total voting capital of Target Company at a price of Rs.5.70 (Rupees Five and Paisa Seventy Only per fully paid equity share, payable in Cash. |
| 14 | Offer Price | Rs. 5.70 (Rupees Five and Paisa Seventy Only) per share for fully paid equity shares of Rs. 10/- each, payable in Cash. |
| 15 | Persons eligible to participate in the Offer | Registered shareholders of Vanasthali Textile Industries Limited, and unregistered shareholders who own the equity shares of Vanasthali Textile Industries Limited any time prior to the Offer closure |
| 16 | Public Announcement or **"PA"** and Corrigendum to PA | Announcement of the Open Offer by the Acquirer along with PAC, which appeared in the newspapers on December 01, 2008 and Corrigendum to PA published on January 31, 2009 |
| 17 | Person Acting in Concert | Nikhil Poddar |
| 18 | Registrar or Registrar to the Offer | M/s Beetal Financial & Computer Services Private Limited |
| 19 | Return on Net Worth | (Profit After Tax/Net Worth) *100 |
| 20 | Rate of Conversion of US $ in INR as on date of PA i.e 01.12.2008 | I US $= INR 49.94 |
| 21 | SEBI | Securities and Exchange Board of India |
| 22 | SEBI (SAST) Regulations, 1997 or Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto |
| 23 | SEBI Act | Securities and Exchange Board of India Act, 1992 |
| 24 | Sellers | Rajendra Goenka, Beni Prasad Goenka, Anjana Devi Goenka, Amit Goenka, Sushil Goenka, Sushila Goenka, Asha Devi Goenka, Vishal Goenka and Sunil Goenka. |
| 25 | SPA | Share Purchase Agreement |
| 26 | Target Company or VTIL | Vanasthali Textile Industries Limited |

## 2. DISCLAIMER CLAUSE

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF VANASTHALI TEXTILE INDUSTRIES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, OR THE COMPANY WHOSE SHARES ARE 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 ACQUIRER 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 ACQUIRER DULY DISCHARGE ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, CHARTERED CAPITAL AND INVESTMENT LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 12.12.2008 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDEMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.**

## 3. DETAILS OF THE OFFER

### 3.1 Background of the Offer

3.1.1 The Offer is being made under Regulation 10 read with Regulation 12 and as a result of this Offer, the Acquirer will have substantial acquisition of shares or voting rights accompanied with complete change in control and management of "Vanasthali Textile Industries Limited "

The Acquirer entered into an **SPA** dated November 25, 2008 to acquire 1,47,90,789 (One Crore Forty Seven Lacs Ninty Thousand Seven Hundred and Eighty Nine Only) fully paid up equity shares of Rs.10/- each representing 74.65% of the total paid up equity share capital of "Vanasthali Textile Industries Limited " from the promoters of "VTIL", namely Sunil Goenka, Asha Goenka, Sushila Devi Goenka, Sushil Goenka, Beni Prasad Goenka, Amit Goenka, Anjana Devi Goenka, Rajendra Goenka and Vishal Goenka, (hereinafter collectively referred to as the **Sellers**), at a price of Rs 5.70 each (Rupees Five and paisa

Seventy Only)(**Negotiated Price**) per fully paid up equity share payable in Cash. The total consideration for the shares acquired under the SPA is approximately Rs. 8,43,07,497/- (Rupees Eight Crore Fourty Three Lacs Seven Thousand Four Hundred and Ninety Seven Only) to be discharged to the sellers by the Acquirer as per the terms agreed upon and contained in the SPA. Out of 1,47,90,789 equity shares, 67,10,000 equity shares are pledged with IDBI Ltd and Allahabad Bank and with Allahabad Bank, acting for itself and for and on behalf of the consortium of Banks comprising of Oriental Bank of Commerce, State Bank of Bikaner & Jaipur and Federal Bank **(hereinafter collectively referred to as "Said Banks")** as part of security offered to repay the financial assistance availed by the Target Company from IDBI and Said Banks and 6,98,125 equity shares held by Rajendra Goenka are under a lock-in period up to 15.12.2010 pursuant to the directions issued by the Bombay Stock Exchange at the time of listing of shares of the company pursuant to merger of Regal Weavers Private Limited with the Company. The transfer of 67,10, 000 equity shares pledged with IDBI and Said Banks and subsequently change in management and control of the target company are subject to approval by IDBI Bank and Said Banks and lock-in shares would be transferred with the approval of the Bombay Stock Exchange Ltd in compliance with SEBI (SAST) Regulations, 1997. For transfer of 698125 lock in shares, the Bombay Stock Exchange Ltd have already given its approval vide ite letter no. DCS/AMAL/RCG/GEN/914/2008-09 dated December 15, 2008 and for transfer of pledged shares approval from IDBI and other Banks is still awaited.

**The details of the sellers are as under:**

| Sr. No. | Name of the shareholders/sellers | Address/Phone No. | No. of Shares sold | Amount (In Rs) |
|---|---|---|---|---|
| 1 | Sunil Goenka | 20, Vinayak Kunj, 12th Road, JVPD, Juhu, Mumbai – 400049, Tel No.: Tel No 022- 30809500 Fax No. 022-28368728 | 1,719,869 | 9803253.30 |
| 2 | Asha Goenka | ————DO——————— | 147,780 | 842346.00 |
| 3 | Sushila Devi Goenka | ————DO——————— | 153,420 | 874494.00 |
| 4 | Sushil Goenka | ————DO——————— | 1,625,600 | 9265920.00 |
| 5 | Beni Prasad Goenka | ————DO——————— | 1,625,600 | 9265920.00 |
| 6 | Amit Goenka | ————DO——————— | 1,625,600 | 9265920.00 |
| 7 | Anjana Devi Goenka | ———DO——————— | 1,980,980 | 11291586.00 |
| 8 | Rajendra Goenka | ————DO——————— | 2,961,940 | 16883058.00 |
| 9 | Vishal Goenka | ————DO——————— | 2,950,000 | 16815000.00 |
| | | **TOTAL** | **14,790,789** | **84307497.30** |

3.1.2 The important features of the SPA are laid down as under:

b. In consideration of the purchase of the shares, the Acquirer shall pay total cash consideration of Rs. 84307497/- (Rupees Eight Crore Fourty Three Lacs Seven Thousand Four Hundred and Ninety Seven Only).

c. Against payment of the sale consideration, the Sellers as the legal and beneficial owners of the shares, shall sell, transfer, convey and deliver to the Acquirer subject to approval of Banks and the Acquirer shall purchase and acquire from the sellers, shares free from all encumbrances, all rights, title and interests of the Sellers in the shares together with all accrued benefits, rights and obligations attaching thereto.

d. The Acquirer undertake and covenant to take all steps and actions as may be necessary for compliance with the provisions of the Takeover Code. The sellers agree to provide the Acquirer with all necessary support, for complying with the provisions of the Takeover Code relating to Public Offer as are applicable to the transaction envisaged herein.

e. The parties to agreement have appointed HSBC Bank as an escrow agent and not later than 21 business days from the agreement date, the sellers shall deliver to the escrow agent the escrow shares and original irrevocable delivery instructions slip for the transfer of pledged shares in favour of acquirer and the acquirer shall deliver to the escrow agent the part sale consideration and non compete consideration.

f. On completion, by the Acquirer, of the obligations relating to the Public Offer under the Takeover Code, as certified by Chartered Capital And Investment Limited, the Manager to the Offer appointed for such Public Offer in accordance with the Takeover Code, the parties shall ensure that the Board of Directors of the Target Company shall pass effective resolutions for recording the transfer of shares of the Target Company to the Acquirer and appointment of the persons nominated by the Acquirer on the Board of Directors of the Target Company.

g. In the event the Acquirer fail to comply with the applicable provisions of the Takeover Code relating to the Public Offer, the SPA shall stand terminated and shall be null and void.

h. The SPA contains certain Non Compete provisions whereby sellers have agreed not to directly or indirectly supply any product, carry out or undertake or provide any service which is the same as or similar to those with which the company provides in any territory and pursuant to this clause acquirer agreed to pay non compete consideration of Rs 10,00,000 (Rupees Ten Lacs Only) to the Sellers.

3.1.3 The Acquirer and PAC does not hold any equity shares/voting rights of the target company as on date of Public Announcement.

3.1.4 Neither the Acquirer, PAC, Sellers nor the Target Company have been prohibited by SEBI from dealing in securities, in terms of direction under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

3.1.5 There is a Non Compete Agreement whereby sellers have agreed not to directly or indirectly supply any product, carry out or undertake or provide any service which is the same as or similar to those with which the company provides in any territory and pursuant to this clause acquirer agreed to pay non compete consideration of Rs 10,00,000 (Rupees Ten Lacs Only) to the sellers. The said consideration is equivalent to approximately 1.19% of the Offer price and in terms of Regulation 20(8) of the Regulations is not required to be added to the Offer price on a per sale share basis. The Non Competent Agreement is effective for a period of 3 years.

**3.2 The Offer**

3.2.1 The Acquirer has made a Public Announcement which was published on December 01, 2008 and Corrigendum to Public Announcement published on January 31, 2009 in the following newspapers in accordance with the Regulation 15 of the Regulations.

| Publication | Editions |
|---|---|
| Financial Express (English) | All Editions |
| Jansatta (Hindi) | All Editions |
| Nav Shakti (Marathi) | Mumbai |
| Pratahkal | Jaipur |

**The Public Announcement is also available on the SEBI website at www.sebi.gov.in**

3.2.2. The Acquirer alongwith PAC are making an Offer under the SEBI (SAST) Regulations, 1997 to acquire 39,62,500 equity shares of Rs. 10/- each fully paid up representing 20% of the voting capital of "VTIL" at a price of Rs. 5.70 (Rupees Five and Paisa Seventy Only) per fully paid up equity share ("**Offer Price**") payable in cash subject to the terms and conditions mentioned hereinafter.

3.2.3. There are no partly paid up shares in "Vanasthali Textile Industries Limited".

3.2.4. The Offer is not subject to any minimum level of acceptances from the shareholders. The Acquirer will accept the equity shares of VTIL those are tendered in valid form in terms of this Offer upto maximum of 39,62,500 equity shares.

3.2.5. Acquirer and PAC have not acquired any shares of the Target Company after the date of Public Announcement till the date of Letter of Offer.

**3.3 Object of the Acquisition/ Offer**

3.3.1 The Acquirer is interested in taking over the management and control of VTIL. Thus substantial acquisition of shares and voting rights accompanied with change in control and management is the reason and rationale for the acquisition.

3.3.2 The Offer to the Public shareholders of VTIL is for the purpose of acquiring 20% of the total voting capital/rights of VTIL. After the proposed Offer, the Acquirer will achieve substantial acquisition of shares and voting rights, accompanied with effective management control over the Target Company.

3.3.3 The Acquirer will continue the same line of business activity of target company. The main purpose of takeover is expension of business through backword integration.

**4. BACKGROUND OF THE ACQUIRER & PAC**

**4.1 Millennium Holdings Limited (ACQUIRER)**

4.1.1 Millennium Holdings Ltd. ("MHL") was incorporated on 20th October 2008 as a Company limited by shares number 084501 under the law of Mauritius and presently, the Company is carrying on its business under the same name. The Registered Office of MHL is located at 5B1, 5th Floor, B Wing, Cyber Tower, Ebene Cyber City, Rose Hill, Mauritius. Phone No. 230-4676000, Fax No. 230-4671717, Email: shilpa.damry@bhumishq.com

4.1.2 MHL is engaged in the business of Investment Holding Company. The shares of MHL are not listed on any stock exchange.

4.1.3 The promoter of MHL is Mr. Nikhil Poddar and he does not belong to any group.

4.1.4 The Authorized share capital of MHL is USD$ 1000 consisting of 1000 Shares of USD$ 1 each. The issued, subscribed and paid up share capital of MHL is USD$ 1000 consisting of 1000 Shares of USD$ 1 each.

4.1.5 The shareholding pattern of MHL as on the date of public announcement are as under:

| Sl. No. | Shareholder's Category | No. & %age of shares held |
|---|---|---|
| 1. | Mr Nikhil Poddar | 1000 (100.00%) |
| | **TOTAL** | **1000 (100%)** |

4.1.6 MHL has not prepared its accounts from the date of incorporation i.e 20th October, 2008 to till date.

4.1.7 The Compliances under Chapter II of SEBI (SAST) Regulations, 1997 are not applicable to the Acquirer because it does not held any equity shares of the target company.

4.1.8 The Board of Directors of MHL as on P.A. date consists of following members:-

| Name of the Director | Designation | Qualification and Experience in Field/ No. of years | Residential Address | Date of Appointment |
|---|---|---|---|---|
| Nikhil Poddar | Director | Graduate and having an experience of 18 years in Home Textile and Software Business | 195, Arreton Road, Princeton, New Jersy 08540 | 20.10.2008 |
| Neeraj Yogesh Ramyead | Director | B.E having 4 years of experience in Home Textile and Software Industry | 39, Solferino Street, Rose Hills, Mauritius | 20.10.2008 |
| Sunil Ramyead | Director | CA and having 10 years of experience in Finance and Investment | 24, Coriolis Avenue, Rose Hills, Mauritius | 20.10.2008 |

None of the above Directors are on the Board of the Target Company

4.1.9 The Shares of the MHL are not listed on any stock exchange.

4.1.10 As per declaration received, Millennium Holdings Limited has not promoted any Company since inception.

**4.2 MR NIKHIL PODDAR (PAC)**

4.2.1 Mr. Nikhil Poddar, R/o 195 Arreton Road, Princeton, NJ 08540, Tel No.: 609 924 3393, Fax No. 732 238 8225 is a graduate and having an experience of 18 years in Home Textiles business and Software business. Email: nikhil@nikiinc.com

4.2.2 Mr. Rajesh Mehta (CPA, PC), a Certified Public Accountant, (Membership No.20cc03052400) having office at 267 Amboy Avenue, Suite 21, Metuchen, NJ 08840 Tel: 732 767 2865 Fax: 732 767 2895 has certified vide his certificate dated 11.11.2008 that the Net Worth of Mr. Nikhil Poddar as on 31.10.2008 is USD$ 70,010926 (US Dollar Seventy Million Ten Thousand and Ninety Six) equivalent to Rs 34963.46 lacs.

4.2.3 As per declaration received from Mr Nikhil Poddar, He is holding directorship in Niki international Inc., which is not listed at any stock exchange and Millennium Holding Ltd. which is not listed at any stock exchange.

4.2.4 He has no shareholding in the Target Company as on the date of Public Announcement.

4.2.5 The Compliances under Chapter II of SEBI(SAST) Regulations, 1997 are not applicable to the Nikhil Poddar as he is not holding any equity shares of the target company as on date of Public Announcement.

4.2.6 As per declaration received from Mr Nikhil Poddar, he has promoted Millennium Holdings Limited, Niki International Inc and Sawan Textile International (P) Ltd. The details of which are given as under.

**Following details in respect of Company Promoted/ Controlling Stake:**

| | |
|---|---|
| Name of the Company | Niki International Inc |
| Date of Incorporation | 30.01.1997 |
| Listed At (name of the Stock Exchanges) | Not Listed |
| Nature of Business | Importers and Wholesalers of Home Textile |
| Whether a Sick Industrial Company (Yes/ No) | No |

| | **Year Ended December 31, 2005** | **Year Ended December 31, 2006** | **Year Ended December 31, 2007** |
|---|---|---|---|
| Equity Capital (Rs in Lacs) | 249.70 | **249.70** | 249.70 |
| Reserves & Surplus (Rs in Lacs) | 146.11 | 338.77 | 1492.48 |
| Total Income (Rs in Lacs) | 24386.76 | 27932.74 | 42577.81 |
| Profit After Tax (Rs in Lacs) | 178.78 | 250.49 | 1153.72 |
| Earnings Per Share (In Rs) | 1.79 | 2.50 | 11.54 |
| Net Asset Value (Rs in Lacs) | 395.81 | 588.47 | 1742.18 |

| | |
|---|---|
| Name of the Company | Sawan Textile International (P) Ltd |
| Date of Incorporation | 05.12.2007 |
| Listed At (Name of the Stock Exchange) | Not Listed |
| Nature of Business | Manufacturer of Textile Products |
| Whether a Sick Industrial Company (Yes/ No) | No |
| | **Year Ended March 31, 2008** |
| Paid up Equity Capital (Rs in Lacs) | 1.00 |
| Reserves & Surplus (Rs in Lacs) | Nil |
| Total Income (Rs in Lacs) | Nil |
| Profit After Tax (Rs in Lacs) | Nil |
| Earnings Per Share | N.A |
| Net Asset Value | (353.94) |

**Details regarding Millennium Holdings Ltd has already given at point no. 4.1 above.**

**Disclosure in terms of Regulation 16(ix)**

4.3 The Acquirer at present have no intention to sell, dispose of or otherwise encumber any significant assets of VTIL in the succeeding two years, except in the ordinary course of business of VTIL's future policy for disposal of its assets, if any, will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders at a General Body Meeting of VTIL.

4.4 As per declaration received, the Acquirer have no controlling stake in any listed company.

4.5 All the shares under Share Purchase Agreement as well as under open offer will be acquired by the acquirer Millennium Holdings Limited.

**5. DISCLOSURE IN TERMS OF REGULATION 21(2)**

The Offer (assuming full acceptance) would result in public shareholding in the Target Company being reduced below the minimum level required as per the Listing Agreement with the Stock Exchange for the purpose of listing on continuous basis. The Acquirer in terms of the provisions of Clause 40A of the Listing Agreement will facilitate the target company to raise the level of Public shareholding to the level specified for continuous listing as specified in the listing agreement entered with the stock exchange within the time period and manner specified thereon in consultation with Stock Exchange

**6. BACKGROUND OF THE TARGET COMPANY – VANASTHALI TEXTILE INDUSTRIES LIMITED**

6.1 VTIL was incorporated as a Public limited company under the name and style of Vanasthali Textile Industries Limited under the Companies Act, 1956 with Registrar of Companies, Delhi & Haryana vide its certificate of incorporation dated March 4, 1991 and presently the company is doing business under the same name. On May 1, 1991, the company received the certificate of Commencement of Business. Subsequently, vide the certificate dated September 22, 1994, the Registered Office of the company was changed from the State of Delhi to the State of Rajasthan. The Company at present has its registered office at F-3-5, RIICO Industrial Complex, Vigyan Nagar, Shahjahanpur-301706, District Alwar – Rajasthan. Tel No. (0124) 3211909, Fax No. (011) 4372857. The manufacturing facilities of the target company located at F-3-5, RIICO Industrial Complex, Vigyan Nagar, Shahjahanpur, Alwar, Rajasthan.

6.2 At present VTIL has been engaged in the business of production of various types of terry towels such as yarn dyed, piece dyed and beach towels.

6.3 The Authorised Share Capital of VTIL as on the date of Public Announcement is 2525.00 Lacs, comprising of 2,52,50,000 equity shares of Rs 10/- (Rupees Ten Only) each. The issued, subscribed and paid-up equity share capital as on date of Public Announcement stood at Rs 1981.25 Lacs comprising of 1,98,12,500 equity shares of Rs 10/- (Rupees Ten Only) each.

6.4 As on the date of PA, the Share Capital Structure of the target company is as given under:

| Paid up Equity Shares of VTIL | No. of Equity shares/ voting rights | % of Shares / voting rights |
|---|---|---|
| Fully paid-up equity shares | 19812500 | 100.00 |
| Partly paid-up equity shares | Nil | Nil |
| Total paid-up equity shares | 19812500 | 100.00 |
| Total voting rights in the Target Company | 19812500 | 100.00 |

6.5 There are no partly paid up shares in the target company.

6.6 The Current Capital structure of the company has been build up since inception as under:

| Date of allotment | No of shares issued | % of shares issued | Cumulative paid up capital (in Rs.) | Identity of allottees (promoters/ ex-promoters/ others) | Status of compliance |
|---|---|---|---|---|---|
| Subscriber to Memorandum & Articles | 70 | 0.0004 | 700 | Subscribers to MOA | No compliance Pending |
| June 1992 | 45,99,930 | 23.22 | 4600000 | Public Issue | |
| March 1997 | 46,20,000 | 23.32 | 92200000 | Private Placement to Promoters | |
| June 1998 | 54,00,000 | 27.25 | 146200000 | Private Placement to Promoters | |
| October 2006 | 51,92,500 | 26.21 | 198125000 | Merger | |
| **TOTAL** | **1,98,12,500** | **100.00** | | | |

6.7 The shares of "VTIL" are listed on The Bombay Stock Exchange Limited. At present the shares of the Company are not suspended by the BSE.

6.8 There are no outstanding convertible instruments / warrants.

6.9 As per declaration received from the target company, the target company is fully complying with provisions of Chapter II of the regulations. The sellers, promoters and other major shareholders of VTIL is also complying with provisions of Chapter II of the Regulations.

6.10 As per declaration received, VTIL is complying with requirements of the Listing Agreement entered with Stock Exchanges, where its equity shares are listed. Further, no punitive action has been taken by the Stock Exchanges against the target company.

6.11 The Composition of the Board of Directors of VTIL as on the date of Public Announcement are as follows:

| S. No. | Name of the Director | Designation | Qualification and Experience in No. of years | Residential Address | Date of Appointment |
|---|---|---|---|---|---|
| 1 | Rajendra Goenka | Chairman and Executive Director | B.Com and having 26 years of experience in Textile Industry | 20, Vinayak Kunj, JVPD, Juhu, Mumbai | 31.07.2007 |
| 2 | Sunil Goenka | Joint Managing Director | B.Com and having 21 years of experience in Textile Industry | 20, Vinayak Kunj, JVPD, Juhu, Mumbai | 31.07.2007 |
| 3 | Yogesh Kumar Gupta | Non Executive Director | B.Com(H), PGDFM, FCS,FICWA and having 17 years of experience in Finance and Secretarial. | D-1050, New Friends Colony, New Delhi | 31.07.2006 |
| 4. | Harivats Sharaff | Whole Time Director | B.Com, 13 years of experience in the field of Production and Marketing of Readymade Garments | 424 A, Hamilton Court, DLF Phase IV, Gurgaon-122002 | 30.01.2008 |
| 5 | Abhishek Modi | Independent/Non Executive Director | B.Com having 16 years of experience in Textile Industry. | C-9/15, DLF-I, Gurgaon-122002 | 31.07.2007 |

| | | | | | |
|---|---|---|---|---|---|
| 6 | Surender Kumar Jindal | Independent/Non Executive Director | B.Sc and having 34 years of experience in Textile Industry. | 110, Babar Road, New Delhi-110001 | 31.07.2007 |
| 7 | Balwinder Ram Mahi | Nominee Director | MA (Economics), LLB, LLB, PGDM (Finance) & having experience of 23 years in Banking and Finance. | 108B, B-3, Keshavpuram, DDA MIG Flats, Lawrence Road, New Delhi-110035 | 03.10.2008 |

None of the above Directors are representing acquirer.

6.12 Regal Weaver Private Limited has been amalgamated with the target company with effect from 30th May, 2006 pursuant to the scheme of amalgamation approved by the Hon'ble High Court of Rajasthan and Delhi vide their orders dated 17.04.2006 and 15.05.2006 respectively.

6.13 The Brief details of financials of VTIL are given as under:

**(Rs. In Lacs)**

| **Profit & Loss Statement** | **Year Ended 31.03.2006 (Audited)** | **Year Ended 31.03.2007 (Audited)** | **Year Ended 31.03.2008 (Audited)** | **For the period ended 30.09.2008* (Unaudited)** |
|---|---|---|---|---|
| Income from Operations | 12162.64 | 10477.94 | 9916.19 | 3057.90 |
| Other Income | 241.58 | 441.56 | 961.53 | 292.93 |
| Increase/Decrease in stocks | 694.45 | 504.84 | 750.11 | 539.85 |
| **Total Income** | **13098.67** | **11424.34** | **11627.83** | **3890.68** |
| Total Expenditure | 11565.16 | 10204.29 | 10905.84 | 3960.27 |
| **Profit/ (Loss) Before Depreciation Interest and Tax** | **1533.51** | **1220.05** | **721.99** | **(69.59)** |
| Depreciation | 601.79 | 632.18 | 865.46 | 405.82 |
| Interest | 358.06 | 459.37 | 566.36 | 386.19 |
| **Profit/ (Loss) Before Tax** | **573.66** | **128.50** | **(709.83)** | **(861.60)** |
| Provision for Tax | 33.91 | 88.09 | 388.06 | (2.91) |
| **Profit/ (Loss) After Tax** | **539.75** | **40.41** | **(1097.89)** | **(864.51)** |

| **Balance Sheet Statement** | **Year Ended 31.03.2006 (Audited)** | **Year Ended 31.03.2007 (Audited)** | **Year Ended 31.03.2008 (Audited)** | **For the period ended 30.09.2008* (Unaudited)** |
|---|---|---|---|---|
| **Sources of funds** | | | | |
| Paid-up Share Capital | 1981.25 | 1981.25 | 1981.25 | 1981.25 |
| Reserves and Surplus (excluding revaluation reserve) | 1020.97 | 1068.47 | 66.97 | 66.97 |
| Secured Loan | 5323.66 | 7301.91 | 7726.33 | 7939.32 |
| Unsecured Loan | Nil | Nil | 259.30 | 655.64 |
| Current Liabilities & Provisions | 1562.43 | 1396.99 | 2733.86 | 3167.13 |
| Deferred Tax Liability | Nil | Nil | 368.24 | 368.24 |
| **Total** | **9888.31** | **11748.62** | **13135.95** | **14178.55** |
| **Uses of Funds** | | | | |
| Net Fixed Assets | 4557.13 | 6098.40 | 5748.63 | 5469.31 |
| Capital Work in progress | 424.60 | 458.25 | 447.41 | 440.79 |
| Investments | 0.89 | 0.89 | 0.89 | 0.89 |
| Current Assets | 4828.92 | 5178.82 | 6842.63 | 8267.57 |
| Misc. Expenses not written off | 5.83 | Nil | Nil | Nil |
| Deferred Tax Assets | 70.94 | 12.26 | Nil | Nil |
| **Total** | **9888.31** | **11748.62** | **13135.95** | **14178.55** |

| **Other Financial Data** | **Year Ended 31.03.2006 (Audited)** | **Year Ended 31.03.2007 (Audited)** | **Year Ended 31.03.2008 (Audited)** | **For the period ended 30.09.2008* (Unaudited)** |
|---|---|---|---|---|
| Networth (in Rs.) | 2996.39 | 3049.72 | 1951.81 | 1087.30 |
| Dividend (%) | - | - | - | - |
| Earnings per share (in Rs.) | 2.72 | 0.20 | (5.54) | (4.36) |
| Return on Net worth (%) | 18.01 | 1.33 | (56.25) | (79.51) |
| Book Value per Share (in Rs.) | 15.12 | 15.39 | 9.85 | 5.49 |

* As Certified by Mr. R K Agarwal (Membership No. 83352), Partner of Rakesh Raj & Associates, Chartered Accountants, having office at 565, Sector-7B, Faridabad-121006, Tel: (0129) 4061130, 2243491, Fax No. 0129-2241017 vide their certificate dated 25.11.2008.

**Formula: -** Return on Net Worth= (profit after tax/net worth) *100; Book value of shares=net worth divided by number of equity shares issued; EPS= profit after tax /number of equity shares issued.

**6.14. The reason for fall/ rise in income and PAT in the relevant years are as under:Year ended 31.3.2006**

There was increase in Net Profit for the year ended March 31, 2006 as compared to the previous year due to increase in turnover of the company as compared to previous year because of increase in demands of products of the company in foreign markets.

**Year ended 31.3.2007**

There was decline in net profit for the year ended March 31, 2007 as compared to the previous year due to increase in cost of raw material prices and purchase of goods for trading purposes and also competition from other market players affects turnover and profitability of the company for the current year.

**Year ended 31.3.2008**

There was loss for the year ended March 31, 2008 as compared to the previous year due to increase in cost of raw material prices and purchase of goods for trading purposes and also making provision for deferred tax of Rs 380.50 lacs.

6.15 Pre and Post-Offer shareholding pattern of the Target Company is as per the following table:

| Sr. No. | Shareholder Category | Shareholding & Voting rights prior to the Acquisition and offer (A) | | Shares/voting rights to be acquired Which triggered off the Regulations (B) | | Shares/Voting rights to be acquired in the open offer (assuming full acceptance) (C) | | Shareholding/ voting rights after the acquisition and Offer i.e. (A+B+C) | |
|---|---|---|---|---|---|---|---|---|---|
| | | No. | % | No. | % | No. | % | No. | % |
| 1 | **Promoter Group** | | | | | | | | |
| | **a. Parties to SPA** | | | | | | | | |
| | 1. Rajendra Goenka | 2961940 | 14.95 | (2961940) | (14.95) | Nil | Nil | Nil | Nil |
| | 2. Sunil Goenka | 1719869 | 8.68 | (1719869) | (8.68) | Nil | Nil | Nil | Nil |
| | 3. Anjana Goenka | 1980980 | 10.00 | (1980980) | (10.00) | Nil | Nil | Nil | Nil |
| | 4. Asha Goenka | 147780 | 0.76 | (147780) | (0.76) | Nil | Nil | Nil | Nil |
| | 5. Sushila Goenka | 153420 | 0.77 | (153420) | (0.77) | Nil | Nil | Nil | Nil |
| | 6. Beni Pd Goenka | 1625600 | 8.20 | (1625600) | (8.20) | Nil | Nil | Nil | Nil |
| | 7. Amit Goenka | 1625600 | 8.20 | (1625600) | (8.20) | Nil | Nil | Nil | Nil |
| | 8. Sushil Goenka | 1625600 | 8.20 | (1625600) | (8.20) | Nil | Nil | Nil | Nil |
| | 9. Vishal Goenka | 2950000 | 14.89 | (2950000) | (14.89) | Nil | Nil | Nil | Nil |
| | **Total 1a.** | **14790789** | **74.65** | **(14790789)** | **(74.65)** | Nil | Nil | Nil | Nil |
| | **b. Promoter Other than (a) above** | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A |
| | **Total 1 (a+b)** | **14790789** | **74.65** | **(14790789)** | **(74.65)** | Nil | Nil | Nil | Nil |
| **2** | **Acquirer** | | | | | | | | |
| | (a) Millennium Holdings Limited | Nil | Nil | 14790789 | 74.65 | 3962500 | 20.00 | 18753289 | 94.65 |
| | **Total 2** | **Nil** | **Nil** | **14790789** | **74.65** | **3962500** | **20.00** | **18753289** | **94.65** |
| 3 | **(3) Parties to the Agreement other than 1 & 2** | N.A | N.A | N.A | N.A | N.A | N.A | N.A | N.A |
| 4 | **(4) Public (other than Acquirer & parties to the Agreement)** | | | | | | | | |
| | NRIs | 13139 | 0.07 | NIL | N.A | **(3962500)** | **(20.00)** | **1059211** | **5.35** |
| | FIs / MFs / FIIs / Banks | Nil | N.A | NIL | N.A | | | | |
| | Bodies Corporate | 585871 | 2.96 | NIL | N.A | | | | |
| | Others (including public shareholders) | 4422701 | 22.32 | NIL | N.A | | | | |
| | **Total (1+2+3+4)** | **19812500** | **100.00** | Nil | Nil | Nil | Nil | **19812500** | **100.00** |

Notes:

· The data within bracket indicates sale of equity shares.

6.16 The changes in the shareholding of the promoters of the company are as per the details mentioned below:

| Year | No. of shares held by Promoters & PAC's | Paid up Equity Capital of the company | % of total capital | % Change in Shareholding of Promoters | Type of Transactions/ Remarks |
|---|---|---|---|---|---|
| 31.03.1997 | 12372970 | 14620000 | 84.63 | - | |
| 31.03.1998 | 12372970 | 14620000 | 84.63 | - | |
| 31.03.1999 | 12372970 | 14620000 | 84.63 | - | |
| 31.03.2000 | 12372970 | 14620000 | 84.63 | - | |
| 31.03.2001 | 12373970 | 14620000 | 84.63 | - | |
| 31.03.2002 | 12373970 | 14620000 | 84.63 | - | |
| 31.03.2003 | 12373970 | 14620000 | 84.63 | - | |
| 31.03.2004 | 12358470 | 14620000 | 84.53 | (0.10) | |
| 31.03.2005 | 10920470 | 14620000 | 74.70 | (9.84) | (1) Milestone Properties (P) Ltd- **200000 share** through market sale<br>(2) Naman Apartments (P) Ltd- **1224000 shares**. The name was removed from promoter group due to change in its shareholding.<br>(3) Sita Ram Khemani- **14000** shares through market sale. |
| 30.04.2004 | 10920470 | 14620000 | 74.70 | - | |
| 31.03.2005 | 10920470 | 14620000 | 74.70 | - | |
| 11.04.2005 | 10420479 | 14620000 | 71.28 | (3.42) | Gay Apartments (P) Ltd- **214991** shares through market sale<br>Zoom Apartments (P) Ltd- **160000** shares through Market Sale<br>Milestone Properties (P) Ltd- **125000** shares through Market Sale |
| 31.03.2006 | 10420479 | 14620000 | 71.28 | - | |
| 06.10.2006 | 14778189 | 19812500 | 74.59 | 3.31 | Pursuant to merger Exempted under Regulation 3(1)(j)(ii) |
| 31.03.2007 | 14778189 | 19812500 | 74.59 | - | |
| 31.03.2008 | 14790789 | 19812500 | 74.65 | 0.06 | Pursuant to open offer U/r 10 & 12 dated 16.08.2007 |

6.17 As per the information received from the Target Company, the number of shareholders in VTIL in public category as on 30.09.2008 is 9527 (Nine Thousand Five Hundred Twenty Seven only).

6.18 The Company has complied with the conditions of Corporate Governance as envisaged under clause 49 of the listing agreement, statutory auditors of the Company have certified compliance of conditions of corporate governance; this certificate is attached with annual report of the Target Company for the year ended March 31, 2008.

6.19 As per the information received from the Target Company, the following litigation matters are pending by and against the Company:

| Year | Name of the Cases | Courts/Authorities where the matters are pending | Amount Involved (Rs) |
|---|---|---|---|
| 1998 | Excise | CESTAT | 1,18,635 |
| 1998 | Excise | CESTAT | 1,07,312 |
| 1998 | Excise | CESTAT | 63,474 |
| 1997 | Excise | CESTAT | 81,780 |
| 1999 | civil | High court | 17,00,000 |
| 2003 | Excise | CESTAT | 5,33,859 |
| 2003 | Excise | CESTAT | 3,32,165 |
| 2004 | Customs | AC, Customs-Kandla | 15,78,500 |
| 2004 | Customs | AC, Customs-Kandla | 2,16,000 |
| 2004 | Customs | AC, Customs-Kandla | 7,20,000 |
| 2006 | Excise | CESTAT | 28,29,218 |
| 2007 | Excise (Service Tax) | CESTAT | 4,12,673 |
| 2007 | Excise (Service Tax) | CESTAT | 4,44,050 |
| 2007 | Excise (Service Tax) | CESTAT | 1,93,825 |
| 2007 | Excise (Service Tax) | Comm. (A), Jaipur | 1,09,606 |
| 2008 | Excise (Service Tax) | Comm. (A), Jaipur | 2,29,732 |
| 2008 | Excise (Service Tax) | Comm. (A), Jaipur | 4,98,561 |

| | | | |
|---|---|---|---|
| 2008 | Excise (Service Tax) | Comm. (A), Jaipur | 6,75,175 |
| 2008 | Excise | Comm. (A), Jaipur | 64,02,836 |
| 2008 | Excise | Comm. (A), Jaipur | 16,57,159 |
| 2008 | Excise | AC, Alwar | 3,86,843 |
| 2008 | Excise | Comm. (A), Jaipur | 4,90,222 |
| 2008 | Excise | AC, Alwar | 2,22,712 |
| 2008 | Excise | AC, Alwar | 3,66,745 |
| 2008 | Excise | AC, Alwar | 7,57,610 |
| 2008 | Excise | AC, Alwar | 41,618 |
| 2008 | Excise | AC, Alwar | 4,95,344 |
| 2008 | Excise | AC, Alwar | 4,99,794 |
| 2008 | Excise | AC, Alwar | 25,17,321 |
| 2008 | Excise | Comm. (A), Jaipur | 9,50,42,002 |
| 2008 | Excise | Comm. (A), Jaipur | 4,86,856 |
| 2008 | Excise | Comm. (A), Jaipur | 4,49,535 |

6.20 The Name and Contact details of the Compliance Officer are as under:-

| | | |
|---|---|---|
| Name of the Compliance Officer | : | Ms Ritu Agarwal |
| Contact Address | : | K-3/19, DLF Phase II, Gurgaon |
| Contact Number | : | +91-9310649535 |
| Fax No. | : | +91-124-4372857 |

6.21 The Details of Contingent Liabilities of the Company for the last three years are given as below.

(Rs in Lacs)

| | 2006 | 2007 | 2008 |
|---|---|---|---|
| Guarantees given by Banks for which counter Guarantee has been given by Company | 19.61 | Nil | 11.07 |
| Foreign & Indian Bills Discounted by Bank<br>Bonds executed in favour of the | 1270.68 | 1226.45 | 994.27 |
| Collector of Customs | 2850.00 | 2850.00 | 2850.00 |
| Letter of Credits | 1071.36 | 57.50 | 496.78 |
| Pending Cases with Excise Authority | 34.89 | 79.83 | 176.33 |
| Auditors Remuneration | 1.46 | 1.24 | 3.37 |

6.22 The present promoters of the company had made an open offer to the shareholders of VTIL under Regulation 10 & 12 of SEBI (SAST) Regulations pursuant to acquisition of 14778189 shares through share purchase agreement and public announcement in this respect was published on August 16, 2007.

6.23 The details of inter se transfer made in the target company are as under:

| Date | Name of Transferee | No. of shares | % to total capital | Name of Transferor | No. of shares | % to total capital | Remarks |
|---|---|---|---|---|---|---|---|
| 30.04.1998 | Rajesh Modi | 134500 | 1.46 | Kamkhaya Modi,<br>Shalini Modi,<br>Vedika Modi,<br>Vedika Modi,<br>Shailija Modi,<br>Shalini Goenka,<br>Sita Ram Khemani<br>KECI & Co. | 319500 | 3.47 | Report under Regulation 3(4) filed with SEBI |
| | N P Modi | 160000 | 1.74 | | | | |
| | Sita Ram Khemani | 25000 | 0.27 | | | | |
| 31.07.1999 | Rajesh Modi | 780000 | 5.33 | Vanasthali Investments (P) Ltd. | 500000 | 3.42 | Report under Regulation 3(4) filed with SEBI |
| | | | | Vedika Finance (P) Ltd | 280000 | 1.91 | |
| 30.06.2001 | Shewnarain Magraj Finance & Investment (P) Ltd | 21000 | 0.14 | Bela Devi Khemani,<br>Pranav Keshav Khemani,<br>Sunanda Khemani | 21000 | -<br>0.14 | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 28.04.2004 | Gay Apartments (P) Ltd | 1174000 | 8.03 | Girdhari Lal Khemani, Pasupati Texturising (P) Ltd, Shewnarain Magraj Finance & Investment (P) Ltd | 4895850 | 33.49 | Pursuant to CLB's Order |
| | Zoom Apartments (P) Ltd | 1224000 | 8.37 | | | | |
| | Milestone Properties (P) Ltd | 1224000 | 8.37 | | | | |
| | Rajesh & Co | 49850 | 0.34 | | | | |
| | Naman Apartments (P) Ltd | 1224000 | 8.37 | | | | |

## 7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

### 7.1 Justification of Offer Price

7.1.1 The equity shares of VTIL are listed on The Bombay Stock Exchange Limited (BSE).

7.1.2 The shares of VTIL have been infrequently traded at The Bombay Stock Exchange Limited (BSE), where they are listed during the preceding six calender months prior to the month of Public Announcement. The annualized trading turnover during the preceding the six calendar months ended November 2008 at the BSE , where the shares of the company are listed as follows:

| Name of the Stock Exchange | Total number of shares traded during June 2008 to November 2008 | Total number of listed shares | Annualised trading turnover(% of the tota listed shares) |
|---|---|---|---|
| BSE | *128652 | 1,98,12,500 | 257304 (1.30%) |

***www.bseindia.com**

7.1.3 Based on the above information, as the annualized trading turnover is less than 5% of the total number of the listed shares, the equity shares are deemed to be infrequently traded on BSE as per the date available with BSE (Source: www.bseindia.com) within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations, 1997.

7.1.4 Based on the above information, as the annualized trading turnover is less than 5% of the total number of the listed shares, the equity shares are deemed to be infrequently traded on BSE as per the data available with BSE (Source: www.bseindia.com) within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations, 1997. In accordance with Regulation 20(5) 0f SEBI (SAST) Regulations, 1997, the Offer price of Rs 5.70 (Rupees Five and Seventy paise only) per fully paid up equity shares is worked out on the following parameters.

| | |
|---|---|
| a. The Negotiated Price | Rs 5.70/- |
| b. Price paid by the Acquirer by way of allotment in a public or rights or preferential issue during the 26-week period prior to the date of PA. | N.A |

| c. Other Financial Parameters | Based on the Unaudited financial data for the period ended September 30, 2008* |
|---|---|
| Return on Net Worth (%) | (79.51) |
| Book Value per share (Rs.) | 5.49 |
| Earning per share (Rs.) | (4.36) |
| Price Earning Multiple (with reference to the Offer price of Rs. 5.70/- per share) | N.A |
| The average industry P/E for the sector in which operates (Source: Capital Market Journal, edition November 03, 2008 to November 16, 2008 (Industry Textile-Products) | 14.1 |

* As Certified by Mr. R K Agarwal (Membership No. 83352), Partner of Rakesh Raj & Associates, Chartered Accountants, having office at 565, Sector-7B, Faridabad-121006, Tel: (0129) 4061130, 2243491, Fax No. 0129-2241017 vide their certificate dated 25.11.2008.

In view of the above the offer price of Rs. 5.70 is justified in terms of Regulations 20(5) of the SEBI (SAST) Regulations, 1997.

7.1.5 If the Acquirer acquire equity shares after the date of Public Announcement upto 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the Offer.

### 7.2 Financial Arrangement

7.2.1 Assuming full acceptance, the total requirement of funds for the Offer would be Rs. 2,25,86,250 (Rupees Two Crore Twenty Five lacs Eighty Six thousand two hundred and fifty only). As per Regulation 28 of SEBI (SAST) Regulations, 1997 the Acquirer have deposited cash of an amount Rs 59,40,000 (Rupees Fifty Nine Lacs Forty Thousand Only) being in aggregate excess of 25% of the maximum purchase consideration payable under this Offer in compliance with SEBI (SAST) Regulations, 1997. The cash has been deposited in the bank escrow account opened with HSBC Bank, New Delhi. The Acquirer have adequate resources to meet the financial requirements of the Offer. The acquisition will be financed through internal / personal resources as well as financial arrangements entered with Nikhil Poddar,Director of MHL. Millennium Holdings Ltd has entered in to financial arrangements with Mr Nikhil Poddar to take an aggregate amount of INR 854 Lacs and Millennium Holdings Ltd will issue its 1780000 shares to Nikhil Poddar in lieu of INR 854 Lacs.

7.2.2 The Acquirer have duly empowered M/s Chartered Capital And Investment Limited, Manager to the Offer, to realise the value of the Escrow Account (s) in terms of the SEBI (SAST) Regulations, 1997.

7.2.3 The Manager to the Offer, M/s Chartered Capital And Investment Limited, hereby confirm that firm arrangements for funds and money for payment through verifiable means are in place to fulfil the Offer obligation under the SEBI (SAST) Regulations, 1997.

7.2.4 Priyaved Jhugroo (FCA), (Membership No. 7821244) partner of Lancasters, Chartered Accountant having office at 14, Lancaster Court, Lavoquer St, Port Luis, Mauritius, Ph No. 2302134510, Fax No. 2302130201 has certified vide his certificate dated 27.11.2008 that the Net Worth of MHL as on 27.11.2008 is US $ 475945 equal to INR 237.69 Lacs and letter also Confirmed that MHL will take a financial assistance of Rs 854 lacs from Mr Nikhil Poddar, a director of the company. Certificate also confirms that they have taken on record confirmation given by Mr Nikhil Poddar in this respect.

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

**8.1 Persons eligible to participate in the Offer**

8.1.1 Registered shareholders of VTIL and unregistered shareholders who own the equity shares of VTIL any time prior to the date of Closure of the Offer, other than the parties to the SPA.

8.2 Total 6,98,125 equity shares held by Rajendra Goenka and 6,00,000 equity shares held by Praveen Deva out of existing equity shares of VTIL are under Lock-in period.

**9. STATUTORY APPROVALS**

9.1 The Offer is subject to approval of Foreign Investment and Promotion Board (FIPB) and Reserve Bank of India (RBI) under Foreign Exchange Management Act, 1999. The acquirer has filed an application with FIPB and RBI for acquisition of shares in terms of this Offer and the approval from FIPB and RBI is awaited.

9.2 The Offer is subject to approval of Bank/Financial Institutions for transfer of pledged shares in favour of acquirer and acquirer has filed an application to IDBI and other Banks for their approval and the approval is awaited from the Banks.

9.3 As on the date of Public Announcement, to the best of the Acquirer's knowledge, no other statutory approvals are required to be obtained for the purpose of this Offer.

9.4 The Offer would be subject to all other statutory approvals that may become applicable at a later date before the completion of Offer.

9.5 SEBI has the power to grant extension of time to the Acquirer for payment of consideration to shareholders subject to the Acquirer agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22 (12) of the SEBI (SAST) Regulations, 1997, if there is any delay in receipt of statutory approval. If, however, the delay in obtaining the requisite approval takes place on account of any willful default by the Acquirer, then provision contained in Regulation 22 (13) of the SEBI (SAST) Regulations, 1997 will also become applicable.

**10. OTHER TERMS OF THE OFFER**

10.1 The Offer is not subject to any minimum level of acceptances from shareholders.

10.2 Letters of Offer (hereinafter referred to as **"LOO"**) will be dispatched to all the equity shareholders of VTIL, whose names appear in its Register of Members on **Friday, December 26, 2008** the Specified Date, except to the parties to the Share Purchase Agreement.

10.3 The Registrar to the Offer, **BEETAL Financial & Computer Services Pvt. Ltd.** has opened a special depository account with Central Depository Services (India) Limited ("CDSL") for receiving equity shares during the offer from eligible shareholders who hold equity shares in demat form.

10.4 All shareholders of the Target Company, other than the Acquirer, PAC and the Sellers, who own equity shares any time before the Closure of the Open Offer, are eligible to participate in the Offer.

10.5 Beneficial owners and **shareholders holding equity shares in the physical form**, will be required to send their share certificates, Form of Acceptance cum Acknowledgement and other documents as may be specified in the LOO, to the Registrar to the Offer either by Registered Post / Courier or by hand delivery on Mondays to Fridays between 10.30 AM and 5.00 PM and on Saturdays between 10.30 AM and 1.30 PM, on or before the date of Closure of the Offer, i.e. February 25, 2009 Wednesday.

10.6 Beneficial owners and **shareholders holding shares in the dematerialized form**, will be required to send their Form of Acceptance cum Acknowledgement and other documents as may be specified in the LOO to the Registrar to the Offer either by Registered Post / Courier or by hand delivery on Mondays to Fridays between 10.30 AM and 5.00 PM and on Saturdays between 10.30 AM and 1.30 PM, on or before the date of Closure of the Offer, i.e., February 25, 2009 Wednesday , along with a photocopy of the delivery instructions in **"Off market"** mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant (**"DP"**), in favour of **"BEETAL - Open Offer Escrow A/c For VTI Ltd" ("Depository Escrow Account")** filled in as per the instructions given below:

| | | |
|---|---|---|
| **DP Name** | **:** | **SAM Global Securities Ltd** |
| **DP ID** | **:** | **12019101** |
| **Client ID** | **:** | **01031172** |
| **Depository** | **:** | **Central Depository Services (India) Limited ("CDSL")** |

Shareholders having their beneficiary account in National Securities Depository Limited ("NSDL") have to use **inter-depository** delivery instruction slip for the purpose of crediting their equity shares in favour of the special depository account with CDSL.

10.7 In case of (a) shareholders who have not received the LOO, (b) unregistered Shareholders and (c) owner of the equity shares who have sent the equity shares to the Company for transfer, may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of equity shares held, distinctive numbers, folio numbers, number of shares offered along with the documents to prove their title to such equity shares such as broker note, succession certificate, original share certificate / original letter of allotment and valid equity share transfer deeds (one per folio), duly signed by all the shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with VTIL), and witnessed (if possible) by the Notary Public or a Bank Manager or the Member of the stock exchange with membership number, as the case may be, so as to reach the Registrar to the Offer on or before 5.00 PM upto the date of Closure of the Offer i.e February 25, 2009 Wednesday. Such shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

10.8 In case of shareholders who have not received the LOO and holding equity shares in the dematerialised form may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of shares held, Depository name, Depository I.D., Client name, Client I.D., number of equity shares offered along with a photocopy of the original delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the Depository Participant as specified in para 10.6 above, so as to reach the Registrar to the Offer on or before 5.00 PM upto the date of Closure of the Offer i.e. February 25, 2009 Wednesday . Such equity shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

10.9 The following collection centre would be accepting the documents by Hand Delivery /Regd Post/Courier as specified above, both in case of shares in Physical and dematerialised form.

| Address of the Collection Centre | Contact Person | Phone/Fax / Email |
|---|---|---|
| BEETAL Financial & Computer Services Pvt. Ltd.<br>BEETAL House, 3rd Floor, 99, Madangir,<br>Behind Local Shopping Centre, Near Dada<br>Harsukhdas Mandir, New Delhi 110062 | Mr. Punit Mittal | Phone: 011 2996 1280 /<br>81 / 82 / 83,<br>Fax: 011 2996 1284<br>Email: beetal_99@sify.com |

10.10 Shareholders who have sent their equity shares for dematerialisation need to ensure that the process of getting shares dematerialised is completed well in time so that the credit in the Depository Escrow Account should be received on or before 5.00 PM upto the date of Closure of the Offer, i.e. February 25, 2009 Wednesday else the application would be rejected.

10.11 In terms of Regulation 22 (5A), shareholders shall have the option to withdraw acceptance tendered earlier, by submitting the Form of Withdrawal enclosed with the LOO, so as to reach Registrars to the Offer upto three working days prior to the date of Closure of the Offer, i.e February 20, 2009 Friday. The withdrawal can also be exercised by submitting an application on a plain paper, alongwith the details such as name, address, distinctive nos., folio no., number of equity shares tendered, etc.

10.12 The Letter of Offer alongwith the Form of Acceptance cum acknowledgement/ withdrawal would also be available at SEBI's website, *www.sebi.gov.in,* and shareholders can also apply by downloading such forms from the website.

10.13 No indemnity is needed from unregistered shareholders.

10.14 Applications in respect of equity shares that are the subject matter of litigation Wherein the shareholder(s) may be precluded from transferring the equity shares during the pendency of the said litigation are liable to be rejected in case directions/orders regarding these equity shares are not received together with the equity shares tendered under the Offer.

**11 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT**

11.1 Where the number of equity shares offered for sale by the shareholders are more than the equity shares agreed to be acquired by Acquirer, the Acquirer will accept the offers received from the share holders on a proportionate basis, in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of equity shares from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. The marketable lot of VTIL is 1{one} Equity Share. Regarding aceptance of lock-in shares, wheather acquired pursuant to the agreement or the offer, the same can be acquired by the acquirer subject to continuation of the residual lock-in period in the hands of the acquirer and there shall be no discrimination in the acceptance of locked -in and not locked-in shares.

11.2 Shareholders who have offered their equity shares would be informed about acceptance or rejecting of the Offer within 15 days from the date of Closure of the Offer. The payment to the shareholders whose shares have been accepted, and will be paid by Demand Draft only in favour of the first holder of equity shares within 15 days from the date of Closure of the Offer.

For shares, which are tendered in electronic form, the bank account as obtained from the beneficiary position provided by the Depository will be considered and the payment will be issued with the said bank particulars. In case of acceptance on a proportionate basis, the unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the shareholders' / unregistered owners' sole risk to the sole / first shareholder. Shares held in dematerialised form to the extent not accepted will be credited back to the beneficial owner's depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement and the intimation of the same will be send to the shareholders.

11.3 The Registrar to the Offer will hold in trust the equity shares / share certificates, shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of VTIL who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are dispatched / returned.

11.4 The Acquirer reserves their right to reject the shares tendered in the Offer.

**12 GENERAL CONDITIONS.**

12.1 Shareholders of VTIL who accept the offer by tendering the requisite documents in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of closing of the offer i.e. February 20, 2009, Friday in terms of regulation 22(5A) of SEBI (SAST) Regulations 1997.

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

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

12.4 If there is any upward revision in the Offer Price (in terms of Regulation 26) by the Acquirer till the last day of revision, viz., at any time upto seven working days prior to the date of Closure of the Offer or withdrawal of the Offer, the same would be informed by way of Public Announcement in the same newspapers where original Public Announcement had appeared. Such revised Offer would be payable for all the successful shares tendered anytime during the Offer.

**12.5 " If there is competitive bid:**

**12.5.1 The public offers under all the subsisting bids shall close on the same date.**

**12.5.2 As the offer price can not 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"**

12.6 The Acquirer and PAC are not holding any equity shares of the target company as on date of Public Announcement.

12.7 Wherever necessary some financial data has been rounded off to the nearest Lacs, million or crore (as the case may be), except where stated otherwise.

12.8 For further details please refer to the Letter of Offer and the Form of Acceptance-cum-Acknowledgement.

12.9 The Manager to the Offer i.e Chartered Capital And Investment Limited does not hold any shares in VTIL as on the date of PA.

**13. DOCUMENTS FOR INSPECTION**

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer at 13, Community Centre, East of Kailash, New Delhi – 110065 from 10.30 A.M. to 1.00 P.M. on any working day, except Saturdays, Sundays and Holidays until the closure of the Offer.

13.1 Net Worth certificates issued by Priyaved Jhugroo (FCA), (Membership No. 7821244) partner of Lancasters, Chartered Accountant having office at 14, Lancaster Court, Lavoquer St, Port Luis, Mauritius, Ph No. 2302134510, Fax No. 2302130201,Certifying the net worth of all the Acquirer and adequacy of financial resources with the Acquirer to fulfill its part of open Offer obligations.

13.2 Audited Annual Reports of VTIL for the years ended March 31, 2006, 2007 and 2008 and Certified data for September 30, 2008.

13.3 Certificate of Incorporation, Memorandum & Articles of Association of VTIL, MHL.

13.4 Certificate from HSBC Bank confirming the amount kept in Escrow Account opened as per SEBI (SAST) Regulation 1997.

13.5 Published copy of the Public Announcement, which appeared in the Newspapers on December 01, 2008.

13.6 Copy of Share Purchase Agreement (SPA) dated November 25, 2008.

13.7 A copy of letter given by Nikhil Poddar to Millennium Holdings Ltd for giving financial assistance.

13.8 Copy of letter from SEBI in terms of proviso to Regulation 18(2) of the Regulations.

## 14. DECLARATION BY THE ACQUIRER

The Directors of Acquirer accept full responsibility for the information contained in this Public Announcement and also for the obligations of the Acquirer as laid down in the SEBI (SAST) Regulations, 1997 and subsequent amendments made thereof.

Each of the Acquirer would be severally and jointly responsible for ensuring compliance with the Regulations

All information contained in this document is as on the date of the Public Announcement, true unless stated otherwise.

**For and on behalf of the Acquirer**

**Sd/-**

**(Nikhil Poddar)**

**Director**

**Place: New Delhi**

**Date: 31.01.2009**

## 15. ENCLOSURES

1. Form of Acceptance cum Acknowledgement
2. Form of Withdrawal cum Acknowledgement
3. Blank Share Transfer Deed(s).

**FORM OF ACCEPTANCE CUM ACKNOWLEDGEMEN**

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

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

(Please send this Form of Acceptance with enclosures to the Registrar to the Offer)

| | | |
|---|---|---|
| **OFFER OPENS ON** | **:** | **February 06, 2009 (Friday)** |
| **OFFER CLOSES ON** | **:** | **February 25, 2009 (Wednesday)** |

**Please read the Instructions overleaf before filling-in this Form of Acceptance**

From:

| |
|---|
| FOR OFFICE USE ONLY |
| Acceptance Number |
| Number of equity shares Offered |
| Number of equity shares accepted |
| Purchase consideration (Rs.) |
| Cheque/Demand Draft/Pay Order No. |

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

To,

**The Acquirer**

C/o Beetal Financial & Computer Services P. Ltd.
Beetal House, 3rd Floor, 99,
Madangir, Near Dada Harsukh Das Mandir,
New Delhi-110062

Dear Sir/s,

**SUB: OPEN OFFER TO THE SHAREHOLDERS OF VANASTHALI TEXTILE INDUSTRIES LIMITED (VTIL) by M/s MILLENNIUM HOLDINGS LIMITED (ACQUIRER) ALONGWITH MR. NIKHIL PODDAR (PACs) PURSUANT TO SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997.**

I / we, refer to the Letter of Offer dated 31.01.2009 for acquiring the equity shares held by me / us in **VANASTHALI TEXTILE INDUSTRIES 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, unconditionally Offer to sell to the Acquirer the following equity shares in VTIL held by me / us, at a price of Rs. 5.70 per fully paid-up equity share.

1. I/We enclose the original share certificate(s) and duly signed valid Transfer Deed(s) in respect of my / our equity shares as detailed below (please enclose additional sheet(s), if required).

| **Ledger Folio No……………………………… Number of share certificates attached………………..** | | | |
|---|---|---|---|
| **Representing ………………………… equity shares** | | | |
| Number of equity shares held in VTIL | | Number of equity shares Offered | |
| In figures | In words | In figures | In words |
| | | | |

| Sr. No. | Share Certificate No. | Distinctive Nos. | | No. of equity shares |
|---|---|---|---|---|
| | | From | To | |
| 1 | | | | |
| 2 | | | | |
| 3 | | | | |
| | Total no. of Equity Shares | | | |

2. I / We confirm that the equity shares of VTIL which are being tendered herewith by me / us under the Offer are free from liens, charges and encumbrances of any kind whatsoever.
3. I / We authorize the Acquirer to accept the equity shares so offered or such lesser number of equity shares that the Acquirer may decide to accept in consultation with the Manager to the Offer and in terms of the said Letter of Offer and I / we further authorise the Acquirer to apply and obtain on our behalf split of share certificate(s) as may be deemed necessary by them for the said purpose. I further authorize the Acquirer to return to me / us, equity share certificate(s) in respect of which the Offer is not found / not accepted, specifying the reason thereof.
4. My / Our execution of this Form of Acceptance shall constitute my / our warranty that the equity shares comprised in this application are owned by me / us and are transferred by me / us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said equity shares, I / we will hold the Acquirer, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer acquiring these equity shares. I / We agree that the Acquirer may pay the Offer Price only after due verification of the document(s) and signature(s) and on obtaining the necessary approvals as mentioned in the said Letter of Offer.
5. I / We also note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirer makes payment of consideration or the date by which Shares/ Original Share Certificate(s), Transfer Deed(s) and other documents are dispatched to the shareholders, as the case may be.
6. I/We note and understand that the Shares would held in trust by the Registrar until the time the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.
7. I/We undertake to execute such further document(s) and give such further assurance(s) as may be required or expedient to give effect to my / our agreeing to sell the said equity shares.
8. I / We irrevocably authorise the Acquirer to send by Registered Post at my / our risk, the Cheque(s) / Demand Draft(s) / Pay Order(s) in settlement of consideration payable and excess share certificate(s), if any, to the Sole / First holder at the address given hereunder and if full address is not given below the same will be forwarded at the address registered with VTIL:

**Name and complete address of the Sole/ First holder (in case of member(s), address as registered with VTIL):**

------------------------------------------------------------------------------------------------------------------------

------------------------------------------------------------------------------------------------------------------------

Place: ----------------- Date: ------------------ Tel. No(s). : ----------------- Fax No.: -------------------

**So as to avoid fraudulent encashment in transit, the shareholder(s) have an option to receive sale consideration through RTGS/ECS mode and requested to kindly provide following information compulsorily in order to received payment through RTGS/ECS.**

Bank Account No.: -------------------------------- Type of Account: -------------------------------

(Savings / Current / Other (please specify))

Name of the Bank: -------------------------------------------------------------------------------------

Name of the Branch and Address: -------------------------------------------------------------------

MICR Code of Bank -------------------------------------------------------------------

IFSC Code of Bank -------------------------------------------------------------------

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

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

Yours faithfully,

Signed and Delivered:

| | FULL NAME (S) OF THE HOLDERS | SIGNATURE (S) |
|---|---|---|
| First/Sole Shareholder | | |
| Joint Holder 1 | | |
| Joint Holder 2 | | |

***Note:*** *In case of joint holdings all the holders must sign. In case of body corporate, stamp of the Company should be affixed and necessary Board Resolution should be attached.*

## INSTRUCTIONS

1 Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance.

2 The Form of Acceptance should be filled-up in English only.

3 Signature(s) other than in English, Hindi, and thumb impressions must be attested by a Notary Public under his Official Seal.

**4 Mode of tendering the Equity Shares Pursuant to the Offer:**

I. The acceptance of the Offer made by the Acquirer is entirely at the discretion of the equity shareholder of VTIL.

II. Shareholders of VTIL to whom this Offer is being made, are free to Offer his / her / their shareholding in VTIL for sale to the Acquirer, in whole or part, while tendering his / her / their equity shares in the Offer.

5. Business Hours : Mondays to Friday : 10.30 AM to 5.00 PM
Saturday : 10.30 AM to 1.30 PM
Holidays : Sundays and Bank Holidays

<u>**ACKNOWLEDGEMENT SLIP**</u>

**REG.: <u>OPEN OFFER TO THE SHAREHOLDERS OF VANASTHALI TEXTILE INDUSTRIES LIMITED (VTIL) by M/s MILLENNIUM HOLDINGS LIMITED (ACQUIRER) ALONGWITH MR. NIKHIL PODDAR (PACs) PURSUANT TO SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997.</u>**

Received from Mr. / Ms.. ………………………..………………………………………………….............................

Ledger Folio No/ -----------------Number of certificates enclosed..…………… under the Letter of Offer dated

______________________, Form of Acceptance, Transfer Deeds(s) and Original Share Certificate(s) as detailed hereunder:

| Sr. No. | Share Certificate No. | Distinctive Nos. | | No. of equity shares |
|---|---|---|---|---|
| | | From | To | |
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| Total no. of Equity Shares | | | | |

Stamp

Authorised Signatory

Date

Note: All future correspondence, if any, should be addressed to **Registrar to the Offer**


**Beetal Financial & Computer Services Pvt. Limited**
Beetal House, 3rd Floor, 99, Madangir,
Near Dada Harsukh Das Mandir,
New Delhi-110062
E. Mail: beetal@rediffmail.com
Tel. No.: 29961281-82, Fax No.: 29961284
**Contact Person: Mr. Punit Mittal**

**FORM OF WITHDRAWAL CUM ACKNOWLEDGEMENT**

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

| | | |
|---|---|---|
| **OFFER OPENS ON** | **:** | **February 06, 2009 (Friday)** |
| **LAST DATE OF WITHDRAWAL** | **:** | **February 20, 2009 (Friday)** |
| **OFFER CLOSES ON** | **:** | **February 25, 2009 (Wednesday)** |
| Please read the Instruction in Letter of Offer and overleaf before filling-in this Form of Withdrawal | | |

From:

| FOR OFFICE USE ONLY |
|---|
| Withdrawal Number |
| Number of equity shares Offered |
| Number of equity shares withdrawn |

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

To,
**The Acquirer**
C/o Beetal Financial & Computer Services P. Ltd.
Beetal House, 3rd Floor, 99,
Madangir, Near Dada Harsukh Das Mandir,
New Delhi-110062

Dear Sir

**REG.: OPEN OFFER TO THE SHAREHOLDERS OF VANASTHALI TEXTILE INDUSTRIES LIMITED (VTIL) by M/s MILLENNIUM HOLDINGS LIMITED (ACQUIRER) ALONGWITH MR. NIKHIL PODDAR (PACs) PURSUANT TO SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997.**

I/We refer to the Letter of Offer dated 31.01.2009 for acquiring the equity shares held by me/us in **VANASTHALI TEXTILE INDUSTRIES 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 wish to withdraw our acceptance tendered in response to the said Offer. We had deposited/sent our 'Form of Acceptance' to you on __________ alongwith original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

**(Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance')**

| Sr. No. | Certificate No. | Distinctive No(s) | | No. Of Shares |
|---|---|---|---|---|
| | | From | To | |
| | | | | |
| | | | | |
| | | | | |
| | Total number of equity shares | | | |

I/We note and understand the terms of withdrawal of acceptance and request you to return the original share certificate(s) and valid share transfer deed will be held in trust for me/us by you and **authorize you not to remit** the consideration as mentioned in the Letter of Offer.

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

Yours faithfully,

Signed and Delivered:

| | FULL NAME OF THE HOLDER (S) | SIGNATURE (S) |
|---|---|---|
| First/Sole Shareholder | | |
| Joint Holder 1 | | |
| Joint Holder 2 | | |

Place:
Date:

***Note:*** *In case of joint holdings all the holders must sign. In case of body corporate, stamp of the Company should be affixed and necessary Board Resolution should be attached.*

TEAR HERE

Folio No.:

<table>
<tr><td colspan="2">Beetal Financial & Computer Services Pvt. Limited<br>Beetal House, 3rd Floor, 99, Madangir,<br>Near Dada Harsukh Das Mandir,<br>New Delhi-110062<br>E. Mail: beetal@rediffmail.com<br>Tel. No.: 29961281-82, Fax No.: 29961284<br>Contact Person: Mr. Punit Mittal</td><td colspan="2">Serial No.:<br>(Acknowledgement Slip)</td></tr>
<tr><td colspan="2">Received from Mr./Ms.<br>Address ______________________<br>Form of withdrawal in respect of _______ Number of Share<br>Certificates representing _________ number of shares.</td><td>Signature of Official and Date of Receipt</td><td>Stamp of Registrar to the Offer</td></tr>
<tr><td colspan="4"></td></tr>
</table>

**Note**: All future correspondence, if any, should be addressed to Registrar to the Offer

**Beetal Financial & Computer Services Pvt. Limited**
Beetal House, 3rd Floor, 99, Madangir,
Near Dada Harsukh Das Mandir,
New Delhi-110062
E. Mail: beetal@rediffmail.com
Tel. No.: 29961281-82, Fax No.: 29961284
Contact Person: **Mr. Punit Mittal**

## INSTRUCTIONS

1. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 5.00 p.m. hours upto the last date of withdrawal i.e**. February 20, 2009. (Friday)**
2. Shareholders should enclose the following:

   **Registered Shareholders should enclose:**

   i. Duly signed and completed Form of Withdrawal.

   ii. Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.

   iii. In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Target Company and duly witnessed at the appropriate place.

   **Unregistered owners should enclose:**

   - Duly signed and completed Form of Withdrawal.
   - Copy of the Form of Acceptance cum Acknowledgement/Plain paper application submitted and the Acknowledgement slip
3. The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer.
4. The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company.
5. The Form of Withdrawal alongwith enclosure should be sent only to the Registrar to the Offer.
6. In case of partial withdrawal of Shares tendered, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from VTIL. The facility of partial withdrawal is available only on to Registered shareholders.