

# PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF VALLABH POLY-PLAST INTERNATIONAL LIMITED

(Registered Office: 194, Jawahar Nagar, Road No.3, Goregaon (West), Mumbai - 400 062)

**This Public Announcement ("PA") is being issued by Karvy Investor Services Limited ("the Manager to the Offer"), on behalf of Shri. Dheeraj Wadhawan (hereinafter referred to as "the Acquirer") and (i) Shri. Kapil Wadhawan; and (ii) Smt. Aruna Rajeshkumar Wadhawan, (hereinafter referred to as "Persons Acting in Concert" or "PACs") pursuant to Regulations 10 and 12 as required under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and subsequent amendments thereto (hereinafter referred as "SEBI (SAST) Regulations").**

## 1. Background to the Offer

- This Open Offer (the Offer) of 20% (24,00,000 equity shares) of the Post-Issue Paid up Equity Share Capital of Vallabh Poly-Plast International Limited is being made in terms of Regulations 10 and 12 of SEBI (SAST) Regulations. The Acquirer and PACs intend to acquire equity shares and voting rights pursuant to (i) this Open Offer; and (ii) the Preferential Issue to gain control over the management of Vallabh Poly-Plast International Limited (hereinafter referred to as "VPPIIL" or "the Target Company", as defined in Regulation 2(1)(o) of the SEBI (SAST) Regulations, 1997). The Board of Directors of the Target Company have convened an Extra Ordinary General Meeting ("EoGM") of the members on Tuesday, February 23, 2010 to consider and approve resolutions to (i) Increase the Authorised Share Capital from Rs. 5,00,00,000/- (Rupees Five Crores Only) to Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only); (ii) Insertion of Articles in respect of de-materialisation of shares; and (iii) Preferential Issue of 78,04,100 equity shares of face value of Rs. 10/- each aggregating to Rs. 7,80,41,000/-. Consequently to the shareholders' approval and allotment of equity shares under the Preferential Issue to the Acquirer and PACs and others, the Post-Issue Paid up Equity Share Capital of Vallabh Poly-Plast International Limited will comprise of 1,20,00,000 equity shares of Rs. 10/- each ("Emerging Share Capital").
- On January 28, 2010, the Acquirer along with PACs had entered into Share Purchase and Share Subscription Agreement ("SP and SSA") with (i) Shri. Satish D. Jain; (ii) Shri. Kiran Rathod, being the Promoters; and (iii) Smt. Tara Jain (also referred as "Smt. T. S. Jain"); (iv) Smt. Kanchan Jain; (v) S. D. Jain - HUF (Karta - Shri. Satish D. Jain); and (vi) Shri. Vimalchandra Rathod, forming part of the Promoter Group (hereinafter referred to as "Promoter and Promoter Group" or "Sellers"), to acquire upto 15,36,100 equity shares of face value of Rs. 10/- each of the Target Company at a price of Rs. 7.60 per equity share ("the Negotiated Price"). The total consideration for the equity shares proposed to be acquired by the Acquirer and PACs from the Promoter and Promoter group would be Rs. 1,16,74,360 (Rupees One Crore Sixteen Lakhs Seventy Four Thousand Three Hundred and Sixty Only). Pursuant to the SP and SSA, the Acquirer and PACs would also subscribe upto 50,00,000 equity shares of face value of Rs. 10/- (Rupees Ten Only) at a price of Rs. 10/- per equity share out of the total Preferential Issue of 78,04,100 equity shares of face value of Rs. 10/- each of VPPIIL. The Target Company intends to offer the balance 28,04,100 equity shares of Rs. 10/- (Rupees Ten Only) each at a price of Rs. 10/- per equity share to other identified investors, viz. (i) Rooftop Infraprojects Private Limited; (ii) Master Realtors Private Limited; (iii) Ganges Leasing and Finance Company Pvt. Ltd.; (iv) Competent Financial Services Pvt. Ltd.; and (v) Coral Inn Private Limited. (Other investors)

1.3. The existing shareholding and other details of Sellers is as under:

Name of the Seller	No. of Shares	Consideration (in Rs.)	% of Paid-up Capital*	% of Paid-up Capital**
Satish D. Jain	6,81,500	51,79,400	16.24	5.68
Kiran Rathod	2,96,950	22,56,820	7.08	2.47
Tara S. Jain	1,11,300	8,45,880	2.65	0.93
Kanchan Jain	44,700	3,39,720	1.07	0.37
S. D. Jain - HUF (Karta - Satish D. Jain)	151,050	11,47,980	3.60	1.26
Vimalchandra Rathod	91,600	6,96,160	2.18	0.76
T. S. Jain	1,59,000	12,08,400	3.79	1.33
<b>Total</b>	<b>15,36,100</b>	<b>1,16,74,360</b>	<b>36.61</b>	<b>12.80</b>

Notes:  
 \* The percentages have been calculated w.r.t. the Existing Share Capital of the Target Company.  
 \*\* The percentages have been calculated w.r.t. the Emerging Share Capital of the Target Company after the proposed Preferential Issue.

1.4. The salient features of the SP and SSA are as under:

- Upon completion of the Open Offer, Promoter and Promoter Group will cease to be part of the Promoter and Promoter Group and any equity shares held by them will be re-classified under Public Category. Further, the existing Directors on the Board of VPPIIL, who are representing the Existing Promoter group, shall tender their resignation upon completion of the formalities under the Open Offer and simultaneously, the Acquirer and PACs will nominate their representatives on the Board of VPPIIL.
- There is no non-complete fees payable under the Agreements.
- The Preferential Issue of upto 50,00,000 equity shares to the Acquirer and PACs out of the total Preferential Issue of 78,04,100 equity shares by Vallabh Poly-Plast International Limited is conditional upon the approval of its shareholders. Consequently upon the shareholders approval, the Emerging Share Capital of VPPIIL will comprise of 1,20,00,000 equity shares of face value of Rs. 10/- each. The Board of Directors of VPPIIL in their meeting held on Thursday, January 28, 2010 have recommended for approval of the Preferential Issue by the members pursuant to Section 81(1A) of the Companies Act, 1956, for which they have convened an EoGM on Tuesday, February 23, 2010 to obtain approval of the members in terms of Section 81(1A) of the Companies Act, 1956 and to authorize the Board of Directors to allot the equity shares on a preferential basis as follows:

Sr. No.	Name of the Proposed Allottees	Maximum No. of Equity Shares to be Allotted
1.	Shri. Dheeraj Wadhawan (Acquirer)	20,00,000
2.	Shri. Kapil Wadhawan (PAC)	20,00,000
3.	Smt. Aruna Rajeshkumar Wadhawan (PAC)	10,00,000
	<b>Total - A</b>	<b>50,00,000</b>
4.	<b>Others Investors - B</b>	<b>28,04,100</b>
	<b>Grand Total - A + B</b>	<b>78,04,100</b>

- Pursuant to the execution of SP and SSA, the Acquirer and PACs are making this Offer under Regulations 10 and 12 of the SEBI (SAST) Regulations, to the Public Shareholders of VPPIIL to acquire upto 20% (24,00,000 equity shares) of the Emerging Share Capital at a price of Rs. 10/- (Rupees Ten Only) per fully paid-up equity share ("Offer Price") payable in cash, subject to the terms and conditions mentioned hereinafter.
- The Offer is not conditional on any minimum level of acceptances.
- The Acquirer and PACs do not hold any equity shares in Target Company as on the date of this Public Announcement. Further, they have not acquired any equity shares in the Target Company during the twelve months period preceding the date of this Public Announcement.
- Karvy Investor Services Limited, Manager to the Offer, do not hold any equity shares in VPPIIL as on the date of this Public Announcement.
- This is not a Competitive Bid.
- The Acquirer and PACs are not prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of SEBI Act or under any other Regulations made under the SEBI Act.
- The Offer is not as a result of a Global Acquisition resulting in indirect acquisition of the Target Company.
- There are no persons representing the Acquirer and PACs on the Board of Target Company as on the date of this Public Announcement.
- The equity shares under the Offer will be acquired by the Acquirer and PACs free from all lien, charges and encumbrances and together with all rights attached to, including all the rights to dividend, bonus and rights offer declared therefor.

Sr. No.	Parameter	Value
2.	<b>The Offer Price</b>	
2.1.	The Offer Price is Rs. 10/- (Rupees Ten Only) per fully paid-up equity share of face value of Rs. 10/- each.	
2.2.	The equity shares of VPPIIL are listed on Bombay Stock Exchange Limited (hereinafter referred as "BSE").	
2.3.	Trading in equity shares of VPPIIL have been suspended by the BSE since September 20, 2006 due to non-compliance of certain provisions of the Listing Agreement and hence not traded on the said stock exchange during the preceding six (6) calendar months prior to the month in which this Public Announcement is made.	
2.4.	As the equity shares of VPPIIL are not traded on the BSE, the Offer Price in terms of Regulation 20(5) of the SEBI (SAST) Regulations has been determined taking into account the following parameters:-	
a.	The Negotiated Price as per SP and SSA	Rs. 7.60
b.	Highest Price paid by Acquirer and PACs for acquisition, if any, including by way of allotment in a public or rights issue or Preferential issue during the 26 weeks prior to the date of PA	N.A.
c.	<b>Other Financial Parameters</b>	<b>Based on Un-audited Results upto December 31, 2009 (nine months)</b>
	Return on Networth (%)	Negative
	Earnings / (Loss) per Share (Rs.)	(0.02)
	Price Earnings Multiple (P/E)	-
	Average Industry PE*	34.94
	Book Value (Rs. per equity share) (as on March 31, 2009 - Audited Accounts for the year ended on March 31, 2009)	Rs. 0.65

\* Source: Capital Line Data-base (as on Friday, January 29, 2010) under the category of "Others - Packaging" for trailing twelve months data.

2.5. Based on the above parameters, the Offer Price of Rs. 10/- per equity share of face value Rs. 10/- each, is justified in terms of the SEBI (SAST) Regulations, 1997.

## 3. Information About the Acquirer and Persons Acting in Concert

### 3.1 THE ACQUIRER

#### 3.1.1 SHRI. DHEERAJ WADHAWAN

- Shri. Dheeraj Wadhawan, is the son of (Late) Shri. Rajeshkumar Wadhawan, residing at Wadhawan House, Plot No. 32/A, Union Park Road No. 5, Bandra (West), Mumbai - 400 050. He has graduated in Construction Management from the University of London. He has over nine (9) years of experience in the real estate development and construction industry. His Permanent Account Number is AAOPW4517G.
- Networth of Shri. Dheeraj Wadhawan as on March 31, 2009 was Rs. 105,04,93,000/- (Rupees One Hundred Five Crores Four Lakhs and Ninety Three Thousand Only). The same is certified by Shri. Jayesh R. Thar, Proprietor, M/s. Thar & Co., Chartered Accountants (Membership No. 032917), having their address at 203 Capri, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai - 400 051; Cellphone No.: +91-98200-27337, vide their Certificate dated January 28, 2010.

#### 3.2 PERSONS ACTING IN CONCERT - PACS

##### 3.2.1 SHRI. KAPIL WADHAWAN

- Shri. Kapil Wadhawan, son of (Late) Shri. Rajeshkumar Wadhawan, residing at Wadhawan House, Plot No. 32/A, Union Park Road No. 5, Bandra (West), Mumbai - 400 050. He is a Bachelor of Commerce from Bombay University and an MBA (Finance). He has played a significant role in shaping policy guidelines on matters relating to the Mortgage Finance Industry. He has been a speaker at Seminar on Mortgage Finance Industry. His Permanent Account Number is AAOPW6145L.
- Networth of Shri. Kapil Wadhawan as on March 31, 2009 was Rs. 109,64,73,000/- (Rupees One Hundred Nine Crores Sixty Four Lakhs and Seventy Three Thousand Only). The same is certified by Shri. Jayesh R. Thar, Proprietor, M/s. Thar & Co., Chartered Accountants (Membership No. 032917), having their address at 203 Capri, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai - 400 051; Cellphone No.: +91-98200-27337, vide their Certificate dated January 28, 2010.

##### 3.2.2 SMT. ARUNA RAJESHKUMAR WADHAWAN

- Smt. Aruna Rajeshkumar Wadhawan, is wife of (Late) Shri. Rajeshkumar Wadhawan, residing at Wadhawan House, Plot No. 32/A, Union Park Road No. 5, Bandra (West), Mumbai - 400 050. Her Permanent Account Number is AAHPW9334L.
- Networth of Smt. Aruna Rajeshkumar Wadhawan as on March 31, 2009 was Rs. 290,60,07,000/- (Rupees Two Hundred Ninety Crores Sixty Lakhs and Seven Thousand Only). The same is certified by Shri. Jayesh R. Thar, Proprietor, M/s. Thar & Co., Chartered Accountants (Membership No. 032917), having their address at 203 Capri, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai - 400 051; Cellphone No.: +91-98200-27337, vide their Certificate dated January 28, 2010.

## 4. Information about the Target Company

- Vallabh Poly-Plast International Limited, was originally incorporated on April 1, 1989 as a Partnership Firm, bearing the name Vallabh Poly-Plast. The said firm was reconstituted thrice on January 27, 1993, April 2, 1993 and July 14, 1993. Thereafter, on October 7, 1994, it was converted into a Private Limited Company. On December 1, 1994, the company was converted to a Public Limited Company. The Target Company had made its maiden Public Issue of 15,00,000 equity shares of Rs. 10/- each, at par, aggregating to Rs. 1,50,00,000 (Rupees One Crore Fifty Lakhs only), on March 20, 1995. Subsequently, the equity shares of the Target Company were listed on BSE and Ahmedabad Stock Exchange Limited ("ASE"). The current Board of Directors comprises of (i) Shri. Satish D. Jain; (ii) Shri. Kiran U. Rathod; and (iii) Shri. Vinod U. Rathod.
- The registered office of the Target Company is situated at 194, Jawahar Nagar, Road No.3, Goregaon (W), Mumbai 400 062. Tel. No.: +91-22-2872 5756 and Fax No.: +91-22-2876 4226.
- The Authorized Capital of the Target Company, as on date of the Public Announcement, is Rs. 5,00,00,000 (Rupees Five Crores Only) divided into 50,00,000 equity shares of face value of Rs. 10/- each. The issued, subscribed and paid-up capital of the Target Company, as on the date of the Public Announcement, is Rs. 4,19,59,000/- (Rupees Four Crores Nineteen Lakhs and Fifty Nine Thousand Only) comprising of 41,95,900 equity shares of face value of Rs. 10/- each fully paid-up. There are no partly-paid-up equity shares of the Target Company. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc., which are convertible into equity shares on a later date.

4.4 VPPIIL was engaged in manufacturing of Plastic Plain / Printed Bags, Garbage Bags, Zhabala Rolls and Bags, etc. The manufacturing facilities were located at Dabhel, Daman (U.T.). Due to adverse market conditions, competition from unorganised sector, change in government policies whereby the plastic bags below 50 microns were banned and interest burden on the loans taken from the bank, created financial crunch resulting in the Target Company incurring huge losses and the Networth of the Target Company was completely eroded in the financial year 2001-02. Consequently, it filed a reference to Board for Industrial and Financial Reconstruction ("BIFR") under a covering letter dated June 28, 2002 under Section 15(1) of the Sick Industrial Companies (Special Provisions) Act, 1985 ("SICA"). BIFR passed an Order dated October 9, 2003 for liquidation and winding-up of the Target Company. Thereafter, BIFR referred the Target Company to the Bombay High Court for appointment of Official Liquidator and winding-up.

During the process of liquidation, the Target Company entered into a One-Time Settlement Scheme ("OTS") with Bank of Baroda, its sole secured creditor. To fulfill the terms of the OTS, the Target Company took loans from their friends and relatives of the Promoters / Promoter Group in the month of July 2007 to settle the dues payable to Bank of Baroda. Subsequently, the Target Company received a No Objection Certificate ("NOC") from Bank of Baroda on July 25, 2007 upon settlement of their dues under OTS. Upon successful implementation of the OTS, the Networth of the Target Company turned positive. The Target Company filed an application with the BIFR for de-registering from the purview of SICA, as the Networth of the Target Company turned positive and that there were no outstanding loans or interest burden from any bank or institution, thereby making the Target Company sustainable on long-term basis. BIFR vide its Order dated December 18, 2007 came to the conclusion that the Networth of the Target Company was positive and likely to be sustained on long term-basis, hence, deregistered the Target Company from the purview of SICA. Based on the Order of BIFR, the Bombay High Court also removed the Official Liquidator with immediate effect vide its Order dated February 14, 2008. To repay the loans and dues payable to the friends and relatives, from whom the Target Company had taken loan for settlement under OTS, the Target Company obtained approval of shareholders by passing a Special Resolution dated March 25, 2008 through Postal Ballot and sold the Land, Building, Plant and Machinery. Currently, the Target Company is not carrying out any manufacturing activities and is a debt free company.

4.5 The equity shares of the Target Company were listed on BSE and ASE. Subsequently, the equity shares of the Target Company were de-listed from the ASE Limited with effect from June 26, 2008 vide their letter dated June 25, 2008 pursuant to the process of liquidation as informed vide letter no. OL2030/PA/ASE dated May 8, 2008 from the Official Liquidator of Bombay High Court. The equity shares of the Target Company have been suspended from trading on BSE since September 20, 2006 due to non-compliance of various provisions of the Listing Agreement. In order to comply with the Listing Agreement and revoke the suspension on the trading of equity shares of the Company, the Target Company filed the desired documents with BSE on October 5, 2009. Thereafter, the Target Company has received a letter from BSE as on December 2, 2009, informing the Target Company to approach the BSE for revocation of suspension in trading of shares. The Target Company thereafter approached BSE and submitted additional required details vide letter dated December 23, 2009 so as to comply with provisions of the Listing Agreement. The Target Company is yet to receive the revocation on suspension on trading of its equity shares.

4.6 As per the audited financial results for the year ended March 31, 2009, the Target Company has reported a Total Income of Rs. 2,80,079 and Profit after Tax of Rs. 12,10,837 (including Income Tax Write-back of Rs. 11,15,000). As on March 31, 2009, the paid-up equity share capital was Rs. 419,59,000, whereas, the Networth (excluding revaluation reserves) was Rs. 27,28,157 and the Book Value per Share stood at Rs. 0.65. As per the un-audited financial statement for the nine (9) months period ended on December 31, 2009, the Target Company has reported Nil Income and Loss of Rs. 61,000.

## 5. Reason for the Acquisition and Offer and Future Plan about Target Company, if any

- This Offer of 20% of the Emerging Share Capital of VPPIIL i.e. 24,00,000 equity shares, is being made in compliance with the Regulations 10 and 12 of the SEBI (SAST) Regulations for the purpose of substantial acquisition of equity shares and voting rights accompanied with change of control and management of VPPIIL.
- After the proposed Offer, the Acquirer and PACs would cause the Target Company to amend the Object Clause to include, commencement of activities of Real Estate and Infrastructure Development etc.
- The Acquirer and the PACs would cause the Target Company to increase its share capital, in one or more tranches, immediately after the Closure of the Offer and / or from time to time. The Acquirer and PACs intend to review operations of the Target Company, infuse additional funds and also diversify and / or amalgamate with other businesses wherein the Acquirer and PACs have experience.
- Subject to compliance of provisions under Companies Act, 1956 and applicable Regulations, the Acquirer and PACs intend the reconstitution of Board of Directors of the Target Company.
- The Acquirer and the PACs do not intend to dispose-off or otherwise encumber any assets of the Target Company in the succeeding two (2) years except in the ordinary course of business and with the prior approval of the shareholders and in accordance with and subject to applicable laws, permissions and consents, if any.

## 6. Statutory Approvals / Other Approvals required for the Offer

6.1 As on the date of this PA, to the best of the knowledge of the Acquirer and PACs, there are no other statutory approvals required from Banks or Financial Institutions or any other authority to acquire the equity shares tendered pursuant to this Offer. If any other statutory approval becomes applicable prior to the completion of the Offer, the Offer would be subject to such statutory approvals. The Acquirer and PACs will not proceed with the Offer pursuant to Regulation 27 of the SEBI (SAST) Regulations in the event that such statutory approvals have been refused.

6.2 In case of delay in receipt of any approval, SEBI has the power to grant an extension of the time required for payment under the Offer pursuant to Regulation 22(12) of the SEBI (SAST) Regulations, provided that the Acquirer and PACs agree to pay interest for the delayed period. Further, if delay occurs on account of willful default by the Acquirer and PACs in obtaining the requisite approvals, the Regulation 22(13) of the SEBI (SAST) Regulations will be applicable.

6.3 In case, Reserve Bank of India's ("RBI's") approval for acquisition of equity shares from Non-Resident shareholders is unduly delayed, the Acquirer and PACs reserve the right to proceed with the payment to the resident shareholders whose equity shares have been accepted by the Acquirer and PACs in terms of the Offer. Provided that the payment instruments in respect of the payment to Non-Resident Shareholders are kept in safe custody with the Registrars to the Offer.

## 7. Delisting / Continuous Listing Option to the Acquirer in Terms of Regulation 21(2)

Assuming full acceptance, the Offer would not reduce the public shareholding below the minimum limit specified in the Listing Agreement with the BSE, to meet the continuous listing requirements.

## 8. Financial Arrangements for the Offer

- The total consideration for acquisition of 24,00,000 fully paid-up equity shares of face value of Rs. 10/- each of VPPIIL, at an Offer Price of Rs. 10/- per share is Rs. 2,40,00,000/- (Rupees Two Crores and Forty Lakhs Only).
- The Acquirer and PACs have made firm financial arrangements to meet their obligations in full under the Offer. For this purpose, the Acquirer and PACs intend to utilize their own resources.
- In accordance with the provisions of Regulation 28(2) of the SEBI (SAST) Regulations, the Acquirer and PACs have created an Escrow Account as under:
  - Bank Guarantee for Rs. 1,20,00,000 (Rupees One Crore and Twenty Lakhs Only) representing 50% of the total consideration payable under this Offer. The said Bank Guarantee Bearing No. BG0000006 has been issued by Central Bank of India, Churchgate in favour of the Manager to the Offer.
  - Cash Deposit of Rs. 2,50,000 (Rupees Two Lakhs and Fifty Thousand Only) representing more than 1% of the total consideration payable under this Offer with Axis Bank Limited, Mangal Mahal, Turner Road, Bandra (W), Mumbai 400 050. The said Cash Deposit is maintained in the Escrow Account Bearing No. 910020001998881.
  - As an additional security, the Acquirer and PACs have issued un-dated Cheques in favour of the Manager to the Offer, for an aggregate value of Rs. 1,20,00,000 (Rupees One Crore and Twenty Lakhs Only) representing 50% of the total consideration payable under this Offer.
- The Manager to the Offer, Karvy Investor Services Limited, have been empowered to operate the Escrow Account. Axis Bank Limited has marked a lien on the Escrow Account in favour of Manager to the Offer and is empowered to realise the value of the aforesaid Escrow Account.
- Shri. Jayesh R. Thar, Proprietor, M/s Thar & Co., Chartered Accountants, (Membership No. 032917), having their address at 203 Capri, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai - 400 051; Cellphone No.: +91-98200-27337, have certified that the Networth of Shri. Dheeraj Wadhawan as on March 31, 2009 was Rs. 105,04,93,000/- (Rupees One Hundred Five Crores Four Lakhs and Ninety Three Thousand Only), vide their Certificate dated January 28, 2010.
- Shri. Jayesh R. Thar, Proprietor, M/s Thar & Co., Chartered Accountants, (Membership No. 032917), having their address at 203 Capri, Anant Kanekar Marg, Station Road, Bandra (East), Mumbai - 400 051; Cellphone No.: +91-98200-27337, have certified that the net worth of Smt. Aruna Rajeshkumar Wadhawan as on March 31, 2009 was Rs. 290,60,07,000/- (Rupees Two Hundred Ninety Crores Sixty Lakhs and Seven Thousand Only) vide Certificate dated January 28, 2010.

8.8 Based on the above certificates, the Manager to the Offer is satisfied about the ability of the Acquirer and PACs to implement the Offer in accordance with the SEBI (SAST) Regulations, 1997, as firm arrangements for funds for payment through verifiable means are in place to fulfill the Offer obligations.

8.9 In case of revision in the Offer Price, the Acquirer and PACs would raise the amount in the Escrow Account to ensure compliance with Regulation 28 of SEBI (SAST) Regulations, 1997.

## 9. Other Terms of the Offer

- The Offer being announced is not a Conditional Offer and is not subject to any minimum level of acceptance.
- All shareholders, except the Acquirer and the PACs who own the equity shares in the Target Company, any time before the Closure of the Offer are eligible to participate in the Offer.
- The Letter of Offer ("LoF") together with the Form of Acceptance cum Acknowledgment will be mailed to the shareholders of the Target Company (except the Acquirer and PACs) whose names appear on the Register of Members or are beneficial owners on the records of the respective depositories at the close of the business on **Thursday, March 4, 2010 (the Specified Date)**.
- The acceptance of the Offer made by the Acquirer and PACs is entirely at the discretion of the equity shareholders of the Target Company and each shareholder of the Target Company to whom this Offer is made is / are free to Offer his / her / their shareholding in the Target Company in whole or in part while accepting the Offer.
- Equity shares that are subject to any charge, lien or encumbrance are liable to be rejected. Any equity shares of Target Company that are subject matter of litigation or are held in abeyance due to pending court cases, wherein the shareholders of the Target Company may be precluded from transferring the equity shares during pendency of the said

litigation are liable to be rejected. The Letters of Offer, wherever possible would be forwarded to the concerned statutory / competent authorities for further action at their end in respect of the equity shares which are subject matter of litigation.

- Accidental omission to dispatch the LoF or any further communication to any person to whom the LoF is made or the non-receipt of the LoF by any such person shall not invalidate the Offer in any way.
- Instructions, authorizations and provisions contained in the Form of Acceptance cum Acknowledgment and Form of Withdrawal constitute an integral part of the terms of this Offer.
- The acceptance of the Offer must be unconditional and should be sent in the Form of Acceptance along with the other documents duly filed-in and signed by the applicant shareholder(s) and should be received by the Registrar to the Offer at the address mentioned below on or before **1700 hrs. on Tuesday, April 13, 2010**. If any change or modification is made in the Form of Acceptance, the same is liable to be rejected.
- The Acquirer and PACs will not be responsible in any manner for any loss of equity share certificate(s) and Offer Acceptance Documents during transit and the equity shareholders of Target Company are advised to adequately safeguard their interest in this regard.
- The Acquirer and PACs will acquire all the paid-up equity shares of the Target Company that are validly tendered in terms of this Offer upto a maximum of 24,00,000 equity shares of Rs 10/- each. In the event of the Offer receiving a response of more than 100% (24,00,000 equity shares), the Acquirer and PACs shall accept the equity shares on a proportionate basis pursuant to Regulation 21(6) of the SEBI (SAST) Regulations, subject to minimum marketable lot of 100 equity shares in physical form and one (1) equity share in case of electronic share. The Acquirer and PACs will proceed with the Offer even if they are unable to obtain acceptance to the full extent of the equity shares of the Target Company for which this Offer is made.
- Shareholders who wish to tender the equity shares will be required to send the Form of Acceptance, Original Share Certificate (s) and Transfer Deed (s) duly signed by applicants (all joint holders must sign) to the Registrar to the Offer, **Karvy Computershare Private Limited**, at the address mentioned below, either by hand delivery during normal business hours from Monday to Friday between 1000 hrs. to 1700 hrs. and Saturdays between 1000 hrs. to 1300 hrs. (excluding Bank Holidays) or by Registered Post so as to reach them on or before the Closure of the Offer not later than **1700 hrs. on Tuesday, April 13, 2010** in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance.
- Karvy Computershare Private Limited**, 24, Maharashtra Chambers of Commerce Lane, Opp. MSC Bank, Fort, Mumbai - 400 023 India. Tel. No.: +91-22-6633-0477 / 6638-2666, Fax No.: +91-22-6633-1135. Contact Person: Shri Anupam Bhattacharya. E-mail Address: anupam.bhattacharya@karvy.com
- Beneficial Owners and Shareholders holding equity shares in the dematerialized form, will be required to send their Form of Acceptance to the Registrar to the Offer either by hand delivery during normal business hours or by Registered Post on or before the Closure of the Offer, not later than **1700 hrs. on Tuesday, April 13, 2010** 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 favour of the Escrow Depository Account.

DP Name: **Axis Bank Limited**

DP ID: IN300484

Beneficiary ID: 13747099

Name of Account: **VPPIIL-Open Offer-Escrow Account**

ISIN No. :-

Note :- The Target Company has filed applications with National Securities Depository Limited ("NSDL") and Central Depository Services Limited ("CDSL") on January 21, 2010 for admission of its securities on their respective depositories. The Target Company is awaiting ISIN No.

Shareholders holding their beneficiary account with CDSL must use **Inter-depository Delivery Instruction Slip** for the purpose of crediting their equity shares in favour of the Escrow Depository Account with NSDL. For further details, please refer to the LoF.

9.13 All owners of equity shares, registered or unregistered (except the Acquirer and PACs) and in case of non-receipt of LoF and Form of Acceptance by the shareholders, who own the equity shares at any time prior to the Closure of the Offer are eligible to participate in the Offer. Registered (who have not received LoF and Form of Acceptance) and unregistered owners can send their application in writing to the Registrar to the Offer, on a **plain paper**, stating the Name, Address, Number of Shares held, Number of Shares Offered, Distinctive Numbers, Folio No., together with the Original Share Certificate(s), valid transfer deed(s) and a copy of the contract note issued by the broker through whom they acquired their equity shares, not later than **1700 hrs. on Tuesday, April 13, 2010**. No indemnity is required from the unregistered owners.

9.14 The Registrar to the Offer will hold, in trust, the share certificates, shares lying in credit of the Escrow Depository Account, Form of Acceptance, if any, and the transfer form(s) on behalf of the shareholders of the Target Company, who have accepted the Offer, until the cheques / drafts / pay orders for the consideration and / or the un-accepted share certificates have been dispatched / returned.

9.15 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by Registered Post at the shareholders / un-registered owners sole risk to the sole / first shareholder. Shareholders whose equity shares are held in dematerialized form to the extent not accepted will be intimated by post for the non-acceptance.

9.16 Shareholders may also download a copy of the Letter of Offer and Form of Acceptance-cum-Acknowledgment, which will be available on SEBI's website at [www.sebi.gov.in](http://www.sebi.gov.in) from the Offer Opening Date i.e. **Thursday, March 25, 2010** and apply in the same.

9.17 Shareholders who have sent their equity shares for de-mat need to ensure that the process of getting equity shares de-mated is completed well in time so that the credit in the Escrow Depository Account should be received on or before the date of Closure of the Offer not later than 1700 hrs. on **Tuesday, April 13, 2010** else the application would be rejected.

## 9.18 Procedure for Withdrawal of Application

- In accordance with Regulation 22(5A) of the SEBI (SAST) Regulations, shareholders shall have the option to withdraw acceptances tendered upto three working days (i.e. **Friday, April 9, 2**