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

Rajendra Goenka, Beni Prasad Goenka, Anjana Devi Goenka, Amit Goenka, Sushil Goenka, Sushila Goenka, Asha Devi Goenka, Vishal Goenka and Sunil Goenka (Collectively refer to as "the Acquirers") Resident of 20, Vinayak Kunj, 12th Road, JVPD, Juhu, Mumbai-400049, Tel No. (022) 30809500, Fax No. (022) 28368728.

To

Acquire upto 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. 12.50/- (Rupees Twelve and Paisa Fifty Only) per fully paid up 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 not a Conditional Offer.**
2. **The Offer is subject to approval from IDBI Bank and Allahabad Bank acting on behalf of consortium of Banks and they have given their approvals vide their letter no. IDBI/JBO/VTIL/2381 dated 05.10.2007 and JBND ADV/07/826 dated 12.10.2007 respectively.**
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, December 21, 2007.
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, December 17, 2007 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. 16 TO 17)

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 AND INVESTMENT LIMITED 13, Community Centre, East of Kailash, New Delhi - 110065. Tel nos.: 011-26419079/ 26218274; Fax no.: 011 - 26219491; Email: charteredcapital@gmail.com delhi@charteredcapital.net Contact Person: ***Mr Priyaranjan***	**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. Nos.: 29961281-82, Fax No.: 29961284 Contact Person: ***Mr. Punit Mittal***
OFFER OPENS ON: December 07, 2007 (Friday)	**OFFER CLOSES ON: December 26, 2007 (Wednesday)**

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

Sr. No.	Activity	Original Schedule (Date and Day)	Revised Schedule (Date and Day)
1.	**Date of Public Announcement (PA)**	**August 16, 2007, Thursday**	**August 16, 2007, Thursday**
4.	Specified Date	August 31, 2007, Friday	August 31, 2007, (Friday)
5.	**Last Date for a Competitive Bid(s)**	**September 06, 2007, Thursday**	**September 06, 2007, (Thursday)**
6.	Date by which Letter of Offer will be dispatched to the Shareholders	September 25, 2007, Tuesday	December 04, 2007 (Tuesday)
2.	**Offer Opening Date**	**October 05, 2007, Friday**	**December 07, 2007 (Friday)**
3.	**Last Date for the Revision of the Offer Price / Number of Equity Shares.**	**October 05, 2007, Friday**	**December 17, 2007 (Monday)**
4.	**Last date to withdraw acceptance tendered by shareholders**	**October 19, 2007, Friday**	**December 21, 2007 (Friday)**
5.	**Offer Closing Date**	**October 24, 2007, Wednesday**	**December 26, 2007 (Wednesday)**
9.	**Date by which the acceptance / rejection would be intimated and the corresponding payment for the acquired equity shares and or the unaccepted equity shares / share certificates will be dispatched.**	**November 08, 2007, Thursday**	**January 10, 2008 (Thursday)**

RISK FACTORS

(A) Pertaining to Transaction:

i. The Offer is subject to approval from IDBI Bank and Allahabad Bank acting on behalf of consortium of Banks and they have given their approvals vide their letter no. IDBI/JBO/VTIL/2381 dated 05.10.2007 and JBND ADV/07/826 dated 12.10.2007 respectively.

(B) Pertaining to Proposed Offer:

i. 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 Acquirers 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 Acquirers, may be delayed.

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

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

(C) Pertaining to Acquirers:

i. Association of the Company with the Acquirers 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.

1. TABLE OF CONTENTS

DEFINITIONS

1.	Acquirer or The Acquirers	Rajendra Goenka, Beni Prasad Goenka, Anjana Devi Goenka, Amit Goenka, Sushil Goenka, Sushila Goenka, Asha Devi Goenka, Vishal Goenka and Sunil Goenka
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.	LOO or Letter of Offer	Offer Document
8.	Manager to the Offer or, Merchant Banker	Chartered Capital And Investment Limited
9.	N.A.	Not Applicable
10.	Negotiated Price	Rs. 8.12/- (Rupees Eight and Paisa Twelve Only) per fully paid up equity share/ voting share capital of face value of Rs.10/- each
11.	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. 12.50 (Rupees Twelve and Paisa Fifty Only) per fully paid equity share, payable in Cash.
12.	Offer Price	Rs. 12.50 (Rupees Twelve and Paisa Fifty Only) per share for fully paid equity shares of Rs. 10/- each, payable in Cash.
13.	Persons eligible to participate in the Offer	Registered shareholders of Vanasthali Textile Industries Limited, and unregistered shareholders who own the equity shares of Vanasthali Textiles Industries Limited any time prior to the Offer closure other than the Acquirers and Parties to the Agreement.
14.	Public Announcement or "PA" &Corigendum to "PA"	Announcement of the Open Offer by the Acquirers, which appeared in the newspapers on August 16, 2007 & corrigendum to PA published on December 3, 2007
15.	Registrar or Registrar to the Offer	M/s Beetal Financial & Computer Services Private Limited
16.	Return on Net Worth	(Profit After Tax/Net Worth) *100
17.	SEBI	Securities and Exchange Board of India
18.	SEBI (SAST) Regulations, 1997 or Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
19.	SEBI Act	Securities and Exchange Board of India Act, 1992
20.	Sellers	Rajesh Modi, Shalini Modi, Rishav Modi, Vedika Finance (P) Ltd, Milestone Properties (P) Ltd, Gay Apartments (P) Ltd, Zoom Apartments (P) Ltd, Modi Tea and Industries (P) Ltd and Vanasthali Investments (P) Ltd
21.	SPA	Share Purchase Agreement
22.	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 TEXTILES INDUSTRIES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, OR THE COMPANY WHOSE SHARES 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 ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGE 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 24.08.2007 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 Acquirers will have substantial acquisition of shares or voting rights accompanied with complete change in control and management of "Vanasthali Textiles Industries Limited "

3.1.2 The Acquirers entered into an SPA dated August 09, 2007 to acquire 1,47,78,189 (One Crore Forty Seven Lacs Seventy Eight Thousand One Hundred Eighty Nine Only) fully paid up equity shares of Rs.10/- each representing 74.59% of the total paid up equity share capital of "Vanasthali Textiles Industries Limited " from the promoters of "VTIL", namely Rajesh Modi, Shalini Modi, Rishav Modi, Vedika Finance (P) Ltd, Milestone Properties (P) Ltd, Gay Apartments (P) Ltd, Zoom Apartments (P) Ltd, Modi Tea and Industries (P) Ltd and Vanasthali Investments (P) Ltd, (referred to as the Sellers), at a price of Rs 8.12 each (Rupees Eight and paisa Twelve Only)(Negotiated Price) per fully paid up equity share payable in Cash. The total consideration for the shares to be acquired under the SPA is approximately Rs. 12,00,000,00/- (Rupees Twelve Crore Only) to be discharged to the sellers by the Acquirers as per the terms agreed upon and contained in the SPA. Out of said 1,47,78,189 equity shares, 67,10,000 equity shares held by Rajesh Modi (587900), Vedika Finance (P) Ltd (3172100) and Vanasthali Investments (P) Ltd (2950000) are pledged with IDBI Ltd 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 Company from IDBI and Said Banks and 6,98,125 equity shares held by Modi Tea and Industries (P) Ltd are under a lock-in period of 3 years with effect from 06.10.2006 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.

The details of the sellers are as under:

Sr. No.	Name of the shareholders/sellers	Address	No. of Shares sold
1	Rajesh Modi	54C, Sainik Farms, New Delhi-1100062	1340360
2	Shalini Modi	PO- Jalaan Nagar, Dibrugarh-786005, Assam	270510
3	Rishav Modi	PO- Jalaan Nagar, Dibrugarh-786005, Assam	1822000
4	Vedika Finance (P) Ltd	8, Ground Floor, K-22, Punjabi Bazar, Kotla Mubarakpur, New Delhi-110003	3172100
5	Milestone Properties (P) Ltd	SU-104, Pitampura, New Delhi-110008	664210
6	Gay Apartments (P) Ltd	54/C, Sainik Farms, Delhi-110062	959009
7	Zoom Apartments (P) Ltd	8, Ground Floor, K-22, Punjabi Bazar, Kotla Mubarakpur, New Delhi-110003	1064000
8	Modi Tea and Industries (P) Ltd	PO- Jalaan Nagar, Dibrugarh-786005, Assam	2500000
9	Vanasthali Investments (P) Ltd	9, Ground Floor, K-22, Punjabi Bazar, Kotla Mubarakpur, New Delhi-110003	2986000
		TOTAL	**14778189**

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

a. In consideration of the purchase of the shares, the Acquirers shall pay total cash consideration of Rs. 12,00,000,00/- (Rupees Twelve Crore Only).

b. 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 Acquirers subject to approval of Banks and the Acquirers 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.

c. The Acquirers 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 Acquirers 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.

d. On completion, by the Acquirers, 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 Acquirers and appointment of the persons nominated by the Acquirers on the Board of Directors of the Target Company.

e. In the event the Acquirers 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.

3.1.4 The Acquirers does not hold any equity shares/voting rights of the target company as on date of Public Announcement.

3.1.5 Neither the Acquirers, 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.

3.2 The Offer

3.2.1 The Acquirers have made a Public Announcement which was published on August 16, 2007 (except in Financial Express Ahmedabad, Kolkata edition and Pratahkal, Jaipur editionwhere it was published on August 17, 2007 due to Holiday in press) and Corigendum to PA which was published on December 03, 2007 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 Edition

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

3.2.2. The Acquirers 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. 12.50 (Rupees Twelve and Paisa Fifty 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 Textiles Industries Limited".

3.2.4. Acquirers have not acquired any shares of the Target Company after the date of Public Announcement till the date of Letter of Offer.

3.2.5 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 and also undertakes in Compliance with Regulation 24(5A) of the Regulations that they shall not deal in shares of the target company during the period commencing from the date of its appointment in terms of Regulation 13 till the expiry of fifteen days from the date of closure of the Offer.

3.2.6 The Offer is not a Competitive Bid.

3.2.7 The Offer is not subject to any minimum level of acceptances from the shareholders i.e. it is not a conditional offer. The Acquirers will accept the equity shares of VTIL those are tendered in valid form in terms of this offer upto maximum of 39,62,500 equityshares.

3.2.8 There are no changes in the Board of Directors of target company.

3.2.9 There are no persons acting in concert with the Acquirers in respect of this Open Offer.

3.3 Object of the Acquisition/ Offer

3.3.1 The Acquirers are 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 Acquirers will achieve substantial acquisition of shares and voting rights, accompanied with effective management control over the Target Company.

3.3.3 The Acquirers will continue the existing line of business of the target company and at present they have no intention to change the existing line of business of target company.

4. BACKGROUND OF THE ACQUIRERS

4.1 Mr. Rajendra Goenka

4.1.1 Mr. Rajendra Goenka S/o Mr. Beni Prasad Goenka, R/o 20, Vinayak Kunj, 12th Road, JVPD, Juhu, Mumbai - 400049, Tel No.: Tel No 022- 30809500 Fax No. 022-28368728 is a B.Com graduate and having an experience of 25 years in Textiles business.

4.1.2 Mr. Subodh Chaturvedi (Partner of M. M. Chaturvedi & Co. Chartered Accountants, (Membership No. 074971) having office at 24, Atlanta, Nariman Point, Mumbai-400021 Tel: (022)22824220 has certified vide his certificate dated 10th August, 2007 that the Net Worth of Mr. Rajendra Goenka as on 31.03.2006 is Rs. 16,71,89,383 (Rupees Sixteen Crores Seventy One Lacs Eighty Nine Thousand Three Hundred And Eighty Three Only)and also Certified that Mr. Rajendra Goenka has sufficient means to fulfill his part of obligations under this Offer.

4.1.3 Mr. Rajendra Goenka is holding directorship as a full time director in M/s. Texport Syndicate India Limited, which is not listed at any stock Exchange and he is not a director on the Board of any Listed Company.

4.1.4 As on the date of Public Announcement, the Acquirer has not Promoted any Company.

4.1.5 The Acquirer has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

4.2 Mr Beni Prasad Goenka

4.2.1 Mr. Beni Prasad Goenka S/o Mr. Ganga Bux Goenka, R/o 20, Vinayak Kunj, 12th Road, JVPD, Juhu, Mumbai - 400049, Tel No.: 022-30809500, Fax - 022- 28368728 is B.Com and having an experience of 50 years in Textiles Business.

4.2.2 Mr. Subodh Chaturvedi (Partner of M. M. Chaturvedi & Co. Chartered Accountants, (Membership No. 074971) having office at 24, Atlanta, Nariman Point, Mumbai-400021 Tel: (022)22824220 has certified vide his certificate dated 10th August, 2007 that the Net Worth of Mr. Beni Prasad Goenka as on 31.03.2006 is Rs. 15,95,93,386 (Rupees Fifteen Crores Ninety Five Lacs Ninety Three Thousand Three Hundred And Eighty Six Only)and also certified that Mr. Beni Prasad Goenka has sufficient means to fulfill his part of obligations under this Offer.

4.2.3 Mr. Beni Prasad Goenka is holding partnership in M/s. Systematic Exports and he is not a director on the Board of any Listed Company.He is also not a full time director in any Company.

4.2.4 As on date of Public Announcement, the Acquirer has not promoted any Company.

4.2.5 The Acquirer has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

4.3 Mrs. Anjana Devi Goenka

4.3.1 Mrs. Anjana Devi Goenka W/o Mr. Sunil Goenka, R/o 20, Vinayak Kunj, 12th Road, JVPD, Juhu, Mumbai - 400049, Tel No.: 022-30809500, Fax - 022- 28368728 , is B.A Graduate and having an experience of 10 years in Textiles business.

4.3.2 Mr. Suhodh Chaturvedi (Partner of M. M. Chaturvedi & Co. Chartered Accountants, (Membership No. 074971) having office at 24, Atlanta, Nariman Point, Mumbai-400021 Tel: (022)22824220 has certified vide his certificate dated 10th August, 2007 that the Net Worth of Mrs. Anjana Devi Goenka as on 31.03.2006 is Rs. 17,95,72,879 (Rupees Seventeen Crores Ninety Five Lacs Seventy Two Thousand Eight Hundred And Seventy Nine Only)and also certified that Mrs. Anjana Devi Goenka has sufficient means to fulfill her part of obligations under this Offer.

4.3.3 Mrs. Anjana Devi Goenka is holding directorship as a full time director in M/s. Vivan Fashions Pvt ltd, which is not Listed on any stock exchange and she is not a director on the Board of any Listed Company.

4.3.4 As on date of Public Announcement, the Acquirer has not promoted any Company.

4.3.5 The Acquirer has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

4.4 Mr Amit Goenka

4.4.1 Mr. Amit Goenka S/o Mr. Rajendra Goenka, R/o 20, Vinayak Kunj, 12th Road, JVPD, Juhu, Mumbai - 400049, Tel No.: 022-30809500, Fax - 022- 28368728 is B.Com graduate and having an Experience of 15 years in Textiles business.

4.4.2 Mr. Subodh Chaturvedi (Partner of M. M. Chaturvedi & Co. Chartered Accountants, (Membership No. 074971) having office at 24, Atlanta, Nariman Point, Mumbai-400021 Tel: (022)22824220 has certified vide his certificate dated 10th August, 2007 that the Net Worth of Mr. Amit Goenka as on 31.03.2006 is Rs. 16,68,69,621 (Rupees Sixteen Crores Sixty Eight Lacs Sixty Nine Thousand Six Hundred And Twenty One Only)and also certified that Mr. Amit Goenka has sufficient means to fulfill his part of obligations under this Offer.

4.4.3 Mr. Amit Goenka is holding full time directorship in M/s. Texport Syndicate India Limited, which is not Listed on any stock exchange and he is not a director on the Board of any listed Company.

4.4.4 As on date of Public Announcement, the Acquirer has not promoted any Company.

4.4.5 The Acquirer has not made any acquisition in the target company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

4.5 Mr Sushil Goenka

4.5.1 Mr. Sushil Goenka S/o Mr. Beni Prasad Goenka, R/o 20, Vinayak Kunj, 12th Road, JVPD, Juhu, Mumbai - 400049, Tel No.: 022-30809500, Fax - 022- 28368728 is B.Sc and having an experience of 30 years in Textiles & Chemicals business.

4.5.2 Mr. Subodh Chaturvedi (Partner of M. M. Chaturvedi & Co. Chartered Accountants, (Membership No. 074971) having office at 24, Atlanta, Nariman Point, Mumbai-400021 Tel: (022)22824220 has certified vide his certificate dated 10th August, 2007 that the Net Worth of Mr. Sushil Goenka as on 31.03.2006 is Rs. 1,96,72,577 (Rupees One Crore Ninety Six Lacs Seventy Two Thousand Five Hundred And Seventy Seven Only)and also certified that Mr. Sushil Goenka has sufficient means to fulfill his part of obligations under this Offer.

4.5.3 Mr. Sushil Goenka is holding full time directorship in M/s. Artek Surfing Chemicals Limited which is not Listed at any stock exchange and he is not a director on the Board of any listed Company.

4.5.4 As on date of Public Announcement, the Acquirer has not promoted any Company.

4.5.5 The Acquirer has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

4.6 Mrs Sushila Goenka

4.6.1 Mrs. Sushila Goenka W/o Mr. Sushil Goenka, R/o 20, Vinayak Kunj,12th Road, JVPD, Juhu, Mumbai - 400049, Tel No.: 022-30809500, Fax - 022- 28368728 is HSC and having an experience of 20 years in Textiles business.

4.6.2 Mr. Subodh Chaturvedi (Partner of M. M. Chaturvedi & Co. Chartered Accountants, (Membership No. 074971) having office at 24, Atlanta, Nariman Point, Mumbai-400021 Tel: (022)22824220 has certified vide his certificate dated 10th August, 2007 that the Net Worth of Mrs. Sushila Goenka as on 31.03.2006 is Rs. 2,33,87,706 (Rupees Two Crores Thirty Three Lacs Eighty Seven Thousand Seven Hundred And Six Only)and also certified that Mrs. Sushila Goenka has sufficient means to fulfill her part of obligations under this Offer.

4.6.3 Mrs. Sushila Goenka is holding partnership in M/s. Systematic Exports and she is not a director on the Board of any Listed Company.

4.6.4 As on date of Public Announcement, the Acquirer has not promoted any Company.

4.6.5 The Acquirer has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

4.7 Mrs Asha Devi Goenka

4.7.1 Mrs. Asha Devi Goenka W/o Mr. Rajendra Goenka, R/o 20, Vinayak Kunj, 12th Road, JVPD, Juhu, Mumbai - 400049, Tel No.: Tel No.: 022-30809500, Fax - 022- 28368728 is BA graduate and having an experience of 20 years in Textiles business.

4.7.2 Mr. Subodh Chaturvedi (Partner of M. M. Chaturvedi & Co. Chartered Accountants, (Membership No. 074971) having office at 24, Atlanta, Nariman Point, Mumbai-400021 Tel: (022)22824220 has certified vide his certificate dated 10th August, 2007 that the Net Worth of Mrs. Asha Devi Goenka as on 31.03.2006 is Rs. 3,32,25,359 (Rupees Three Crores Thirty Two Lacs Twenty Five Thousand Three Hundred And Fifty Nine Only)and also certified that Mrs. Asha Devi Goenka has sufficient means to fulfill her part of obligations under this Offer.

4.7.3 Mrs. Asha Devi Goenka is holding partnership in M/s. Systematic Exports & M/s Asha Creations and she is not a director on the Board of any Listed Company and also have not full time directorship in any company.

4.7.4 As on date of Public Announcement, the Acquirer has not promoted any Company.

4.7.5 The Acquirer has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

4.8 Mr Vishal Goenka

4.8.1 Mr. Vishal Goenka S/o Mr. Sushil Goenka, R/o 20, Vinayak Kunj, 12th Road, JVPD, Juhu, Mumbai - 400049, Tel No.: 022-30809500, Fax - 022- 28368728 is MBA and having an experience of 15 years in Textiles & Chemicals business.

4.8.2 Mr. Subodh Chaturvedi (Partner of M. M. Chaturvedi & Co. Chartered Accountants, (Membership No. 074971) having office at 24, Atlanta, Nariman Point, Mumbai - 400 021, Tel: 22824220 has certified vide his certificate dated 10th August, 2007 that the Net Worth of Mr. Vishal Goenka as on 31.03.2006 is Rs. 15,68,50,824 (Rupees Fifteen Crores Sixty Eight Lacs Fifty

Thousand Eight Hundred And Twenty Four Only) and also certified that Mr. Vishal Goenka has sufficient means to fulfill his part of obligations under this Offer.

4.8.3 The Acquirer has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

4.8.4 Mr. Vishal Goenka is holding full time directorship in M/s. Artek Surfing Chemicals Limited and also promoted Artek Surfing Chemicals Limited, the details of which are given as under and he is not a director on the Board of any Listed Company.

Following details in respect of Company Promoted/ Controlling Stake:

Name of the Company	Artek Surfing Chemicals Limited		
Date of Incorporation	31.01.1990		
Listed At (name of the Stock Exchanges)	Not Listed		
Nature of Business	Manufacture and Exporter of Electroplating Chemicals		
Whether a Sick Industrial Company (Yes/ No)	No		
Equity Capital (Rs. in Lacs)	**Year Ended March 31, 2005 (Audited)**	**Year Ended March 31, 2006 (Audited)**	**Year Ended March 31, 2007 (Provisional)**
Reserves & Surplus (Rs. in Lacs)	4114.10	5465.66	6915.92
Total Income (Rs. in Lacs)	1245.71	1546.90	1638.50
Profit After Tax (Rs. in Lacs)	1018.91	1351.55	1450.26
Earnings Per Share (in Rs.)	4.08	5.42	5.81
Net Asset Value (in Rs.)	17.50	22.93	28.75

4.9 Mr Sunil Goenka

4.9.1 Mr. Sunil Goenka S/o Mr. Beni Prasad Goenka, R/o 20, Vinayak Kunj, 12th Road, JVPD, Juhu, Mumbai - 400049, Tel No.: 022-30809500, Fax - 022- 28368728 is B.Com graduate and having an experience of 20 years in export in Textiles business.

4.9.2 Mr. Subodh Chaturvedi (Partner of M. M. Chaturvedi & Co. Chartered Accountants, (Membership No. 074971) having office at 24, Atlanta, Nariman Point, Mumbai-400021 Tel: (022)22824220 has certified vide his certificate dated 10th August that the Net Worth of Mr. Sunil Goenka as on 31.03.2006 is Rs. 10,47,43,996 (Rupees Ten Crores Forty Seven Lacs Forty Three Thousand Nine Hundred And Ninety Six Only)and also certified that Mr. Sunil Goenka has sufficient means to fulfill his part of obligations under this Offer.

4.9.3 The Acquirer has not made any acquisition in the target Company through Open Offer(s) and also as per declaration received not acquired any shares of target company through any mode including market purchase from date of PA to date of Letter of Offer.

4.9.4 Mr. Sunil Goenka is holding full time directorship and has also Promoted and have Controlling stake in M/s. Texport Syndicate India Limited, which is not Listed at any stock exchange and not a director on the Board of any Listed Company.

Following details in respect of Company Promoted/ Controlling Stake:

Name of the Company	Texport Syndicate India Limited		
Date of Incorporation	05.04.2005		
Listed At (name of the Stock Exchanges)	Not Listed		
Nature of Business	Manufacture and Exporter of Readymade Garments		
Whether a Sick Industrial Company (Yes/ No)	No		
Equity Capital (Rs. in Lacs)	**Year Ended March 31, 2005 (Audited)**	**Year Ended March 31, 2006 (Audited)**	**Year Ended March 31, 2007 (Provisional)**
Reserves & Surplus (Rs. in Lacs)	Not Applicable	3598.04	4568.40
Total Income (Rs. in Lacs)		1207.76	1158.40
Profit After Tax (Rs. in Lacs)		820.89	970.37
Earnings Per Share (in Rs.)		16.03	18.95
Net Asset Value (in Rs.)		80.29	99.25

Disclosure in terms of Regulation 16(ix)

4.10 The Acquirers 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.

4.11 The Acquirers have no full time directorships or controlling stake in any listed company.

4.12 The Compliances under Chapter II of SEBI (SAST) Regulations, 1997 are not applicable to the Acquirers as they are not holding any equity shares of the target company as on date of Public Announcement.

4.13 The Relationship between the Acquirers are as under:

Mr. Beniprasad Goenka is father of Rajendra B. Goenka, Sunil B. Goenka and Sushil B. Goenka. Asha Goenka is wife of Rajendra B. Goenka. Vishal Goenka is son of Sushil B. Goenka. Anjana Goenka is wife of Sunil Goenka. Amit R. Goenka is son of Rajendra B. Goenka and Sushila Goenka is wife of Sushil B. Goenka.

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 Acquirers in terms of the provisions of Clause 40A of the Listing Agreement will facilitate Compliance of the target company with the relevant provision thereof within the time period mentioned therein.

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 target company is doing business under the same name. On May 1, 1991, VTIL 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. VTIL at present has its registered office at F-3-5, RIICO Industrial Complex, Vigyan Nagar, Shahjahanpur-301706, District Alwar - Rajasthan. The manufacturing facilities of the target company located at F-3-5, RIICO Industrial Complex, Vigyan Nagar, Shahjahanpur, Alwar, Rajasthan. The Corporate Office address is E-67, G. K. Enclave-I, New Delhi - 110048 and phone number of Corporate Office are (011) 26241876, 26241078, 26241577.

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 AKSL	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 alloteed (promoters/ ex-prmoters/ others)	Status of compliance
Subscriber to Memorandum & Articles	70	0.0004	700	subscribe ra 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 since October 1992. At present the shares of the Company are not suspended by the BSE.

6.8 There are no outstanding convertible instruments / warrants.

6.9 The target company is fully complying with provisions of Chapter II of the regulations. The sellers, promoters and other major shareholders of VTIL is not fully complying with provisions of Chapter II of the Regulations.

6.10 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.	Name of the No.	Designation Director	Qualification and Experience in No. of years	Residential Address	Date of Appointment
1	Rajesh Modi	Managing Director	B.Com and having 18 years of experience in Textile Industries	N-4, Greater Kailash-I New Delhi	12.03.1992
2	S P Chadha	Director	B.Sc (Textile) and having 42 years of experience in Textile Industries	B-55, Soami Nagar, New Delhi	26.09.1995
3	Yogesh Kumar Gupta	Whole Time Director	B.Com(H), PGDFM, FCS,FICWA and having 18 years of experie-nce in Finance and Secretarial.	D-1050, New Friends Colony, New Delhi	31.07.2006

4.	Sanjay Kumar Khaitan	Director	B.Com, LLB and having 23 years of experience as an Advocate	"Kailash", 114A, Central Avenue, Sainik Farms, New Delhi	09.05.1991
5	K M Mathur	Nominee Director	M.Com, LLB, CAIIB and having 45 years of experience as an Ex Banker	M-1/1, Maharaja Hari Nagar, Riktiya Bheruji Nilchauhra, Residency Road, Jodhpur, Rajasthan	13.05.1999
6	H K Mansinghka	Director	B.Com, CA and having 24 years of experience as a Practicing Chartered Accountant	Pusa Niwas, Bhilwara, Pusa Niwas, Bhilwara,	12.07.2003
7	Abhishek Modi	Director	B.Com having 15 years of experience in Textile Industry.	C-9/15, DLF-I, Gurgaon-122002	31.07.2007
8	S K Jindal	Director	B.Sc and having 33 years of experience in Textile Industry.	110, Babar Road, New Delhi-110001	31.07.2007
9	Rajendra Goenka	Director	B.Com and having 25 years of experience in Textile Industry	20, Vinayak Kunj JVPD, Juhu, Mumbai	31.07.2007
10	Sunil Goenka	Director	B.Com and having 20 years of experience in Textile Industry	20, Vinayak Kunj, JVPD, Juhu, Mumbai	31.07.2007

6.12 Among the Directors on the Board of Target Company, Mr Rajendra Goenka and Mr Sunil Goenka are representing the Acquirers relating to said Offer and under Regulation 22(9) of the Regulations, they recuse themselves and not participate in any matter concerning or 'relating' to the Offer including any preparatory steps leading to the Offer.

6.13 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.

6.14 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 31.03.2006 (Audited)**	**Year Ended 31.03.2007 (Audited)**
Income from Operations	9999.39	12162.64	10477.94
Other Income	**142.64**	**241.58**	**441.56**
Increase/Decrease in stocks	419.93	694.45	504.84
Total Income	10561.96	13098.67	11424.34
Total Expenditure	9460.20	11565.16	10204.29
Profit/ (Loss) Before Depreciation Interest and Tax	**1101.76**	**1533.51**	**1220.05**
Depreciation	537.89	601.79	632.18
Interest	319.60	358.06	459.37
Profit/ (Loss) Before Tax	**244.27**	**573.66**	**128.50**
Provision for Tax	23.59	33.91	88.09
Profit/ (Loss) After Tax	**267.86**	**539.75**	**40.41**
Balance Sheet Statement	**Year Ended 31.03.2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**	**Year Ended 31.03.2007 (Audited)**
Sources of funds			
Paid-up Share Capital	1462.00	1981.25	1981.25
Reserves and Surplus (excluding revaluation reserve)	648.18	1020.97	1068.47
Secured Loan	3389.52	5323.66	7301.91
Unsecured Loan	111.97	Nil	Nil
Current Liabilities & Provisions	1243.93	1562.43	1396.99
Deferred Tax Liability	Nil	Nil	Nil
Total	**6855.60**	**9888.31**	**11748.62**
Uses of Funds			
Net Fixed Assets	3299.62	4557.13	6098.40
Capital Work in progress	143.77	424.60	458.25
Investments	0.42	0.89	0.89
Current Assets	3337.66	4828.92	5178.82
Misc. Expenses not written off	6.53	5.83	Nil
Deferred Tax Assets	67.60	70.94	12.26
Total	**6855.60**	**9888.31**	**11748.62**

Other Financial Data	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)	Year Ended 31.03.2007 (AUdited)
Networth (in Rs.)	2103.65	2996.39	3049.72
Dividend (%)	-	-	-
Earnings per share (in Rs.)	1.83	2.72	0.20
Return on Net worth (%)	12.73	18.01	1.32
Book Value per Share (in Rs.)	14.39	15.12	15.39

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, Networth = paid up share capital + Reserve & Surplus - Misc. expenses not written off.

6.15. 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.

6.16 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 of 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. Rajesh Modi	1340360	6.77	1340360	6.77	Nil	Nil	Nil	Nil
	2. Shalini Modi	270510	1.37	270510	1.37	Nil	Nil	Nil	Nil
	3. Rishav Modi	1822000	9.20	1822000	9.20	Nil	Nil	Nil	Nil
	4. Vedika Finance (P) Ltd	3172100	16.01	3172100	16.01	Nil	Nil	Nil	Nil
	5. Milestone Properties (P) Ltd	664210	3.34	664210	3.34	Nil	Nil	Nil	Nil
	6. Gay Apartments (P) Ltd	959009	4.84	959009	4.84	Nil	Nil	Nil	Nil
	7. Zoom Apartments (P) Ltd	1064000	5.38	1064000	5.38	Nil	Nil	Nil	Nil
	8. Modi Tea and Industries (P) Ltd	2500000	12.61	2500000	12.61	Nil	Nil	Nil	Nil
	9. Vanasthali Investments (P) Ltd	2986000	15.07	2986000	15.07	Nil	Nil	Nil	Nil
	Total 1a.	**14778189**	**74.59**	**(14778189)**	**(74.59)**	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)	**14778189**	**74.59**	**(14778189)**	**(74.59)**	Nil	Nil	Nil	Nil
2	**Acquirers**								
	(a) Rajendra Goenka	Nil	Nil	2955640	14.92	3962500	20.00	6918140	34.92
	(b) Beni Prasad Goenka	Nil	Nil	1625600	8.21	Nil	Nil	1625600	8.21
	© Anjan Devi Goenka	Nil	Nil	1980980	10.00	Nil	Nil	1980980	10.00
	(d) Amit Goenka	Nil	Nil	1625600	8.20	Nil	Nil	1625600	8.20
	(e) Sushil Goenka	Nil	Nil	1625600	8.20	Nil	Nil	1625600	8.20
	(f) Sushila Goenka	Nil	Nil	153420	0.77	Nil	Nil	153420	0.77
	(g) Asha Devi Goenka	Nil	Nil	147780	0.75	Nil	Nil	147780	0.75
	(h) Vishal Goenka	Nil	Nil	2950000	14.89	Nil	Nil	2950000	14.89
	(i) Sunil Goenka	Nil	Nil	1713569	8.65	Nil	Nil	1713569	8.65
	Total 2	**Nil**	**Nil**	**14778189**	**74.59**	**3962500**	**20.00**	**8740689**	**94.59**
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	Public (other than Acquirer & parties to the Agreement)								
	FIs / MFs / FIIs / Banks	Nil	Nil	Nil	Nil				
	Private Corporate Bodies	873491	4.41	Nil		(3962500)	(20.00)	1071811	5.41
	Others (including public shareholders)	4160820	21.00	Nil					
	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.

6.17 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 piad up capital	% change in Shareholding of Promoters	Type of Transactions/ Remarks
31.03.1997	6973470	9220000	75.63		-
31.03.1998	6973470	9220000	75.63		-
30.06.1998	12372970	14620000	84.63	9.00	Exempted under Regulation 3(1)(C)
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)	
28.04.2004	10920470	14620000	74.70	(9.84)	
30.04.2004	10920470	14620000	74.70	-	
31.03.2005	10920470	14620000	74.70	-	
11.04.2005	10420479	14620000	71.28	(3.42)	
31.03.2006	10420479	14620000	71.28	-	
06.10.2006	14778189	19812500	74.59	3.31	Exempted under Regulation 3(1)(j)(ii)
31.03.2007	14778189	19812500	74.59	-	

6.18 The Details of Inter Se Transfer made in the Target Company are as under:

Date	Name of Transfree	No. of shares	% to total capital	Name of Transferor	No. of shares	% to total capital
30.04.1998	Rajesh Modi	134500	1.46	Kamkhaya Modi, Shalini Modi, Vedika Modi, Shailija Modi, Shalini Goenka, Sita Ram Khemani KECI & Co.	319500	3.47
	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
				Vedika Finance (P) Ltd	280000	1.91
30.06.2001	Shewnarain Magraj Finance & Investment (P) Ltd	21000	0.14	Bela Devi Khemani, Pranav Keshav Khemani, Sunanda Khemani	21000	0.14
28.04.2004	Gay Apartments (P) Ltd	1174000	8.03	Girdhari Lal Khemani, Pasupati Texturising (P) Ltd, Pasupati Texturising (P) Ltd, Shewnarain Magraj Finance & Investment (P) Ltd, Sita Ram Khemani	3471850	23.74
	Zoom Apartments	1224000 (P) Ltd	8.37			
	Milestone Properties	1024000 (P) Ltd	7.00			
	Rajesh & Co	49850	0.34			

6.19 As per the information received from the Target Company, the number of shareholders in VTIL in public category as on the date of PA is 9834 (Nine Thousand Eight Hundred Thirty Four only).

6.20 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, 2007.

6.21 As per the information received from the Target Company, the following litigation matters are pending.

Year	Name of the Cases	Courts/Authorities where the are pending	Amount Involved (Rs)
1996	Negotiable Instrument Act	Lower Court	5,00,000
1997	Excise	Rajasthan High Court	81,780
1998	Excise	Rajasthan High Court	1,18,635
1998	Excise	Rajasthan High Court	1,07,312

1998	Excise	Rajasthan High Court	63,474
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	7,20,000
2004	Customs	AC, Customs-Kandla	2,16,000
2006	Excise	AC, Alwar	4,36,516
2006	Excise	AC, Jaipur	28,29,218
2007	Excise	AC, Alwar	1,09,606
2007	Excise	AC, Alwar	4,12,673
2007	Excise	AC, Alwar	4,44,050

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

Name of the Compliance Officer : Mr.Yogesh Gupta

Contact Address : A-34, Sector-2, Noida-201301.

Contact Number : 9910494164-68

Fax No. : (0120) 4250074

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

(Rs in Lacs)

	2005	2006	2007
Guarantees given by Banks for which counter Guarantee has been given by Company	72.36	19.61	Nil
Foreign & Indian Bills Discounted by Bank	926.68	1270.68	1226.45
Bonds executed in favour of the Collector of Customs	2850.00	2850.00	2850.00
Letter of Credits	Nil	1071.36	57.50
Pending Cases with Excise Authority	30.28	34.89	79.83
Auditors Remuneration	1.37	1.46	1.24

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 frequently 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 July 2007 at the BSE , where the shares of the company are listed as follows:

Name of the Stock Exchange	Total number of shares traded during February 2007 to July 2007	Total number of of listed shares	Annualised trading turnover (% of the total listed shares)
BSE	2364248*	1,98,12,500	4728496 (23.87%)

7.1.3 Based on the above information, as the annualized trading turnover is more than 5% of the total number of the listed shares, the equity shares are deemed to be frequently 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 Following are the average of the weekly high and low of the closing prices and volume data for 26 weeks ended on August 15, 2007 i.e the weeks preceeding the date of PA, at BSE, where the shares of the Company are most frequently traded.(Source: www.bseindia.com)

No of Week	Week Ended	Weekly High (Rs.)	Weekly Low (Rs.)	Average (Rs.)	Volume (No. of Shares)
1	21.02.2007	17.80	17.35	17.575	68739
2	28.02.2007	17.15	15.60	16.375	35154
3	07.03.2007	15.95	12.45	14.20	18331
4	14.03.2007	13.45	12.65	13.05	26951
5	21.03.2007	13.15	12.00	12.575	52610
6	28.03.2007	12.60	11.85	12.225	33273
7	04.04.2007	12.25	11.80	12.025	10548
8	11.04.2007	13.24	12.76	13.00	393138
9	18.04.2007	13.39	12.73	13.06	9838

10	25.04.2007	12.95	12.25	12.60	51042
11	02.05.2007	12.46	12.12	12.29	121901
12	09.05.2007	12.50	12.16	12.33	22848
13	16.05.2007	12.53	12.06	12.295	16053
14	23.05.2007	12.33	11.82	12.075	10491
15	30.05.2007	12.20	11.20	11.70	25690
16	06.06.2007	11.51	10.40	10.955	22286
17	13.06.2007	11.94	10.73	11.335	11133
18	20.06.2007	11.22	10.00	10.61	12244
19	27.06.2007	10.51	9.92	10.215	14362
20	04.07.2007	11.00	10.20	10.60	220217
21	11.07.2007	12.89	10.57	11.73	280419
22	18.07.2007	13.91	11.33	12.62	168441
23	25.07.2007	11.97	11.25	11.61	37107
24	01.08.2007	10.68	10.01	10.345	362900
25	08.08.2007	11.41	10.62	11.015	55531
26	15.08.2007	11.97	10.99	11.48	756731
26 Weeks Average				**12.30**	**2844278**

7.1.5 Following are the prices and volume data for 2 weeks ended on August 15, 2007 i.e the weeks preceeding the date of PA, at BSE, where the shares of the company are most frequently traded.(Source: www.bseindia.com)

Day	Date	Daily High (Rs.)	Daily Low (Rs.)	Average (Rs.)	Volume (No. of Shares)
1	02.08.2007	10.88	10.05	10.465	17760
2	03.08.2007	10.87	10.25	10.56	10011
3	04.08.2007	Nil	Nil	Nil	Nil
4	05.08.2007	Nil	Nil	Nil	Nil
5	06.08.2007	11.00	10.45	10.725	9050
6	07.08.2007	11.35	10.75	11.05	10528
7	08.08.2007	12.53	11.11	11.82	8182
8	09.08.2007	11.65	10.32	10.985	10110
9	10.08.2007	11.69	10.75	11.22	2800
10	11.08.2007	Nil	Nil	Nil	Nil
11	12.08.2007	Nil	Nil	Nil	Nil
12	13.08.2007	12.90	10.64	11.77	433766
13	14.08.2007	12.40	11.00	11.70	310055
14	15.08.2007	Nil	Nil	Nil	Nil
			2 Weeks Average	**11.14**	**812262**

7.1.6 Based on the above information, as the annualized trading turnover is more than 5% of the total number of the listed shares, the equity shares are deemed to be frequently 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(4) 0f SEBI (SAST) Regulations, 1997, the Offer price of Rs 12.50 (rupees twelve and fifty paise only) per fully paid up equity shares is worked out on the following parameters.

(a)	Negotiated Price	Rs 8.12/-
(b)	Price paid by the Acquirers 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)	Higher of (i) to (ii) below:Share price data of VTIL on BSE, where it is most frequently traded, is as under: i. The average of the weekly High and Low of the closing prices of the shares of VTIL during 26 weeks the 26-weekpreceding the date of Public announcement. ii. The average of the daily High and Low of the prices of the shares of VTIL during 2 weeks period preceding the date of Public announcement.	Rs 12.30/- Rs 11.14/-

In view of the above the offer price of Rs. 12.50 is justified in terms of Regulations 20(4) of the SEBI (SAST) Regulations, 1997.

7.1.7 There is no non-compete agreement.

7.1.8 If the Acquirers 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 Arrangements

7.2.1 Assuming full acceptance, the total requirement of funds for the Offer would be Rs. 4, 95, 31,250 (Rupees Four Crore ninety five lacs thirty one thousand two hundred and fifty only). As per Regulation 28 of SEBI (SAST) Regulations, 1997 the Acquirers have transferred approved securities of Companies, which subject to an appropriate margin amounts to Rs 1.40 Crore, in favour of Chartered Capital And Investment Limited, the Manager to the Offer and also deposited cash of an amount Rs 5,20,000 (Rupees Five Lacs Twenty 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, Barakhamba Road, New Delhi and securities have been kept with "VTIL-Open Offer Securities Escrow Account opened with Central Depository Services (India) Limited (CDSL) having its account no. 1201910100332817. The Acquirers have adequate resources to meet the financial requirements of the Offer. The acquisition will be financed through internal / personal resources and no borrowings from banks / FIs etc., is being made.

7.2.1.1 The details of securities kept in a escrow account in Compliance with Regulation 28(4)(C) of the are given as under:

Sr No.	Name of Securities	Quantity	Face Value Value	Paid up Value (In Rs)	Market Price as on 13.08.2007 (In Rs)	Name of Person who was holding shares	Total Value
1	Bombay dyeing	1000	10.00	10.00	554.75	Rajendra Goenka	554750
2	Cinemax India	10000	10.00	10.00	137.65	Sunil Goenka	1376500
3	Development Credit	5000	10.00	10.00	104.55	Sunil Goenka	522750
4	Escorts Ltd	2000	10.00	10.00	91.10	Rajendra Goenka	182200
5	Glenmark Pharma	1700	2.00	2.00	650.2	Sunil Goenka	1105340
6	Hotel Leela venture ltd	20000	2.00	2.00	46.35	Rajendra Goenka	927000
7	Hotel Leela venture ltd	20000	2.00	2.00	46.35	Sunil Goenka	927000
8	IDBI Ltd	5000	10.00	10.00	125.1	Rajendra Goenka	625500
9	Idea Cellular Ltd	10000	10.00	10.00	121.45	Rajendra Goenka	1214500
10	Jaiprakash Associates	500	10.00	10.00	850.65	Rajendra Goenka	425325
11	JSW Steel	900	10.00	10.00	629.15	Sunil Goenka	566235
12	L&T Ltd	700	2.00	2.00	2435.35	Sunil Goenka	1704745
13	Maruti Udyog Ltd	700	10.00	10.00	830.25	Rajendra Goenka	581175
14	Prism Cement	8000	10.00	10.00	56.70	Sunil Goenka	453600
15	Reliance Communication	3000	10.00	10.00	528.3	Rajendra Goenka	1584900
16	Reliance Industries	3000	10.00	10.00	1828.9	Rajendra Goenka	5486700
17	Reliance Natural Resouces	12000	10.00	10.00	47.55	Sunil Goenka	570600
18	Reliance Petrochemical	8000	10.00	10.00	114.25	Rajendra Goenka	914000
19	SESA Goa	400	10.00	10.00	1780.10	Rajendra Goenka	712040
20	Tata Steel	2000	10.00	10.00	644.10	Rajendra Goenka	1288200
						Total	**21723060**

* The Margin percentage is 35%.

7.2.1.2 These shares are free from all lien/encumbrances.

7.2.1.3 These shares are carrying voting rights.

7.2.1.4 The Merchant Bankers shall make good any such deficit if there is any deficit on realisation of value of securities in accordance with the Regulation 28(7) of the Regulations.

7.2.2 The Acquirers 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 Mr. Subodh Chaturvedi (Partner of M. M. Chaturvedi & Co. Chartered Accountants, (Membership No. 074971) having office at 24, Atlanta, Nariman Point, Mumbai-400021 Tel: (022)22824220 has certified vide his certificate dated 10th August, 2007 the Net Worth of the Acquirers and also certified that acquirers have sufficient means to fulfill their part of obligations under this Offer.

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 Modi Tea and Industries (P) Ltd and 6,00,000 equity shares held by Praveen Deva out of existing equity shares of VTIL are under Lock-in for a period of 3 years commencing from 06.10.2006.

9. STATUTORY APPROVALS

9.1 As on the date of Public Announcement, approval from any Bank/Financial Institutions is required for the purpose of this Offer, to the best of the knowledge of the Acquirers. The IDBI Bank and Allahabad Bank acting on behalf of consortium of Banks have given their approvals for the same vide their letter no. IDBI/JBO/VTIL/2381 dated 05.10.2007 and JBND ADV/07/826 dated 12.10.2007 respectively.

9.2 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.

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

9.4 SEBI has the power to grant extension of time to the Acquirers for payment of consideration to shareholders subject to the Acquirers 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 Acquirers, 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, August 31, 2007** 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 National Securities Depository Limited ("NSDL") 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 Acquirers 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. December 26, 2007, 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., December 26, 2007, Wednesday, along with a photocopy of the delivery instructions in "**Off marke**t" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant ("**DP**"), in favour of **"BEETAL -VTIL- Open Offer Escrow A/c" ("Depository Escrow Account") f**illed in as per the instructions given below:

DP Name : Abhipra Capital Limited;

DP ID : IN300206

Client ID : 10936229

Depository : National Securities Depository Limited- ("NSDL")

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

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 December 26, 2007, 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 8.6 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. December 26, 2007, 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. BEETAL House, 3rd Floor, 99, Madangir,Behind Local Shopping Centre, Near Dada Harsukhdas Mandir, New Delhi 110062	Mr. Punit Mittal	Phone: 011 2996 1280 / 81 / 82 / 83, Fax: 011 2996 1284 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. December 26, 2007, 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 December 21, 2007. 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 Acquirers, the Acquirers 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.

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 Acquirers 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. December 21, 2007, 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 Acquirers 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 thesame 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 Acquirers 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 Mr. Subodh Chaturvedi, Partner of M M Chaturvedi & Co, Chartered Accountants, Certifying the net worth of all the Acquirers and adequacy of financial resources with the Acquirers to fulfill their part of open Offer obligations.

13.2 Audited Annual Reports of VTIL for the years ended March 31, 2005, 2006 and 2007.

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

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 August 16, 2007 and Corrigendum to Public Announcement published on December 3, 2007.

13.6 Copy of Share Purchase Agreement (SPA) dated August 09, 2007.

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

14. DECLARATION BY THE ACQUIRERS

The Acquirers Rajendra Goenka, Beni Prasad Goenka, Anjana Devi Goenka, Amit Goenka, Sushil Goenka, Sushila Goenka, Asha Devi Goenka, Vishal Goenka and Sunil Goenka , accept full responsibility for the information contained in this Letter of Offer (except for the information regarding the Target Company which has been compiled from the publicly available information) and for ensuring compliance with the Regulations.

Each of the Acquirers 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 his and on behalf of the other Acquirers
Sd/-
(Rajendra Goenka)

Place: New Delhi
Date: 01.12.2007

15. ENCLOSURES

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

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

(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	**:**	**December 07, 2007 (Friday)**
OFFER CLOSES ON	**:**	**December 26, 2007 (Wednesday)**

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

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,
Acquirers
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 Acquire 39,62,500 fully paid up equity shares of Rs. 10/- each representing 20% of the total voting capital of Vanasthali Textiles Industries Limited at a price of Rs. 12.50 per fully paid equity share of Rs.10/- each by Rajendra Goenka, Beni Prasad Goenka, Anjana Devi Goenka, Amit Goenka, Sushil Goenka, Sushila Goenka, Asha Devi Goenka, Vishal Goenka and Sunil Goenka (Acquirers)

I / we, refer to the Letter of Offer dated 01.12.2007 for acquiring the equity shares held by me / us in **VANASTHALI TEXTILES 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 Acquirers the following equity shares in VTIL held by me / us, at a price of Rs. 12.50 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 Acquirers to accept the equity shares so offered or such lesser number of equity shares that the Acquirers 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 Acquirers 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 Acquirers 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 Acquirers, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirers acquiring these equity shares. I / We agree that the Acquirers 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 Acquirers 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 Acquirers 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 Acquirers 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 withVTIL:

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) holding Shares in physical mode may provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Bank Account No.: -------------------------------- Type of Account: -------------------------------
(Savings / Current / Other (please specify))

Name of the Bank: ---

Name of the Branch and Address: --

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 Acquirers 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 Acquirers, 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

ACKNOWLEDGEMENT SLIP

Sub: Open Offer to Acquire 39,62,500 fully paid up equity shares of Rs. 10/- each representing 20% of the total voting capital of Vanasthali Textile Industries Limited at a price of Rs. 12.50 per fully paid equity share of Rs.10/- each by Rajendra Goenka, Beni Prasad Goenka, Anjana Devi Goenka, Amit Goenka, Sushil Goenka, Sushila Goenka, Asha Devi Goenka, Vishal Goenka and Sunil Goenka (Acquirers)

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

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	**December 07, 2007 (Friday)**
LAST DATE OF WITHDRAWAL	**December 21, 2007 (Friday)**
OFFER CLOSES ON	**December 26, 2007 (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,
Acquirers
C/o Beetal Financial & Computer Services (P) Ltd
Beetal House, 3rd Floor, 99,
Madangir, Near Dada Harsukh Das Mandir,
New Delhi-110062

Dear Sirs,

Sub: Open Offer to Acquire 39,62,500 fully paid up equity shares of Rs. 10/- each representing 20% of the total voting capital of Vanasthali Textiles Industries Limited at a price of Rs. 12.50 per fully paid equity share of Rs.10/- each by Rajendra Goenka, Beni Prasad Goenka, Anjana Devi Goenka, Amit Goenka, Sushil Goenka, Sushila Goenka, Asha Devi Goenka, Vishal Goenka and Sunil Goenka (Acquirers)

Dear Sir,

I/We refer to the Letter of Offer dated 01.12.2007 for acquiring the equity shares held by me/us in **VANASTHALI TEXTILES 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.:

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

Serial No.:
(Acknowledgement Slip)

Received from Mr./Ms.

Signature of Official and Date of Receipt	Stamp of Registrar to the Offer

Address ____

Form of withdrawal in respect of __________ Number of Share Certificates representing _________ number of shares.

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. December 21, 2007. (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.

THIS PAGE IS INTENTIONALLY LEFT BLANK