PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF VANASTHALI TEXTILES INDUSTRIES LIMITED

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

This Public Announcement ("PA") is being issued by the Manager to the Offer i.e., Chartered Capital And Investment Limited, on behalf of the Acquirer, i.e. Mr. Rajendra Goenka, Mr. Beni Prasad Goenka, Mrs. Anjana Devi Goenka, Mr. Amit Goenka, Mr. Sushil Goenka, Mrs. Sushila Goenka, Mrs. Asha Devi Goenka, Mr. Vishal Goenka and Mr. Sunil Goenka, (hereinafter collectively referred to as the "Acquirers" and individually referred to as the "Acquirer"), pursuant to Regulations 10 & 12 as required under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as "SEBI (SAST) Regulations, 1997") and subsequent amendments thereto.

1. THE OFFER

1.1 This offer (the "Offer") is being made by and Mr. Rajendra Goenka Mr. Beni Prasad Goenka, Mrs. Anjana Devi Goenka, Mr. Amit Goenka, Mr. Sushil Goenka, Mrs. Sushila Goenka, Mrs. Asha Devi Goenka, Mr. Vishal Goenka and Mr. Sunil Goenka, (Collectively referred to as "the Acquirers") to acquire the 1,47,78,189 Equity shares constituting 74.59% of the paid up equity capital of Vanasthali Textile Industries Limited ("VTIL" or the "Target Company"), a public limited company incorporated under the Companies Act, 1956 (the "Companies Act") and having its registered office at F-3-5, RIICO Industrial Complex, Vigyan Nagar, Shahjahanpur-301706, District Alwar- Rajasthan.

1.2 On 9th August, 2007, the Acquirers have entered into a Share Purchase Agreement (the "SPA") with the existing promoter shareholders of VTIL, to acquire from them 1,47,78,189 Equity shares of Rs. 10/- each representing 74.59 % of the present issued and voting equity share capital and resultant voting rights of VTIL, out of which 67,10,000 Equity Shares are pledged with IDBI and with Allahabad Bank, acting for itself and for and on behalf of a consortium of banks comprising of Oriental Bank of Commerce, State Bank of Bikaner & Jaipur and Federal Bank (collectively referred as "the 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 are under a lock-in period of three years pursuant to the scheme of amalgamation w.e.f. 6.10.2006, on "as is where is" basis at the price of Rs 8.12 /- per equity share, payable in cash (the "Share Consideration"), and acquire control over VTIL. The total consideration payable in cash for the shares to be acquired as mentioned above is approx. Rs. 12 Crores (Rupees Twelve Crores Only). By this above acquisition, the Acquirers will hold in aggregate 1,47,78,189 number of equity shares representing 74.59% of the paid-up equity share capital & resultant voting rights of VTIL, which resulted in triggering of SEBI (SAST) Regulations, 1997. The offer is not as a result of Global Acquisition resulting in indirect acquisition of Target Company.

1.3 The Acquirers intend to make an Open Offer in terms of the SEBI (SAST) Regulations, 1997 to the shareholders of the Target Company to acquire 39, 62,500 equity shares of Rs. 10/- each representing 20% of paid up equity capital & voting capital of VTIL at a price of Rs. 12.50 (Rupees Twelve & Fifty Paise only) per fully paid-up equity shares ("Offer Price"), payable in cash subject to the terms and conditions mentioned hereinafter, to those shareholders whose names appear on the register of members on Specified Date i.e. **Friday, August 31, 2007.**

1.4 The equity shares of "VTIL" are at present listed at the Bombay Stock Exchange Limited, Mumbai (BSE) only.

1.5 The annualized trading turnover during the preceeding six calendar months ending July 2007 in the Bombay Stock Exchange where the shares are listed is as follows:

Name of the Stock Exchange	Total no. of equity shares traded during February, 2007 to July, 2007	Total no. of listed shares	Annualized trading turnover (% to total listed shares)
BSE	2364248*	1,98,12,500	4728496(23.87%)

*(Source: www.bseindia.com)

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.

The Negotiated Price	Rs 8.12/-
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
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 weeksperiod preceding 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/-

Other Financial Parameters	Based on the audited financial data for the year ended 31st March, 2007
Return on Net Worth (%)	1.33
Book Value per share (Rs.)	15.39
Earning per share (Rs.)	0.20
Price Earning Multiple (with reference to the Offer price of Rs. 12.50/- per share)	62.5
The average industry P/E for the sector in which operates (Source: Capital Market Journal, edition July 30 to August 12, 2007 (Industry Textile-Products)	28.00

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.

1.7 The Acquirers have not acquired any equity share of VTIL during the past 12 months prior to the date of this Public Announcement except 1,47,78,189 equity shares agreed to be acquired in terms of the Share Purchase Agreement dated August 09, 2007 as per the details given in para 1.2 above. Pursuant to the above acquisition the total holding of the Acquirer in the Target Company will come to 1,47,78,189 equity shares representing 74.59% of the total paid-up equity share capital of VTIL.

1.8 The Acquirers have not entered into any "Non-Compete Agreement".

1.9 The Offer is not subject to any minimum level of acceptance from the shareholders i.e. it is not a Conditional Offer. The Acquirers will accept the equity shares of VTIL which are tendered in valid form in terms of this offer upto a maximum of 39, 62,500 equity shares, representing 20% of the total paid-up equity share capital of the Target Company.

1.10 The offer is not a competitive bid.

1.11 In case of non-compliance with any of the provisions of the Takeover Regulations, the Agreement for acquisition shall not be acted upon by the sellers or the Acquirers.

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

1.13 The Manager to the Open Offer i.e. Chartered Capital & Investments Limited does not hold any shares in the Target Company as on the date of PA. They declare and undertake that they shall not deal in the shares of the Target Company during the period commencing from the date of their appointment as Manager to the Open Offer till the expiry of 15 days from the date of closure of Open Offer.

2 INFORMATION ABOUT THE ACQUIRER

2.1 Mr. Rajendra Goenka

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

2.1.2 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.

2.1.3 Mr. Rajendra Goenka is holding directorship in M/s. Texport Syndicate India Limited, which is not listed at any stock exchange.

2.2 Mr. Beni Prasad Goenka

2.2.1 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 graduate and having an experience of 50 years in Textiles Business.

2.2.2 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.

2.2.3 Mr. Beni Prasad Goenka is holding partnership in M/s. Systematic Exports.

2.3 Mrs. Anjana Devi Goenka

2.3.1 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.

2.3.2 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. 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.

2.3.3 Mrs. Anjana Devi Goenka is holding directorship in M/s. Vivan Fashions Pvt Ltd.

2.4 Mr. Amit Goenka

2.4.1 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.

2.4.2 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.

2.4.3 Mr. Amit Goenka is holding directorship in M/s. Texport Synidate India Limited.

2.5 Mr. Sushil Goenka

2.5.1 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.

2.5.2 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.

2.5.3 Mr. Sushil Goenka is holding directorship in M/s. Artek Surfing Chemicals Limited which is not listed at any stock exchange.

2.6 Mrs. Sushila Goenka

2.6.1 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.

2.6.2 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.

2.6.3 Mrs. Sushila Goenka is holding partnership in M/s. Systematic Exports.

2.7 Mrs. Asha Devi Goenka

2.7.1 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.

2.7.2 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.

2.7.3 Mrs. Asha Devi Goenka is holding partnership in M/s. Systematic Exports & M/s Asha Creations.

2.8 Mr. Vishal Goenka

2.8.1 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.

2.8.2 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.

2.8.3 Mr. Vishal Goenka is holding directorship in M/s. Artek Surfing Chemicals Limited.

2.9 Mr. Sunil Goenka

2.9.1 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.

2.9.2 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, 2007 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.

2.9.3 Mr. Sunil Goenka is holding directorship in M/s. Texport Syndicate India Limited, which is not listed at any stock exchange.

3. INFORMATION ABOUT THE TARGET COMPANY

3.1 VTIL was incorporated as a Public limited company under the name and style of Vanasthali Textile Industries Limited under the Companies Act, 1956 with Registrar of Companies, Delhi & Haryana vide its certificate of incorporation dated March 4, 1991 and presently the company is doing business under the same name. On May 1, 1991, the company received the certificate of Commencement of Business. Subsequently, vide the certificate dated August 8, 1994; the registered office of the company was changed from the State of Delhi to the State of Rajasthan. The Company at present has its registered office at F-3-5, RIICO Industrial Complex, Vigyan Nagar, Shahjahanpur-301706, District Alwar - Rajasthan.

3.2 The Authorized Capital of VTIL as on date is Rs. 25,25,00,000 divided into 2,52,50,000 (Two Crores Fifty Two Lacs and Fifty Thousand Equity Shares of Rs 10/- each & the Issued, subscribed & Paid up Share capital is 1,98,12,500 (One Crore Ninety Eight Lacs Twelve Thousand and Five Hundred) Equity Shares of Rs. 10/- each aggregating to Rs. 19,81,25,000.

3.3 There are no partly paid up shares as on the date of this public announcement.

3.4 VTIL is presently engaged in the business of production and sale of various types of terry towels such as yarn dyed, piece dyed and beach towels.

3.5 The Equity Shares of VTIL are listed at The Stock Exchange, Mumbai (BSE) only.

3.6 The Board of Directors of the Target Company as on date of Public Announcement comprises Mr. Rajesh Modi, Managing Director and the other directors on the Board are S.P.Chadha, Mr. Yogesh Kumar Gupta, Mr. Sanjay Kumar Khaitan, Mr. Krishan Murari Mathur, Mr, Hemant Kumar Mansinghka , Mr. Rajendra Goenka, Mr. Sunil Geonka , Mr. Abhishek Modi & Mr. Surinder Kumar Jindal.

3.7 The brief financials of VTIL are given as under:

(Rs In Lacs)

Particulars	Year ended March 31, 2007 (Audited)
Total Income	11424.35
Profit After Tax	40.41
Earnings Per Share (EPS) (in Rs.)	0.20
Book Value Per Share (in Rs.)	15.39
Networth	3049.72
Return on Networth (in %)	1.33

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.

4. REASON FOR THE ACQUISITION/OFFER

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

4.2 This Offer is being made pursuant to Regulation 10 & 12 of the SEBI (SAST) Regulations 1997.

4.3 The Acquirers at present have no intention to change the existing line of business of VTIL.

4.4 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. VTIL's future policy for disposal of its assets, if any, will be decided by it's 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.

5. STATUTORY APPROVALS / OTHER APPROVALS REQUIRED FOR THE OFFER

5.1 As on the date of Public Announcement, to the best of knowledge of the Acquirers, the approvals from Banks/Financial Institutions will be required.

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

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

5.4 In case of delay in receipt of any statutory approval, Regulation 22(12) of SEBI (SAST) Regulations, 1997, will be adhered to, i.e. SEBI has power to grant extension of time to the Acquirer for payment of consideration to the shareholders subject to Acquirers agreeing to pay interest as directed by SEBI. Further in case the delay occurs on account of wilful default by the Acquirer in obtaining the approvals, Regulation 22 (13) of SEBI (SAST) Regulations, 1997, will also become applicable.

6 CONTINUOUS LISTING OF SHARES IN TERMS OF LISTING AGREEMENT

6.1 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 the target company to raise the level of Public shareholding to the level specified for continuous listing as specified in the listing agreement entered with the stock exchange within the time period and manner specified thereon in consultation with Stock Exchange.

7 FINANCIAL ARRANGEMENTS

7.1 The Acquirers have adequate resources to meet the financial requirements of the Offer. The Acquirers have made firm arrangement for the financial resources required to complete the Offer in full in accordance with the SEBI (SAST) Regulations, 1997. The acquisition will be financed through internal resources.

7.2 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 subject to an appropriate margin, which 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".

7.3 Mr. Subodh Chaturvedi (Partner of M. M. Chaturvedi & Co. CharteredAccountants, (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 Acquirers have adequate liquid resources to meet the funds requirements of the Offer. The certificate also confirms that the Acquirers have made firm arrangements to fulfill their part of the obligations under this Offer.

7.4 The Acquirers have duly empowered M/s Chartered Capital And Investment Limited, Manager to the Offer, to realise the value of the escrow account in terms of the SEBI (SAST) Regulations, 1997.

7.5 The Manager to the Offer, M/s Chartered Capital And Investment Limited, hereby confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

8 OTHER TERMS OF THE OFFER

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

8.2 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.

8.3 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.

8.4 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.

8.5 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. October 24, 2007, Wednesday .

8.6 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., October 24, 2007, Wednesday , along with a photocopy of the delivery instructions in "**Off market**" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant ("**DP**"), in favour of "**BEETAL -VTIL- Open Offer Escrow A/c**" ("**Depository Escrow Account**") filled 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.

8.7 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 October 24, 2007, Wednesday . Such shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

8.8 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. October 24, 2007, Wednesday. Such equity shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

8.9 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

8.10 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. October 24, 2007, Wednesday else the application would be rejected.

8.11 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 October 19, 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.

8.12 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.

8.13 No indemnity is needed from unregistered shareholders.

8.14 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.

9 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

9.1 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.

9.2 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.

9.3 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.

9.4 The Acquirers reserves their right to reject the shares tendered in the Offer.

10. TIME SCHEDULE OF THE OFFER

The Schedule of the major activities of the open offer are as under:

ACTIVITY	DATE AND DAY
Public Announcement Date	August 16, 2007, Thursday
Specified Date(For the purpose of determining the names of shareholders to whom Letter of Offer would send)	August 31, 2007, Friday
Last date for a competitive bid	September 06, 2007, Thursday
Date by which Letter of Offer will be dispatched to the shareholders	September 25, 2007, Tuesday
Offer Opening Date	October 05, 2007, Friday
Last date for revising the offer price/number of shares	October 15, 2007, Monday
Last date for withdrawal by shareholders	October 19, 2007, Friday
Offer Closing Date	October 24, 2007, Wednesday
Date by which the acceptance/rejection would be intimated and the corresponding payment for the acquired shares and /or the share certificate for the rejected shares will be dispatched	November 08, 2007, Thursday

11. GENERAL CONDITIONS.

11.1 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. October 24, 2007, Wednesday in terms of regulation 22(5A) of SEBI (SAST) Regulations 1997.

11.2 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.

11.3 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.

11.4 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.

11.5 " If there is competitive bid:

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

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"

11.6 Based on the information available from the Acquirers and the Target Company, Acquirers, Sellers and the Target company have not been prohibited by SEBI from dealing in securities, in terms of direction issued U/s 11B of SEBI Act, 1992 or under any other Regulation under the SEBI Act, 1992.

11.7 The Pubic Announcement would also be available at **SEBI's website, www.sebi.gov.in**

11.8 Pursuant to the Regulation 13 of SEBI (SAST) Regulations, 1997, the Acquirers have appointed M/s **Chartered Capital And Investment Limited** as Manager to the Offer and M/s **Beetal Financial & Computer Services Private Limited** as Registrar to the Offer.

11.9 Wherever necessary the financial figures are rounded off to nearest lac or crore.

11.10 This Public Announcement is being issued on behalf of the Acquirers by the Manager to the Offer, M/s Chartered Capital And Investment Limited.

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

Manager to the Offer	Registrar to the Issue
CHARTERED CAPITAL AND INVESTMENT LIMITED 13, Community Centre, East of Kailash, New Delhi - 110065. Tel nos.: 011-26419079/ 26218274; Fax no.: 011 - 26219491; E- mail : 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 Tel. Nos.: 29961281-82, Fax No.: 29961284 Email: beetal_99@sify.com Contact Person: **Mr. Punit Mittal**

Date : 14.08.2007
Place : New Delhi

Issued on behalf of the Acquirers by Manager to the Offer