PUBLIC ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF

VISHAL COTSPIN LIMITED

Registered Office: 17, 1st Floor, Above ToonKidz, 1st Cross, 5th 'A' Block, Koramangla, Bangalore, Karnataka- 560095

This Public Announcement ("PA") is being issued by Vivro Financial Services Private Limited (hereinafter referred to"VIVRO" or the "Manager to the Offer"), on behalf of Mr. Deepak Dungarshi Chheda, Mr. Rohit Keshavji Dedhia, Mr. Harish Damji Nisar and Mr. Shailesh Damji Shah (hereinafter collectively referred to as the "Acquirers") pursuant to and in compliance with Regulations 10 and 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as "SEBI (SAST) Regulations, 1997" or "Regulations") and subsequent amendments thereto.

1. The Offer :

1.1 The Acquirers are making an Open Offer (hereinafter referred to as "Offer") to the Equity Shareholders (other than Parties to the Share Purchase Agreement) of Vishal Cotspin Limited, (hereinafter referred to as "VCL" or "Target Company") to acquire 6,49,580 fully paid up equity shares of Rs. 10/- each at a price of Rs. 3/- (Rupees Three only) each representing 20% of the issued, subscribed, paid up (net of shares forfeited) and voting equity capital of the Target Company. The Offer is at a price of Rs. 3/- (Rupees Three only) per fully paid up equity share (hereinafter referred to as" the Offer Price") is payable in cash subject to terms and conditions mentioned hereinafter.

1.2 On 7th August, 2009, the Acquirers have entered into Share Purchase Agreement (hereinafter referred to as **"SPA"** or "Agreement") to acquire from existing shareholders belonging to the promoters group (hereinafter referred to as "Sellers") on a definitive basis 17,82,685 fully paid up equity shares (shares) of Rs. 10/- each representing 54.89% of paid up Equity and Voting Capital of "VCL" at a price of Rs. 3/- (Rupees Three only) **["Negotiated Price"]** per fully paid up equity share payable in cash. Depending upon the response received from the shareholders in the Offer, the Acquirers shall further acquire 3,51,755 equity shares of Rs. 10/- each fully paid up, representing 10.83% of paid up Equity and Voting Capital of "VCL" at a price of Rs. 3/- (Rupees Three only). The Acquirers, Sellers and Innergize Solutions Private Limited (hereinafter referred to as the "Escrow Agent") have entered into an Escrow Agreement dated 7th August 2009 to keep the aforesaid 21,34,440 the equity shares of Rs 10/ each fully paid up representing 65.72% of total equity shares capital of "VCL" (hereinafter referred to as the "Shares") in a separate demat escrow account "Innergize Solutions Private Limited - Escrow Account - Vishal Cotspin Limited" and Innergize Solutions Private Limited will act as an Escrow Agent. The Shares from the said escrow account will be transferred to the Acquirers on successful completion of the Offer in the proportion agreed amongst the Acquirers in the SPA. The details of the Shares proposed to be acquired from the sellers in number and percentage under the SPA are as under.

Definitive shares in number and percentage of total number of paid up equity share capital-

Mr. Balkishan Boob 187,320, (5.77%), **and through duly constituted Power of Attorney on behalf of other Sellers :** Mr. Bhagwandas Boob 183,755, (5.66%), Mr. Ramanujdas Boob 174,255, (5.37%), Mr. Ramnivas Boob 197,505, (6.08%), Ms. Mamta Sachin Zanwar 27,500, (0.85%), Mr. Vinod Boob 71,750, (2.21%), Ms. Pushpa Boob 63,000, (1.94%), Ms. Kantabai Boob 58,000, (1.79%), Ms. Vandana Boob 10,550, (0.32%), Mr. Vinay Boob 31,250, (0.96%), Ms. Vijayalakshmi Boob 43,000, (1.32%), Ms. Shakuntala Boob 55,500, (1.71%), Mr. Vishal Kumar Boob 55,200, (1.70%), Ms. Aarti Boob 10,800, (0.33%), Mr. Vikas Boob 32,000, (0.99%), Balkishan Boob - HUF 23,000, (0.71%), Ramanujdas Boob - HUF 15,500, (0.48%), Bhagwandas Boob - HUF 15,500, (0.48%), Vinod Securities and Investments Pvt. Ltd. 107,300, (3.30%), Vinod Marketing Pvt. Ltd. 50,000, (1.54%), Mr. Sandeep Boob 29,500, (0.91%), Mr. Bipin Boob 25,000, (0.77%), Ms. Sapna Boob 20,500, (0.63%), Mr. Rohnak Boob 15,500, (0.48%), Ms. Kamala Bai Boob 15,000, (0.46%), Mr. Ritesh Boob 18,750, (0.58%), Mr. Jaikishan Boob 38,750, (1.19%), Ms. Sweta Boob 20,000, (0.62%), Shri Ram Dharmarth Trust 11,750, (0.36%), Sitaram Dharmarth Trust 12,500, (0.38%), Bipin Boob Family Trust 10,000, (0.31%), Sri Balaji Dharmarth Trust 13,000, (0.40%), Kanta Boob Family Welfare Trust 10,750, (0.33%), Laxmi Narayan Dharmath Trust 10,000, (0.31%), Pushpa Boob Family Welfare Trust 10,000, (0.31%), Vishal Boob Family Trust 11,500, (0.35%), Shakuntala Boob Family Welfare Trust 10,750, (0.33%), Radhakrishna Endowment 11,250, (0.35%), Ms. Triveni Boob 20,000, (0.62%), Ms. Madhuri Boob, 20,000, (0.62%), Ms. Mamta Boob 15,000, (0.46%), Ms. Sushma Boob 20,500, (0.63%), **Total 17,82,685, (54.89%).**

Optional shares subject to response from shareholders in the Offer of 20%

Sandeep Boob Family Trust 10,000, (0.31%), Sitaram Endowment 10,000, (0.31%), Vijaylaxmi Boob Family Welfare Trust 10,000, (0.31%), Ramnivas Boob - HUF 10,000, (0.31%), Vinod Kumar Boob Family Trust 9,750, (0.30%), Ritesh Boob Family Trust 9,500, (0.29%), Vikaskumar Boob Family Trust 9,500, (0.29%), Laxmi Narayan Endowment 9,250, (0.28%), Shri Ram Endowment 9,250, (0.28%), Vinay Boob Family Trust 9,000, (0.28%), Radhakrishna Dharmarth Trust 8,750, (0.27%), Sri Balaji Endowment 7,250, (0.22%), Jaikishan Boob - HUF 2,500, (0.08%), Mr. Suresh Chunilal Talati 43,100, (1.33%), Ms. Meena Suresh Talati, 29,650, (0.91%), Ms. Prathima Viral Talati 28,400, (0.87%), Mr. Kantilal G. Vora 26,300, (0.81%), Mr. Mahaveerchand Ranka 17,500, (0.54%), Mr. Indarchand Ranka 5,000, (0.15%), Mr. Suresh Chunilal Talati 15,000, (0.46%), Mr. Viral Suresh Talati 15,000, (0.46%), Ms. Sangeeta Ranka 12,500, (0.38%), Mr. Goutamchand Ranka 10,000, (0.31%), Mr. Manmohandas Inani 5,350, (0.16%), Mr. Venugopal Inani 5,350, (0.16%), Mr. Indar Chand Ranka 15,005, (0.46%), Mr. Sanjeev Baldwa 3,600 (0.11%), Mr. Rajeev Baldwa 3,550, (0.11%), Mr. Anand Baldwa 1,700, (0.05%), **Total 3,51,755, (10.83%) through duly constituted Power of Attorney in favour of Mr. Balkishan Boob.**

The Acquirers have agreed to acquire the definitive shares and the optional shares in the proportion as: Mr. Deepak Dungarshi Chheda **39.82%,** Mr. Rohit Keshavji Dedhia **14.81%,** Mr. Harish Damji Nisar **14.84%** and Mr. Shailesh Damji Shah **30.53%.**

The sellers shall not have any right, title or interest of any nature whatsoever in respect of the definitive shares and the Acquirers shall be entitled to exercise all rights in respect thereof including the right to vote after the successful completion of the offer.

1.3 Upon completion of the offer, depending upon the response received from the shareholders in the open offer, the Acquirers shall acquire the optional shares over and above the definitive shares in such proportion that the total acquisition of shares by the Acquirers will not be more than 74.90% of the total equity share capital of "VCL", in any circumstance. Under no circumstance the public shareholding shall fall below 25% of the total paid up and voting equity capital of the target company as required under Clause 40 A of the Listing Agreement with the Stock Exchanges for the purpose of listing on continuous basis.

1.4 The Offer is not conditional on any minimum level of acceptance.

1.5 This is not a Competitive Bid.

1.6 The entire shares proposed to be acquired under this offer will be acquired by the Acquirers and no other persons/ entities propose to take part in the acquisition.

1.7 There are no other persons or entities acting in concert with the acquirers for the purpose of this open offer

1.8 The Offer is not as a result of any global acquisition resulting in indirect acquisition of "VCL".

1.9 The Manager to the Offer does not hold any equity share in the Target Company as on the date of PA 13th August 2009. They declare and undertake that they shall not deal in the shares of the Target Company during the period commencing from the date of their appointment as Manager to the Offer till the expiry of 15 days from the date of closure of the Offer.

1.10 As on the date of this PA, the Acquirers are not holding any equity shares of "VCL". The Acquirers have not acquired any equity shares of "VCL" during the 12 months period preceding the date of this PA.

1.11 The Acquirers have not entered into any separate non compete agreement with the Sellers.

2. The Offer Price

Justification of Offer Price

2.1 The equity shares of **"VCL"** are currently listed on Bombay Stock Exchange Limited (BSE) and Hyderabad Stock Exchange ("HSE"). HSE has been derecognised by SEBI with effect from August 29, 2007.

2.2 The Annualized Trading Turnover is less than 5% (by number of equity shares) of the total number of listed equity shares of "VCL" during the six months preceding the month in which this PA is made (i.e. during February, 2009 to July, 2009) at BSE.
The equity shares of "VCL" are infrequently traded on BSE within the meaning of Explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations, 1997.

2.3 The Offer Price of **Rs. 3/- per fully paid up Equity Share** of "VCL" is justified in terms of Regulation 20(5) of SEBI (SAST) Regulations, 1997 since the same has been determined after considering the following facts:

a.	Negotiated Price under the Share Purchase Agreement	Rs 3.00
b.	Highest Price paid by the Acquirers for acquisitions including by way of allotment in a public or rights or preferential issue during the 26 weeks prior to the date of PA	NA
c.	Other Parameters with reference to the Target Company	31st March, 2009 (Audited)
(i)	Return on Net worth (%)	NA
(ii)	Book Value per share (Rs.)	(1.08)
(iii)	Earnings Per Share (Rs.)	(0.41)
(iv)	Price / Earnings Ratio	-
(v)	Industry Average PE Multiple*	-

(Source: Annual Report for the Financial Year ended March 31, 2009)

*Industry PE: There is no comparable industry price earning ratio.

2.4 Mr. Mahesh Manishankar Bhatt, (Membership No: 034192), Chartered Accountant having office at 402,Star Manor Apts., Anand Road Extension, Near Ruia Hall, Malad (W) Mumbai - 400064.Ph. No. +91-22-28813355 vide his certificate dated 11th August 2009 has stated that based on the decision of the Hon'ble Supreme Court of India in the case of Hindustan Lever Employee Union V. Hindustan Lever Limited, (1995) (83 Comp Case 30), the value of the fully paid up equity share of "VCL" of Rs. 10/- each is NIL.

2.5 The Offer Price of Rs. 3/-(Rupees Three only) per share offered by the Acquirers to the shareholders of "VCL" under the proposed Offer is justified in terms of Regulation 20(5) read with Regulation 20(11) of the Regulations. In the opinion of the Manager to the Offer, the Offer Price is justified.

3. INFORMATION ABOUT ACQUIRERS

3.1 **ACQUIRERS:**

I. Mr. Deepak Dungarshi Chheda, s/o Dungarshi Chheda, aged 45 years, residing at 3rd Flr, Mayank, Juhu Scheme, 9th Road, Vile Parle (W), Mumbai - 400049. Tel No. 022- 26252241 and Fax No. 022- 2673 4144. Email-ID: chheda.deepak@gmail.com. He is GD Arch. from Raheja School of Architecture and is Masters in Architecture from California Polytechnic State University, San Luis Obispo, USA. He has an experience of 22 years in architecture, building and construction.
He is partner in: (i) M/s Uniwood System, (ii) M/s CNA Architects, (iii) M/s Rodium Reality, (iv) M/s Rodium Designs (v) M/s Rodium Properties and proprietor in M/s D.C. Designs.
He is director and promoter in Sigma Fiscals Pvt. Ltd. and is also director in Naman Construction Pvt. Ltd.
He is not a director or / and promoter in any listed company.
Mr. Yogesh Ashar, (Membership No: 046259), Chartered Accountant having office at 209, Damji Shamji Trade Center, Kirol Road, Near Vidyavihar Station , Vidyavihar (West), Mumbai-400086 Ph. No. +91-22-25020996 Telefax No. +91-22-25090996 vide his certificate dated 5th August 2009 has certified that the net worth of Mr. Deepak Chheda is Rs.755.75 lacs as on 31st March 2009.

II. Mr. Rohit Keshavji Dedhia, s/o Keshavji Dedhia, aged 44 years, residing at 209/B/6, Devi Sadan, Dr. Ambedkar Road, Matunga, Mumbai 400019. Tel No. 022- 24144832, Fax No. 022- 26734144 and Email-ID: dedhiarohit@hotmail.com. He is B.Com from Bombay University. He has an experience of around 13 years in textiles manufacturing and construction industry.
He is partner in: (i) M/s Rodium Realty, (ii) M/s Rodium Properties.
He is not a director or / and promoter in any listed or unlisted company.
Mr. Shantilal K. Gosar, (Membership No: 17041), Chartered Accountant having office at 75, Shwesh House, 1st Floor, Hindu Colony, 2nd Lane, Dadar (E), Mumbai - 400014 Ph. No. +91-22-24114720 Telefax No. +91-22-24150987, vide his certificates dated 7th August 2009 has certified that the net worth of Mr. Rohit Keshavji Dedhia is Rs. 82.10 lacs.

III. Mr. Harish Damji Nisar, s/o Damji Nisar, aged 54 years, residing at 591, Amrut Dhara Heights, Jamejamshed Road, Matunga Central, Mumbai 400019. Tel No. 022-24100041/24100286, Fax No. 022- 24140567 Email-ID: harishnisar@gmail.com. He is B.Sc. from Bombay University. He has an experience of 19 years in the construction industry.
He is partner in: (i) M/s Amrut Dhara Enterprises, (ii) M/s Amrut Dhara Construction Company, (iii) M/s Rodium Realty (iv) M/s Rodium Properties (v) M/s Balaji Petroleum (vi) M/s First Stone. He is also proprietor in M/s Amrut Industries.
He is not a director or / and promoter in any listed or unlisted company.
Mr. Shantilal K. Gosar, (Membership No: 17041), Chartered Accountant having office at 75, Shwesh House, 1st Floor, Hindu Colony, 2nd Lane, Dadar (E), Mumbai - 400014 Ph. No. +91-22-24114720 Telefax No. +91-22-24150987, vide his certificates dated 7th August 2009 has certified that the net worth of Mr. Harish Damji Nisar is Rs. 170.50 lacs as on 31st March 2009.

IV. Mr. Shailesh Damji Shah, s/o Damji Shah, aged 42 years, residing at A-403, Utpal Park, Shahaji Raje Marg, Mahim, Mumbai - 400016. Tel No. 022- 24451192, Fax No. 022- 26052465 Email-ID: lafille@vsnl.com. He is B.Com, from Bombay University and is member of ICAI. He has an experience of 13 years in manufacturing of garments.
He is partner in: (i) M/s Silver Hosiery, (ii) M/s Rodium Properties.
He is director and promoter in SDS Enterprises Pvt. Ltd. He is not a director or / and promoter in any listed company.
Mr Lalit Gutka, (Membership No: 42841), Chartered Accountant having office at 305, Balaji Darshan, Tilak Road, Santacruz (W), Mumbai 400054 Ph. No. +91-22-26041931, vide his certificate dated 6th August 2009 has certified that the net worth of Mr. Shailesh Damji Shah is Rs.165.67 lacs as on 31st March 2009.

3.2 **Relationship between Acquirers with each other:**
There is no relation between the Acquirers.

3.3 The Acquirers have not been prohibited by SEBI from dealing in securities, in terms of the directions issued under Section 11B of the SEBI Act, 1992, and the subsequent amendments thereto (the "SEBI Act") or under any other regulations made under the SEBI Act.

4. Information on the Target Company ("Vishal Cotspin Limited"/"Target Company"/ "VCL")

4.1 "VCL" was incorporated on 17th May, 1993 as a Public Limited Company with the name Vishal Cotspin Limited in the office of Registrar of Companies, Karnataka.

4.2 The Registered Office of "VCL" is situated at 17, 1st Floor, Above ToonKidz, 1st Cross, 5th 'A' Block, Koramangla, Bangalore, Karnataka- 560095. Tel.No. +91-80-43435555, Fax No. +91-80-43435566, Email: vinod@msmills.net, Website:- vishalcotspin.com. The registered office of "VCL" was at Kantha Court, 132, Lalbagh Road, 3rd Floor, Bangalore- 560027 which was changed w.e.f. 1st March 2000 to S-916, Manipal Centre, South Block 47, Dickenson Road, Bangalore, Karnataka - 560042 and subsequently to current Registered Office address w.e.f. 15th April 2009. The CIN No. of the Company is L85110KA1993PLC014326.

4.3 The present Authorized Share Capital of "VCL" is Rs. 11,00,00,000 (Rupees Eleven Crores only) consisting of 35,00,000 equity shares of Rs. 10/- each and 75,00,000 preference shares of Rs. 10/- each. The issued, subscribed and paid up equity share capital of "VCL" is Rs. 3,24,79,000 consisting of 32,47,900 (net of shares forfeited and after reduction through BIFR order dated 28th Nov, 2006) equity shares of Rs.10/- each fully paid up. The issued, subscribed and paid up preference share capital is Rs. 4,90,00,000/- comprising of 70,00,000 9% cumulative redeemable preference shares of Rs. 10/ each , (paid up Rs. 7/- per preference share).

4.4 There are no partly paid up equity shares in "VCL". There are no outstanding instruments in the nature of warrants/ fully convertible debentures/ partly convertible debentures etc. which are convertible into equity shares at any later date. There are no shares under lock-in period.

4.5 "VCL" is in manufacturing of cotton yarns but there is no operating activity at present.

4.6 "VCL" has entered into Tripartite Agreement with CDSL only but has not yet executed Tripartite Agreement with NSDL and the equity shares are traded in compulsory demat mode. The marketable lot for the equity shares of "VCL" is 1 (one) only. The ISIN No. is INE513E01024.

4.7 The equity shares of "VCL" are listed on Bombay Stock Exchange Limited (BSE) (Scrip Code: 531822). The equity shares of "VCL" have been de-listed from the Bangalore Stock Exchange Ltd. (BgSE) vide notice no: 03/2006/443 dated 3rd November, 2006. HSE has been derecognised by SEBI w.e.f. 29th August, 2007.
The Preference Shares of the Company are not listed with any stock exchange.

4.8 **Financial information of "VCL" for the year ended 31st March, 2009:** Total Income was Rs. 50.21 lacs, Profit After Tax was Rs. (45.12) lacs, Paid up Equity Share Capital was Rs. 324.79 lacs, amount of Rs. 19.70 lacs received on shares forfeited and Rs. 24.17 lacs received on account of share application money; paid up 9% cumulative preference share capital is Rs. 490.00 lacs (paid up per preference share Rs. 7/-) and the Net Worth (excluding Revaluation Reserve) was Rs. (35.01) lacs; Return on Net Worth was Nil (as the Net Worth is negative); Book Value per share is Rs. (1.08) and Earnings per Share (EPS) is Rs. (0.41).
(Source: Based on Audited Balance Sheet 31st March 2009)

4.9 At present "VCL" is not a sick company within the meaning of the provisions contained in Section 424A - 424L under Part VI A of the Companies Act 1956. "VCL" was under BIFR from 10th September 1999 to 15th September 2008.

4.10 As on the date of PA the directors of the "VCL" are Mr. Balkishan Boob, Mr. Ramanuj Das Boob, Mr.Yogesh Shah, Mr. Kiran Mankodi and Mr. Vatsal Shah.

4.11 None of the Directors of "VCL" represent the Acquirers.

4.12 "VCL" has confirmed that it has not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, and subsequent amendments thereto (the "SEBI Act") or under any other regulation made under the SEBI Act.

4.13 "VCL" has been irregular in complying with several provisions of the Listing Agreement in past.
Compliance Status under Chapter II of SEBI (SAST) Regulation, 1997:

S. No.	Nature of Compliance	Year	Status
1	8(3) SEBI (SAST) Regulation, 1997	1997 to 2009 except for the FY year ended 2005	Delayed compliance
2	8(3) SEBI (SAST) Regulation, 1997	1997 to 2009 except for the FY year ended 2006	Disclosures were not in the prescribed format
3	7(3) SEBI (SAST) Regulation, 1997	Due date of compliance 5th April 2003	Not complied
4	6(2) and 6(4) of SEBI (SAST) Regulation, 1997	Due date of compliance 20th May 1997	Delayed compliance

4.14 There has been no merger/ de-merger or spin off in the Company during the past three years.

5. Reasons for the Acquisition, Offer and Future Plans about the Target Company

5.1 The Offer has been made pursuant to regulation 10 & 12 of SEBI (SAST) Regulations, 1997 and other provisions of Chapter III of the Regulations.

5.2 The main object of the Offer is to acquire substantial acquisition of shares and voting rights accompanied with the change in management and control of the company.

5.3 The Acquirers have experience in building and construction business, textiles industry and manufacturing of different varieties of garments. The acquisition is in the nature of strategic investment for diversification and growth and also to reap the benefits of corporate opportunities available to companies listed on the Stock Exchange.

5.4 The Acquirers do not have any plan to dispose off or otherwise encumber any asset of "VCL" in the succeeding two years from the date of the closure of the offer, except in the ordinary course of business with the prior approval of the shareholders of "VCL".

6. Statutory/Other Approvals Required for the Offer

6.1 The Offer is subject to the receipt of approval, if any, of RBI under the Foreign Exchange Management Act, 1999 (FEMA) for the acquisition of equity shares by "The Acquirers" from the Non-Resident shareholders under the Offer. In case acceptances from Non Residents, then the Acquirers shall make requisite application to the RBI after closure of the offer.

6.2 Barring unforeseen circumstances, the Acquirers would endeavor to obtain all the approvals within 15 days from the date of closure of the Offer. In case of delay in receipt of any statutory approval, if any, SEBI has power to grant extension of time to the "Acquirers" for the payment of the consideration to the shareholders subject to the Acquirers agreeing to pay interest as directed by SEBI under Regulation 22(12) of "SEBI (SAST) Regulations, 1997". If the delay occurs due to willful default of the "Acquirers" in obtaining the requisite approval, if any, Regulation 22(13) will become applicable under which the amount lying in the escrow account shall be liable to be forfeited apart from the penalty as provided in the Regulations.

6.3 No Approval from any Banks/ Financial Institutions is required for the purpose of this Offer, to the best of the knowledge of the "Acquirers".

6.4 As on the date of this PA, to the best of the Acquirers knowledge no other statutory approvals are required to be obtained for the purpose of this Open Offer.

7. Delisting Option to the Acquirers

The Open Offer will not in any circumstance result in public shareholding being reduced to less than a level below the limit specified in the Listing Agreement with the stock exchanges for the purpose of listing on continuous basis.

8. Financial Arrangements

8.1 The maximum purchase consideration payable by the Acquirers in case of full acceptance of offer i.e. 6, 49,580 fully paid up equity shares is Rs. 19,48,740/- (Rupees Nineteen Lacs Forty Eight Thousand Seven Hundred and Forty Only) at a price of Rs.3/- per equity share (the "Offer Price") payable in cash subject to the terms and conditions mentioned hereinafter.

8.2 In accordance with Regulation 28 of the SEBI (SAST) Regulations, the "Acquirers" have created an Escrow Account in the form of a Fixed Deposit for Rs. 19,48,740/- (Rupees Nineteen Lacs Forty Eight Thousand Seven Hundred and Forty Only) being 100% of the total consideration payable under the Offer in the name and style of **"VCL - Open Offer - Escrow Account"** with HDFC Bank Limited at its branch office at Maneckji Wadia Building, Nanek Motwani Marg, Fort, Mumbai- 400023 and a lien has been marked on the said Escrow Account in favour of Vivro Financial Services Pvt. Ltd., Manager to the Offer.

8.3 "The Acquirers" have adequate financial resources to meet the financial requirements of the Offer. The Acquirers have made firm financial arrangements in terms of Regulation 16 (xiv) for the resources required to complete the offer in terms of the Regulations. No borrowings from Banks/ Financial Institutions are being made for the purpose. The funds to be utilized shall be domestic and not any foreign funds.

8.4 Mr. Shantilal K. Gosar, Chartered Accountant having office at 75, Shwesh House, 1st Floor, Hindu Colony 2nd Lane, Dadar (E), Mumbai - 400014(Membership No: 17041) has certified from the verifiable means vide his certificates dated 7th August 2009 that sufficient financial resources are available with Mr. Rohit Keshavji Dedhia and Mr. Harish Damji Nisar to meet their obligation under the Offer.
Mr Lalit Gutka, Chartered Accountant having office at 305, Balaji Darshan, Tilak Road, Santacruz (W), Mumbai 400054 (Membership No: 42841) has certified from the verifiable means vide his certificate dated 6th August 2009 that sufficient financial resources are available with Mr. Shailesh Damji Shah to meet his obligation under the Offer.
Mr. Yogesh Ashar, Chartered Accountant having office at 209, Damji Shamji Trade Center, Kirol Road, Near Vidyavihar Station , Vidyavihar (West), Mumbai-400086 (Membership No: 046259) has certified from the verifiable means vide his certificate dated 5th August 2009 that sufficient financial resources are available with Mr. Deepak Dungarshi Chheda to meet his obligation under the Offer.

8.5 The Manager to the Offer, has satisfied itself that the Acquirers have sufficient funds to meet the obligations under the SPA and the Open Offer.

9. Other Terms of the Offer

9.1 This is not a conditional offer and there is no stipulation as to the minimum level of acceptance.

9.2 The Letter of Offer ("LOO") together with the Form of Acceptance cum Acknowledgement ("FOA"), Form of Withdrawal("FOW") and Transfer Deed(for shareholders holding equity shares in the physical form) will be mailed to those shareholders of "VCL" (except Acquirers, and the "Sellers" under the SPA as stated in Para 1.2 hereinabove) whose names appear on the register of members of "VCL" and to the Beneficial Owners of the equity shares of "VCL" whose names appear as beneficiaries on the records of the respective Depositories at the closure of business hours on Tuesday, September 08, 2009 (the "Specified Date").

9.3 Accidental omission to dispatch LOO to any member entitled to this Open Offer or non-receipt of the LOO by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.

9.4 The Acquirers can revise the price upwards upto 7 working days prior to the date of closure of the Offer i.e. Wednesday, October 14, 2009 and revision, if any, in the offer price would appear in the same newspaper where the original PA was published and same price would be paid to all the shareholders who tender their shares in the Offer.

9.5 The Acquirers have appointed Cameo Corporate Services Limited as Registrar to the Offer. Shareholders who are holding shares in physical form (i.e. share certificates) and wish to tender their shares may send the FOA together with the Original Share Certificate(s) and Transfer Deed(s) duly signed to the Registrar to the Offer at the following address in an envelope subscribing the same with **"Cameo Corporate Services Limited - Escrow A/c - VCL OPEN OFFER"** either by hand delivery during normal business hours Monday to Friday 11.00 a.m. to 4.00 p.m. (excluding Bank Holidays) or by Registered Post on or before the closure of the Offer i.e. Monday, October 26, 2009 in accordance with the instructions specified in the LOO and the FOA.

Sr. No.	Collection Centre	Address of Collection Centre	Contact Person / E-mail ID	Telephone No. / Fax No.	Mode of Delivery
1.	Chennai	Cameo Corporate Services Limited Subramanian Building 5th floor No.1, Club House Road Chennai - 600 002	Ms. K Sreepriya investor@cameoindia.com	Tel:044- 2846 0390 2846 1989 Fax:044-2846 0129	Post and Hand delivery
2.	Fort, Mumbai	Cameo Corporate Services Limited 304, Sai Sadan, 76-78 Mody Street Fort, Mumbai - 400 001	Mr. Ashish Binsale	Tel:022-2264 4325 2264 2979 Fax:022-2264 4325	Post and Hand delivery
3.	Bangalore	Cameo Corporate Services Limited No.9, P C Pallaya Main Road Akshay Nagar, Ramamoorthy Nagar, Bangalore - 560016	Mr. A. Ranjith Kumar	Tel: 9964345929	Hand delivery only

9.6 The Registrar to the Offer has opened a Special Depository Account with Stock Holding Corporation of India Ltd. (Registered with CDSL). Beneficial owners and Shareholders holding shares in the dematerialized form will be required to send their FOA to the Registrar to the Offer as mentioned in Para 9.5 along with a photocopy of the delivery instructions in "Off-Market" mode or counterfoil of the delivery instruction in "Off-Market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of **"Cameo Corporate Services Limited - Escrow A/c - VCL OPEN OFFER"** and filled in with the details given below:

DP Name	Stock Holding Corporation Of India Ltd.
A/c Title	Cameo Corporate Services Limited - Escrow A/c - VCL OPEN OFFER
DP Id Number	16010100
Client ID Number	00367240
ISIN	INE513E01024
Depository	CDSL
Market	"Off Market"

9.7 All owners of shares registered or unregistered (except the Acquirers, and parties to the SPA) who own the shares at any time prior to the closure of the Offer are eligible to participate in the Offer. Unregistered owners/ shareholders who have not received LOO can send their application in writing, on a plain paper stating the name, address, number of shares held, number of shares offered to, distinctive numbers, folio no., together with documents stated at Para 9.5 above so as to reach the Registrar to the Offer on or before Monday, October 26, 2009 i.e. before the closing date. In case of unregistered owners, the same should be accompanied by a copy of the contract note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners. Where the transfer deeds are signed by a constituted Attorney, a certified copy of the Power of Attorney shall also be lodged. In the case of body corporate/ limited companies, certified copy of the Memorandum and Articles of Association and copy of the Board Resolution authorizing the signatory, shall also be sent.

9.8 In case of non-receipt of the LOO, the eligible persons may send their consent, to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, along with the document as mentioned above, so as to reach the Registrar to the Offer on or before the closure, i.e. Monday, October 26, 2009. In case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the name, address, number of shares held, number of shares offered, DP Name, DP ID, Beneficiary Account Number and a photocopy of the delivery instruction in 'Off-Market' mode or counterfoil of the delivery instruction in 'Off-Market' mode, duly acknowledged by the DP, in favour of the Special Depository Account, so as to reach the Registrar to the Offer, on or before the closure of the Offer, i.e. Monday, October 26, 2009 Such shareholders may also download the Form of Acceptance Cum Acknowledgement from the website of SEBI i.e. http://www.sebi.gov.in which will be made available from the date of opening of the Offer.

9.9 Shareholders who have sent their shares for dematerialization need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Escrow Account should be received on or before the closure of the Offer, else the application would be rejected. "VCL" has tripartite agreement with CDSL only.

9.10 The Registrar to the Offer will hold in trust the shares, FOA, if any, and the transfer form(s) on behalf of the shareholders of "VCL", who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted shares/ share certificates are dispatched/ returned.

9.11 Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post to the sole / first shareholder at the shareholders/ unregistered owners, sole risk.

9.12 Shares tendered by the shareholders in the Offer shall be free from lien, charges and encumbrances of any kind whatsoever. Shares, if any, that are subject matter of litigation wherein the shareholder(s) may be precluded from transferring the shares during the pendency of the said litigation are liable to be rejected in case directions/ orders regarding these shares are not received together with the shares tendered under the offer. The LOO in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.

9.13 While tendering shares under the Offer, NRIs/ OCBs/ foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring shares of VCL. In case of previous RBI approvals not being submitted, the Acquirers reserve the right to reject the offer. While tendering shares under the Offer, NRI/ OCBs/ foreign shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirers under the Income Tax Act, 1961 before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirers will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

9.14 In case the shares tendered in the Offer are more than the shares agreed to be acquired by the Acquirers, the Acquirers shall accept all valid application received from the shareholders on a proportionate basis, in consultation with the Manager to the Offer, taking due care to ensure that the basis of acceptance, is decided in a fair and equitable manner and does not result in non-marketable lots.

9.15 Applications which are complete in all respects and which reach to the Registrar to the Offer on or before the date of closure of the Offer i.e. Monday, October 26, 2009 would be approved and accepted by the Acquirers. The intimation regarding acceptance of applications and payment of consideration will be dispatched to the shareholders by Registered/ Speed Post at the shareholder's sole risk. In case of joint holder(s) the Cheque/ Demand Draft will be drawn in the name of the First Holder and in case of unregistered owners of shares the consideration will be paid to the person whose name is stated in the contract note.

9.16 The payment consideration for the applications so accepted in the offer, if any to the beneficiary account with Depository Participants shall be given within 15 days from the date of the closure of the Offer. Credit for the consideration will be paid to the shareholders who have tendered shares in the Offer by ECS, (Electronic Clearing Services), Direct Credit (DC), or Crossed Account [Payee Cheques/ Pay orders/ Demand Drafts, National Electronic Funds Transfer(NEFT) and Real Time Gross Settlement (RTGS)].

9.17 In accordance with Regulation 22 (5) (A) of "SEBI (SAST) Regulations, 1997", shareholders who have tendered requisite documents in terms of Public Announcement and LOO shall have the option to withdraw acceptance tendered up to 3 working days prior to the Offer closing date. The withdrawal option can be exercised by submitting the FOW (separately enclosed with the LOO which will be mailed to the shareholders of "VCL" as on the Specified Date being Tuesday, September 08, 2009 together with copy of acknowledgment received from the Registrar to the Offer while tendering the acceptance together with following details:

- Name, Address, Distinctive No., Folio No., No. of shares tendered / withdrawn.

In case of non-receipt of form of withdrawal, the withdrawal can be exercised by making an application on the plain paper along with the details mentioned above.

10. SCHEDULE OF ACTIVITIES PERTAINING TO THE OFFER:

ACTIVITY	DAY & DATE
Specified Date (for the purpose of determining the names of the shareholders to whom the Letter of Offer would be sent	Tuesday, September 08, 2009
Last Date for Competitive Bid	Wednesday, September 02, 2009
Day by which Letter of Offer to be Posted to the Shareholders	Tuesday, September 22, 2009
Date of Opening of the Offer	Tuesday, October 06, 2009
Last Date for Revising the Offer price/No. of Shares	Wednesday, October 14, 2009
Last Date up to which the Shareholders may withdraw	Wednesday, October 21, 2009
Date of Closure of the Offer	Monday, October 26, 2009
Date by which acceptance/ rejection would be communicated and the corresponding payment for the acquired shares and/ or the unaccepted shares/ share certificates will be dispatched/ credited.	Monday, November 09, 2009

11. General

11.1 **Shareholders who have accepted the offer by tendering the requisite documents, in terms of the PA/ LOO, can withdraw the same upto three working days prior to the date of the closure of the Offer i.e. Wednesday, October 21, 2009 by filling the withdrawal form attached herewith. The withdrawal form is also available on SEBI website (www.sebi.gov.in)**

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 Acquirers can revise the price upwards upto 7 working days prior to the date of closure of the Offer i.e. Wednesday, October 14, 2009, and revision, if any, in the offer price would appear in the same newspapers in which this PA has appeared and same price would be paid to all the shareholders who tender their shares in the offer.

11.4 Pursuant to Regulation 13 of the Regulations, the Acquirers have appointed Vivro Financial Services Private Limited as Manager to the Offer and the Manager to the Offer issues this PA on behalf of the Acquirers. The Acquires have appointed Cameo Corporate Services Limited as the Registrar to the Offer.

11.5 **If there is competitive bid:**

- **The public offer under all the subsisting bids shall close on the same date.**
- **As the offer price cannot be revised during 7 working days prior to the closing date of the offers/ bids, it would be therefore, in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender acceptance accordingly.**

11.6 The Acquirers, the Sellers and "VCL" have not been prohibited by SEBI from deal