FINAL LETTER OF OFFER

"This Document is important and requires your immediate attention"

This Letter of Offer is sent to you as a shareholder(s) of ***POLYTEX INDIA LIMITED***.

If you require any clarifications about the action to be taken, you may consult your Stock Broker or investment consultant or Manager/Registrar to the Offer. In case you have recently sold your shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

OPEN OFFER

By

Shri Arvind Mulji Kariya and Smt Jigna Arvind Kariya

Both residing at A-402, Jay Apartments, Nehru Road, Santacruz (E), Mumbai-400055,
Ph No:(022) 26130009, Fax no. (022) 26104462

AND

Shri Paresh Mulji Kariya and Smt Sadhana Paresh Kariya

Both residing at 13, Kathiawar Co-operative Housing society Limited; JVPD Scheme, Vile-Parle (W), Mumbai-400049
Ph No: (022) 26287505, Fax No. (022) 26104462

To the shareholders of

POLYTEX INDIA LIMITED (PIL)

(Regd. Office: 1-A, Hill view Apartment, J. P. Road Andheri (W), Mumbai –400058) Ph No: 022-26241165, Fax No: 022-26241174)

For the purchase upto 5,10,000 fully paid-up Equity Shares of Rs.10/- each, representing 34.00 % of the fully paid-up equity and voting share capital at a price of Rs.10/- per share ("Offer Price") payable in cash , in accordance with regulation 20(2)(a) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof, from the existing equity shareholders of PIL.

Please Note:

1. This Offer is being made in compliance with Regulation 10 & 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof (hereinafter referred to as "Regulations").
2. The Offer is subject to receiving the necessary approval(s), if any, from the Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring shares tendered by non-resident shareholders, if any. In case of acceptances from Non-Resident shareholders, the Acquirers would after the closure of the Offer, make the requisite applications to RBI to obtain its approval for transfer of such shares of VCL to the Acquirers. As on the date, to the best of the knowledge of the Acquirers, there are no other statutory approvals and / or consents required. However, the Offer would be subject to all-statutory approvals as may be required and / or may subsequently become necessary to acquire at any later date.
3. If there is any upward revision in the Offer Price/Size at any time up to seven working days prior to the date of closure of the Offer viz. 27.12.2007 or withdrawal of the Offer in terms of the regulation, the same would also be informed by way of a Public Announcement in the same newspapers where the original Public Announcement dated 27.09.2007 had appeared. Such revised Offer Price would be payable for all the shares tendered any time during the Offer & accepted under the Offer.
4. "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 02.01.2008 i.e. three working days prior to the closure of the Offer".
5. **No Competitive bid has been announced as on the date of this Letter of Offer.**
6. The offer is not subject to a minimum level of acceptance by the shareholders of PIL.
7. **No competitive bid has been announced as on the date of this letter of Offer**.
8. The Procedure for acceptance is set out in Para 8 of this Letter of Offer. A Form of Acceptance and a Form of Withdrawal is enclosed with this Letter of Offer.
9. The Public Announcement, Corrigendum to the Public Announcement and Letter of Offer (including Form of Acceptance cum Acknowledgement and Form of Withdrawal) would also be available at SEBI's website www.sebi.gov.in.

MANAGER TO THE OFFER:

VC CORPORATE ADVISORS PRIVATE LIMITED
SEBI REGN NO: INM000011096
(Contact Person: Mr. Tanmay Kumar Saha)
31, Ganesh Chandra Avenue,
2nd Floor, Suite No. 2C, Kolkata – 700 013
Tel: - (033) 2225 3940 / 41,
Fax: (033) 2225 3941
Email: mail@vccorporate.com

REGISTRAR TO THE OFFER:

Maheshwari Datamatics Pvt Limited
SEBI REGN No : INR000000353
(Contact Person: S. Raja Gopal)
6, Mangoe Lane 2nd Floor, Kolkata- 700 001
Tel: (033) 22435809, Fax: (033) 22484787
E-mail: mdpl@cal.vsnl.net.in,

A SCHEDULE OF SOME OF THE MAJOR ACTIVITIES RELATING TO THE OFFER IS GIVEN BELOW:

Activity	Original Date& Day	Revised Date & Day
Date of Public Announcement	27.09.2007 (Thursday)	27.09.2007 (Thursday)
Specified date (for the purpose of determining the names of shareholders to whom the Letter of Offer will be sent)	12.10.2007 (Friday)	12.10.2007 (Friday)
Date by which the Letter of Offer will be dispatched to shareholders	7.11.2007 (Wednesday)	13.12.2007 (Thursday)
Date of Opening of the Offer	14.11.2007 (Wednesday)	19.12.2007 (Wednesday)
Date of Closing of the Offer	3.12.2007 (Monday)	07.01.2008 (Monday)
Last Date for a Competitive Bid	18.10.2007 (Thursday)	18.10.2007 (Thursday)
Last Date for revising the Offer Price / No. of Shares	22.11.2007 (Thursday)	27.12.2007 (Thursday)
Last Date for withdrawal of acceptance by shareholders who have accepted the Offer	28.11.2007 (Wednesday)	02.01.2008 (Wednesday)
Date of communicating rejection / acceptance and payment of consideration for applications accepted.	18.12.2007 (Tuesday)	21.01.2008 (Monday)

RISK FACTORS

Risks related to the proposed Offer:

1. The offer involves an offer to acquire upto 34 % of the paid up equity and voting share capital of PIL from the eligible persons for the Offer. In the case of over subscription in the offer, as per the Regulations, acceptance would be determined on a proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.

2. In the event that either (a) a regulatory approval is not received in a timely manner, (b) there is any litigation leading to stay on the Offer, or (c) SEBI instructs the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this LO. Consequently, the payment of consideration to the public shareholders of PIL whose Shares have been accepted in the Offer as well as the return of Shares not accepted by the Acquirers may be delayed. In case of the delay, due to non-receipt of the statutory approvals, as per Regulation 22(12) of the Regulations, SEBI, may, if satisfied that the non-receipt of approval was not due to the willful default or negligence or failure to diligently pursue on the part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers paying interest to the shareholders, as may be specified by the SEBI. Further, shareholders should note that after the last date of withdrawal i.e. 02.01.2008, the shareholders who have lodged the shares would not be able to withdraw them even if the acceptance of the Shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.

   The Offer is subject to the receipt of statutory and regulatory approvals by the Acquirers under the Offer. The Acquirers may not be able to proceed with the Offer in the event the approvals are not received in terms of the Regulation 27 of the Regulations. Delay, if any, in the receipt of these approvals may delay completion of the offer.

3. The shares tendered in the Offer in demat form will lie to the credit of a designated Escrow Account and the shares tendered in physical form will lie with the Registrar to the Offer, till the completion of the Offer formalities. The Acquirers make no assurance with respect to the market price of the shares both during the Offer period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by the shareholders of PIL on whether or not to participate in the Offer.

4. The transaction is subject to completion risks as would be applicable to similar transaction.

Risks involved in associating with the Acquirers

5. The Acquirers propose to acquire ownership and control of PIL by direct acquisition of 27% of the fully paid up equity share capital of PIL from promoter group and Non promoter shareholders pursuant to the Share Purchase Agreement. The Acquirers make no assurance with respect to the financial performance of the Target Company.

Risk in the Transaction

6. The Share Purchase Agreement (SPA) dated 22.09.2007 contain a clause that it is subject to the provisions of SEBI (SAST) Regulations 1997 and in case of non-compliance with any of the provisions of the Regulations, the Sellers or the Acquirers shall not act upon the agreement for such sale.

The risk factor set forth above pertains to the acquisition and the Offer and not in relation to the present or future business operations of the Target Company or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for further risk with respect to their respective participation in the Offer.

INDEX

DEFINITIONS/ABBREVIATIONS

Acquirers	Shri Arvind Mulji Kariya, Smt Jigna Arvind Kariya, Shri Paresh Mulji Kariya and Smt Sadhana Paresh Kariya,
BSE	Bombay Stock Exchange Limited
Corrigendum to PA	Corrigendum to the Public Announcement dt. 11.12.2007
DP or Depository Participant	Bahubali International Limited
FOA or Form of Acceptance	Form of Acceptance – cum - Acknowledgment accompanying this Letter of Offer
FOW or Form of Withdrawal	Form of Withdrawal accompanying this Letter of Offer
LO	Letter of Offer
Manager to the Offer	VC Corporate Advisors Private Limited
NRI(s)	Non- Resident Indians
Offer Period	22.09.2007 to 21.01.2008
Offer Price	Rs. 10/- payable in cash
Offer/Open Offer	Cash Offer being made by the Acquirers to acquire upto 5,10,000 Paid-up Equity Shares of Rs. 10/- each, representing 34% of its paid up equity and voting share capital at a price of Rs. 10/- per share
PA	Public Announcement dt. 27.09.2007
Persons eligible to participate in the Offer	All owners (registered and unregistered) of shares of PIL except the parties to the Agreement.
RBI	Reserve Bank of India
Registrar	Maheshwari Datamatics Pvt Limited
Regulations	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent Amendments thereof.
ROC	Registrar of Companies, Maharashtra
SEBI	Securities & Exchange Board of India
Sellers	Mr.Sharad Khaitan, Ms.Medhavini Khaitan, S.K.Khaitan (HUF), M/s Rishab Exports limited and M/s Olympic Commercial Enterprises Ltd,(Promoter Shareholders) and M/s Abhay Commerce Pvt. Limited & Pavan Roller Flour Mills Pvt. Limited (Non Promoter shareholders) ,.
SPA / Agreement	Share Purchase Agreement dt. 22nd Day of September 2007
Specified date	Date for the purpose of determining the names of Shareholders, as appearing in the Register of Members of PIL or the Records of the Depositories, to whom the Letter of Offer should be sent, i.e. 12th day of October, 2007
Target Company/ PIL	Polytex India Limited

1. 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 DISLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE EQUITY SHAREHOLDERS OF PIL 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/CONTROL IS 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 MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER VC CORPORATE ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED OCTOBER 10, 2007 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILLING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER."

2. DETAILS OF THE OFFER:

2.1. Background of the Offer:

2.1.1 This Offer is being made by the Acquirers in compliance with Regulation 10 & 12 of the Regulations. The prime object of the Offer by the Acquirers is substantial acquisition of shares and voting rights accompanied with change in control/management of PIL.

2.1.2 The Acquirers have entered into Share Purchase Agreement, dated 22.9.2007 ("SPA" or "Agreement") to acquire in aggregate 4,05,000 (Four Lacs and Five Thousand) fully paid-up equity shares of Rs. 10/- each representing 27% of the total fully paid-up equity and voting share capital of PIL with Mr. Sharad Khaitan, s/o Late Shri Gopal Khaitan, residing at 4, Queens park, Ballygunge, Kolkata-700023, acting for self and as karta of S.K.Khaitan (HUF) and also acting for other individuals/companies as their Constituted Attorney ("promoter shareholders"), M/s Abhay Commerce Pvt. Limited having its registered office at 167/4, Lenin Sarani , Kolkata- 700 072 and Pavan Roller Flour Mills Pvt. Limited having its registered office at 106, Sagar Shopping Centre, J.P Road. Andheri (W) Mumbai-400058 ("Non Promoter shareholders") as detailed below:

Sr. No	*Name*	*Address*	*Tel .No. / Fax No.*	*No. of Shares*	*% of Equity and voting capital*
PROMOTER SHAREHOLDERS					
1.	Ms. Medhavini Khaitan	4, Queens park, Ballygunge, Kolkata-700019	(033) 24615304 / (033) 24593944	20000	1.33
2.	S. K. Khaitan (HUF)	96, Garden Reach Road, Kolkata-700023	(033) 24597879 / (033) 24593944	20000	1.33
3.	Mr.Sharad Khaitan	4, Queens park, Ballygunge, Kolkata-700019	(033) 24615304 / (033) 24593944	18000	1.20
4.	M/s Rishab Exports limited	96, Garden Reach Road, Kolkata-700023	(033) 24597879 / (033) 24593944	145000	9.67
5.	M/s Olympic Commercial Enterprises Ltd.	96, Garden Reach Road, Kolkata-700023	(033) 24597879 / (033) 24593944	72000	4.80
TOTAL (A)				275000	18.33%
NON- PROMOTER SHAREHOLDERS					
6	M/s Abhay Commerce Pvt. Limited	167/4 Lenin Sarani, Kolkata- 700 072	(033) 22153343/ (033) 22150096	1,00,000	6.67
7	Pavan Roller Flour Mills Pvt. Limited	106 Sagar Shopping Centre, J.P Road. Andheri (W) Mumbai-400058	(022) 26241165/ (022) 26241174	30,000	2.00
TOTAL (B)				130000	8.67%
TOTAL (A)+(B)				**405000**	**27.00%**

(Hereinafter collectively referred to as "Sellers") at a price of Rs.8.00 per fully paid up equity share payable in cash ("Negotiated Price"). The total consideration for the shares acquired as mentioned above is Rs 32,40,000/- (Rupees Thirty Two Lacs Forty Thousand only).

The Acquirers are presently holding 2,00,000 Equity shares representing 13.33% of the fully paid up equity and voting share capital of the Target Company. The Acquirers have acquired 2,00,000 equity shares of the Target Company during the twelve months preceding the date of this PA. The highest and the average price paid by the Acquirers for the aforesaid acquisition are Rs. 5.58/- and Rs. 4.93/- respectively. Subsequent to entering into SPA, the Acquirers shall be holding 6,05,000 Equity Shares representing 40.33% of the total equity and voting share capital of the Target Company and that resulted the triggering of the Regulations.

.

As on the date of PA, the Manager to the Offer does not hold any equity share in the Target Company. They declare and undertake not to deal in the shares of PIL 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.

The Offer is not as a result of global acquisition resulting in indirect acquisition of PIL.

2.1.3 Some of the main features of the Agreement are mentioned below: -

a) That the Sellers subject to the terms and conditions hereinafter have agreed to sell, transfer and assign 4,05,000 fully paid up equity shares of Rs. 10/- each representing 27.00% of the total fully paid-up equity and voting share capital of PIL to the Acquirers @ Rs 8.00 (Rupees Eight only) per share payable in cash.

b) That the sellers agree to abide by its obligations as contained in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997, as amended from time-to-time.

c) That the Acquirers shall comply with all the requirements of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.

d) That in case of non-compliance of any provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997, the agreement for such sale shall not be acted upon by the Sellers or the Acquirers.

2.1.4 The proposed change in control is consequent to the Agreement whose salient features are described in 2.1.3. Above.

2.1.5 As per the confirmation received from the Acquirers, the Sellers and the Target Company, we hereby confirm that there has not been any action taken against them including prohibition from dealing in securities, in terms of the direction issued u/s 11B of the SEBI Act or under any other regulations made under the SEBI Act.

2.1.6 The Offer will result in change in control of PIL and a change in the Board of Directors of PIL is contemplated by the Acquirers, consequent to this acquisition. The Acquirers intends to seek a reconstitution of the Board of the Directors of the Target Company in accordance with the provisions of Regulation 22(7) of the Regulations. For this purpose, the Acquirers having arranged to deposit in the Escrow Account 100% of the total consideration payable, assuming full acceptances of the Offer, has the option to appoint directors to the Board of the Target Company after a period of 21 days from the date of this Public Announcement.

2.2. Details of the proposed Offer:

2.2.1. The Public Announcement dated 27.09.2007 and Corrigendum to the PA dt. 11.12.2007 in respect of the Offer was made in all editions of Business Standard (English Daily), Pratahkal (Hindi Daily), and Navasakti (Marathi Daily) in compliance with Regulation 15(1) of the Regulations. The Public Announcement made on 27.09.2007 and Corrigendum to the PA dt. 11.12.2007 are available on the SEBI web-site at www.sebi.gov.in

2.2.2. The Acquirers propose to acquire from the existing equity shareholders of PIL (other than the parties to the Agreement) upto 5,10,000 Fully paid-up Equity Shares of Rs.10/- each of PIL, representing 34% of its paid up equity and voting share capital at a price of Rs.10 per share ("Offer Price") payable in cash. PIL does not have any partly paid up shares.

2.2.3. The shares will be acquired by the Acquirers, free from all liens, charges and encumbrances and together with all the rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.

2.2.4. The Offer is not subject to any minimum level of acceptances. The Acquirers will accept all equity shares of PIL in terms of this Offer upto a maximum of 5,10,000 equity shares constituting 34% of the paid up equity and voting share capital of the target company.

2.2.5. Since the date of the PA to the date of this Letter of Offer, the Acquirers have not acquired any shares of PIL.

2.2.6. No competitive bid has been received as on date of LOF.

2.3. Object of the Offer:

2.3.1 The Offer has been made pursuant to regulation 10 & 12 and other provisions of the Chapter III and in compliance with the Regulations.

2.3.2 The prime object of the Offer is to acquire substantial acquisition of shares/voting rights accompanied with the change of control and management of the company.

2.3.3 The Acquirers have plans to expand into fund based, investment and non-banking financial services activities. PIL is presently engaged in the activities of Investment and dealing in shares and securities and providing short-term loans and advances. PIL is registered with Reserve bank of India as Non Banking financial Company having Registration No 13.00039. The Acquirers through PIL intend to invest, incubate in corporate opportunities and also provide extensive insight and support on the development of the existing business of the target company.

3. BACKGROUND OF THE ACQUIRERS:

3.1 Shri. Arvind Mulji Kariya, residing at A-402, Jay Apartments, Nehru Road, Santacruz (E), Mumbai-400055, Ph No : (022) 2613 0009, Fax no. (022) 2610 4462, is having more than 10 years of experience in capital market related activities. He is full time director in Anugrah Stock and Broking Pvt Limited. He is not the director of any listed company (ies). He also neither holds any position nor have any controlling interest in any listed company(ies). His networth as on 31/03/2007 as certified by Mr. Navin K. Nishar, proprietor of Navin Nishar & Associates. (Membership No.101443) Chartered Accountants, having office at A/ 504, Rajeshri Accord, Telly Gully Cross Lane, Andheri (E) Mumbai- 400069. Tel.: 26836220/ 26836225, vide their certificate dated 28th November 2007 is Rs.118,36,440/-.

3.2 Smt. Jigna Arvind Kariya, residing at A-402, Jay Apartments, Nehru Road, Santacruz (E), Mumbai-400055, Ph No : (022) 2613 0009, Fax no. (022) 2610 4462, is having about 3 years of experience in Capital market related activities. She is not a full time director in any company. She is also not a director of any listed company(ies). She also neither holds any position nor have any controlling interest in any listed company(ies). Her networth as on 31/03/2007 as certified by Mr. Navin K. Nishar, proprietor of Navin Nishar & Associates. (Membership No.101443) Chartered Accountants, having office at A/ 504, Rajeshri Accord, Telly Gully Cross Lane, Andheri (E) Mumbai- 400069. Tel.: 26836220/ 26836225, vide their certificate dated 28th November 2007 is Rs. 63, 55,831/-.

3.3 Shri. Paresh Mulji Kariya, residing at 13, Kathiawar Co-operative Housing society Limited; JVPD Scheme, Vile-Parle (W), Mumbai-400049, Ph No : (022) 2628 7505, Fax No. (022) 2610 4462, is having 10 years of experience in capital market related activities. He is full time director in Anugrah Stock and broking Pvt Limited. He is not the director of any listed company(ies). He also neither holds any position nor have any controlling interest in any listed company(ies). His networth as on 31/03/2007 as certified by Mr. Navin K. Nishar, proprietor of Navin Nishar & Associates. (Membership No.101443) Chartered Accountants, having office at A/ 504, Rajeshri Accord, Telly Gully Cross Lane, Andheri (E) Mumbai- 400069. Tel.: 26836220/ 26836225, vide their certificate dated 28th November 2007 is Rs. 60,17,822/-.

3.4 Smt. Sadhana Paresh Kariya, residing at 13, Kathiawar Co-operative Housing society Limited; JVPD Scheme, Vile-Parle (W), Mumbai-400049, Ph No: (022) 2628 7505, Fax No. (022) 2610 4462, is having 5 years of experience in capital market related activities She is not a full time director in any company. She is also not a director of any listed company(ies). She also neither holds any position nor have any controlling interest in any listed company(ies). Her networth as on 31/03/2007 as certified by Mr. Navin K. Nishar, proprietor of Navin Nishar & Associates. (Membership No.101443) Chartered Accountants, having office at A/ 504, Rajeshri Accord, Telly Gully Cross Lane, Andheri (E) Mumbai- 400069. Tel.: 26836220/ 26836225, vide their certificate dated 28th November 2007 is Rs. 82,20240/-.

3.5 Shri. Arvind Mulji Kariya and Shri. Paresh Mulji Kariya are real brothers. Smt. Jigna Arvind Kariya is the wife of Arvind Mulji Kariya and Smt. Sadhana Paresh Kariya is the wife of Paresh Mulji Kariya.

3.6 The Acquirers have not entered into any formal agreement with each other with regard to the offer / acquisition of shares and are acting under an informal understanding.

3.7 The Acquirers, till date have complied with the relevant provisions of Chapter II of the Regulations, wherever applicable.

3.8 The information for the last three years ended 31st March 2006 based on the audited statements in respect of all the companies promoted by the Acquirers or where they exercise management control are given as under: -

3.8.1 ANUGRAH STOCK AND BROKING PRIVATE LIMITED was incorporated on 22nd August 1996 in the State of Maharashtra under the Companies Act 1956 as Wagad Stock And Broking Private Limited. Pursuant to the fresh certificate of incorporation received from Registrar of Companies, Maharashtra the name of the company was changed from Wagad Stock And Broking Private Limited to Anugrah Stock And Broking Private Limited, w.e.f 13th December 2001. The company is presently carrying on the business as stock-brokers and depository etc. The company is member of both the Stock Exchange , Mumbai and the National Stock Exchange of India. The company is also registered as depository participant with Central Depository Services (India) Limited.

Brief financials based on Audited Accounts for the period ended 31/03/2006 are given below :

(Rs. in Lacs)

Particulars	31st Mar 2004	31st Mar 2005	31st Mar 2006
Equity Share Capital	45.00	45.00	45.00
Reserves (excluding revaluation reserve)	258.81	241.20	544.92
Total Income	1654.28	65979.84	28497.70
Profit After Tax (PAT)	2.19	(18.53)	316.32
Earnings Per Share (EPS) (in Rs.)	0.49	(4.12)	70.29
Net Asset Value (NAV)) per share in Rs. (Equity share of Rs. 10/- each)	67.51	466.93	131.09

The Company is not a Sick Industrial Company.

3.8.2 **ANUGRAH COMMODITIES PRIVATE LIMITED was** incorporated on 24th March 1995 in the State of Maharashtra under the Companies Act 1956. Pursuant to the fresh certificate of incorporation received from Registrar of Companies, Maharashtra the name of the company was changed from Ambitious Credits & Mercantiles Private Limited to Anugrah Commodities Private Limited w.e.f 31st August 2005. The company is presently carrying on the business as broker and trader in commodities. The company was admitted as a Trading-cum-clearing member of Multi Commodity Exchange Of India Ltd. on 13th September 2005 with a Membership Code No. 29345.

Brief financials based on Audited Accounts for the period ended 31/03/2006 are given below:

(Rs. in Lacs)

Particulars	31st Mar 2004	31st Mar 2005	31st Mar 2006
Equity Capital	0.002	1.00	3.50
Reserves (excluding revaluation reserve)	(0.66)	(0.66)	23.31
Total Income	0.05	0.04	6.87
Profit After Tax (PAT)	0.00	0.00	(3.54)
Earnings Per Share (EPS) (in Rs.)	3.6	0.04	(10.10)
Net Asset Value (NAV) per share in Rs. (Equity share of Rs. 10/- each)	(3295.71)	3.42	76.59

The Company is not a Sick Industrial Company.

3.8.3 **WAGAD FINCAP LIMITED** was originally incorporated on 12th December 1993 in the State of Maharashtra under the Companies Act 1956 in the name of Vaagad Securities & Financial Services Pvt Limited. Pursuant to the provision of section 23 of the companies Act,1956 and special resolution passed under section 44 of the companies Act,at its extra Ordinary General Meeting held on 4th December 1995, the name of the company was changed to Wagad Securities & Financial Services Limited w.e.f 19.12.1995. Further pursuant to the provision of section 21 of the companies Act, 1956 the name of the company was changed from Vaagad Securities & Financial Services Limited to Wagad Fincap Limited w.e.f 12th February 1996. The company is presently engaged in activities of providing consultancy and advisory services..

Brief financials based on Audited Accounts for the period ended 31/03/2006 are given below:

(Rs. in Lacs)

Particulars	31st Mar 2004	31st Mar 2005	31st Mar 2006
Equity Capital	9.09	9.09	9.09
Reserves (excluding revaluation reserve)	(0.96)	(0.86)	1.08
Total Income	0.26	0.20	2.05
Profit After Tax (PAT)	(0.00)	(0.01)	1.94
Earnings Per Share (EPS) (in Rs.)	0.00	(0.01)	2.13
Net Asset Value (NAV) per share in Rs. (Equity share of Rs. 10/- each)	8.95	9.06	11.19

The Company is not a Sick Industrial Company.

3.8.4 **VIGIL CREDITS & MERCANTILES PRIVATE LIMITED** was incorporated on 20th January 1995 in the State of Maharashtra under the Companies Act 1956. The company is presently engaged in the business of providing consultancy and advisory services. Brief financials based on Audited Accounts for the period ended 31/03/2006 are given below:

(Rs. in Lacs)

Particulars	**31st Mar 2004**	**31st Mar 2005**	**31st Mar 2006**
Equity Capital	1.00	1.00	1.00
Reserves (excluding revaluation reserve)	4.09	4.22	4.22
Total Income	0.05	0.17	0.07
Profit After Tax (PAT)	0.00	0.13	0.00
Earnings Per Share (EPS) (in Rs.)	0.01	1.31	0.03
Net Asset Value (NAV) per share in Rs. (Equity share of Rs. 10/- each)	50.87	52.20	52.20

The Company is not a Sick Industrial Company.

3.8.5 **LAKSHYA TRADING & AGENCIES PRIVATE LIMITED** was incorporated on 25th November 1994 in the State of Maharashtra under the Companies Act 1956. The company is presently engaged in the business of providing consultancy and advisory services. Brief financials based on Audited Accounts for the period ended 31/03/2006 are given below:

(Rs. in Lacs)

Particulars	**31st Mar 2004**	**31st Mar 2005**	**31st Mar 2006**
Equity Capital	1.00	1.00	1.00
Reserves (excluding revaluation reserve)	(9.55)	(9.42)	(9.42)
Total Income	0.05	0.15	0.07
Profit After Tax (PAT)	0.01	0.12	0.00
Earnings Per Share (EPS) (in Rs.)	0.05	1.20	0.03
Net Asset Value (NAV) per share in Rs. (Equity share of Rs. 10/- each)	(85.47)	(84.22)	(84.19)

The Company is not a Sick Industrial Company.

3.8.6 **NEXUS SHARE TRANSFER AGENTS PRIVATE LIMITED** was incorporated on 16th June 1994 in the State of Maharashtra under the Companies Act 1956. Further pursuant to the provision of section 21 of the companies Act, 1956 the name of the company was changed from Nexus Share Transfer Agents Private Ltd to Anugrah Portfolio Advisor Private Ltd w.e.f 24.04.2007. The company is presently carrying on the business of Financial Consultancy and advisory services, etc. Brief financials based on Audited Accounts for the period ended 31/03/2006 are given below:

(Rs. in Lacs)

Particulars	**31st Mar 2004**	**31st Mar 2005**	**31st Mar 2006**
Equity Capital	0.002	1.00	1.00
Reserves (excluding revaluation reserve)	(7.21)	(7.04)	(7.04)
Total Income	0.05	0.20	0.07
Profit After Tax (PAT)	0.00	0.16	0.00
Earnings Per Share (EPS) (in Rs.)	11.55	1.62	0.03
Net Asset Value (NAV) per share in Rs. (Equity share of Rs. 10/- each)	(36027.70)	(60.44)	(60.41)

The Company is not a Sick Industrial Company.

3.8.7 **NEXT CREDITS AND MERCANTILES PRIVATE LIMITED** was incorporated on 20th January 1995 in the State of Maharashtra under the Companies Act 1956 with an object of trading in general merchandise items and to invest & deal in shares and securities. The company is presently engaged in consultancy and advisory services. Brief financials based on Audited Accounts for the period ended 31/03/2006 are given below:

(Rs. in Lacs)

Particulars	**31st Mar 2004**	**31st Mar 2005**	**31st Mar 2006**
Equity Capital	1.00	1.00	1.00
Reserves (excluding revaluation reserve)	(5.40)	(5.29)	(5.28)
Total Income	0.05	0.15	0.08
Profit After Tax (PAT)	0.00	0.12	0.01
Earnings Per Share (EPS) (in Rs.)	0.01	1.17	0.07
Net Asset Value (NAV) per share in Rs. (Equity share of Rs. 10/- each)	(44.12)	(42.88)	(42.81)

The Company is not a Sick Industrial Company.

3.8.8 **RAPID CREDIT AND MERCANTILES PRIVATE LIMITED** was incorporated on 24th March 1995 in the State of Maharashtra under the Companies Act 1956 with an object of trading in general merchandise items and to invest & deal in shares and securities. The company is presently engaged in consultancy and advisory services. Brief financials based on Audited Accounts for the period ended 31/03/2006 are given below:

(Rs. in Lacs)

Particulars	**31st Mar 2004**	**31st Mar 2005**	**31st Mar 2006**
Equity Capital	2.00	2.00	2.00
Reserves (excluding revaluation reserve)	13.45	8.23	5.79
Total Income	3.05	12.01	7.13
Profit After Tax (PAT)	0.01	(5.22)	(2.44)
Earnings Per Share (EPS) (in Rs.)	0.03	(26.11)	(12.19)
Net Asset Value (NAV) per share in Rs. (Equity share of Rs. 10/- each)	77.27	51.14	38.95

The Company is not a Sick Industrial Company.

3.8.9 **ANUGRAH INSURANCE BROKERS PVT LIMITED**: was incorporated on 2nd day of August 2007 in the state of Maharashtra under the Companies Act, 1956 to carry out the business of Insurance broking, procuring insurance contracts , placement of risks and to carry out all such broking related business. The company is yet to commence any business activities.

3.8.10 **ANUGRAH REALTY DEVELOPERS PVT LIMITED** was incorporated on 6th day of September 2007 in the state of Maharashtra under the companies Act, 1956 to carry out the business realing to real estate sector . The company is yet to commence any business activities

3.9 **Disclosures in terms of Regulations 16(ix) of the Regulations:**

3.9.1 **The Offer has been made pursuant to regulation 10 & 12 and other provisions of the Chapter III and in compliance with the Regulations.**

3.9.2 The Acquirers do not have any plans to dispose off or otherwise encumber any assets of PIL in the next two years except in the ordinary course of business of PIL and / or for the purposes of restructuring, rationalizing and / or streamlining various operations, assets, liabilities, investments, businesses or otherwise of PIL.

3.9.3 The Acquirers undertake not to sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company and in accordance with and subject to the applicable laws, permissions and consents, if any.

3.10. Future Plans/Strategies of the Acquirers with regard to the Target Company.

The Acquirers have plans to expand into fund based, investment and non-banking financial services activities. PIL is presently engaged in the activities of Investment and trading in shares and securities and providing short-term loans and advances. PIL is registered with Reserve bank of India as Non Banking financial Company having Registration No 13.00039. The Acquirers through PIL intend to invest, incubate in corporate opportunities and also provide extensive insight and support on the development of the existing business of the target company. By virtue of this acquisition the Acquirers will get majority shareholding entitling them to exercise management control over the target company.

4. OPTION IN TERMS OF REGULATION 21 (2)

In the event, pursuant to this offer, the public shareholding in the Target Company falls below 25% of its outstanding equity share capital, the Acquirers will, in accordance with Regulation 21(2) of the SEBI (SAST) Regulations, 1997, facilitate the Target Company to raise the level of public shareholding to the level specified for continuous listing in the Listing Agreement with the Stock Exchanges within the specified time and in accordance with the prescribed procedure under clause 40A(viii) of the Listing Agreement and in compliance with the Regulations.

5. BACKGROUND OF THE TARGET COMPANY – PIL

5.1. Brief History and Main Areas of Operations:

5.1.1. PIL having its Registered Office at A-1 Hill View Apartment, J.P. Road, Andheri (west), Mumbai-400058 Maharashtra, was incorporated under the Companies Act, 1956 on the 5th day of January 1987. The Company received certificate of commencement of business pursuant to Section 149(3) of the Companies Act, 1956 on 12th day of January 1987. The Registered Office of PIL was changed from 56, Krishna Niwas, 4th floor, Resham Bazar, Bomanji Master Lane, Bombay- 400002 to A-1 Hill View Apartment, J P Road, Andheri (west), Mumbai – 400 058 with effect from 01.04.1993. PIL came out with initial public offer in the year February, 1987. The Equity Shares of PIL are listed at BSE only. The shares of PIL are presently traded under Z category of the Stock Exchange. The shares of PIL are not admitted as permitted security in any other Stock Exchange.

5.1.2. PIL is presently engaged in the activities of Investments and trading in shares and securities and providing short-term loans and advances. PIL is registered with Reserve bank of India as Non Banking financial Company having Registration No 13.00039.

5.1.3. As on the date of this PA, the Issued, Subscribed & Paid-up Equity Share Capital of PIL is Rs.1,50,00,000/- divided into 15,00,000 equity shares of Rs.10/- each fully paid up. There are no partly paid up shares as on the date of PA. The share capital structure of the Target Company is as follows:

Paid up Equity Shares of Target Company	No. of Shares / Voting Rights	% of Shares / Voting Rights
Fully Paid up Equity Shares	15,00,000	100.00%
Partly Paid up Equity Shares	NIL	NIL
Total Paid up Equity Shares	15,00,000	100.00%
Total voting rights in the Target Company	15,00,000	100.00%

5.1.4. Current capital structure of the company has been built up since inception as per the details given below:

Date of allotment	Shares Issued		Cumulative paid up capital	Mode of allotment	Identity of allottees	Compliance status
	Number	%				
On incorporation	700	0.04	7000	Cash	Promoters	Complied
15.01.1987	71,000	4.73	7,17,000	Private Placement	Promoters and their Associates	Complied
02.03.1987	4,00,000	26.67	47,17,000	Public Issue	Public shareholders	Complied
31.03.1987	28,300	1.89	50,00,000	Private Placement	Promoters and their Associates	Complied
28.12.1988	10,00,000	66.67	1,50,00,000	Right Issue	Existing shareholders	Complied
Total	15,00,000	100.00	1,50,00,000			

5.1.5. As per our verification and undertaking received from the Target Company, we state that there has not been any suspension of trading of shares of the PIL in BSE i.e. the stock exchange where the shares of the company are presently listed. We have further been informed that as on date no punitive action has been taken against the target company by BSE. In this respect we have already written to BSE vide our letter dt.28.09.2007and reminder letter dt.05.10.2007 to provide us the information of compliance made by PIL along with any suspension/disciplinary/ penal action taken by them against the target company. We have not received any information from the BSE till date. As per the letter dt.06.10.2007 received from the Registrar of the company, we state that there is no Investor's grievances pending as on date against the target company.

5.1.6. As on the date there are no outstanding convertible instruments such as warrants/FCDs/PCDs etc. There are no partly paid up shares as on the date of PA.

5.1.7. We state that the sellers, promoters, other major shareholders except target company, where ever applicable have complied with the applicable provisions of Chapter II of the Regulations. The Target company has delayed in complying with the provision of Regulation 6 of Chapter II of the Regulations for the year 1997 and also Regulation 8(3) of Chapter II for the period 1998 to 2004. The above mentioned disclosures were submitted to BSE on 10.03.2004. The compliance of Regulation 8(3) for the year 2005 and 2006 were made in time. However there was again a delay of 14 days in respect of compliance of Regulation 8(3) for the year 2007. The target company had received a show cause notice ref no. CFD/DCR/RC/TO/13060/04 Dt. July 23,2004 from SEBI in respect of the violation of the Regulation 6(2) and 6(4) for 1997 and 8(3) for 1998,1999,2000,2001 and 2002 and was advised to pay Rs. 1,75,000 /- as penalty under the consent order mechanism process introduced by the SEBI. PIL has replied vide its letter Dt. 30.08.2004 to SEBI that it has already filed the required disclosures to BSE vide its letter dt.10.03.2004 and requested the SEBI to drop the allegations made against them. For the failure to comply with the provision of chapter II, SEBI may take appropriate action against the target company.

5.1.8. As per our verification and confirmation received from PIL, we state that,
PIL has:

a) Paid up to date Listing Fees to BSE.

b) Complied with the Listing Agreement requirements of the Stock Exchanges and no punitive actions were taken against it by any of the Stock Exchanges.

5.1.9. The Board of Directors of PIL as on the date of the PA is as follows:

Names of Directors	**Designation**	**Date of Apptt.**	**Qualification**	**Residential Address**	**Experience**	**No. & % of shares of PIL held as on date of P.A. i.e. 11.07.07**	**No. & % of shares sold through agreement**
Shri K. Balasubramanian	Director	26.08.1991	B.Sc, B. Com.	A/102, Omsabhari CHS Ltd., Sane Guruji Nagar, Mumbai-400081.	More than 20 years of experience in financial & accounting fields.	Nil	Nil
Amit Kumar Verma	Director	20.12.2002	M.A & Personnel Management.	89/26,Bangur Park, 2nd Lane,Rishra-712248	More than 15 years of experience in secretarial matters.	NIL	Nil
Hiralal Jain	Director	30.12.2002	B.Com	88, Manmath Dutta Road, Kolkata 700023.	More than 35 years of experience in accounting matters	NIL	NIL
Nevatia Vivek	Director	28.02.2005	B.Com	Ratnakar Building, 6th Floor, 26, Narayan Dabholkar Marg, Mumbai-400006	More than 10 years of experience in business.	Nil	Nil

NOTE:
No director representing the Acquirers is on the board of the Target Company as on the date of LOF. Compliance of Regulation 22(9) of the Regulation is therefore not applicable in this case.

5.1.10. There has been no merger / demerger or spin off involving PIL during the last 3 years.

5.1.11. Financial Information:
The financial details of PIL as per the audited accounts for the last three financial years ended March 31, 2007 are as follows:

Profit & Loss Statement

(Rs. in Lacs)

For the Year Ended	**31st March 2005 (Audited)**	**31st March 2006 (Audited)**	**31st March, 2007 (Audited)**
Income from Operations	28.67	13.14	9.21
Other Income	21.96	0.42	0.63
Provision for sub-standard & Doubtful assets W/Back	7.82	-	-
Increase /(Decrease) in stock	3.87	0.63	(0.29)
Total Income	62.32	14.19	9.55
Total Expenditure	40.01	1.93	2.85
Profit/(Loss) before Interest, Depreciation and Tax	22.31	12.26	6.70
Depreciation	0.02	0.01	NIL
Interest	NIL	NIL	NIL
Profit/(Loss) before Tax	22.29	12.25	6.70
Provision for Tax (including deferred tax)	5.35	4.12	2.15
Profit/(Loss) after tax	16.94	8.13	4.55

Balance Sheet

(Rs. in Lacs)

As on	**31st March 2005 (Audited)**	**31st March 2006 (Audited)**	**31st March, 2007 (Audited)**
Sources of funds			
Paid up share capital	150.00	150.00	150.00
Reserves & Surplus (excluding revaluation reserves)	NIL	NIL	NIL
Deferred Tax Liabilities	0.00	0.01	NIL
Less: Miscellaneous Expenditure not written off	45.80	37.66	33.12
Net Worth	104.20	112.34	116.88
Secured loans	NIL	NIL	NIL
Unsecured loans	1.33	1.33	1.33
Total	**105.53**	**113.67**	**118.21**
Uses of funds			
Net Fixed Assets	0.02	0.02	NIL
Investments	5.03	10.14	10.14
Deferred Tax Assets (Net)	NIL	NIL	NIL
Net Current Assets	100.48	103.51	108.07
Total	**105.53**	**113.67**	**118.21**

Other Financial Data

For the Year Ended	31st March 2005 (Audited)	31st March 2006 (Audited)	31st March, 2007 (Audited)
Dividend (%)	NIL	NIL	NIL
Earning Per Share (Rs.)	1.13	0.54	0.30
Return on Networth (%)	16.26	7.24	3.89
Book Value Per Share (Rs.)	6.95	7.49	7.79

**** Face value of Equity share is Rs. 10/- each.***

Note:

(i) EPS = Profit after tax / number of outstanding equity shares at the close of the year.

(ii) Return on Net Worth = Profit after Tax /Net Worth

(iii) Book Value per Share = Net Worth / No. of equity shares

(iv) Source: Audited Annual Reports

(v) Reason for fall/rise in Total Income, Expenditure and PAT in the relevant year if applicable:- Year wise reason for the fall in the Total income, expenditure & PAT is cited below: -

1. Reason for change in total Income, Expenditure and PAT for the year ended March 2007 over year ended March 2006:

   Total Income for the year ended March 2007 was Rs. 9.84 lacs as compared to Rs. 13.56 lacs for the year ended 31st March 2006. The decrease in total income was mainly due to lesser interest income and nil income from trading/investment activities. Further there was an increase in operating and other expenses to Rs.2.85 Lacs as compared to Rs.1.93 for the year ended 31.03.2006. Consequently the PAT for the year ended March 2007 reduced to Rs. 4.55 lacs as against the PAT of Rs 8.13lacs for the period ended 31.03.2006.

2. Reason for change in Total Income, Expenditure & PAT for the year ended March 2006 over year ended March 2005 :

   Total Income for the year ended 31st March 2006 was lower at Rs 13.56 lacs as compared to Rs 58.45 lacs for the year ended 31st March 2005. The decrease in total income was mainly due to decrease in income from trading/investment activities of Rs. 13.14 lacs as against 28.67 lacs during the previous year, lower other Income of Rs.0.42 lacs as against 21.96 lacs during the previous year and nil written back of provision for sub standard and doubtful assets as against 7.81 lacs during the previous year. Further there was nil wriiten off of bad debts during the year as against Rs.13.56 lacs during the previous year. All this resulted into PAT for the year ended March 2006 reduced to Rs 8.13 lacs as against PAT of Rs.16.94 lacs for the year ended March 2005.

3. Reason for change In Total Income, Expenditure & PAT for the year ended March 2005 over year ended March 2004:

   Total Income for the year ended 31st March 2005 was Rs. 58.45 Lacs as compared to Rs 11.13 Lacs for the year ended 31st March 2004. The increase in total income was mainly due to increase in income from trading/investment activities, other income and written back of the provision for sub standard & doubtful assets. Further there was bad debts written off of Rs. 13.36 during the year as compared to Rs. Nil during the previous year. All these resulted into PAT for the year ended 2005 increases to Rs. 16.94 Lacs as against the PAT of Rs 5.52 lacs for the year ended March 2004.

5.2. Pre and Post-Offer Shareholding Pattern of PIL (based on Issued, Subscribed & Paid-up Equity Share and Voting Capital) is as under:

Shareholders' Category	**Share holding Prior to the Agreement/ acquisition and Offer**		**Shares agreed to be acquired which triggered off the Regulation**		**Shares to be acquired in open Offer (assuming full acceptances)**		**Share holding after Acquisition and Offer (A+B+C)**	
	(A)		**(B)**		**(C)**		**(D)**	
	No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
1. Promoter Group								
a) Parties to Agreement	275000	18.33	(275000)	(18.33)	-	-	-	-
b)Promoter other than (a) above	-	-	-	-	-	-	-	-
TOTAL 1 (a + b)	275000	18.33	(275000)	(18.33)	-	-	-	-
2. Acquirers: Arvind. M Kariya Paresh M Kariya Jigna A. Kariya Sadhna P Kariya	 45000 70000 45000 40000	-	405000	27.0	510000	34.00	1115000	74.33
TOTAL 2	200000	13.33	405000	27.0	510000	34.00	1115000	74.33
3. Public Share Holding [other than 1(a) & (2)]*								
a) FIs/Banks	-	-	-	-				
b) NRIs	-	-	-	-				
c) MF's	-	-	-	-				
d) Others i) Parties to the SPA - Abhay Commerce (P) Ltd. - Pavan Roller Flour Mills (P) Ltd. ii) Other than Parties to the SPA	100000 30000 895000	6.67 2.00 59.67	(100000) (30000)	(6.67) (2.00)	- - (510000)	- - (34.00)	- - 385000	- - 25.67
Total 3(a+b+c+d)	1025000	68.34	(130000)	(8.67)	(510000)	(34.00)	385000	25.67
GRANDTOTAL (1+2+3)	**1500000**	**100.00**	**-**	**-**	**-**	**-**	**1500000**	**100.00**

*The total number of shareholders in Public category is 412.

5.3. There was no trading of the shares of PIL as on 27.09.2007 i.e. the date of Public Announcement at BSE.

5.4. The details of the buildup of the Promoter shareholding in the Target Company are as follows:-

Shareholdings		Purchase / Transfer made during the year	Sale / Transfer made during the year	Shareholdings	
As on	No. of Shares			As on	No. of Shares
01/04/1997	2,75,000 (18.33%)	NIL	NIL	31/03/1998	2,75,000 (18.33%)
01/04/1998	2,75,000 (18.33%)	NIL	NIL	31/03/1999	2,75,000 (18.33%)
01/04/1999	2,75,000 (18.33%)	NIL	NIL	31/03/2000	2,75,000 (18.33%)
01/04/2000	2,75,000 (18.33%)	NIL	NIL	31/03/2001	2,75,000 (18.33%)
01/04/2001	2,75,000 (18.33%)	NIL	NIL	31/03/2002	2,75,000 (18.33%)
01/04/2002	2,75,000 (18.33%)	NIL	NIL	31/03/2003	2,75,000 (18.33%)
01/04/2003	2,75,000 (18.33%)	NIL	NIL	31/03/2004	2,75,000 (18.33%)
01/04/2004	2,75,000 (18.33%)	NIL	NIL	31/03/2005	2,75,000 (18.33%)
01/04/2005	2,75,000 (18.33%)	NIL	NIL	31/03/2006	2,75,000 (18.33%)
01/04/2006	2,75,000 (18.33%)	NIL	NIL	31/03/2007	2,75,000 (18.33%)

5.5. Corporate Governance and Pending Litigations:

Corporate Governance: We have been informed by the target company that as the paid up share capital of the company is less than Rs.300 Lacs, as on 01.01.2006, clause 49 of the listing agreement in respect of corporate governance doesn't apply on the company mandatory.
We state that as per the Annual Report of PIL for the financial year ended dated 31.03.2007; there are no pending Litigations /claims against the target company contingent in nature.

5.6. Compliance Officer:
Mr. K. Balasubramanian, is acting as the Compliance Officer and his address is 1-A, Hill view Apartment, J.P.Road Andheri (W), Mumbai –400058. Ph No: 022-26241165, Fax No: 022-26241174.

5.7. No director representing acquirers is appointed on the board of the Target company as on the date of LOF.

6. OFFER PRICE & FINANCIAL ARRANGEMENTS:

6.1. Justification of Offer Price:

6.1.1. The Equity Shares of PIL are presently listed at BSE.

6.1.2. The Annualised trading turnover during the preceding six calendar months ended August 2007 in BSE is as follows:

Name of Stock Exchange	Total no of shares traded during the 6 calendar months prior to the month in which PA was made	Total No. of listed Shares	Annualised Trading Turnover (in terms of % to total listed shares)
BSE	200500	1500000	26.73%

Source: As per information from BSE.

6.1.3. The shares of PIL are listed on Bombay Stock Exchange Limited (BSE) only. As the annualised trading turnover is more than 5% of the total No. of 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 Regulations. However the trading turnover stated above were done by the Acquirers mainly and if these volume of turnover are ignored then the shares shall be deemed to be infrequently traded on BSE. Therefore, in accordance with Regulation 20(4) and 20(5) of the Regulations, the Offer Price of Rs. 10/- per fully paid up equity share is worked out on the following parameters:

a)	Negotiated Price under the Agreement	:	Rs. 8.00 per fully paid-up equity share
b)	Highest Price paid by the Acquirers for acquisition, including by way of allotment in a public or rights or preferential issue during the 26 week period prior to the date of Public Announcement	:	Rs.5.58
c)	The average of weekly high and low of the closing prices of the equity shares during the 26 weeks preceding the date of the Public Announcement.		Rs. 4.89
d)	The average of the daily high and low prices of the equity shares during 2 weeks period preceding the date of the Public Announcement.		N.A
e)	Other parameters		Based on Audited Accounts for the year ended 31.03.2007
	Return on Networth (%)	:	3.89%
	Book Value per share (RS)	:	7.79
	Earning per Share (RS)	:	0.30
	Industry Average P/E Multiple for Finance & Investments*		26.50
	Offer price P/E Multiple**		33.33

*(Source: Source: Capital Market Journal Vol.XXII/14 Sept 10-23, 2007, Industry – Finance and Investments).
** Offer Price / EPS

6.1.4 The calculation of the weekly high and low of the closing prices of the Equity Shares, during the 26 weeks preceding the date of Public Announcement i.e. 27/09/2007 on the Stock Exchange where the Equity Shares of the Target Company are most frequently traded, i.e. BSE are given below:

Week No.	Week Ended	Weekly High (Rs)	Weekly Low (Rs)	Average (Rs)	Weekly Volume
1	4-April-07	N.T.	N.T.	N.T.	N.T.
2	11-April-07	N.T.	N.T.	N.T.	N.T.
3	18-April-07	N.T.	N.T.	N.T.	N.T.
4	25-April-07	N.T.	N.T.	N.T.	N.T.
5	02-May-07	N.T.	N.T.	N.T.	N.T.
6	09-May-07	N.T.	N.T.	N.T.	N.T.
7	16-May-07	**4.54**	**4.54**	**4.54**	**500**
8	23-May-07	N.T.	N.T.	N.T.	N.T.
9	30-May-07	**4.60**	**4.60**	**4.60**	**30000**
10	06-June-07	N.T.	N.T.	N.T.	N.T.
11	13-June-07	N.T.	N.T.	N.T.	N.T.
12	20-June-07	**5.07**	**4.83**	**4.95**	**130000**
13	27-June-07	**5.58**	**5.32**	**5.45**	**40000**
14	04-July-07	N.T.	N.T.	N.T.	N.T.
15	11-July-07	N.T.	N.T.	N.T.	N.T.
16	18-July-07	N.T.	N.T.	N.T.	N.T.
17	25-July-07	N.T.	N.T.	N.T.	N.T.
18	01-August-07	N.T.	N.T.	N.T.	N.T.
19	08-August-07	N.T.	N.T.	N.T.	N.T.
20	15-August-07	N.T.	N.T.	N.T.	N.T.
21	22-August-07	N.T.	N.T.	N.T.	N.T.
22	29-August-07	N.T.	N.T.	N.T.	N.T.
23	05-September-07	N.T.	N.T.	N.T.	N.T.
24	12-September-07	N.T.	N.T.	N.T.	N.T.
25	19-September-07	N.T.	N.T.	N.T.	N.T.
26	26-September-07	N.T.	N.T.	N.T.	N.T.
	Average		**4.89**		**200500**

N.T means Not Traded

6.1.5 The calculation of daily high and low of the closing prices of the Equity Shares, during the 2 weeks preceding the date of Public Announcement i.e. 27/09/2007 on the Stock Exchange where the Equity Shares of the Target Company are most frequently traded, i.e. BSE are given below:

Day No.	Dates	High (Rs)	Low (Rs)	Average (Rs)	Weekly Volume
1	13-September-07	N.T	N.T	N.T	N.T
2	14-September-07	N.T	N.T	N.T	N.T
3	17-September-07	N.T	N.T	N.T	N.T
4	18-September-07	N.T	N.T	N.T	N.T
5	19-September-07	N.T	N.T	N.T	N.T
6	20-September-07	N.T	N.T	N.T	N.T
7	21-September-07	N.T	N.T	N.T	N.T
8	24-September-07	N.T	N.T	N.T	N.T
9	25-September-07	N.T	N.T	N.T	N.T
10	26-September-07	N.T	N.T	N.T	N.T
	Average			**N.T**	**N.T**

N.T means Not Traded.

6.1.6 Based on the above financial parameters and in the opinion of the Manager to the Offer and the Acquirers, the Offer Price of Rs10/- per share is justified in terms of regulation 20(5) of the Regulations.

6.1.7 PIL doesn't have any partly paid up shares as on date of this PA.

The Offer is not as a result of global acquisition resulting in indirect acquisition of PIL.

6.1.8 The Acquirers has not entered into any non-compete agreement.

6.1.9 The Acquirers would be responsible for ensuring compliance with the Regulations for the consequences arising out of the acquisition of shares, if any, made after the date of Public Announcement (i.e. 27.09.2007) in terms of Regulation 20(7) of the Regulations. However, no such acquisition shall be made by the Acquirers during 27.12.2007 to 07.01.2008.

6.1.10 It is ensured that the Offer Price shall not be less than the highest price paid by the Acquirer for any acquisition of shares of the PIL from the date of Public Announcement upto 7 working days prior to the closure of the offer viz. 27.12.2007.

6.2. Financial arrangements:

6.2.1. The total Fund requirement for the Offer is Rs. 51,00,000 /- (Rupees Fifty One Lacs only) assuming that the entire Offer is accepted. In accordance with Regulation 28 of the Regulations, the Acquirers has opened an Escrow account in HDFC BANK LIMITED, Nanik Motwani Marg Fort, Mumbai-400 023 and deposited therein Rs.51, 00,000/- being 100% of the total consideration payable to shareholders under the Offer.

6.2.2. The Acquirers have adequate financial resources and have made firm financial arrangement for the implementation of the Offer in full out of their own sources / Networth and no borrowings from Banks/ FIs or Foreign sources is envisaged. Certificate dated 5th September, 2007 from Mr. Navin K. Nishar (Membership No. 101443), Partner of M/s. Navin Nishar & Associates, Chartered Accountants, having Office at A/504, Rajeshri Accord, Telly Gully Cross Lane, Andheri (East), Mumbai-400069 Tel. No. 022 – 2683 6220, that sufficient resources are available with the Acquirers for fulfilling the obligations under this "Offer" in full.

6.2.3. A lien has been created on the said Escrow Account in favour of the Manager to the offer by the HDFC Bank. The Manager to the Offer i.e. VC Corporate Advisors Private Limited has been solely authorized by the Acquirers to operate and realise the value of Escrow Account in terms of the Regulations.

6.2.4. The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the offer obligations.

7. TERMS AND CONDITIONS OF THE OFFER:

7.1. The Letter of Offer ("LO") together with the Form of Acceptance and Form of Withdrawal will be mailed to those equity shareholders of PIL (other than the shareholders who are parties to the agreement) whose names appear on the Register of the Members of PIL and to those beneficial owners of the Equity shares of PIL, whose names appear as beneficiaries on the records of the respective Depository Participant ("DP"), at the close of the business hours on 12.10.2007 (the "Specified Date").

7.2. All the owners of the shares, registered or unregistered (except the parties to the agreement) are eligible to participate in the Offer as per the procedure set out in Para 8 below. Eligible persons can participate in the Offer by offering their shareholding in whole or in part. No indemnity is required from the unregistered owners.

7.3. Accidental omission to dispatch this LO or the non-receipt or delayed receipt of this LO will not invalidate the Offer in anyway.

7.4. Subject to the conditions governing this Offer, as mentioned in the LO, the acceptance of this Offer by the shareholder(s) must be absolute and unqualified. Any acceptance to the Offer, which is conditional or incomplete, is liable to be rejected without assigning any reason whatsoever.

7.5. Locked-in Shares:

There are no locked-in shares in PIL.

7.6. Eligibility for accepting the Offer:

The Offer is made to all the public shareholders (except the parties to the agreement) whose names appeared in the register of shareholders on 12.10.2007 and also to those beneficial owners ("Demat holders") of the equity shares of PIL, whose names appeared as beneficiaries on the records of the respective Depository Participants ("DP") at the close of the business hours on 12.10.2007 and also to those persons who own shares any time prior to the closure of the Offer, but are not registered shareholders(s).

7.7. Statutory Approvals and conditions of the Offer:

a. The Offer is subject to the approval from Reserve Bank of India ("RBI"), under the Foreign Exchange Management Act, 1999 ("FEMA"), for acquisition of equity shares by the acquirers from non-resident persons under the offer.

b. To the best of knowledge and belief of the Acquirers, as of the date of the PA, other than the above no statutory approvals are required by them to acquire the equity shares tendered pursuant to this offer. If any other statutory approvals are required or become applicable, the offer would be subject to the receipt of such other statutory approvals. In terms of Regulation 27 of the Regulations, the Acquirers shall not proceed with the Offer in the event that such statutory approvals that are required are refused.

c. In case of non receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not due to any willful default or neglect of the Acquirers or failure of the Acquirers to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders as directed by SEBI, in terms of regulation 22(12) of the Regulations. Further, if delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, regulation 22(13) of the Regulations will also become applicable.

d. No approval is required from any bank or financial institutions, for this Offer, to the best of the Knowledge of the Acquirers.

7.8. In case of delay due to non-receipt of the statutory approvals within time, SEBI has a power to grant extension of time to the Acquirers for payment of consideration to shareholders subject to the Acquirers agreeing to pay interest to the shareholders for delay in payment of consideration beyond 21.01.2008.

7.9. 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 i.e. 02.01.2008 i.e three working days prior to the closure of the Offer.

7.10. The instructions and provisions contained in Form of Acceptance constitute an integral part of the terms of this Offer.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT:

8.1. The Shareholder(s) of PIL who qualify and who wish to avail of this Offer will have to send their shares to the Registrar to the Offer as mentioned in the Form of Acceptance at the following address:

Maheshwari Datamatics Pvt Limited
SEBI REGN No : INR000000353
Contact person : Mr. S. Raja Gopal
6, Mangoe Lane 2nd Floor,
Kolkata- 700 001
Ph: (033)-2243-5809
Fax:(033)-2248-4787
Email: mdpl@cal.vsnl.net

Acceptances may be sent by Registered Post or by hand so as to reach the Registrar to the Offer on or before the Closing of the Offer, i.e. 07.01.2008. Shareholders may send their acceptances by hand accordingly:

Working Days	Timings	Mode of Delivery
Monday – Friday	10.00 a.m. upto 5.00 p.m.	Hand Delivery
Saturday	10.00 a.m. upto 1.00 p.m.	Hand Delivery

Delivery made by Registered Post would be received on all working days except Sunday & Public Holidays.

8.2. Shareholders who wish to tender their shares under this Offer should enclose the following documents duly completed. Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the application is being sent.

8.2.1. For Equity Shares held in physical form:

(i) Registered shareholders should enclose:

- **Form of Acceptance cum Acknowledgement** duly completed & signed in accordance with the instructions contained therein, by all shareholders whose names appear in the share certificate(s).
- **Original share Certificates**
- **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 PIL and duly witnessed at the appropriate place. A blank share transfer form is enclosed along with this LO.

(ii) Unregistered owners should enclose:

- **Form of Acceptance cum Acknowledgement** duly completed & signed in accordance with the instructions contained therein.
- **Original share Certificate(s)**
- **Broker contract note.**
- **Valid share transfer form(s) as received from the market**. The details of the buyer should be left blank failing which; the same will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed. All other requirements for valid transfer will be preconditioned for acceptance. No indemnity is required from unregistered shareholders.

8.2.2. For equity shares held in Demat Form:

Beneficial owners should enclose:

- **Form of Acceptance cum Acknowledgement** duly completed & signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depositories.

- **Photocopy of the delivery instruction in " Off-market" mode or counterfoil of the delivery instruction in "Off- market " mode**, duly acknowledged by DP in favour of the special depository account (please see below) before the close of the business hours on 07.01.2008.

8.3. The Registrar to the Offer, **M/s. Maheshwari Datamatics Pvt. Limited** has opened a special depository account with Stock Holding Corporation of India Limited. The details of the special depository account are as under:

DP Name	Bahubali International Limited
DP ID	IN300773
Client ID	10203222
Account name	"Maheshwari Datamatics Pvt Ltd –PIL-Open Offer Escrow Account"
Depository	National Securities Depository Limited

Shareholders having their beneficiary account in Central Depository Services (India) Limited ("CDSL") have to use inter depository delivery instruction for the purpose of crediting their equity shares in favour of Special Depository Escrow Account with NDSL.

8.4. For each delivery instruction, the beneficial owner should submit a separate Form of acceptance. **In the case of Demat shares, the shareholders are advised to ensure that their shares are credited in favour of special depository account, before the closure of the Offer. The Form of acceptance of such Demat shares not credited in favour of the Special Depository Account before the closure of the Offer is liable to be rejected.**

8.5. The Share Certificate(s), Share Transfer Form, Form of Acceptance, Form of Withdrawal and other documents, if any should be sent only to the Registrar to the Offer, as mentioned above. **They should not be sent to the Manager to the Offer or the Acquirers or the Target Company.**

8.6. In case of non-receipt of the Letter of Offer, the eligible persons may obtain a copy of the same from Registrar to the Offer or Manager to the Offer on providing suitable documentary evidence of acquisition of shares of PIL. The Public Announcement, LO, Form of Acceptance Cum Acknowledgement and Form of Withdrawal will be available on SEBI website at www.sebi.gov.in, from the Offer opening date. The eligible persons can download these documents from the SEBI's website & apply using the same. Alternatively, they may send their consent to participate in the Offer, to the Registrar to the Offer, on a plain paper stating the name & address of the first holder, name(s) & address(s) of joint holders, if any, regd. folio no, share certificate no., distinctive nos., no. of the shares held, no. of the shares Offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before closure to the Offer i.e. 07.01.2008. Unregistered owners should not sign the transfer deeds & the transfer deed should be valid. In case of beneficial owners, they may send their applications in writing to the Registrar to the Offer, on a plain paper stating their name, address, no of shares held, no. of shares offered, DP name, DP ID No., beneficiary account number, and a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instructions in "Off- market " mode, duly acknowledged by DP in favour of special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer

8.7. Non resident shareholders should also enclose copy of permission received from RBI for the shares held by them in PIL and 'no-objection' certificate / tax clearance certificate from the Income Tax authorities under Income Tax Act, 1961, indicating the amount of tax to be deducted by the Acquirers before remitting the consideration. In case the aforesaid 'no-objection' certificate is not submitted, the Acquirers will arrange to deduct tax at the maximum marginal rate as may be applicable to the shareholder, on the entire consideration amount payable.

8.8. The Acquirers shall complete all procedures relating to the Offer including payment of consideration to the shareholders by 21.01.2008. In case of delay due to non-receipt of the statutory approvals within time, SEBI has a power to grant extension of time to the Acquirers for payment of consideration to shareholders subject to the Acquirers agreeing to pay interest to the shareholders for delay in payment of consideration beyond 21.01.2008.

8.9. Payment of consideration will be made by crossed account payee cheques /demand drafts / pay orders and will be sent by registered post, to those shareholders / unregistered owners & at their sole risk, whose shares/ share certificates & other documents are found in order & accepted by Acquirers in part or in full except in case of joint holders, cheques / demand drafts/ pay orders, in the name of first holder. It is advised that shareholders provide bank details in the Form of Acceptance cum Acknowledgement, so that same can be incorporated in the cheques / demand drafts / pay orders.

8.10. In case the shares tendered in the Offer are more than the shares to be acquired under the Offer, the acquisition of shares from each shareholder will be in accordance with Regulation 21(6) of the Regulations, on a proportionate basis. The marketable lot for both physical and demat shares is 1.

8.11. Unaccepted share certificates, transfer forms & 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 Demat Form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective DP as per the details furnished by the beneficial owners.

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

8.13. In case any person has lodged shares of PIL for transfer & such transfer has not yet been effected, the concerned person may apply as per the instructions in Para 8.6 above together with the acknowledgement of lodgment shares for transfer. Such persons should also instruct PIL to send the transferred share certificate(s) directly to the Registrar to the Offer. The applicant should ensure that the certificate(s) reached the Registrar to the Offer on or before the Offer closing date.

8.14. In case any person has tendered his physical shares in PIL for dematerialization & such dematerialization has not yet been effected, the concerned shareholder may apply in the Offer as per instructions mentioned above together with a photocopy of the completed dematerialization request form acknowledged by shareholders DP. Such shareholders should ensure the credit of the shares to the special depository account on or before the Offer closing date together with a copy of delivery instructions acknowledged by the DP in favour of Special depository account.

8.15. In case the shareholder has already sold his Shares, he may kindly forward this Offer document to the transferee or to the broker through whom the shares were sold.

8.16. The shareholders, who are desirous of withdrawing their acceptances tendered in the Offer, can do so upto three working days prior to the date of closure of the Offer, i.e. on or before 02.01.2008 in terms of Regulation 22(5A).

8.17. The withdrawal option can be exercised by submitting the document as per the instruction below, so as to reach the Registrar to the Offer on or before 02.01.2008. The withdrawal option can be exercised by submitting the form of withdrawal.

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

a. In case of physical shares: Name, address, distinctive numbers, folio nos., number of shares tendered / withdrawn.
b. In case of dematerialised shares: Name, address, number of shares tendered / withdrawn, DP name, DP ID, Beneficiary account no. and a photocopy of 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 Depository Escrow Account.

8.19. The shares withdrawn by the shareholders, if any would be returned by registered post, in case of physical shares.

9. DOCUMENTS FOR INSPECTION:

Copies of the following documents will be available for inspection at the Registered office of the Manager to the Offer, M/s. VC Corporate Advisors Private Limited at 31, Ganesh Chandra Avenue 2nd Floor, Suite No. 2C, Kolkata – 700 013 on any working day between 10.00 a.m. and 2.00 p.m. during the period the Offer is open i.e., from 19.12.2007 to 07.01.2008.

i) Certificate from Mr. Navin K. Nishar (Membership No. 101443), Partner of M/s. Navin Nishar & Associates, Chartered Accountants, having Office at A/ 504, Rajeshri Accord, Telly Gully Cross Lane, Andheri (E) Mumbai- 400069. Tel.: 26836220/ 26836225, certifying the net worth as on 31/03/2007 of the acquirers.

ii) Memorandum & Articles of Association of Polytex India Limited along with Certificate of Incorporation.

iii) Audited Annual Reports for the financial year ended March 31, 2005, March 31, 2006 & March 31, 2007 of Polytex India Limited.

iv) Certificate dated 5th September, 2007 from Mr. Navin K. Nishar (Membership No. 101443), Partner of M/s. Navin Nishar & Associates, Chartered Accountants, having Office at A/504, Rajeshri Accord, Telly Gully Cross Lane, Andheri (East), Mumbai-400069 Tel. No. 022 – 2683 6220, that sufficient resources are available with the Acquirers for fulfilling the obligations under this "Offer" in full.

v) Escrow Agreement dt. 22.09.2007 entered into between Shri Arvind Mulji Kariya and Smt Jigna Arvind Kariya both residing at A-402, Jay Apartments, Nehru Road, Santacruz (E), Mumbai-400055, Ph No:(022) 26130009,fax no. (022) 26104462, Shri Paresh Mulji Kariya and Smt Sadhana Paresh Kariya both residing at 13, Kathiawar Co-operative Housing society Limited ; JVPD Scheme, Vile-Parle (W), Mumbai-400049. Ph No: (022) 26287505, Fax No. (022) 26104462, VC Corporate Advisors Private Limited and HDFC Bank Limited.

vi) Letter of HDFC BANK LIMITED, 2nd Floor, Process house, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400 013 dated 24.09.2007 confirming the amount kept in the Escrow Account and creation of Lien on the said Escrow account in favour of VC Corporate Advisors Private Limited, the Manager to the Offer to operate it.

vii) The copy of Share Purchase Agreement dated 22.09.2007 between the sellers and the Acquirers which triggered the open offer.

viii) A copy of the Public Announcement for the Offer dated 27.09.2007 and Corrigendum to the Public Announcement dated 11.12.2007.

ix) A copy of the confirmation received from depository Participant – Bahubali International Limited confirming opening of a depository account titled "Maheshwari Datamatics Pvt Ltd –PIL-Open Offer Escrow Account" for the purpose of the Offer.

x) Copy of the Memorandum of Understanding between the Acquirers & the Manager to the Offer, dated 22.09.2007

xi) Information obtained from BSE website about stock market data.

xii) Copy of SEBI letter no. CFD/DCR/SS/TO/110064/07 dated 05-12-2007 issued in terms of proviso to the regulation 18(2) of the Regulations.

10. DECLARATION BY THE ACQUIRERS:

The Acquirers, accept full responsibility for the information contained in this letter of Offer and also for their obligations as laid down in Regulation No 22(6) of the Regulations.

For self and as Constituted Attorney On behalf of other Acquirers.

(Arvind Mulji Kariya)

Place: Mumbai
Date: 12/12/2007

Attached: Form of Acceptance cum Acknowledgement & Form of Withdrawal

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

To,
Maheshwari Datamatics Pvt. Limited

Date:

OFFER	
Opens on	December 19, 2007
Closes on	January 07, 2008
Last date of Withdrawal	January 02, 2008

6, Mangoe Lane 2nd Floor,
Kolkata- 700 001

Dear Sir,

Subject: Open Offer by Shri Arvind Mulji Kariya and Smt Jigna Arvind Kariya both resident of A-402, Jay Apartments, Nehru Road, Santacruz (E), Mumbai-400055., Shri Paresh Mulji Kariya and Smt Sadhana Paresh Kariya, both resident of 13, Kathiawar Co-op. Hsg.Soc.Ltd; JVPD Scheme, Vile-Parle (W), Mumbai-400049. (hereinafter collectively referred to as "Acquirers ") to the shareholders of Polytex India Limited (PIL) to acquire from them upto 5,10,000 equity shares of Re.10/- each aggregating 34% of the paid up Equity & voting share capital of PIL @ Rs. 10.00/- per fully paid up equity share.

I/We refer to the Letter of Offer dated 12.12.2007 for acquiring the equity shares held by us in Polytex India Limited.
I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

SHARES IN PHYSICAL FORM

I/We, accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our Shares as detailed below.

Sr. No.	Ledger Folio No.	Certificate No(s).	Distinctive No(s).	No. of shares
Total number of equity shares				

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirers(s) gives the purchase consideration as mentioned in the Letter of Offer.
I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

SHARES IN DEMATERIALISED FORM

I/We, holding Shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participant ("DP") in respect of my/our Shares as detailed below:

DP Name	DP ID	Client ID	No. of Shares	ISIN No.
Total number of shares				

I/We have done an off market transaction for crediting the Shares to the special account opened for the purposes of the Offer, for which necessary instructions have been given to my/our DP.
I/We note and understand that the Shares would reside in the depository account opened for the purpose of this Offer until the time the Acquirers accepts the Shares and makes the payment of purchase consideration as mentioned in the Letter of Offer.
I/We confirm that the equity shares of Polytex India Limited, which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.
I/We authorize the Acquirers to accept the shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirers to return to me/us, equity share certificate(s) in respect of which the offer is not found valid/not accepted.
I/We authorise the Acquirers and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UCP as may be applicable at my/our risk, the draft/cheque/warrant, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below.
I/We authorize the Acquirers to accept the Shares so offered or such lesser number of Shares that they may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirers to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirers are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,
Signed and Delivered

	Full Names (s) of the holders	Address	Signature
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings all must sign. Enclose duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s). A corporation must affix its common seal and enclose necessary certified corporate authorizations. Non-resident shareholders with repatriable benefits must enclose appropriate documentation.

Place:
Date:

Bank Details

So as to avoid fraudulent encashment in transit, the shareholder(s) may, at their option, provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Savings/Current/(Others; please specify) : ____
Name of the Bank Branch: ____
Account Number: ____

--**Tear along this line** --

Acknowledgement slip

Ledger Folio No. ____DP ID _________________________ Client ID___________________________Received from ________________________________ ____________an application for sale of __________Equity Share(s) of Polytex India Limited together with ________share certificate(s) bearing Certificate Numbers __________________________ and _______transfer deed(s)/ photocopy of "Off-market" delivery instruction duly acknowledged by the DP.

Note : All future correspondence, if any, should be addressed to the Registrar to the Offer at the address mentioned above.

Date of receipt **Signature of the official**

FORM OF WITHDRAWAL

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

From:
Name:
Address:

Tel. No.
Fax No.
E-mail:

OFFER	
Opens on	December 19, 2007
Closes on	January 07, 2008
Last date of Withdrawal	January 02, 2008

To,
Maheshwari Datamatics Pvt. Limited
6, Mangoe Lane 2nd Floor,
Kolkata- 700 001

Dear Sir,

Subject: Open Offer by Shri Arvind Mulji Kariya and Smt Jigna Arvind Kariya both resident of A-402, Jay Apartments, Nehru Road, Santacruz (E), Mumbai-400055., Shri Paresh Mulji Kariya and Smt Sadhana Paresh Kariya, both resident of 13, Kathiawar Co-op. Hsg.Soc.Ltd; JVPD Scheme, Vile-Parle (W), Mumbai-400049. (hereinafter collectively referred to as "Acquirers ") to the shareholders of Polytex India Limited (PIL) to acquire from them upto 5,10,000 equity shares of Re.10/- each aggregating 34% of the paid up Equity & voting share capital of PIL @ Rs. 10.00/- per fully paid up equity share.

We refer to the Letter of Offer dated 12.12.2007 for acquiring the equity shares held by me/us in Polytex India Limited.
We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.
We, hereby consent unconditionally and irrevocably to withdraw my/our shares from the Offer and I/We further authorize the Acquirers to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.
We note that upon withdrawal of my/our shares from the Offer, no claim or liability shall lie against the Acquirers /PAC/Manager to the Offer/ Registrar to the Offer.
We note that this Form of Withdrawal should reach the Registrar to the Offer before the last date of withdrawal i.e.28.11.2007.
We note that the Acquirers /PAC/Manager to the Offer/ Registrar to the Offer shall not be liable for any postal delay/loss in transit of the shares held in physical form and also for the non-receipt of shares held in the dematerialized form in the DP Account due to inaccurate / incomplete particulars / instructions.
We also note and understand that the Acquirers /PAC will return the original share certificate(s), share transfer deed(s) and shares only on completion of verification of the documents, signatures and beneficiary position as available from the depositories from time to time.

SHARE HELD IN PHYSICAL FORM

The particulars of tendered original share certificate(s) and duly signed transfer deed(s) are detailed below:

Sr. No.	Ledger folio No.	Certificate No.	Distinctive No.		No. of Shares
			From	To	
Total number of shares					

SHARES HELD IN DEMAT FORM

We have tendered the shares in the offer which was done in an off market transaction for crediting the shares to the "Maheshwari Datamatics Pvt Ltd –PIL-Open Offer Escrow Account" as per the following particulars:

DP ID : IN300773
DP Name : Bahubali International Limited
Beneficiary ID Number : 10203222

Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my/our shares have been tendered are as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of Shares

I/We note that the shares will be credited back only to that Depository Account, from which the shares have been tendered and necessary standing instructions have been issued in this regard.
I/We confirm that the particulars given above are true and correct.
In case of dematerialised shares, I/We confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.
Yours faithfully,
Signed and Delivered

	Full Names (s) of the holders	**Address**	**Signature**
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all shareholders must sign. A corporate body must sign under its official name. The withdrawal option can be exercised by submitting the Form of Withdrawal, duly signed and completed, along with the copy of acknowledgement slip issued at the time of submission of the Form of Acceptance cum Acknowledgement. Applicants are requested to clearly mark the envelope with the words "Polytex India Limited Open Offer" while sending the documents to the registrar to the offer. All future correspondence, if any, should be sent to the registrar to the offer, Maheshwari Datamatics Pvt. Limited. (unit: Polytex India Limited), at their aforesaid address.

Place: Date:

-- TEAR HERE--

ACKNOWLEDGEMENT RECEIPT

Received Form of Withdrawal from Mr./ Mrs./Ms. --

Folio No.--------------------------------DP ID -------------------------- Client ID NO. --------------------------------Number of shares tendered ------------------------------------

Number of share withdrawn ---

Stamp of Registrar **Signature of official** **Date of Receipt**

BOOK POST

If undelivered please return to :
Maheshwari Datamatics Pvt. Limited
6, Mangoe Lane, 2nd Floor
Kolkata 700 001