PUBLIC ANNOUNCEMENT

FOR THE ATTENTION OF THE SHAREHOLDERS OF

SPENTEX INDUSTRIES LIMITED [SIL]

Registered Office: A-60, Okhla Industrial Area, Phase II, New Delhi 110020, India

CASH OFFER FOR ACQUISITION OF EQUITY SHARES FROM SHAREHOLDERS

This Public Announcement ("PA") is being issued by YES BANK Limited ("YBL"), [hereinafter referred to as the "Managers to the Offer"] on behalf of (a) Citigroup Venture Capital International Growth Partnership Mauritius Limited ("CVCIGPML"), [hereinafter referred to as "the Acquirer Company"] and (b) Citigroup Venture Capital International Jersey Limited ("CVCIJL") [hereinafter referred to as the "Person Acting in Concert" / "PAC"], with CVCIJL acting in concert with CVCIGPML [CVCIGPML and CVCIJL hereinafter collectively referred to as the "Acquirers"] pursuant to and in compliance with among others, Regulation 10 of Chapter No. III of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto ["SEBI Takeover Regulations" / "Regulations"]. This is not a competitive bid.

1. Background of the Offer

Pursuant to a Resolution passed by the Directors in their Board Meeting held on October 25, 2005, Spentex Industries Limited ("SIL" / "Company" / "Target Company"), at its Extraordinary General Meeting ("EGM") held on November 23, 2005 passed a Special Resolution under Section 81 and other applicable provisions of the Companies Act, 1956 (including any amendment to or re enactment thereof), authorizing the Board of Directors to issue and allot (a) upto 1,75,00,000 equity shares at a price of Rs. 36.54 per equity share for cash and (b) upto 17,50,000 warrants to CVCIGPML or any of its nominees or affiliates, with each Warrant convertible at the sole option of the holder any time before the expiry of 18 months from the date of its allotment, into one fully paid up equity share of the Company at an exercise price (including premium) of Rs. 36.54 per equity share on such further terms and conditions as may be finalised by the Board of Directors, on a Preferential Allotment basis in accordance with the provisions of the Memorandum and Articles of Association of the Company, Listing Agreement, the Companies Act, guidelines issued by Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) and all other concerned statutory and other authorities to the extent necessary and such other approvals, consents etc as may be necessary.

October 24, 2005 was the "Relevant Date" for the purpose of determination of minimum issue price as per Clause No. 13.1.1 of Securities and Exchange Board of India [Disclosure and Investor Protection] Guidelines 2000 as amended till date ("SEBI DIP Guidelines") i.e. 30 days prior to EGM. The average of weekly high and low of the closing prices of the equity shares of SIL on BSE (a) for the 6 months ended on October 24, 2005 is 27.67 and (b) for the 2 weeks ended on October 24, 2005 is Rs. 36.54 (Source: www.bseindia.com). Therefore, the issue price of Rs. 36.54 per equity share is not less than the higher of above mentioned (a) and (b).

The Directors of SIL in their Board Meeting held on December 08, 2005 have allotted (a) 1,75,00,000 equity shares of Rs. 10/- each for cash at a premium of Rs. 26.54 per equity share aggregating to Rs. 63,94,50,000/- and (b) 17,50,000 warrants convertible at an exercise price of Rs. 36.54 per equity share [including premium of Rs. 26.54 per share] aggregating Rs. 6,39,45,000/- thus aggregating to Rs. 70,33,95,000/- to CVCIGPML. The equity shares and the warrants are locked-in for a period of one year from the date of the allotment of the Equity Shares and the warrants. Above mentioned Preferential Allotment was made by SIL in accordance with the provisions of Chapter XIII of SEBI DIP Guidelines.

Investment Agreement (IA) dated December 08, 2005 was simultaneously entered into between (a) SIL in its capacity as the Issuer Company, (b) CVCIGPML in its capacity as the allottee / Acquirer Company and (c) the Promoters of SIL (as defined therein).

In accordance with the terms of the IA, overall management and control of SIL will remain with the Promoters while the Acquirer Company will be a significant financial investor with certain minority protection rights designed to enable it to preserve the value of its investment in SIL. Such rights include the right of the Acquirer Company to appoint a maximum of two non-executive directors to the Board of Directors; certain information rights, certain representations and warranties relating to the Company and tag-along rights in the event that any of the Promoters sells its shares.

Some of the critical clauses in the IA are (a) The Company and the Promoters have provided various representations and warranties and undertaken certain indemnities in favour of the Acquirer Company in relation to the Company and its assets, liabilities, etc. (b) The Company is to obtain director's indemnity insurance. (c) The Company is to indemnify the Acquirer Company's Director in relation to any loss suffered by the director in relation to actions of the Company, its employees, the Promoters, etc. (d) The Company is to provide at least 7 (seven) Business Days notice of each Board meeting to each Director except with the consent of all the directors. (e) The Company is to endeavour to maintain high standards of governance and reporting to the Board, the shareholders of the Company and analysts. The Company is to organize presentations to the Board, the shareholders of the Company and analysts, from time to time, as may be directed by the Board. The Acquirer Company is also entitled to certain information rights. (f) The Company is to convene a meeting of its shareholders to pass the appropriate resolution to adopt the Restated Articles reflecting the terms of the IA on or before January 30, 2006. (g) The Promoters cannot transfer the shares held by them except subject to certain terms and conditions specified in the IA. (h) The Acquirer Company cannot transfer any Equity Shares or warrants held by it to a strategic investor (as defined in the IA), without the prior written consent of the Promoters, except for sales on a stock exchange. (i) The Investor is entitled to various registration rights in case of foreign listings. (j) The promoters have undertaken certain non-compete obligations. (k) All agreements and transactions between the Company and any and all persons related in any way to the shareholders of the Company, are to be on an arms length, market terms basis and on terms not more favourable to such person than those with any unconnected / unaffiliated third party. (l) In the event that, at any time after the date of the IA, the Acquirer Company's shares aggregate to less than 5% of the post-issue equity share capital, then the provisions of the IA shall thereupon terminate.

The IA also provides for certain governance matters, which are matters which would require the consent of CVCIGPML to be undertaken by the Company. However, this right has been suspended and will not be given effect to unless SEBI permits the exercise of such rights by private equity investors such as the Acquirer Company. Hence, this right will not be available to the Acquirer unless permitted by SEBI.

IA provides that in the event that the Open Offer is not, for any reason completed, then the parties are initially to try to agree upon the manner in which the shares subscribed to by the Investors will be dealt with in order to ensure that the provisions of the IA are not given effect to contrary to the provisions of the Takeover Regulations. The Acquirer Company may inter alia approach SEBI or any other Governmental authority for guidance for this purpose. The Acquirer Company shall be entitled to deal with these shares and the Company shall take all action to assist the Investors in this regard. The Acquirer Company may also require the Company to buy back or otherwise cancel the shares issued to the Acquirer Company and return the subscription price to the Acquirer Company or require the Promoters to divest their shares in the Company. The Company and the Promoters shall indemnify the Acquirer Company for any loss caused to the Acquirer Company as a consequence of any of these actions.

2. The Offer

Prior to Preferential Allotment, the paid up Equity Share Capital of SIL was Rs. 19,38,46,000/- comprising of 1,93,84,600 Equity Shares of Rs. 10/- each. SIL will allot 1,78,24,591 equity shares pursuant to merger of CLC Global Ltd with the Company for which the Company has fixed December 10, 2005 as the Record Date. Brief details of background of merger are given in Para 4. SIL allotted 1,75,00,000 equity shares of Rs. 10/- each to CVCIGPML on December 08, 2005 by way of preferential allotment.

In view above, while determining 20.00% of the paid up equity share capital for the purpose of minimum public offer as above, paid up equity share capital of Rs. 57,45,91,910/- comprising of 5,74,59,191 equity shares of Rs. 10/- each is considered in terms of Regulation 21(5) of SEBI Takeover Regulations which provides that for the purpose of determining minimum 20% of the voting capital of the Company, voting rights as at the expiration of 15 days after the closure of the proposed public offer shall be reckoned. Warrants convertible any time before the expiry of 18 months from the date of its allotment into one fully paid up equity share are not taken into consideration while determining 20.00% of the paid up equity share capital for the purpose of minimum public offer as these warrants are not likely to be converted before the expiration of 15 days after the closure of the proposed public offer. There are no partly paid up Equity Shares in the books of SIL.

As the aggregate equity stake of CVCIGPML in the post preferential allotment post merger paid up equity share capital of SIL is 30.46% which is more than the stipulated limit of 15%, in Compliance with Regulation 10 of SEBI Takeover Regulations, CVCIGPML is making an offer to the remaining equity shareholders of SIL, with CVCIJL acting as PAC to acquire 1,14,91,839 Equity Shares representing 20% of the post allotment post merger paid up equity share capital of SIL at a price of Rs. 36.66 per fully paid up equity share ("Offer Price") payable in cash ("Offer").

The Offer is not subject to any minimum level of acceptance and the Acquirers will be obliged to acquire upto a maximum of 1,14,91,839 Equity Shares of SIL that are tendered in the valid form in terms of this offer subject to the terms and conditions mentioned in this PA and the Letter of Offer to be mailed to the shareholders. Equity Shares of SIL that would be tendered in the valid form in terms of this open offer will be transferred in favour of CVCIGPML.

Acquirers have not acquired any equity shares of SIL during the 12 months period prior to the date of this PA except the shares acquired by CVCIGPML by way of preferential allotment as per the details given above. Other than above i.e., 1,75,00,000 equity shares of Rs. 10/- each, the Acquirers do not hold any Equity Shares in the paid up equity share capital of the target company as on the date of this PA. However, CVCIGPML or any of its nominees or affiliates are entitled to convert 17,50,000 warrants, allotted on December 08, 2005, at their sole option, any time before the expiry of 18 months from the date of allotment, into one fully paid up equity share at an exercise price [including premium] of Rs. 36.54 per warrant.

Acquirers have not acquired any equity shares in the paid up equity share capital of the target company during the last 26 weeks period prior to the date of this PA by way of (a) allotment in public issue or (b) allotment in rights issue or (c) preferential allotment of the Target Company except the shares acquired by CVCIGPML by way of preferential allotment as per the details given above.

Equity Shares of SIL are presently listed and traded on Bombay Stock Exchange Ltd ("BSE"). Equity Shares of SIL were earlier listed on the Stock Exchanges at Pune, Ahmedabad and Kolkata. However, the Target Company filed applications with these Stock Exchanges on November 29, 2004 seeking delisting and the equity shares were accordingly delisted from these Stock Exchanges with effect from January 15, 2005, February 18, 2005 and March 30, 2005 respectively.

Based on the information available, the Equity Shares of SIL are deemed to be frequently traded on BSE as the annualised trading turnover based on the trading during 6 calendar months i.e. April 2005 to September 2005 is more than 5% of the total number of listed shares in terms of Explanation (i) to Regulation 20(5) of SEBI Takeover Regulations.

The average of weekly high and low of the closing prices of the shares of SIL for the 26 week period ended on October 24, 2005 i.e. the date preceding the date of Board Resolution which authorised the preferential allotment is Rs. 27.67 as per Explanation No. (ii) to Regulation No. 20(11) of Regulations. The average of daily high and low prices of the shares of SIL for the 2 weeks period ended on October 24, 2005 is Rs. 36.66. (Source: www.bseindia.com)

The Offer price of Rs. 36.66 per share is the highest of (a) Rs. 36.54 per Equity Share i.e. the price at which preferential allotment is made by SIL to CVCIGPML on December 08, 2005 and (b) Rs. 27.67 i.e. the average of weekly high and low of the closing prices of SIL on BSE for the 26 week period preceding October 25, 2005 i.e. the date of Board Resolution which authorised the preferential allotment as explained above and (c) Rs. 36.66 i.e. the average of daily high and low prices of SIL on BSE for the 2 week period preceding October 25, 2005. In view of this, the Offer price is justified in terms of Regulation No. 20(4) of SEBI Takeover Regulations, applicable for companies whose shares are frequently traded.

As SIL will allot 1,78,24,591 equity shares pursuant to merger of CLC Global Ltd with the Company [for which the Company has fixed December 10, 2005 as the Record Date] i.e. after the shareholders of SIL passed the Special Resolution for preferential allotment on November 23, 2005, so as to ascertain fair value of the equity shares of SIL, we have obtained a Share Valuation certificate dated December 09, 2005 from Mr. Dinesh C Bangar, Partner, [Membership No. 36247], Dinesh Bangar & Co., Chartered Accountants, 114, Gauri Premises CHS Ltd, First Floor, Opp: Bank of Baroda, Navghar, Vasai East, Thane Dist 401210, an independent Chartered Accountant, keeping in view the Supreme Court Decision in the Hindustan Lever Employee Union Vs Hindustan Lever Limited (1995) 83 Com Case 30. Said valuation report, prepared based on Net Asset Value, Profit Earning Capacity Value and Market Value method as per erstwhile CCI Guidelines, certified that the fair Value of the equity share of SIL based on the audited financial statements of SIL as on March 31, 2005 prepared after considering the separate financial statements of erstwhile CLC Corporation and CLC Global Limited, which were amalgamated with SIL with effect from April 01, 2004 would be Rs. 13.16 per equity share.

As per the audited financial results of SIL for the year ended on March 31, 2005, the Book Value per share was Rs. 13.88, Return on Networth was 20.04%, Earning Per Share was Rs. 2.78, Offer P/E [Price Earning Ratio] 13.19 and P/E multiple for the Industry category i.e. "Textiles – Cotton / Blended" is 13.00 [Source: "Capital Market" December 05 -18, 2005]

In view of this, the Offer price of Rs. 36.66 per equity share is justified in terms of Regulation 20(4) of SEBI Takeover Regulations.

3. Information on the Acquirer Company i.e. Citigroup Venture Capital International Growth Partnership Mauritius Limited [CVCIGPML] and Person Acting in Concert - Citigroup Venture Capital International Jersey Limited [CVCIJL]

CVCIGPML is the Acquirer Company and its registered office is situated at 3rd Floor, Les Cascades, Edith Cavell Street, Port Louis, Mauritius. Tel: (230) 211 2000; Fax: (230) 211 1000. CVCIGPML is not a listed company. CVCIGPML is a wholly owned subsidiary of CVCIJL, the PAC.

The main object of the Acquirer Company is to carry on the business of investment and holding company and for that purpose, to acquire and hold, either in the name of the Acquirer Company or in that of any nominee, and to use, sell, assign, transfer, mortgage, pledge or otherwise deal with or dispose of, shares, stocks, bonds, debentures, notes, obligations and securities issued or guaranteed by any person or company, and property of any other kind. The Acquirer Company proposes to make and is in the process of making financial investments in various companies.

CVCIJL is a PAC and its principal office is situated at P.O. Box 75, 26 New Street, St. Helier, Jersey, JE48PP, Channel Islands Tel: +0044 1534 814835; Fax: +0044 1534 814815.. CVCIJL was incorporated on May 20, 2005 and is not a listed company and has not yet prepared its financial statements.

The Acquirer Company and the PAC are within the structure of the Citigroup Venture Capital International Growth funds and being private equity funds managed by Citigroup Venture Capital International Partnership G.P. Limited. ("General Partner"), (a wholly owned subsidiary of Citigroup Inc., (a financial institution listed on the New York Stock Exchange). Various third party investors are expected to make commitments to the Citigroup Venture Capital International Growth funds. Presently, Citigroup, Inc. has committed to make a minimum capital contribution of US$ 500 million in the Citigroup Venture Capital International Growth funds and further commitments from various other third party investors are expected to be made over time.

The Acquirer Company was incorporated as Waterfalls Quality Investments Limited on June 26, 1998 and the name was changed to Citigroup Venture Capital International Growth Partnership Mauritius Limited on April 20, 2005, consequent to the Acquirer Company becoming part of the structure of the Citigroup Venture Capital International Growth funds. The audited financial statements for the year ended December 31, 2004 [previous year's figures are given in bracket] provided below reflect the position and operations of the Acquirer Company prior to the above change.

Total Expenditure Rs. 2.126 lakhs (Rs. 2.420 lakhs), Net Loss Rs. 2.126 lakhs (Rs. 2.420 lakhs), Paid up share capital Rs. 0.001 lakhs (Rs. 0.001 lakhs), Reserves and Surplus –ve Rs. 6.162 lakhs (-ve Rs. 4.249 lakhs), Networth –ve Rs. 6.161 lakhs (-ve Rs. 4.248 lakhs), Net Current Assets –ve Rs. 6.163 lakhs (-ve Rs. 4.250 lakhs). [Conversion Rates: 1US$=Rs. 43.27 on December 31, 2004 and 1US$=Rs. 45.55 on December 31, 2003.

4. Information on Target Company : Spentex Industries Limited [SIL]

SIL is a public limited Company incorporated on November 25, 1991 under the Companies Act, 1956 to carry on the business of manufacturing of cotton yarn and trading of yarns and fabrics. The Registered office of the Company was situated in the State of West Bengal and was shifted to the State of Maharashtra vide order of the Company Law Board, Eastern Region Bench, Calcutta dated July 08, 1995. Subsequently, the registered office was shifted to NCT of Delhi & Haryana vide order of the Company Law Board, Western Region Bench, Mumbai dated May 27, 2005 and presently the Registered Office of the Company is situated at A-60, Okhla Industrial Area, Phase II, New Delhi 110 020.

SIL commenced its commercial production in 1993 and presently it is engaged in the manufacture of high quality cotton yarn with an installed capacity of 55,440 ring spindles. SIL manufactures high quality combed cotton yarn (count range from 24s to 60s) and trades in cotton, cotton yarn, textile fabric, structural steel and ferro alloys and related products. SIL, the then BIFR company was acquired from R.P. Goenka Group on January 05, 2004. The yarn is now being supplied to high performance knitters in Canada, Hong Kong, Israel and other countries whereas the manufactured and traded products are exported to far off and developed markets such as Australia, U.K., South America, Canada, South East Asia, and E.E.C. SIL is certified for ISO9001 : 2000 quality management systems, ISO 14001 : 2004 Environment management Systems. Further, the product of the Company, cotton yarn is certified for Oeko-Tax Standard 100.

CLC Corporation, a partnership firm, was acquired by the Company under Section 391 – 394 of the Companies Act, 1956 pursuant to Scheme of Arrangement approved by the Hon'ble High Court, Mumbai and Delhi w.e.f. April 01, 2004. CLC Corporation has won The Cotton Textiles Export Promotion Council (TEXPROCIL) award for achieving a high level of exports for the last three years.

CLC Global Ltd, a group company, was merged with the Company under Section 391-394 of the Companies Act, 1956 pursuant to Scheme of Amalgamation approved by the Hon'ble High Court, Delhi w.e.f. April 01, 2004. CLC Global Ltd was also a public limited company incorporated in 1992 under the name and style as Apro Bio Chem & Engineering Private Ltd and later on converted into a limited company. In 2000, Mr. Mukund Choudhary & Associates acquired 79.55% stake in Apro and acquired another 4.35% under open offer and Demerged the textile division of CLC & Sons Pvt. Ltd in pursuance of a Scheme of Arrangement approved by Hon'ble High Court, Delhi and Bombay in 2002 and subsequently name has been changed to CLC Global Ltd. CLC Global Ltd acquired Cimmco Spinners Ltd from S.K.Birla Group in October 2003.

Prior to Preferential Allotment to CVCIGPML and promoters, the paid up Equity Share Capital of SIL was Rs. 19,38,46,000/- comprising of 1,93,84,600 Equity Shares of Rs. 10/- each. SIL will allot 1,78,24,591 equity shares pursuant to merger of CLC Global Ltd with the Company for which the Company has fixed December 10, 2005 as the Record Date. SIL allotted 1,75,00,000 equity shares of Rs. 10/- each to CVCIGPML and 27,50,000 equity shares of Rs. 10/- each to the promoters of the Company on December 08, 2005 by way of preferential allotment. Thus, as on the date of PA, issued and paid up equity share capital of SIL is Rs. 39,63,46,000/- comprising of 3,96,34,600 equity shares of Rs. 10/- each. There are no partly paid up equity shares and no calls in arrears. Details of listing status are given in Para No. 2 above.

The Company adopted the audited financials of the Company for the year ended on March 31, 2005 [prepared after considering the separate financial statements of erstwhile CLC Corporation and CLC Global Limited, which were amalgamated with SIL with effect from April 01, 2004] in the Board Meeting held on December 05, 2005. As per the audited accounts for the year ended March 31, 2005, [previous year's figures are given in bracket] SIL had total sales of Rs. 38,312.13 lakhs (Rs. 3633.81 lakhs) and Net Profit after tax of Rs. 1035.00 lakhs (-Rs. 184.07 lakhs). Paid up Equity Share Capital was Rs. 1111.01 lakhs (Rs. 2222.00 lakhs), Share capital Suspense Account was Rs. 2609.90 (Nil) [Equity Shares to be issued to promoters of CLC Corporation as per the Scheme of Arrangement and Equity Shares to be issued to the shareholders of CLC Global Ltd in the ratio of 1:1 as per the Scheme of Amalgamation] and Reserves and Surplus Rs. 1761.29 lakhs (Rs. 1382.32 lakhs). Further, as on March 31, 2005, the Company had in its books, Net Fixed Assets of Rs. 6259.58 lakhs (Rs. 3730.83 lakhs), Capital work in progress (including advances) of Rs. 659.87 lakhs (Rs. 4.13 lakhs), Pre operative expenses pending allocation Rs. 3.23 lakhs (Nil), Investments of Rs. 1.64 lakhs (Rs. 3.56 lakhs), deferred tax assets of Rs. 110.09 lakhs (Nil), Net Current Assets of Rs. 6052.87 lakhs (-Rs. 202.25 lakhs), Miscellaneous Expenditure of Rs. 4.94 lakhs (Rs. 43.72 lakhs) and Debit balance of Profit & Loss Account Rs. 312.30 lakhs (Rs. 2723.65 lakhs). The Company registered EPS of Rs.2.78 (-Rs. 0.83) and Book Value of Rs. 13.88 (Rs. 3.77) and Return on Net Worth of 20.04% (-21.99%). For the purpose of determination of EPS, BV and RONW ratios used are (a) EPS = Profit After Tax / Number of Shares and (b) BV = Networth / Number of shares and (c) RONW = Profit After Tax / Networth * 100.

5. Reasons for the acquisition, rationale for the offer and future plans

Since the investment by Acquirer Company in the paid-up equity share capital of SIL is in the nature of a financial investment in the ordinary course of business, the Acquirer Company does not have any plans to dispose of or otherwise encumber any assets of SIL in the next two years, other than in the ordinary course of business. Since the object of the preferential allotment is a financial investment in the company, there will not be any change in control or management of SIL consequent to the abovementioned acquisition. Other than this, the Acquirer Company does not have any specific future plans for SIL. Since the Acquirer Company is not in control of the Company, it shall not sell, dispose of or otherwise encumber any substantial assets of SIL other than in the ordinary course of business of SIL except with the prior approval of the shareholders of SIL and in accordance with and subject to the applicable laws, permissions and consents, if any.

Substantial acquisition of shares and voting rights without change in control and management is the reason and rationale for the acquisition of the abovementioned 20% equity stake in the paid-up equity share capital of SIL by the Acquirer Company in accordance with Regulation 10 of the Takeover Regulations.

6. Statutory Approvals & Conditions of the Offer

The Offer is subject to receipt of the following statutory and regulatory approvals, and clearances:

Pursuant to AP (Dir Series) Circular No. 16 dated October 4, 2004, approval is required from Foreign Investment Promotion Board ("FIPB") / Secretariat of Industrial Assistance ("SIA") / any other appropriate authority of the Government of India ("GOI"), if any, by the Acquirer Company for acquisition / transfer of equity shares that are tendered in the open offer by resident Shareholders i.e. individuals and institutions, Overseas Corporate Bodies, FIIs etc. Acquirer Company, on November 30 2005 (amended vide letter dated December 06, 2005) has made the requisite application to FIPB seeking their approval in this regard.

Presently, the Acquirer Company has opened a cash escrow account abroad and as per RBI requirements and rules, an application has been filed with the Regional Office of Reserve Bank of India [RBI] on November 30, 2005 (amended vide letter dated December 06, 2005) for their requisite permission (a) to open and fund the cash escrow account in India / transfer of funds from the aforesaid offshore escrow account in terms of the provisions of SEBI Takeover Regulations and (b) to open a Special Account in India for the purpose of releasing payment of purchase consideration to eligible shareholders, as per RBI requirements and rules.

In case of delay in receipt of statutory approvals as explained above beyond Tuesday – March 14, 2006, SEBI has power to grant extension of time to Acquirer Company for payment of purchase consideration to eligible shareholders, subject to Acquirer Company agreeing to pay interest at the rate of 10% pa or as directed by SEBI, for the delayed period in terms of Regulation 22(12) of the Regulations. If the delay occurs due to willful default of the Acquirer Company in obtaining requisite approvals, Regulation 22(13) of the Regulations will become applicable.

No approvals from banks / financial institutions are required for the open offer.

As on date no other statutory / other approvals other than those indicated above are required for the Offer. If any other statutory approvals become applicable, the offer would be subject to such approvals. Acquirer Company will have a right, in terms of Regulation 27 (1)(b) of SEBI Takeover Regulations, not to proceed with the offer in the event that statutory approvals indicated above are not received / refused.

7. Delisting Provision

The minimum public shareholding required for continuous listing in relation to SIL is twenty five (25) percent of the total issued equity share capital. Pursuant to this Open Offer, there will be no violation of Clause 40A of the Listing Agreement of SIL with the Stock Exchanges and equity shares of SIL will continue to be listed as the public shareholding of SIL is not expected to fall to a level below the limit for continuous listing specified in the Listing Agreement. Regulation 21(3) and 21(4) and the disclosure of option thereunder are consequently not applicable to the Offer.

8. Funding Arrangement

The total funds required for the acquisition of 1,14,91,839 Equity Shares of SIL in the Open Offer assuming full acceptance at Rs. 36.66 per Equity share amount to Rs. 42,12,90,817.74. In addition to escrow deposit made as per the details given below, CVCIJL has agreed to issue the formal commitment to CVCIGPML upto the balance 75% of the open offer amount and remit the money to CVCIGPML upon receipt of written request from CVCIGPML. Thus, the Acquirer Company has adequate resources to meet the financial requirements of the Offer as CVCIJL has committed to capitalize the Acquirer Company i.e. CVCIGPML to the extent required to enable it to satisfy its financial obligations under the Offer.

Acquirer Company has opened an offshore cash escrow account with Citibank, N.A., located at Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, United Kingdom (hereinafter referred to as "Citibank") under the name and style of "Spentex Industries Ltd / CVCIGPML – Overseas Escrow Account" bearing No. 11492713 and deposited US$ 2341000 equivalent to Rs. 10,79,43,510/- [Rupees Ten Crores Seventy Nine Lakhs Forty Three Thousand Five Hundred Ten only], at an exchange rate of Rs. 46.11 per US$ [Exchange Rate as on December 13, 2005] being more than 25% of the total purchase consideration payable under the Offer assuming full acceptance at the aforesaid offer price. Acquirer Company has confirmed that the funds lying in the above mentioned offshore cash escrow account will be utilized exclusively.

As soon as requisite approval is obtained from RBI for opening and operating an escrow account in India, Acquirer Company will open a cash escrow account with a scheduled commercial bank in India as per the provisions of SEBI Takeover Regulations and upon the instructions of the managers to the Offer, transfer the funds lying in the above mentioned offshore cash escrow account to the said domestic cash escrow account and Managers to the Offer will be duly authorised to operate the domestic cash escrow account in compliance with Regulation 28 of SEBI Takeover Regulations. Acquirer Company has undertaken to mark a lien thereon in favour of the Managers to the Offer.

Mr. S D Sharma, Partner (Membership No. 80399), Uberoi Sood & Kapoor, Chartered Accountants, 606, Vishal Bhavan, 95 – Nehru Place, New Delhi 110019 [Tel No: 91 11 2641 6942, Fax No: 91 11 2648 0027, Email ID: uskca@del2.vsnl.net.in] have certified vide their letter dated December 12, 2005 that Citigroup Venture Capital International Growth Partnership Mauritius Limited has adequate financial resources to finance the above mentioned acquisition [1,14,91,839 Equity Shares of SIL] to the extent of their obligations of the Offer.

In view of aforesaid offshore cash escrow deposit which constitutes more than 25% the total purchase consideration payable under the Offer, the Managers to the Offer are satisfied that firm arrangements for financial resources required to implement the offer i.e. funds and money for payment through verifiable means are in place to fulfill the Offer obligations and are satisfied that Acquirer Company and PAC have the ability to implement the Offer in accordance with the Regulations.

In the event of any short fall in the cash escrow amount arising on account of exchange rate fluctuations, the Acquirer Company has undertaken to provide additional funds to ensure that the escrow account has adequate funds to the extent of at least 25% of the total purchase consideration payable under the Offer at all times, to discharge its / their offer obligations irrespective of fluctuations in the exchange rate.

9. Other Terms of the Offer

The Letter of Offer ("LOF") with Form of Acceptance cum Acknowledgement ("Acceptance Form") will be mailed to the shareholders of SIL [except parties to the IA i.e. (a) Acquirer Company and (b) Promoters as defined therein] whose names appear on the Register of Members of SIL and beneficial owners of the equity shares of SIL, whose names appear as beneficiaries on the records of the respective Depositories i.e. NSDL and CDSL, at the close of business hours on Thursday – December 15, 2005 ("Specified Date").

BEETAL Financial & Computer Services Pvt. Ltd, BEETAL House, 3RD Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukh Dass Mandir, , New Delhi 110 062 are acting as the Registrars to the Offer ("Registrars") and they have opened a special depository account under the name and style of "Spentex Industries Ltd – CVCIGPML – Open Offer – Escrow Demat Account" with Sam Global Securities Ltd, 17, Netaji Subhash Marg, Daryaganj, New Delhi 110002 who is acting as Depository Participant and registered with CDSL. DP ID is 12019101 and Client ID is 00131771. ISIN Number is INE 376C01020.

Shareholders having their depository account with a Depository Participant who is registered with NSDL have to use inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account opened by BEETAL Financial & Computer Services Pvt. Ltd with Sam Global Securities Ltd who is registered with CDSL.

Beneficiary owners (holders of shares in dematerialised Form) who wish to tender their shares will be required to send their Acceptance Form along with a photocopy of the delivery instruction slip in "off-market" mode or counterfoil of the delivery instruction slip in "Off-market" mode, duly acknowledged by the Depository Participant ("DP") in favour of the Special Depository account, to the Registrars in accordance with the instructions to be specified in the LOF.

Shareholders holding equity shares in physical form and who wish to tender their shares will be required to send the Acceptance Form, original share certificate/s and transfer deed/s, duly signed, to the Registrars on or before the closure of the Offer in accordance with the instructions to be specified in the LOF.

The equity shareholders of SIL who wish to avail of the Offer will be required to deliver the Acceptance Form with relevant documents to the Registrars on all days (excluding holidays and Sundays) at the collection centres mentioned below, in accordance with the instructions to be specified in the LOF and in the Acceptance Form.

The collection centres mentioned below would remain open on Monday to Friday from 10.00 am to 1.00 pm and from 2.00 pm to 4.00 pm and on Saturdays from 10.00 am to 1.00 pm.

Address of the Collection Centres	Contact Person	Mode of delivery	Phone/ Fax / Email
BEETAL Financial & Computer Services Pvt. Ltd. BEETAL House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada Harsukhdas Mandir New Delhi 110062	Mr. Punit Mittal	Hand Delivery / Regd Post / Courier	Phone: 011 2996 1280 / 81 / 82 / 83, Fax: 011 2996 1284 Email: beetal_99@sify.com
196 A – G, Aranbinda Sarani, Kolkata 700004	Mr. Bhaskar/ Mr. Manish Biswas	Hand Delivery / Regd Post / Courier	Phone: 033 2533 3706 Fax: 033 2455 1077 Mobile : 09830050737 Email: beetal_99@sify.com
204, Sajjid Yasin Chamber 1, Behind Fire Brigade, Bombanji Lane, Mumbai 400001	Mr. Manish Bhide	Hand Delivery / Regd Post / Courier	Phone: 022 2263 4210 / 11 Fax: 022 2262 3599 Email: beetal_99@sify.com
A/3/4, Sajanand Tower, Near Jivrajpark Cross, Jivraj Park, Ahmedabad 380051	Mr. Dave	Hand Delivery / Regd Post / Courier	Phone: 079 2682 4887 Fax: 079 2743 4072 Mobile : 09825465963 Email: beetal_99@sify.com

All owners (registered or unregistered) of shares of SIL [except parties to the IA i.e. (a) Acquirer Company and (b) Promoters as defined therein] who own / hold shares of SIL at any time before the closure of the Open Offer are eligible to participate in the Offer.

Unregistered owners can send their written applications to the Registrars, on a plain paper stating (a) the name, address, No of shares held, No. of shares offered, distinctive Nos and folio No together with the original share certificate/s and valid transfer deeds in the case of equity shares held in physical form or (b) DP name, DP ID and client ID (collectively called "Shareholding Details") together with photocopy or counterfoil of the delivery instruction slip in "off-market" mode in the case of equity shares held in dematerialised form and (c) the original contract note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners.

In case of non-receipt of LOF, the eligible persons / shareholders may send their consent to the Registrars, on a plain paper giving their Shareholding Details as above and submitting the documents as mentioned above so as to reach the Registrars on or before the closure of the Offer. Beneficial owners may send their written application on plain paper to the Registrars, giving their Shareholding Details as above along with beneficiary account number and either a photocopy 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 Registrars, on or before closure of the Offer. Such shareholders may also obtain a copy of Letter of Offer by writing to Registrars to the Offer superscribing the envelope "SIL Open Offer".

Equity shares of SIL are traded compulsorily in dematerialised mode and the minimum marketable lot is one share.

Equity shares, if any, that are the subject matter of litigation wherein the shareholder/s is / are may be precluded from transferring the shares during the pendency of the said litigation are liable to be rejected in case directions/orders from competent authority regarding these shares are not received together with the shares tendered under the Offer. The LOF in such cases, would be forwarded to the concerned competent authority for further action at their end. In case the shares of SIL are in the name of tainted persons or the transfer of shares were kept in abeyance due to the inclusion of the tainted persons as declared by the Special Custodian under the Special Act, such shares will not be accepted until the shares are cleared by the Special Court appointed for this purpose.

Shareholders who have sent their shares for dematerialisation need to ensure that the process of getting shares dematerialised is completed well in time so that the credit in the Special Depository Account should be received on or before the date of closure of the Offer, else the application would be rejected.

Shareholders who have lodged shares for transfer may either download the Letter of Offer and Acceptance Form from the SEBI's site (www.sebi.gov.in) or request for the Acceptance Form from the Registrars to the Offer. Acceptance Form duly completed and signed in accordance with the instructions contained therein or an application in writing on a plain paper stating the name, address, number of shares held, number of shares offered, distinctive numbers and folio number shall be sent to Registrars to the Offer along with the acknowledgement if any, received from SIL for having lodged the shares for transfer. Shareholders who are attaching the acknowledgement are requested to direct SIL in writing to retain the share certificates for onward submission to the Registrars to the Offer.

The Registrars to the Offer will hold, in trust, the share certificates, shares lying to the credit of the Special Depository account, Acceptance Form, if any and the transfer form/s on behalf of the shareholders of SIL who have accepted the Offer, till the cheques / drafts for the consideration and / or the unaccepted shares/ share certificates are dispatched/returned.

In accordance with Regulation No. 22(5A) of the Regulations, shareholders who have tendered the requisite documents in terms of the PA and Letter of Offer shall have the option to withdraw acceptances tendered upto three working days prior to the Offer closing date. The withdrawal option can be exercised by submitting the documents as per the instructions given below so as to reach the Registrars to the Offer at the collection centre/ centres mentioned above as per the mode of delivery indicated therein on or before Wednesday – February 22, 2006.

The withdrawal option can be exercised on submitting (a) the form of withdrawal which will be sent to shareholders along with the Letter of Offer and (b) the copy of the acknowledgement received from the Registrars to the Offer while tendering the acceptances together with (a) In respect of physical shares name, address, distinctive numbers, folio number, and number of shares tendered and (b) In respect of dematerialized shares name, address, number of shares tendered, DP Name, DP ID, beneficiary account number i.e. client ID and photocopy of the delivery instruction in off market mode duly acknowledged by DP. In case of non-receipt of form of withdrawal, the above withdrawal application can be made on a plain paper.

The consideration for shares accepted by Acquirer Company will be paid by crossed account payee cheques / demand drafts. Such payments and documents i.e. share certificates etc in case of unaccepted shares will be returned by Registered Post/ Speed post at the shareholders' / unregistered owners' sole risk. Consideration up to Rs.1500/ - will be dispatched Under Certificate of Posting. Shares held in dematerialised form to the extent not accepted will be credited back to the account of beneficial owner specified in the Acceptance Form. The payment of consideration for the accepted shares will be made by Acquirer Company by cheque / demand draft to the shareholders of the accepted shares within 15 days from the date of closure of the Offer.

A schedule of some of the major activities in respect of the Offer is given below:

Activities	Days & Dates
Specified Date *	Thursday - December 15, 2005
Last date for Competitive Bid	Wednesday – January 04, 2006
Date by which letter of offer to be posted to shareholders	Saturday – January 28, 2006
Date of Opening of the Offer	Tuesday – February 07, 2006
Last date for revising the Offer Price / number of equity shares	Thursday – February 16, 2006
Last date up to which shareholders may withdraw	Wednesday – February 22, 2006
Date of Closure of the Offer	Monday – February 27, 2006
Date for communicating acceptance/rejection under the Offer and payment of consideration for applications accepted.	Tuesday – March 14, 2006

* Specified Date is only for the purpose of determining the names of shareholders as on such date to whom the letter of offer would be sent.

While tendering shares under the open offer, non resident shareholders (NRI/OCB/FII etc) will be required to submit the previous RBI / GOI approvals, if any, which they would have obtained for acquiring the shares of SIL and No Objection Certificate / Tax Clearance Certificate from the Income Tax Authorities under the Income Tax Act, 1961 indicating the rate at which the tax is required to be deducted by the Acquirer Company before remitting the consideration. In case previous approvals as explained above are not submitted, Acquirer Company reserves the right to reject the shares tendered in the open offer. In case the aforesaid No Objection Certificate / Tax Clearance Certificate is not submitted, Acquirer Company will deduct the tax at the current prevailing rates as applicable on the offer price and interest thereon if applicable.

In case of resident shareholders, the Acquirer Company will deduct the tax on the interest component exceeding Rs.5,000/- at the current prevailing rates as applicable, if applicable. If the resident shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, he will be required to submit No Objection Certificate from the Income Tax authorities or a self declaration in Form 15H as may be applicable indicating the rate at which tax is to be deducted by the Acquirer Company. Shareholders eligible to receive interest component exceeding Rs. 5,000/- would be required to give their PAN for Income Tax purposes. Clauses relating to payment of interest will become applicable only in the event of Acquirer Company becoming liable to pay interest for delay in release of purchase consideration.

10. General

Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the PA/ Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the Offer.

The Acquirers can revise the Offer price upwards upto 7 working days prior to the closure of the Offer and if there is any upward revision in the Offer Price upto seven working days prior to Offer closure, the same would be informed by way of PA in the same newspapers where this PA appears and the revised price would be payable to all shareholders who have tendered their shares anytime during the Offer.

The Acquirer Company, PAC and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any other regulations made under the SEBI Act.

Acquirer Company retains the option of acquiring shares of SIL outside this Offer, subject to Regulations.

If there is a competitive offer/ bid, (i) the public offers under all the subsisting bids shall close on the same day and (ii) As the Offer Price cannot be revised during 7 working days prior to the date of closing of the Offer/bids, it would therefore, be in the interest of the shareholders to wait till the commencement of that period to know the final Offer Price of each offer/ bid and tender their acceptance accordingly.

Pursuant to Regulation 13 of the Regulations, Acquirer Company has appointed YES BANK Limited, Mumbai as Managers to the Offer and YBL does not hold any equity shares in the paid up equity share capital of SIL.

(a) Acquirer Company i.e. CVCIGPML and (b) Directors of CVCIGPML and (c) Person Acting in Concert [PAC] i.e. CVCIJL and (d) Directors of CVCIJL accept full responsibility for the information contained in this PA and also for the obligations of Acquirer Company and PAC as laid down in Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments made thereof.

All financial data contained in this PA have been rounded off to the nearest lakhs except where stated otherwise.

SEBI web site

This Public Announcement would also be available on SEBI's website at www.sebi.gov.in. Eligible persons to the Offer may also download a copy of the Letter of Offer and Acceptance Form which will be available on SEBI's website from the Offer opening date i.e. Tuesday – February 07, 2006 and send their acceptances by filling in the same.

For further details, please refer to the Letter of Offer and Acceptance Form.

Registrars to the Offer

BEETAL
Financial & Computer Services Pvt. Ltd.
"BEETAL House" 3rd Floor, 99, Madangir,
Behind Local Shopping Centre
Near Dada Harsukh Das Mandir, New Delhi 110062
Tel. No: 91 11 2996 1281 / 82; Fax No: 91 11 2996 1284
E-mail: beetal_99@sify.com
SEBI Reg No: INR 000000262
Contact: Mr. Punit Mittal

Issued on behalf of (a) Acquirer Company i.e. Citigroup Venture Capital International Growth Partnership Mauritius Limited, 3rd Floor, Les Cascades, Edith Cavell Street, Port Louis, Mauritius and (b) Person Acting in Concert [PAC] i.e. Citigroup Venture Capital International Jersey Limited, P.O. Box 75, 26 New Street, St. Helier, Jersey, JE48PP, Channel Islands.

Issued by: Managers to the Offer

YES BANK
EXPERIENCE OUR EXPERTISE

YES BANK Limited
12th Floor, Discovery of India Building,
Nehru Centre, Dr. Annie Besant Road
Worli, Mumbai 400018
Tel No: 91 22 5669 9068 / 9058
Fax No: 91 22 2497 4158
Email ID: spentex@yesbank.in
SEBI Reg No: MB / INM 0000 10874
Contact : Dhanraj Uchil / S Srividhya

Place : New Delhi
Date : December 14, 2005

Size: 50x32.9 sq. cm