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 Vasundhara Rasayan Limited. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or CIL SECURITIES LIMITED "Managers to the Issue". 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, Form of Withdrawal and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

CASH OFFER AT Rs. 14 /- (RUPEES FOURTEEN ONLY)
PER FULLY PAID-UP EQUITY SHARE OF Rs. 10/- (RUPEES TEN ONLY)

[Pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto]

TO ACQUIRE

Up to 6,35,640 fully Paid-up Equity Shares of face value Rs. 10/- each representing 20% of voting and paid up equity share capital at the expiration of 15 days from the date of closure of the public offer at a price of Rs 14/- per share

OF

Vasundhara Rasayans Limited

(Registered Off: 612/ 613, Swapnalok Complex, 92/93, S.D.Road, Secunderabad-500003.
Ph No. 91-040-27813413,27813754, Fax No. 91-040-27813204, E-mail: vrl.hyd@vasundhararasayans.com)

BY

M/s P& J Cretechem Private Limited

("Acquirer")

(Registered Off Shed No.42, Phase II, IDA, Mallapur, Hyderabad-500076.
Ph No. 91-040-23437617, 91-040-23437623 Fax No. 91-040-23437627, E-mail: info@pjcretechem.com)

1. The offer is subject to the approval of RBI under the Foreign Exchange Management Act, 1999 for acquiring shares tendered by NRIs/FIIs/OCBs. No approval is required to be obtained from Banks/Financial Institutions for the offer
2. Besides this, as on this date to the best of the knowledge of the Acquirer, no other statutory approvals are required to acquire the Shares tendered pursuant to this Open Offer. However, the Open Offer would be subject to all statutory and such other approvals that may be applicable at a later date.
3. "Shareholders who have accepted the offer by tendering the requisite documents, in terms of the Public announcement / Letter of offer, can withdraw the same upto three working days prior to the date of the closure of the offer i.e 1st September, 2005
4. Upward revision or withdrawal, if any, of the offer would be informed by way of Public Announcement in the same newspapers where the original Public Announcement has appeared. The last date for such revision will be 26th August 2005 (regulation 26). The same price would be payable by the acquirer(s) for all the shares tendered anytime during the offer.
5. **" If there is a competitive bid:**
   -The public offers under all the subsisting bids shall close on the same date.
   - As the offer price can not be revised during 7 working days prior to the closing date of the offers / bids (i.e 26th August 2005) , it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly"
6. **This is not a competitive bid.**
7. The Offer is not subject to any minimum level of acceptance and is not a conditional offer.
8. A copy of public announcement and Letter Of Offer (including form of acceptance cum acknowledgment and form of withdrawal) is also available on SEBI's web-site (www.sebi.gov.in) from the Offer Opening Date, i.e., 18th August 2005

MANAGERS & REGISTRARS TO THE OFFER
CIL Securities Limited
#214, Raghava Ratna Towers, Chirag Ali LaneAbids, Hyderabad- 500 001
Phone No: 040 23202465/ 3155
Fax: 040 23203028
Email: advisors@cilsecurities.com
Merchant Banker Registration No. INM000009694
RTA Registration No. INR000002276
Contact **Person: B.M. Maheshwari, President**

OFFER OPENS ON: 18th August 2005	**OFFER CLOSES ON: 6th September 2005**

SCHEDULE OF ACTIVITIES

Activity	Day and date
Public Announcement (PA) Date	Saturday, 2nd July 2005
Specified Date	Friday, 8th July 2005
Last date for a competitive bid	Friday, 22nd July 2005
Date by which Letter of Offer will be dispatched to the shareholders	Thursday, 11th August 2005
Offer opening Date	Thursday, 18th August 2005
Last date for revising the offer price/number of shares	Friday, 26th August 2005
Last date for withdrawal by shareholders	Thursday, 1st September 2005
Offer closing Date	Tuesday, 6th September 2005
Date by which the acceptance /rejection would be intimated and the corresponding payment for the acquired shares and /or the share certificate for the rejected shares will be dispatched.	Wednesday, 21st September 2005

Index

Risk Factors relating to transaction, relating to the offer and involved in associating with the acquirer:

1. The acquirer is a newly established company and does not have a track record.
2. The major product of the target company, Aluminium Hydroxide gel, is a raw material for the acquirer; with the management in the acquirers' control it may purchase the products of the target company at a lower price there by the profitability of the target company may come under pressure.

Definitions

Acquirer/PJCPL	P&J Cretechem Private Limited
Target Company/VRL	Vasundhara Rasayans Limited
Managers & Registrars to the Offer/CIL	CIL Securities Limited
Offer	Open cash offer to acquire 6,35,640 fully paid equity shares of Rs. 10/- each at a price of Rs.14/- representing 20% of the total paid-up equity capital as at the expiration of 15 days from the date of closure of the public offer
Share Purchase Agreement	Agreement dated 28th June 2005 entered into between PJCPL, the Promoters and major share holders of VRL (as defined therein)
Public Announcement/PA	Public Announcement for the Open Offer released on behalf of the Acquirers on Saturday, 2nd July 2005
Regulations or Takeover Regulations or SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and takeovers) Regulation 1997 and subsequent amendments thereof
SEBI	Securities and Exchange Board of India
Shares	Fully paid-up equity shares of Rs. 10/- each of VRL

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 OVERSEEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF VASUNDHARA RASAYANS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. THE SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, 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 ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, CIL SECURITIES LIMITED, HYDERABAD HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 13/07/2005 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 1997 AND SUBSEQUENT AMENDEMENT (S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.."

2. DETAILS OF THE OFFER

2.1 Background of the offer

2.1.1. M/s P& J Cretechem Private Limited (hereinafter referred to as "Acquirer/PJCPL") is a company incorporated under the Companies Act, 1956 having its Registered Office at Shed No.42, Phase II, IDA, Mallapur, Hyderabad-500076 is making an open offer to the shareholders of M/s Vasundhara Rasayans Limited, pursuant to Regulation 10 and 12 of SEBI (SAST) Regulations for the purpose of substantial acquisition of Shares with change in control or management of the Target Company. There are no Persons Acting in Concert ("PAC") with the Acquirer for the purpose of this offer.

2.1.2. The Acquirer has entered into a Share Purchase Agreement dated 28th June 2005 with Promoters and Major Shareholders whose details are given in the table below, represented by Mr Pavan Kumar Agarwall, a duly constituted Power of Attorney residng at H.no 1432, Plot No. 2, Rd No. 12, Banjara Hills, Hyderabad- 500 034. Ph No. 91-040-27813413,27813754, Fax No. 91-040-27813204 to acquire from them 14,10,620 fully paid-up Equity Shares of Rs.10/- each representing 44.38% of the issued, subscribed & paid up capital of Vasundhara Rasayans Limited ("the acquisition") for cash at a price of Rs.14/- (Rupees Fourteen only) per share ('the negotiated price').

S.NO	Name of the Shareholder/Promoter	Address of the Shareholder/Promoter	Telephone No	Fax No.	No of Shares	Amount @Rs 1 per share
1.	M/s Nipha Trade & Commerce Pvt. Ltd.	125/2, Bidhan Sarani, Kolkata- 700 004.	------	------	1,20,000	Rs 16,80,000/-
2.	M/s Minar Land Development & Holding Pvt. Ltd.	6-3-248/1, Road No. 1, Banjara Hills, Hyderabad	040-278134413	040-27813204	1,18,000	Rs 16,52,000/-
3.	M/s K.K Credit Finvest Pvt Ltd.	65, Cotton Street, Kolkata – 700 001	------	------	1,70,000	Rs 23,80,000/-
4.	M/s Reliance Trading Enterprises Limited	10/1D, Lal Bazar Street, Kolkata- 700 001.	033-23587532	033-23586631	2,00,000	Rs 28,00,000/-
5.	M/s K.C.G Investment & Finance Pvt Ltd.	10/1D, Lal Bazar Street, Kolkata- 700 001.	033-23587532	033-23586631	1,20,000	Rs 16,80,000/-
6.	M/s Mamta Commercial Company Limited	DA-14, Salt Lake City, Kolkata – 700 064	033-23587532	033-23586631	5,00,000	Rs 70,00,000/-
7.	M/s Kaveri Projects Limited	92/93, Sarojini Devi Road, Secunderabad – 500 003.	040-27813413	040-27813204	82,500	Rs 11,55,000/-
8.	Mr Bimal Kumar Kedia	Plot No. 398, Road No 81.Film Nagar, Jubilee Hills, Hyderabad.	040-27813413	040-27813204	50,110	Rs 7,01,540/-
9.	Mr Mahavir Prasad Agarwal	1432, Plot No.22, Banjara Greens Colony , Road No. 12, Banjara Hills, Hyderabad	040-27813413	040-27813204	50,010	Rs7,00,140/-
			Total		**14,10,620**	**Rs 1,97,48,680**

The Target Company does not have any partly paid up equity shares.

2.1.3. Salient features of the Share Purchase Agreement:

1. The acquirers have agreed to comply with their obligations arising out of this agreement for which purpose they are making a public offer in terms of the Securities Exchange Board of India (Substantial Acquisition of Shares &Takeovers), Regulations, 1997 and subsequent amendments thereof (hereinafter referred to as the Regulations)
2. In case of non–compliance of any of the provisions of the Securities Exchange Board of India Takeover Regulations, this agreement shall not be acted upon by either Party.
3. Upon completion of the formalities under the Regulations all the Directors representing the promoters on the Board of the Target Company shall resign and relinquish their office unless otherwise permitted by the Acquirer and the Acquirer shall induct its Directors on the Board of Directors of the Target Company.
4. Due to negligence or default of the Acquirer the Sellers shall; without prejudice to any other legal remedy, seek return of all shares delivered to the Acquirer.
5. Due to the negligence or default of the Sellers the Acquirer shall, without prejudice to any other legal remedy be entitled to return of all monies paid to the Sellers with interest @ **12 %** p.a from the date of payment of consideration.

2.1.4 The Acquirer and Sellers or Target Company have not been prohibited by SEBI from dealing in securities, terms of direction issued under Section 11-B of the SEBI Act and under any other regulations

2.1.5 In terms of the Share Purchase Agreement the Directors of the Acquirer, viz, Sri P.C. Jain, Sri S.K. Jain and Sri Rajesh Pokerna will be inducted in the Board and the present directors of the Target Company will step down from the Board after the conclusion of the offer formalities.

2.2 The Offer

2.2.1 The Public Announcement dated 2nd July 2005 and corrigendum public announcement dated 9th August 2005 were made in the following newspapers, in accordance with Regulation 15 of the SEBI (SAST) Regulations:

Languages	Publication	Editions
English	Business Standard	All Editions
Hindi	Swatantra Vaartha	Hyderabad Edition
Telugu	Andhra Bhoomi	All Editions

(The Public Announcement and corrigendum public announcement *are also available on the SEBI Website at* http://www.sebi.gov.in/*)*

2.2.2 Since the total shares to be acquired under the Share-Purchase Agreement constitute 44.38% of the total voting capital of the Target Company which is more than 15% as prescribed under Regulation 10 of the Takeover Regulations, it requires open offer to be given by the Acquirer to the shareholders of the Target Company. The Acquirer is now making this open offer to acquire 6,35,640 fully paid equity shares of Rs. 10/- each, representing 20% of likely voting paid up equity share capital as at the expiration of 15 days after the closure of the public offer., of the Target Company at a price of Rs.14/- (Rupees Fourteen only) per fully paid up equity share payable in cash, ("Offer"). The Target Company does not have any partly paid up equity shares.

2.2.3 The Offer is not subject to any minimum level of acceptance and is not a conditional offer.

2.2.4 The Acquirer does not hold any shares in the Target Company as on the date of Letter of Offer.

2.2.5 **This is not a competitive bid.**

2.3 Object of the acquisition/ offer

2.3.1 This Open Offer to the Shareholders of the Target Company is being made, pursuant to Regulation 10 and 12 of SEBI (SAST) Regulations for the purpose of substantial acquisition of Shares with change in control or management of the Target Company.

2.3.2 The main product of Target Company is Aluminium Hydroxide Gel which is one of the main raw materials consumed by the Acquirer; the takeover is intended to ensure availability of Raw Material for Captive Consumption of the Acquirer.

2.3.3 Since the Acquirer's business is exports the location of Target company's near the port compared to Acquirer's other plant would improve the logistics and based on this the Acquirers would also like to check possibility of expansion of the business by manufacturing value added product at the Target company.

2.3.4 The Acquirer have no future plans for the Target Company except carrying on its existing business.

2.3.5 The Acquirer do not intend to dispose off or otherwise encumber any assets of Target Company in succeeding two years except in ordinary course of business of the Target Company.

2.3.6 The Acquirer undertake not to sell, dispose of or otherwise encumber any substantial asset of the Target Company except with the prior approval of the shareholders.

3. BACKGROUND OF THE ACQUIRER (INCLUDING PACs, IF ANY)

3.1 The Acquirer M/s P& J Cretechem Private Limited is a company incorporated under the Companies Act, 1956 on 16th December 2002, having its Registered Office at Shed No.42, Phase II, IDA, Mallapur, Hyderabad-500076. Ph No. 91-040-23437617, 91-040-23437623 Fax No. 91-040-23437627

3.2 The Company was incorporated with the main object of carrying on business of manufacture of and dealing in all kinds of Chemical Products Etc. The Acquirer has put up an EOU plant in March'04, which is already operating close to its capacity and has projections of increase demand for which it needs additional capacity of both manufacturing as well as for supply of raw material. The Company intends to pursue the same line of activities in the financial year 2005-06.

3.3 Mr. Prakash Chand Jain and Mr. Sunil Kumar Jain promoted PJCPL. The Present Directors of PJCPL are Mr.Rajesh Pokerna, Mr. Prakash Chand Jain and Mr. Sunil Kumar Jain.

3.4 Mr. Prakash Chand Jain, Promoter Director of the Acquirer, is a LLB Graduate. He is also Chairman and Managing Director of M/s Taurus Chemicals (P) Ltd, a manufacturer exporter of pharmaceutical bulk-drugs and is responsible for production planning, sales and exports of the Company. He is also of Director of M/s Simplex Fintrade (P) Ltd, Kolkata

3.5 Mr. Sunil Kumar Jain, Promoter Director of the Acquirer, is a commerce graduate. He is also Managing Director of M/s Taurus Chemicals (P) Ltd, a manufacturer exporter of pharmaceutical bulk-drugs and is responsible for production planning, sales and day-to-day operations of the Company. He is also a Director in M/s Rajdhani Hotels (p) Ltd, Hyderabad.

3.6 Mr. Rajesh Pokerna, Director of the Acquirer is Mechanical Engineer by profession and is also a director in M/s Sudhanshu Marketing & Technologies (P) Ltd, a technical consultancy firm and is responsible for developing markets for new products.

3.7 The Net worth of M/s PJCPL as on 31/03/2005 is Rs 2,15,17,311(Rs Two Crores Fifteen Lakhs Seventeen Thousand Three Hundred and Eleven Only) as certified by M/s Suresh Kumar Rathi & Co,Chartered Accountants, 4-3-161/39, 2nd Floor, Hill Street, Ranijung, Secunderabad, 500003. M.No 25243, Ph.no 27714338 ,Fax No 23297770 vide certificate dated 30th June 2005.

3.8 There are no persons acting in concert with the Acquirer. The Acquirer does not hold any shares in the Target Company as on the date of the letter of offer.

3.9 Shareholding Pattern of the Acquirer is as follows:

Sl. No	Shareholder's Category	No. of Shares held	Percentage of Shares held
1.	Promoters	3,200	13.14
2.	FII/ Mutual-Funds/ FIs/Banks	11,980	49.96
3.	Public	NIL	NIL
4.	Friends and Relatives	8,800	36.70
	Total Paid Up Capital	23,980	100.00

3.10 Details of Directors of PJCPL as on the date of Public Announcement:

Names	Designation	Date of Appointment	Qualification	Residential Address	Experience
Prakash Chand Jain	Director	16th December 2002	B.Com, LLB	6A, Iron Side Road, Flat 401, 'B' Wing, Kolkata- 700 019	20 Years of Experience in Pharmaceutical Field
Sunil Kumar Jain	Director	16th December 2002	B.Com	H.No. 8-2-686/D/1/A, Road No. 12, Banjara Hills, Hyderabad- 500 034	20 Years of Experience in Pharmaceutical Field
Rajesh Pokerna	Director	16th December 2002	B.E. (Mech)	3-4-56, Ligampally Road, Kachiguda, Hyderabad- 500 027	20 Years of Experience in Pharmaceutical Field

None of the above is a director of the Target Company as on date of Public Announcement

3.11 he Acquirers' total paid up capital is Rs.23.98 Lacs comprising 23,980 shares of Rs.100 each.

3.12 Brief Audited financial details of the Acquirer is as follows:

(Amount Rs. In lacs)

Profit & Loss Statement	**2002- 2003***	**2003-04**	**2004-05**
Income from operations	**NIL**	59.83	854.32
Other Income	NIL	0.03	0.52
Total Income	**NIL**	**59.86**	**854.84**
Total Expenditure.	NIL	49.81	635.63
Profit Before Depreciation Interest and Tax	NIL	10.05	219.21
Depreciation	NIL	2.43	32.53
Interest	NIL	1.70	23.81
Profit Before Tax	NIL	5.92	162.87
Provision for Tax	NIL	NIL	NIL
Profit After Tax	NIL	5.92	162.87

Balance Sheet Statement	**2002-03***	**2003-04**	**2004-05**
Sources of Funds			
Paid up share capital	1.5	23.98	23.98
Reserves and Surplus (excluding revaluation reserves)	NIL	29.88	192.75
Net worth	1.5	53.86	215.17
Secured Loans	20.15	166.19	185.29
Unsecured Loans	27.65	29.60	42.00
Total	**49.3**	**249.65**	**444.02**
Uses of Funds			
Net Fixed Assets	40.30	211.89	225.40
Investments	NIL	NIL	NIL
Net Current Assets	6.43	33.33	200.59
Deposits	NIL	3.82	16.47
Total Miscellaneous Expenditure not written off	2.57	0.61	1.56
Total	**49.3**	**249.65**	**444.02**

Other Financial Data	**2002-03***	**2003-04**	**2004-05**
Dividend (%)	NIL	NIL	NIL
Earning Per Share	NIL	24.70	679.18
Return on Net worth	NIL	14.30%	86.76%
Book Value Per Share	100	224.60	897.30

* The figures of Financial Year 2002-03 are for a period of about 3 months, i.e. from the date of incorporation, 16.12.2002 to 31.03.2003.

3.13 Significant accounting policies of the acquirer:

3.13.1 **Accounting Assumptions:**

These accounts have been prepared under the Historical Cost Convention on the basis of a Going Concern, with revenues recognised and expenses accounted on their accrual including provisions/adjustments for committed obligations and amounts determined as payable or receivable during the year.

3.13.2 **Fixed Assets:**

Fixed Assets are accounted at cost of acquisition inclusive of inward freight, duties and taxes and incidentals related to acquisitions, except for CENVAT benefit and CST receivable from SEZ Vizag availed.

3.13.3 **Depreciation:**

Depreciation is provided for in the accounts on Written Down Value Method at the rates and in the manner specified in Schedule-XIV to the Companies Act, 1956.

3.13.4 **Inventories**

Inventories are valued as under:
Raw Materials & Consumables – At Cost

Packing Materials & Utilities – At Cost

Goods Under Process – At Estimated Cost

Finished Goods – At Cost or Net Realisable Value, Whichever is lower.

3.13.5 **Sales:**

Export Sales in foreign currency are accounted at the Exchange Rates prevailing on the date of Sale Gains/Losses arising out of fluctuations in exchange rates are recognised in the Profit & Loss Account on realisation basis.

3.14 **Details of Companies promoted by the Acquirer**

There are no companies promoted by the Acquirer

3.15 **Disclosure in terms of Regulation 16(ix):**

Investment by the Acquirers in the Paid Up equity share capital of VRL is for the purpose of substantial acquisition of shares with change in control of management. This is because the main product of Target Company is Aluminium Hydroxide Gel which is one of the main raw materials consumed by the Acquirer; the takeover is intended to ensure availability of Raw Material for Captive Consumption of the Acquirer as mentioned in Para No.2.3 above.

3.16 **Future plans/strategies of the acquirer**

The Acquirer has no future plans for the Target Company except carrying on its existing business.

The Acquirer do not intend to dispose off or otherwise encumber any assets of Target Company in succeeding two years except in ordinary course of business of the Target Company.

The Acquirer undertakes not to sell, dispose off or otherwise encumber any substantial asset of the Target Company except with the prior approval of the shareholders.

4. Option to the acquirer in terms of Regulation 21(3):

On Completion of the offer formalities the public shareholding of the Target Company is not likely to fall below the limit specified for the purpose of listing on continuous basis in terms of the Listing Agreement with the stock exchange, therefore the option available under Regulation 21 (3) of the Takeover Regulation is not applicable

5. Background of the Target Company:

5.1 The Target Company M/s Vasundhara Rasayans Limited is a company incorporated under the Companies Act, 1956 on 05th March 1987, having its Registered Office at 612 & 613, Swapnalok Complex, 92/93, S.D.Road, Secunderabad-500003. Ph No. 91-040-27813413,27813754, Fax No. 91-040-27813204

5.2 Vasundhara Rasayans Limited was incorporated on 05/03/1987 under the name and style of "Vasundhara Rasayans and Alloys Pvt Ltd". The Main promoters of the Company are Mr. M.P.Agrawall and Mr. Bimal Kumar Kedia. The Name of the Target Company was changed to Vasundara Rasayans Private Limited on 30/10/1991. The Company subsequently converted into Public Company thereby the name was changed to Vasundhara Rasayans Limited on 04/11/1991. The Company commenced its commercial production in 1993.

5.3 Vasundhara Rasayans Limited is one of the largest manufacturers in India of Antacid range of Bulk drugs, primarily dried Aluminium Hydroxide Gel and Aluminium Hydroxide (Compress Gel, Magnesium Hydroxide powder and paste) and Magnesium tri silicate. The company manufactures all products as per pharmcopoeia specifications of IP/BP/USP.

5.4 Locations and other details of manufacturing facilities of target company.

The factory of the Target Company is situated at Plot No. C-104, MIDC Industrial Area in Khaire Village, Mahad Taluk, Raighad District Maharashtra. This factory is located 3 kilometers away from MAHAD and a kilometer away from Khaire Village. All the basic amenities are available within easy reach. The land for the factory was allotted by MIDC, admeasuring 1,400 Sq.Mts on 95 years lease on 06.06.1991. The company constructed several structures consisting of sheds, office and stores.

5.5 Share capital structure of the target company

Paid up Equity Shares of Target company	No.of Shares/ voting rights	% of shares/voting rights
Fully paid up equity shares	31,78,200	100
Partly paid up equity shares	NA	NA
Total paid up equity shares	31,78,200	100
Total voting rights in Target company	31,78,200	100

Note: The Company has no partly paid-up Equity Shares and no calls in arrears.

5.6 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	Status of compliance
	Number	%	Shares	Capital			
17-02-1987	20	0.00	20	200	Initial Issue	Promoters	Complied
03-06-1991	1100	0.03	1120	11200	Further Issue	Promoters	Complied
31-10-1991	100000	3.15	101120	1011200	Further Issue	Promoters	Complied
02-01-1992	341000	10.73	442120	4421200	Further Issue	Promoters	Complied
22-01-1992	104000	3.27	546120	5461200	Further Issue	Promoters	Complied
19-02-1992	44000	1.38	590120	5901200	Further Issue	Promoters	Complied
25-03-1992	8900	0.28	599020	5990200	Further Issue	Public	Complied
21-05-1992	480	0.01	599500	5995000	Further Issue	Public	Complied
28-08-1992	400000	12.58	999500	9995000	Public Issue	Public	Complied
02-12-1996	1330500	41.86	2330000	23300000	Preferential	Public	Complied
25-02-1997	408200	12.84	2738200	27382000	Preferential	Public	Complied
16-08-1997	190000	6.00	2928200	29282000	Preferential	Public	Complied
17-01-2001	250000	7.87	3178200	31782000	Preferential	Public	Complied
Total	**3178200**	**100**					

5.7 All the Equity Shares of VRL are presently listed on The OTC Exchange Limited and on The Pune Stock Exchange and are infrequently traded.

5.8 **Compliance of provisions of chapter II of SEBI Take Over Regulations**

i) The promoters and major shareholders (Sellers) complied with the provisions of chapter II of SEBI Take Over Regulations within the due date as specified in the SEBI Take Over Regulations**.**

ii) The Target Company on 10th March 2005 belatedly complied with disclosures as specified under chapter II of SEBI Take Over Regulations pertaining to the period up to 31st March 2004. However there was no delay in filing of the disclosures for the period 31st March 2005. Since there was delay in compliance of the said chapter, SEBI may initiate appropriate action for delay in compliance of the same.

5.9 VRL vide its letter dated 23rd June 2005 has certified that (a) Equity Shares of the Company were not suspended any time in the past in any of the Stock Exchanges and (b) there have not been any listing agreement violations in the past except some delay in compliance of various clauses thereunder. Details are as follows:

i) OTC Exchange limited served notices in relation to Non-listing of various Preferential Issues. The company has informed that the Stock Exchange later confirmed the entire capital vide their letter dated 15th March 2005.

ii) OTC Exchange Limited issued several notices for non-compliance of Clause 31 – Submission of Annual Reports etc; Clause 35 – Submission of Shareholding pattern; Clause 41 – Submission and publication of financial results etc. The company has informed that they have subsequently complied with the same to the satisfaction of the Exchange.

iii) All Compliances relating to Takeover Code, Insider Trading Regulations and Secretarial Audit Reports up to 31.03.2005 have been belatedly complied on 10th March, 2005

iv) The OTC Exchange Limited vide its letter dated 10.07.2003 levied a penalty of Rs. 17,000/- for violation of Listing agreement requirements. The exchange was requested to waive the said penalty upon which the OTCEI reduced the penalty to Rs. 10,000/- that was made good by the Target Company on 10.03.2005 as full and final settlement of the penalty for violation of Listing requirements. The Company has confirmed that they have not received any communication thereafter.

5.10 There are no outstanding convertible instruments (warrants / FCDs / PCDs). There are no partly paid shares in the Target Company.

5.11 No merger/ de-merger, spin off has taken place during the last 3 years. Vasundhara Rasayans Limited was incorporated on 05/03/1987 under the name and style of “Vasundhara Rasayans and Alloys Pvt Ltd”. The Name of the Target Company was changed to Vasundara Rasayans Private Limited on 30/10/1991. The Company subsequently converted into Public Company thereby the name was changed to Vasundhara Rasayans Limited on 04/11/1991.

5.12 Composition of Board of Directors and details thereof:

Names	Designation	Date of Appointment	Qualification	Residential Address	Experience
Mahavir Prasad Agrawall	Whole time Director	05.03.1987	B.Com,	H.No.1432, Plot no. 22, Road No. 12, Banjara Hills, Hyderabad-34	25 years of experience in Pharmaceutical Field
Bimal Kumar Kedia	Whole Time Director	05.03.1987	B.Com	Plot No. 398, 81, Filmnagar, Jubilee Hills, Hyderabad- 34	20 Years of Experience in Pharmaceutical and Construction Business.
Renu Agrawall	Director	22.04.1994	Graduate	H.No.1432, Plot no. 22, Road No. 12, Banjara Hills, Hyderabad-34	20 years
K.C. Gupta	Independent Director	01.12.1997	Chartered Accountant	C/o, Track Parts Corporation, 10/1, Lal bazar Street, Calcutta- 01	30 years
Pawan Kumar Agrawall	Whole Time Director	01.08.2003	B.Com (Hons), LLB	H.No.1432, Plot no. 22, Road No. 12, Banjara Hills, Hyderabad-34	12 years
D.Y. Sathaye	Independent Director	02.12.1996	B.Sc., MBA	2, Raghuvansh, Canal Road, Model Colony, Pune-16	20 years
J.K. Lalla	Independent Director	25.03.1992	M.Pharma & Ph.D	Sanskrithi Building 20, Flat No. 701 & 702, Thakur Complex, Kandivali East, Mumbai- 01	35 years of experience in Pharmaceutical Field.
Shailendra Singhvi	Independent Director	19.08.2004	Chartered Accountant	Brindavan, Ist Floor 3-4-456, Hardhikar Street, Himayath Nagar, Hyderabad-29	20 years of experience in finance and administration field

5.13 Brief Audited financial details of the Target Company is as follows:

(Amount Rs. In lacs)

Profit & Loss Statement	**2002-03**	**2003-04**	**2004-05**
Income from operations	481.13	665.39	602.68
Other Income	10.67	18.24	25.69
Total Income	**491.80**	**683.63**	**628.37**
Total Expenditure.	411.26	572.75	596.70
Profit Before Depreciation Interest and Tax	80.54	110.88	31.67
Depreciation	32.00	38.53	40.05
Interest	19.89	16.63	12.00
Profit (Loss) Before Tax	28.65	55.72	(20.38)
Provision for Tax	9.82	21.43	(7.32)
Profit (Loss) After Tax	**18.83**	**34.29**	**(13.06)**
Balance Sheet Statement	**2002-03**	**2003-04**	**2004-05**
Sources of funds			
Paid up share capital	317.82	317.82	317.82
Reserves and Surplus (excluding revaluation reserves)	56.99	91.28	78.22
Net worth	374.81	409.10	396.04
Secured loans	70.06	66.55	120.03
Unsecured loans	116.09	27.23	10.74
Deffered tax liability	22.89	37.73	30.28
Total	**583.85**	**540.61**	**557.09**

Uses of funds			
Net Fixed Assets	376.97	348.87	348.42
Investments	NIL	NIL	NIL
Net Current Assets	206.88	191.74	208.67
Total Miscellaneous Expenditure not written off	NIL	NIL	NIL
Total	**583.85**	**540.61**	**557.09**

Other Financial Data	**2002-03**	**2003-04**	**2004-05**
Dividend (%)	NIL	NIL	NIL
Earning Per Share(Rs.)	0.59	1.08	(0.41)
Return on Net worth (%)	5.02	8.41	-ve
Book Value Per Share(Rs.)	11.79	12.87	12.46

5.14 Pre and Post- Offer share holding pattern of the target company as per the following table As on the date of letter of offer

Shareholders' category	**Shareholding & voting rights prior to the agreement/ acquisition and offer.**		**Shares /voting rights agreed to be acquired which triggered off the Regulations.**		**Shares/voting rights to be acquired in open offer (Assuming full acceptances)**		**Share holding / voting rights after the acquisition and offer. i.e.**	
	(A)		**(B)**		**(C)**		**(A)+(B)+(C)=(D)**	
	No.	%	No.	%	No.	%	No.	%
1.Promoter Gp.								
a. Parties to agreement, if any	1,00,120	3.15	0	0.00	0	0.00	0	0.00
b. Promoters other than (a) above	50,080	1.57	0	0.00	0	0.00	50,080	1.58
Total 1(a+b)	1,50,200	4.72	0	0.00	0	0.00	50,080	1.58
(2) Acquirer Main Acquirer P&J Cretechem Pvt Ltd	0	0.00	14,10,620	44.38	6,35,640	20.00	20,46,260	64.38
Total	0	0.00	14,10,620	44.38	635,640	20.00	20,46,260	64.38
(3) Parties to agreement other than(1) (a) & (b)	13,10,500	41.23	0	0.00	0	0.00	0	0.00
(4) Public								
a. FIs/MFs/FIIs/Banks, SFIs (indicate names)	0	0.00	0	0.00	0	0.00	0	0.00
b. Others	17,17,500	54.04	0	0.00	0	0.00	10,81,860	34.04
Total (4)(a+b)	17,17,500	54.04	0	0.00	0	0.00	10,81,860	34.04
GRAND TOTAL (1+2+3+4)	**31,78,200**	**100.00**	**14,10,629**	**44.38**	**6,35,640**	**20.00**	**31,78,200**	**100.00**

5.15 Details of the change in shareholding of the promoters as and when it happened in the target company and status of compliance with the applicable provisions of the SEBI (SAST) Regulations/other applicable Regulations under the SEBI Act, 1992 and other statutory requirements, as applicable:

Promoters Holding as on	**No. of Shares**	**Compliance of SEBI Takeover Regulations**
05.03.87	20	NA
03.06.91	1,100	NA
31.10.91	30,000	NA
02.01.92	1,16,000	NA
22.01.92	3,000	NA
30.06.92	80	NA
Total	1,50,200	

Note: All the above acquisitions/allotments were completed before the SEBI Takeover Regulations came into the operation.

5.16 **Corporate Governance:** M/s Agarwal Gupta Nokari & Rustagi Associates, Charetered Accountants, the Statutory Auditors of the Company vide their report on Corporate Governance dated 21/06/2005 which forms part of the annual report for the year 2004-05, confirmed that (a) They have examined the compliance of conditions of Corporate Governance by the Company for the year ended March 31st 2005 as stipulated in clause no. 49 of the Listing Agreement. (b) The company has complied with the conditions of corporate governance as stipulated in the listing agreement. (c) In respect of investors grievances received during the year ended March 31st 2005, no investor grievances are pending against the Company for a period exceeding one month as per the records maintained by the Company which are presented to shareholders/investor grievances committee and (d) Such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

5.17 Pending Litigation matters: The Target Company vide its letter dated 23rd June 2005 has informed that there are no pending litigation matters.

5.18 The Compliance Officer: Mr. Bajranglal Agrawall; 613, Swapnalok Complex, S.D. Road, Secunderabad, Ph Nos: 91-040-27813413.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer price

6.1.1 The Equity shares (31,78,200) of the Target Company are listed on the Over The Counter Exchange of India Limited and Pune Stock Exchange. The shares of the Target Company have not been admitted for trading by any other stock exchange under permitted category.

6.1.2 The annualized trading turnover during the preceding 6 calendar months prior to the July 05 in which the Public Announcement is made in terms of number & % of total listed shares, in each stock exchange stated at point no. 5.7 above, is as under:

Name of stock exchange(s)	Total no. of shares traded during the 6 calendar months prior to the month in which PA was made.	Total No.of listed Shares	Annualized Trading turnover(in terms of % to total listed shares)
Over The Counter Exchange of India	NIL	3178200	0.00
Pune Stock Exchange	NIL	3178200	0.00

Hence in terms of Regulation 20 (5) the shares of the Target Company are infrequently traded.

Justification for the Offer Price in terms of the Regulation 20 (5) of the SEBI (SAST) Regulations:

		Rs
(a)	The negotiated price under the Agreement referred to in Regulation 14(1) of the SEBI (SAST) Regulations.	14.00
(b)	Price paid by the Acquirer for acquisition, if any, during the twenty six week period prior to the date of public announcement	NA
(c)	Return on Net Worth based on the audited accounts for the year 2004-05	-ve
(d)	Book value per share based on the audited accounts for the year 2004-05	12.46
(e)	Earning Per Share based on the audited accounts for the year 2004-05	-ve
(f)	Price earning ratio on offer price	NIL
(g)	Industry Average P/E Multiple (Source: Dalal Street Vol. XX No. 12)	27
(h)	The average of the weekly high and low of the closing prices of the Shares of the Target Company as quoted on The OTC Exchange Limited and Pune Stock Exchange are not available, since the Shares of the Target Company are most infrequently traded.	No Trading has taken place for the said period

6.1.3 Offer price of Rs 14/- which is highest of the above is justified.

6.1.4 The offer price shall not be less than the highest price paid by the acquirers for any acquisition of shares of target-company from the date of PA upto 7 working days prior to the closure of the offer.

6.1.5 Non Compete Agreement : The acquirer and Sellers have not entered into any non-compete agreement

6.1.6 Financial Arrangements:

6.1.6.1 The total fund requirement for the Open Offer is Rs 88,98,960 (Rupees Eighty Eight Lacs Ninty Eighty Thousand Nine Hundred and Sixty only) assuming that the entire Open Offer is accepted

6.1.6.2 The Acquirer have assets, resources and means to meet their obligations under the Open Offer in full. For this purpose, the Acquirer intend to utilize the resources available with them. M/S Suresh Kumar Rathi & Co., (Chartered Accountants) M.No 25243, 4-3-161/39, 2nd Floor, Hill Street, Ranijung, Secunderabad, 500003. Ph.no 27714338 ,Fax No 23297770, have vide their letter dated 1st July, 2005 certified that the Acquirer have adequate resources to fulfill all their financial obligations arising out of the Open Offer.

6.1.6.3 The Acquirer have opened an Escrow Account with HDFC Bank, Paradise Circle , Secunderbad and deposited cash of Rs. 1,00,000/- (One Lakh only) and have marked a lien in favour of the Managers & Registrars to the offer and also as part of Escrow amount taken Term Deposit Receipt of Rs 24,00,000/-(Rs Twenty Four Lacs only) of HDFC Bank, Paradise Circle, Secunderbad and a lien is marked in favour of manager and registrars to the offer and the same is deposited with Managers to the Issue, being more than 25% of the total consideration payable to shareholders for 6,35,640 fully paid equity shares @ Rs.14/- per share.

6.1.6.4 The acquirer have empowered the Managers & Registrars to the Offer to realize the value of the Escrow Account by encashing or otherwise in terms of the SEBI (SAST) Regulations, 1997.

6.1.6.5 Based on the above, the Managers & Registrars to the Offer have satisfied themselves about the Acquirer' ability to implement the Open Offer in accordance with the SEBI (SAST) Regulations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 The Letter of Offer, together with the Form of Acceptance cum Acknowledgment will be mailed to the Shareholders of the Target Company (except the Acquirer, Persons Acting in Concert and the sellers who are party to the share purchase agreement) whose names appear in the Register of Members of the Target Company and to the beneficial owners of the Shares of the Target Company whose names appear as beneficiaries on the records of the respective Depositories at the close of business on Friday, 8th July 2005. ("Specified Date").

7.2 The Managers & Registrars to the offer have opened a Special Depository Account with CDSL in the name and style of **"Cil Sec Ltd Escrow A/c - VRL Open Offer "** (the " Depository Escrow Account"). The DP ID is **13500** and Client ID is **1201350000037416** Shareholders having their beneficiary account in NSDL have to use the inter-depository delivery instructions slip for the purpose of crediting their Shares in favour of the Special Depository Account with CDSL.

7.3 This Offer will open on Thursday 18th August, 2005 and will close on Tuesday, 6th September, 2005. The Equity Shares offered under this Offer should be free from all liens, charges, equitable interests, encumbrances and are to be offered together with, if any, of all rights of dividends, bonuses or rights from now on and hereafter.

7.4 Specified date is only for the purpose of determining the names of the Shareholders as on such date, to whom the Letter of Offer would be sent and all owners (registered or unregistered) of Shares of VRL anytime before the closure of the Offer, are eligible to participate in the Offer.

7.5 Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

7.6 The Acquirer will not be responsible in any manner for any loss of Equity Shares Certificate(s) and Offer Acceptance Document(s) during transit and the Equity Shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

7.7 While tendering the Shares under the Open Offer, NRIs / OCBs / FIIs if any will be required to submit the previous RBI Approvals (specific or general) that they would have obtained for acquiring the Shares of the Target Company. In case the previous RBI approvals are not submitted, the Acquirer reserves the right to reject such Shares tendered.

7.8 While tendering Shares under the Open Offer, NRIs / OCBs / FIIs if any will be required to submit a Tax Clearance Certificate from the Income Tax Authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, 1961, before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the rate as may be applicable to the Category of the Shareholder under the Income Tax Act, 1961, on the entire consideration amount payable to such Shareholder.

7.9 The Acquirer shall withdraw this offer if the statutory/other approval(s) required as above is refused as provided in regulation 27 of the SEBI (SAST) Regulation 1997

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT:

8.1 Beneficial owners (holders of Shares in dematerialised form), who wish to tender their shares will be required to send their Form of Acceptance cum Acknowledgement along with photocopy of the delivery instructions in “Off Market” mode or counterfoil of the delivery instructions in “Off Market” mode, duly acknowledged by the Depository Participant (“DP”) in favour of **“CIL Sec Ltd Escrow A/c - VRL Open Offer " (the “Depository Escrow Account”)** to CIL Securities Ltd # 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad- 500 001 either by hand delivery on week days during the normal business hours or by Registered Post/Courier on or before the close of the Open Offer, i.e., not later than Tuesday 6th September, 2005, in accordance with the instructions to be specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement. The credit for the delivered Shares should be received in the Special Depository Account on or before close of the Open Offer, i.e., not later than Tuesday 6th September, 2005,

8.2 Shareholders (holding physical share certificates) who wish to tender their Shares will be required to send the Form of Acceptance cum Acknowledgment, original Share Certificate(s) and transfer deed(s) duly signed to the collection center mentioned below, on or before the Close of the Offer, i.e., not later than Tuesday 6th September, 2005, in accordance with the instructions to be specified in the Letter of Offer and in the form of Acceptance cum Acknowledgement.

Name and Address of the persons (Managers & Registrars to the Offer) to whom the Shares should be sent including name of the contact person, telephone no., fax no. etc.	Working days and Timings	Mode of delivery
CIL SECURITIES LIMITED #214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad – 500 001. Tel. Nos. (040) 2320 2465/3155. Fax No. (040) 2320 3028. Contact Person : Shri B.M. Maheshwari E Mail: advisors@cilsecurities.com	Monday to Saturday (Except on Holidays) 11:00 A.M to 5:00 PM	By Post/ Courier/ Hand Delivery

8.3 All owners (registered or unregistered) of Shares of the Target Company (except the Acquirer, Persons acting in concert and the sellers who are party to the share-purchase agreement) are eligible to participate in the Open Offer any time before the closure of the Open Offer. Unregistered owners can send their application in writing to the Managers & Registrars to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares offered, Distinctive Numbers, Folio Number, together with the original Share Certificate(s), valid Transfer Deed(s) and the original contract notes issued by the Broker through whom they acquired their Shares. No indemnity is required from the unregistered owners.

8.4 In case of non-receipt of the Letter of Offer, the eligible persons may send their consent to the Managers & Registrars to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares offered, Distinctive Numbers, along with documents as mentioned above so as to reach the Mangers to the Offer on or before the close of the Open Offer. i.e., not later than Tuesday 6th September, 2005 or in case of beneficial owners, they may send the application in writing to the Managers to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares offered, DP Name, DP ID, Beneficiary Account Number, and a photo copy of the delivery instruction in "Off Market" mode or counterfoil of the delivery instruction in "Off Market" mode, duly acknowledged by the DP, in favour of the Special Depository Account, so as to reach the Managers & Registrars to the Offer, on or before the close of the Offer, i.e., not later than Tuesday 6th September, 2005

8.5 In terms of Regulation 22(5A) of the SEBI (SAST) Regulations, Equity Shareholders desirous of withdrawing the acceptance tendered by them in the Open Offer, may do so up to 3 (three) working days prior to the date of closure of the Open Offer. The withdrawal option can be exercised by submitting the documents as per the instructions given below, so as to reach the Managers & Registrars to the Offer at the Collection Centre mentioned above, as per the mode of delivery mentioned therein, on or before Thursday 1st September, 2005.

8.5.1 The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer.

8.5.2 In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details:

a. In case of physical shares: Name, Address, Distinctive Numbers, Folio Number, Number of Shares tendered, and
b. In the case of Dematerilised Shares: Name, Address, Number of Shares Offered, DP Name, DP ID, Beneficiary Account Number and a photo copy of the delivery instruction in "Off Market" mode or counterfoil of the delivery instruction in "Off Market" mode, duly acknowledged by the DP, in favour of the Special Depository Account.

8.6 The Managers & Registrars to the Offer will hold in trust the Shares / Share Certificates, Shares lying in credit of the Special Depository Account, if any, and the transfer form(s) on behalf of the Shareholders of the Target Company who have accepted the Offer, till the cheques / drafts for the consideration and / or the acceptable Shares / Share Certificates are dispatched / returned.

8.7 If the aggregate of the valid responses to the Open Offer exceeds the Open Offer size of 6,35,640 fully paid-up Equity Shares of the Target Company (representing 20% of the paid-up Equity Share Capital of the Target Company), then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. The market lot for the dematerialized shares will be 1 (one) share and for the physical share the market lot will be 100 (hundred) shares.

8.8 Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post at Shareholders' / unregistered owners' sole risk to the sole / first Shareholder. Unaccepted Shares held in demat form will be credited back to the beneficial owners' depository account with the respective depository participant, as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

8.9 Shareholders who have sent their Shares for dematerialisation need to ensure that the process of getting their Shares dematerialised is completed well in time so that the credit in the Special Depository Account is received on or before the date of the closure of the Open Offer, i.e., not later than Tuesday 6th September, 2005, else their application would be rejected.

8.10 Any Shares that are the subject matter of litigation wherein the Shareholder(s) may be precluded from transferring the Shares during the pendency of the said litigation are liable to be rejected in case directions / orders regarding these shares are not received together with the Shares tendered under the Open Offer. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.

8.11 The Acquirers shall complete all procedures relating to the Offer within a period of 15 days from the closure of the Offer, in terms of Regulation 22(12) of the Regulations. In the case of delay in receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment subject to the Acquirers agreeing to pay interest for the delayed period to the shareholders as directed by SEBI. Further if the 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.

9 DOCUMENTS FOR INSPECTION

Copies/Certified copies of the following documents will be available for inspection at the Office of CIL Securities Ltd (Managers & Registrars to the Offer) at # 214, Raghava Ratna Towers, Chirag Ali Lane, Abids, Hyderabad- 500 001 during normal business hours on any working day i.e Monday to Saturday between 11.00 AM to 5.00 PM during the offer period , i.e. from Thursday,18th August 2005 to Tuesday 6th September, 2005.

9.1 Certificate of incorporation, Memorandum and Articles of Association of the PJCPL;

9.2 C.A's certificate dated 1st July 2005 certifying the adequacy of financial resources with PJCPL to fulfil the open offer obligations.

9.3 Audited annual reports of the PJCPL for the years 2003-04 and 2004-05.

9.4 Audited annual reports of the VRL for the financial years 2002-03, 2003-04 and 2004-05.

9.5 A letter from the Bank confirming the amount kept in the escrow account and a lien in favour of MB.

9.6 A Copy of the Share Purchase Agreement entered into between PJCPL and the Sellers that triggered the open offer.

9.7 A published copy of Public announcement and corrigendum to public announcement

9.8 A copy of the letter from SEBI in terms of proviso to Regulation 18(2).

9.9 A copy of the agreement into with Depository participant for opening a special depository account for the purpose of the offer.

9.10 Any other relevant document(s).

10. DECLARATION BY THE ACQUIRER:

10.1 The Acquirer and all its Directors accept full responsibility for the information contained in this Letter of Offer and the Public Announcement

10.2 The Directors along with the Acquirer are responsible for the fulfillment of their obligations under the SEBI (SAST) Regulations.

10.3 Copy of Draft Letter of Offer was delivered to the Board of VRL, OTCEI and PSE for information and perusal on 14/7/2005

10.4 The Managers & Registrars to the offer have ensured that Mr. Sunil Kumar Jain, Director of PJCPL is duly and legally authorized to sign the letter of offer.

For and On Behalf of
P&J CRETECHEM PVT LTD

Sd/-
Sunil Kumar Jain
(Director)

Place: HYDERABAD
Date: 09/08/2005

Encl: Form of Acceptance cum Acknowledgement and Form of withdrawal

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