

Citi Group Venture Capital converts their warrants to equity in Spentex

New Delhi, July 19, 2006; Citigroup Venture Capital International Growth Partnership Mauritius Ltd, reposes trust on Spentex by exercising their option to convert 17.50 lakh warrants into equal number of equity shares. The board of directors of Spentex Industries has approved the conversion of the warrants held by CVC.

Commenting upon the development, Mr Mukund Choudhary, MD, Spentex Industries said, "the development reflects confidence of CVC in the Company, who have decided to convert the warrants held by them into equity within a period of 7 months as against a window of 18 months available to them."

These warrants were allotted to CVC on 08.12.2005 with an option to convert into equity shares, before the expiry of 18 months from its date of allotment. The Company had received 10% consideration at the time of allotment of the said warrants.

With this conversion, the equity capital of Spentex Industries would go up from Rs 57.46 crore to Rs 59.21 crore.

About Spentex Industries Limited:

Spentex Industries Limited is among the top yarn manufacturer in the country with a total capacity of 3.50 lakh spindles for natural and man made yarns. It recently took over Indo Rama Textiles Ltd and Amit Spinning Industries Ltd. Spentex employs technologically advanced machinery and has online monitoring and control equipment, supplied by reputed machinery suppliers, to produce high quality yarn consistently. Spentex is in the process of launching specialty yarns in the category of slub yarns, core spun yarns and supima spun cotton yarns. Spentex has earned a name for itself in the overseas market, especially in the Far East and Canada. SIL has a reputed client base – both in domestic and international markets. The recent consolidation of the company has made SIL well equipped to tap economies of scale and also to tap exponential growth in the textile and garment sector. Spentex Industries Ltd. has several certifications to its credit. Spentex group's plants are located at Sholapur, Baramati, Kolhapur, Nagpur, Pithampur and Ahmedabad.

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