LETTER OF OFFER

"This document is important and requires your immediate attention"

This Letter of Offer is sent to you as an equity shareholder of **James Hotels Ltd**. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Manager/ Registrar to the Offer. In case you have recently sold your shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

CASH OFFER BY

Sh Ajmair Singh Bhullar S/o Sh Kewal Singh Bhullar R/o 7, Wicton Chase, Leeds PC- LS178SG UK (Ph No-00441132660070) Fax : 00441132421882 Email :amar@wetherbyfashions.co.uk & Sh. Haravtar Singh Arora S/o Sh Kartar Singh R/o 85, Fulmer Drive, Geralds Cross, Buckinghamshire PC-SL97HF UK (Ph.No:00442089921789) Fax: 00442089921689 Email: monty_333@hotmail.com, both Non -Resident Indians (NRIs) along with other Persons acting in Concert, namely, Sh Bhupinder Singh R/o # 1232, Sector-34C, Chandigarh, Ph: 0172-5003580, Sh Gurdit Singh R/o # 966, Phase-XI, Mohali,Punjab Ph-2234525, Mobile No-9815061375, Sh Kanwaljit Singh R/o # 1715 Sector-34D, Chandigarh ,Ph-2608287, Sh Paramjit Singh R/o # 1899, Sector-34D, Chandigarh, Ph.4613839 & Sh Ajit Pal Singh, R/o # 1232, Sector-34C, Chandigarh, Ph-5003580. ("Acquirer")

for the purchase of 16,00,100 fully paid-up Equity Shares representing 20% of the issued Equity Share Capital and 20% of the Voting Share Capital of

James Hotels Ltd. ("Target Company")

Block-10 Sector 17-A Chandigarh

Ph: 0172-5068080 Fax : 01725068050

at a price of Rs. 18 per fully paid Equity Share (the "Offer Price").

This Offer is being made in compliance with Regulation 10, 12 and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and subsequent amendments thereof (hereinafter referred to as "SEBI (SAST) Regulations"). **The envisaged acquisition by NRI's under the Share Purchase Agreements and this Offer falls under automatic route, in terms of Press Note No-4(2006 series) issued by Department of Industrial Policy & Promotion (P R & C Section) on 10/02/2006. Acquirer has received confirmation of the same from FIPB vide Letter No-4(5)/2006-PR&C/NFC dated 24/04/2006. Though there is no restriction on investment in Hotel Industry by NRIs, the Acquirer has obtained confirmation of the same from RBI, Chandigarh vide letter no 6767/03.01.001/2005-06 dated 30/6/2006 for acquisition of shares under the share purchase agreement & this Offer.** Besides this, as on date of the Public Announcement, **no** statutory approvals is required to acquire the shares tendered pursuant to this Offer. In case of non receipt of any other approvals, if required, with in time, SEBI has power to grant extension of time to Acquirer for payment of consideration to shareholders subject to Acquirer agreeing to pay interest as directed by Reg.22(12) of SEBI (SAST) Regulations. Further, if a delay occurs on account of willful default or neglect or inaction or non-action by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST)Regulation will become applicable.

Acquirer has the option to revise the Offer Price/ Size upward at any time up to seven working days prior to the date of closure of the Offer (i.e., by or before August 18, 2006) or withdrawal of the Offer in terms of the SEBI (SAST) Regulations. In the event of such revision or withdrawal, the same would also be informed by way of a Public Announcement in the same newspapers in which the original Public Announcement had appeared (para 2.2.2 of this Letter of Offer). Such revised Offer Price would be payable for all the shares tendered any time during the Offer and accepted under the Offer.

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 closure of the Offer (i.e., by or before August 24, 2006).

"If there is a competitive bid:

- **The Public Offers under all 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, 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 bid and tender their acceptance accordingly."**

The Procedure for Acceptance is set out in Para 10 of this Letter of Offer. A Form of Acceptance-cum-Acknowledgement and a Form of Withdrawal is enclosed with this Letter of Offer.

A copy of the Public Announcement, Letter of Offer and Form of Acceptance-cum-Acknowledgement and Form of Withdrawal would also be available at SEBI's website http://www.sebi.gov.in/.

MANAGER TO THE OFFER:

Master Capital Services Ltd.
SCO 22-23, Sector 9-D,
Chandigarh - 160 009.
Ph:+91-172-2741921 Fax: +91-172- 2745865
Email: infochd@mastermarts.com
Contact Person: Mr. G.S. Chawla

REGISTRAR TO THE OFFER:

Skyline Financial Services Pvt. Ltd
123 ,Vinoba Puri ,Lajpat Nagar-II,
New Delhi-24.
Tel: +91-11-29833777 Fax: +91-11-29848352
Email: admin@skylinerta.com
Contact Person: Mr. V. Rana

THE SCHEDULE OF ACTIVITIES IS AS UNDER:

Activity	Original Schedule	Revised Schedule
Public announcement (PA) date	Wednesday, March 01, 2006	Wednesday, March 01, 2006
Specified Date	Wednesday, March 01, 2006	Wednesday, March 01,2006
Last date for a competitive bid	Tuesday, March 21, 2006	Tuesday, March 21,2006
Date by which Letter Of Offer to be Dispatched to shareholders	Tuesday, April 11, 2006	Friday, August 4,2006
Date of opening of the Offer	Monday, April 24, 2006	Wednesday, August 9, 2006
Last date of revising the Offer price	Thursday, May 04, 2006	Friday, August 18, 2006
Last date for withdrawing acceptance From the offer	Wednesday, May 10, 2006	Thursday, August 24, 2006
Date of closing of Offer	Saturday, May 13, 2006	Tuesday, August 29, 2006
Date of communicating rejection/ Acceptance and payment of Consideration for accepted tenders	Saturday, May 27, 2006	Wednesday, September 13, 2006

RISK FACTORS

Given below are the risks related to the transaction, the proposed Offer and getting associated with the Acquirer.

(a) The Acquirer makes no assurance with respect to the market price of the shares during / after the Offer and disclaim any responsibility with respect to the participation/non-participation decision by the shareholders in the Offer.

(b) The Main Acquirers are two individuals (NRI's) based out of U.K and have no earlier business interests in India..

(c) The Acquirer makes no assurance with respect to the financial performance of the Target Company or any of its subsidiaries. The Acquirer makes no assurance with respect to its investment/divestment decisions relating to its proposed shareholding in the Target Company.

(d) The tendered shares will lie to the credit of a designated escrow account until the completion of the Offer formalities. During such period, there may be fluctuation in the market price of the shares of the Target Company.

(e) In the event of oversubscription in the Offer, the acceptance will be on a proportionate basis and will be contingent on the level of oversubscription.

The risk factors set forth above pertain to the Offer and do not relate to the present or future business or operations of James Hotels Ltd. or its subsidiaries or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a shareholder in the Offer. The shareholders of James Hotels Ltd. are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the Offer.

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DEFINITIONS/ ABBREVIATIONS

Acquirer	Sh. Ajmair Singh Bhullar S/o Sh Kewal Singh Bhullar R/o 7, Wicton Chase, Leeds, PC-LS178SG (UK) (Ph: 00441132660070 Fax:00442089921689) and Sh. Haravtar Singh. Arora S/o Sh Kartar Singh R/o 85 Fulmer Drive, Gerarrds Cross, Buckinghamshire PC-SL97HF UK Ph.No: 00442089921789 Fax: 00442089921689 and Persons Acting in Concert (PACs) namely Bhupinder Singh R/o # 1232, Sector-34-C Chandigarh, Ph: 0172-5003580, Sh Gurdit Singh R/o 966, Phase-XI, Mohali, Ph-2234525, Mobile No-9815061375, Sh Kanwaljit Singh R/o 1715 Sector-34D, Chandigarh, Ph-2608287, Sh Paramjit Singh R/o 1899,Sector-34D, Chandigarh, Ph.4613839, Sh Ajit Pal Singh, R/o # 1232, Sector-34C,Chandigarh Ph-5003580.
BSE	Bombay Stock Exchange Limited
CDSL	Central Depository Services Limited
DSE	The Delhi Stock Exchange Association Ltd
Eligible Persons	All owners (registered and unregistered) of the shares of the Target Company any time prior to the closure of the Offer, excluding the Acquirer and the Seller.
Form of Acceptance	Form of Acceptance-cum-Acknowledgement
FY	Financial Year ending March 31
LOO/LO	Letter of Offer.
LSE	Ludhiana Stock Exchange Association Ltd
MCSL/ Manager to the Offer	Master Capital Services Ltd.
NSDL	National Securities Depository Limited.
OCB	Overseas Corporate Bodies
Offer	Cash Offer being made by the Acquirer to acquire16,00,100 fully paid-up equity shares of the Target Company representing 20 % of the paid-up equity share capital and voting capital.
Offer Price	Rs. 18 per fully paid equity share payable in cash
PA	Public Announcement of the Offer made by Acquirer on, March 01 2006
RBI	Reserve Bank of India
Registrar/ Registrar to the Offer	Skyline Financial Services Pvt Ltd
Seller	Sh Surjit Singh Gulati S/o Sh Inder Singh R/o 1, Gobind Nagar, Ambala Cantt Ph: 0171-2650217, Sh Jasbir Singh S/o Sh late Dharam Singh R/o House No-126/A, Staff Road, Ambala Cantt, Haryana, Sh Lovkesh Kumar S/o Sh Chandroop Singh R/o, Village & Post Office- Babyal, Ambala Cantt, Sh Amarjit Singh S/o Sh Ranjit Singh R/o H.No- 2175/1 Sec-45 C, Chandigarh.
Specified Date	Date for the purpose of determining the names of Shareholders, as appearing in the Register of Members of the Target Company or the Records of the Depositories, to whom the Letter of Offer should be sent, i.e. March 01, 2006.
SEBI	Securities and Exchange Board of India.
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 and subsequent amendments thereof.
SPA	Share Purchase Agreement dated Feb 27,2006
Target Company	James Hotels Ltd (incorporated under the companies Act 1956, having its registered office at Plot No.10 Sector-17A ,Chandigarh, India.)

1. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE EQUITY SHAREHOLDERS OF THE TARGET COMPANY TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET COMPANY WHOSE SHARES / CONTROL ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS 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 MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER, MASTER CAPITAL SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 13.03.2006 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF. THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

2. DETAILS OF THE OFFER

2.1.1 Background of the Offer:

James Hotels Ltd (incorporated under the Companies Act, 1956) is having its Registered Office at Block-10, Sector-17-A Chandigarh (U.T) INDIA (Ph:0172-5068050) (hereinafter referred to as 'Target Company/JHL') JHL was incorporated on August 25, 1980 in the name of Mehfil Restaurants & Hotels Pvt Ltd. The name was changed to James Hotels Ltd in 1992 and a fresh certificate of incorporation was obtained on 20-3-92. JHL made a maiden Public Offer of equity shares in 1994. The present issued capital of Target Company is 80,00,500 equity shares of Rs. 10/- each and listed at Bombay Stock Exchange (BSE), Delhi Stock Exchange(DSE) and Ludhiana Stock Exchange (LSE).

2.1.2 Project

JHL interalia had envisaged setting up of a four star hotel with 96 rooms in Chandigarh. Though JHL was incorporated in August 1980, yet there was no activity till 1985. JHL acquired the land on 99 years lease in 1985. However, there was delay of about two years from U.T Admin, Chandigarh to grant Urban Land Ceiling Exemption to the Company. In the meantime, upon resignation of former Managing Director, Mr Harmohan Dhawan, Mr. Surjit Singh Gulati ('Main Seller') took over as the Managing Director of JHL and as main promoter. He took effective steps to implement the project. Under his supervision, All India Financial Institutions (namely IFCI,TFCI,ICICI & IDBI), sanctioned term loan to the extent of Rs.284 lacs in June 1989 & additional loan of Rs 68 lacs in Aug 1992.

2.1.3 Public Issue and project implementation

JHL made a maiden Public Issue of 42,60,000 equity shares of Rs 10 each for cash at par (Rs 2.50 per share as application money & Rs 7.50 per share as allotment money) in 1994. But could not fully implement the project as envisaged at the time of the Public Issue. However, it commenced commercial operations of the restaurant, banquet and 20 rooms at 70 % occupancy in 1995.

2.1.4 Defaults of Finanacial Obligation

But due to cost overruns and non-receipt of allotment money from subscribers in the Public Issue, JHL ran into losses & closed operations in 1997 and defaulted with the Financial Institutions. The site of the hotel at Plot -10, Sector -17A, Chandigarh was also resumed on 13.12.2001 due to non-payment of lease money of Rs 79.82 Lacs to the Estate Office, Chandigarh and also non-completion of the building as per approved plans. The Financial Institutions recalled the loans in 1999 and obtained decree on 15/12/2001 for auction from Debt Recovery Tribunal Chandigarh (DRT) for recovery of Rs 1478 lacs. The unit was put to auction in Jan, 2002 at a reserve price of Rs 4200 Lacs but sale did not materialize.

2.1.5 Association with the Acquirer

The main Seller /Promoter Sh Surjit Singh Gulati could not manage the requisite funds for running the unit and had been looking for help from friends and relatives since then. In that process, in August 2004, he met with the Acquirer. The Acquirer extended personal loans to Sh Surjit Singh Gulati of Rs. 365.05 Lacs between Oct 2004 and May 2005 and through M/s Vesta Hotels & Resorts Ltd (incorporated under the Companies Act 1956 and having registered office at 1232, Sector-34, Chandigarh in which Acquirer have 50% shareholding) extended Inter Corporate Deposit of Rs 1228.50 lacs against pledge of 3,50,000 equity shares (4.37 % of voting capital) of JHL, held by the Seller, between May, 2005 and Oct, 2005. To overlook the interest of the Acquirer, Sh Gurmit Singh S/o Sh Kirpal Singh was appointed Director on the Board of the Target Company on 09.02.05.

2.1.6 Settlement of Accounts of Financial Institutions

With the funds raised from the Acquirer, the Seller settled the accounts of all the Financial Institutions (namely ICICI,IFCI,TFCI,IDBI and Punjab & Sind Bank as one time settlements. The title deeds have been released between 12/3/2005-20/9/2005 and obtained No Due certificate Further, Company paid outstanding lease money of Rs 79.82 Lakhs to Estate Office, Chandigarh and got the site restored after appeal before the Advisor to Administration, Chandigarh (Revision Petition No.69 of 2004).

2.1.7 Status of legal cases

Due to non- completion of the project the Estate Office ,Chandigarh has again issued orders on 15/02/2006 for resumption of site of the hotel and demanded a sum of Rs 137 lakhs as non-construction charges.The company has filed appeal before the Finance Secretary, Chandigarh and the hearing is scheduled for 14/09/2006. However, there are no restriction by Estate Office on sale of equity shares.

2.1.8 The Promoters Offer for sale of controlling stake

But due to ill health and inability to raise further approx Rs 25 crore to complete the total project and commence the operations and also repay loans of the Acquirer, Sh Surjit Singh Gulati & his associates ("Seller") offered to sell their entire stake to the Acquirer and hand over the control. The Acquirer has become a bit familiar with the project and looking at the bright future of the hotel industry and for securing their financial interest, accepted the offer.

2.1.9 The SPA

Accordingly, on Feb 27,2006, Seller & Acquirer entered into Share Purchase Agreement (SPA) for acquisition of 27,33,540 fully paid equity shares (constituting 34.17 % of the voting capital of JHL) at Rs 13.50 per fully paid share from Surjit Singh Gulati S/o Sh Inder Singh R/o # 1, Gobind Nagar, Ambala Cantt and his associates, Sh Jasbir Singh S/o Sh late Dharam Singh R/o House No-126/A, Staff Road, Ambala Cantt, Haryana, Sh Lovkesh Kumar S/o Sh Chandroop Singh R/o, Village & Post Office- Babyal, Ambala Cantt, Sh Amarjit Singh S/o Sh Ranjit Singh R/o H.No- 2175/1, Sec-45 C, Chandigarh payable in cash aggregating to Rs.3,69,02,790.

The Acquirer shall pay the Seller the total consideration amount of Rs. 3,69,02,790 towards complete transfer of individual shares held by the Seller and also the controlling interest in JHL by way of adjustment of personal loans of Rs 3,65,05,000 extended to Sh Surjit Singh and additional payment of Rs 3,97,790. The authorization to adjust the consideration against earlier personal loans and their respective scripts and transfer deeds duly stamped and executed indicating the transfer of Sale Shares in favour of the Acquirer or their nominees has been kept with Sh I P Singh S/o Sh Man Mohan Singh R/o House no-2225, Sector -19C, Chandigarh, mutually appointed for the purpose till the closure of the Offer. The requisite personal loan shall be deemed to have been converted into consideration after receipt of approval of FIPB & RBI and fulfillment of obligations under the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 as certified by Merchant Banker under Regulation 23(6) .

2.1.10 Further, to enhance their stake in JHL, the Acquirer has acquired 13, 46,800 equity shares of JHL through following spot share purchase agreements on 27/02/2006:

1. Sh Haravtar Singh Arora S/o Sh Kartar Singh with Sh Parveen Kumar S/o Sh. Surinder Parkash R/o # 3625, Timber Market, Ambala Cantt. for 1,30,085 equity shares (constituting 1.63 % of the voting capital of JHL).

2. Sh Ajmair Singh Bhullar S/o Sh Kewal Singh Bhullar with Parveen Kumar S/o Sh. Surinder Parkash R/o # 3625, Timber Market, Ambala Cantt. for 1,89,915 equity shares (constituting 2.37 % of the voting capital of JHL).

3. Sh Haravtar Singh Arora S/o Sh Kartar Singh with Sh Manmeet Singh S/o Sh.Ravinder Singh R/o # 333/11 Shahabad Markanda Distt.Kurukshetra for 2, 56,000 equity shares (constituting 3.20 % of the voting capital of JHL).

4 Sh Ajmair Singh Bhullar S/o Sh Kewal Singh Bhullar with Sh Ramesh Kumar S/o Sh.Ram Saroop R/o VPO Nagla Dist. Patiala , and the Acquirer, for 2,00,000 equity shares (constituting 2.50 % of the voting capital of JHL).

5 Sh Ajmair Singh Bhullar S/o Sh Kewal Singh Bhullar with Sh Naib Singh S/o Sh.Naranjhan Singh R/o VPO. Samabhalki, Dist Kurukshetra for 2, 24,000 equity shares (constituting 2.80 % of the voting capital of JHL).

6 Sh Ajmair Singh Bhullar S/o Sh Kewal Singh Bhullar with Sh Ravi Das S/o Sh. Sadhu Ram R/o VPO. Thakurpura, Dist Ambala for 3,46,800 equity shares (constituting 4.33 % of the voting capital of JHL).

Total aggregating to 13,46,800 equity shares for (constituting 16.83 % of the voting capital) all at Rs 14.00 per fully paid share in cash at total consideration of Rs 1,88,55,200.

2.1.11. At present, Sh Bhupinder Singh S/o Sh Kartar Singh R/o # 1232 ,Sector-34C, Chandigarh, one of the persons acting in concert ("PAC") with the Acquirer holds 3500 fully paid equity shares (constituting 0.04% of paid up equity shares capital and voting capital of JHL). After the above said acquisitions of shares, Acquirer along with the PAC would hold 40, 83,840 paid up equity shares, constituting 51.04 % of the issued & paid up share capital of JHL.

2.1.12 Entering into SPA and spot agreements as mentioned above Regulation 10 & 12 of the SEBI (SAST) Regulations, have been triggered, necessitating this Offer.

2.1.13 The Target Company made a maiden Public Offer of equity shares in 42, 60,000 of Rs 10 each for cash at par. (Rs 2.50 per share being application money and 7.50 per share being allotment money).

2.1.14 Some of the main features of the Share Purchase Agreement of the Seller with the Acquirer dated 27.02.2006

i) That the Seller has agreed to sell of 27,33,540 Equity Shares of the Target Company to the Acquirer @ Rs.13.50 (Rupees Thirteen and Fifty paisa only) per fully paid share payable in **cash** aggregating to Rs.3,69,02,790 (Rupees three crore sixty nine lakhs two thousand seven hundred ninety only) and agreed to transfer the Management of the Target Company.

ii) The Acquirer shall pay the Sellers a total consolidated amount of Rs- 3,69,02,790 towards complete transfer of individual Sale Shares held by the Sellers and also the controlling interest in the Company by way of adjustment on personal loans extended to Sh Surjit Singh as per table below and payment of additional Rs 3,97,970.

Name Of Lenders	DD/Cheque No	Date	Amount (Rs)
Sh A.S Bhullar	16788	7/1/2005	11,80,000
Sh A.S Bhullar	874151	19/4/2005	1,00,00,000
Sh A.S Bhullar	750802	19/4/2005	30,00,000
Sh Haravtar Singh	602908	20/10/2004	60,00,000
Sh Haravtar Singh	602909	26/10/2004	60,00,000
Sh Haravtar Singh	602906	24/11/2004	60,00,000
Sh Haravtar Singh	670440	20/1/2005	8,25,000
Sh Haravtar Singh	263310	18/5/2005	35,00,000
Total Amount			**3,65,05,000**

The total receipt of consideration by Sh Surjit Singh Gulati shall be done by on proportionate basis & shared amongst Sellers. The shares shall be transferred in the name of main Acquirers Sh A.S Bhullar, Sh Haravtar Singh Arora and PACs.

iii) At the time of execution of this Agreement, the authorization to adjust the consideration against earlier personal loans and their respective scripts and transfer deeds duly stamped and executed indicating the transfer of Sale Shares in favour of the Acquirer or his nominees shall be kept with the Sh I P Singh S/o Sh Man Mohan Singh R/o House no-2225, Sector -19C Chandigarh, as mutually appointed for the purpose .

iv) The requisite personal loan shall be deemed to have been converted into consideration after fulfillment of obligations under the SEBI (Substantial Acquisition of Shares and Takeover) Regulations 1997 as certified by merchant banker under Regulation 23(6).

v) Simultaneously with the completion of objectives, the Acquirer shall get Sale Shares along with their original scripts, receipts of sale amount and duly stamped and executed Share Transfer Forms and lodge them with the Company for transfer .

vi) That the Acquirer shall comply with all the requirements of SEBI (SAST) Regulations.

vii) That in case of non-compliance of any provisions of the SEBI (SAST) Regulations, the agreement shall not be acted upon by the Seller or the Acquirer.

viii) The Seller hereby agree that between the date of signing of the agreements (i.e 27.02.2006) and the date of Closure, the Seller:

(a) shall operate the Target Company only in the ordinary course of business and shall not execute, enter into or operate any unusual or large transactions. If any decision is to be take in the interest of the Target Company, the same shall be taken in consultation with the Acquirer.
(b) shall not change any of the Target Company's banking arrangements.
(c) shall not amend the Memorandum and/or Articles of Association of the Company prior to the date of Closure
(d) shall not do any thing directly or indirectly which shall have any adverse effect on the right and interest of the Acquirerunder this agreement and the Sale Shares and the consequent control over the management of the Company.

ix) In the event of any liability arising to the Target Company, in relation to any pre-existing, pending demands, disputes or claims from any person, authority or before any Court prior to the Date of Closure, which has not been disclosed in the Balance Sheet and Profit and Loss accounts for the year ended on 30.11.2005 then such a liability shall be to the account of the Seller and shall not be borne by the Target Company.

x) Notwithstanding anything contained hereinabove, the obligations of the Acquirer under the Public Offer shall remain as per the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as amended upto date.

xi) All disputes arising out of the SPA shall be finally settled by the penal of three Arbitrators under the Provisions of the Arbitration and Conciliation Act, 1996 and Rules made there under.

xii) The courts at Chandigarh shall have exclusive jurisdiction.

2.1.15 Main features of the Spot Share Purchase Agreements with Sh Parveen Kumar, S/o Sh. Surinder Parkash, R/o # 3625, Timber Market Ambala Cantt, Sh Ramesh Kumar, S/o Sh.Ram Saroop, R/o VPO Nagla Dist. Patiala, Sh Naib Singh, S/o Sh.Naranjhan Singh, R/o VPO.Samabhalki, Sh Ravi Kumar, S/o Sh. Sadhu Ram, R/o VPO.Thakurpura, Dist Ambala and another between Sh Manmeet Singh**,** S/o Sh.Ravinder Singh R/o # 333/11 Shahabad Markanda Distt. Kurukshetra, are as under:

a) Parties to the agreements hereby agree to transact at a price of Rs. 14 /- per equity share of face value of Rs.10/- each.

b) Acquirer has paid consideration through Drafts/ Cheques and has taken delivery of the said shares in the Demat form.

c) Acquirer assumes responsibility to comply with all stock exchange and SEBI Regulations as Target Company is a listed Company with the BSE, DSE and LSE.

d) The Parties to the agreements agree that the requisite shares under the agreements shall be transferred back in the name of the Sellers & consideration amount paid back to the Acquirer if all the formalities are not completed under Public Offer as per the provisions of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 as amended upto date.

e) That the issues arising from these Agreements shall be subject to the jurisdiction of Court(s) of Chandigarh.

(**Note**: However, till date only 11,22, 800 shares (14.03 % of voting capital) have been transferred in name of the Acquirer. 2,24,000 equity shares held by Sh Naib Singh are yet to be transferred. Further, Acquirer has undertaken not to exercise any voting rights on the acquired shares till the closure of this Offer.)

2.1.16 At the time of PA present, the Acquirer did not hold any paid up equity share capital of the Target Company and the persons acting in concert ("PAC") with the Acquirer held 3,500 fully paid equity shares (constituting 0.04 % of paid up equity share capital and voting capital). After the above said acquisitions of shares, through the SPA & Spot Agreements. Acquirer along with PAC would hold 40,83,840 paid up Equity Shares constituting 51.04 % of the issued paid-up share capital and voting capital of the Target Company. With the signing of the Agreements numbered at 2.1.10 & 2.1.15, above, Regulation 10 & 12 of SEBI (SAST) have been triggered.

2.1.17 The sale of entire shareholding of the Seller to the Acquirer can be construed as control shifting in the hands of the Acquirer. Hence Regulation 12 of SEBI (SAST) Regulations is triggered.

2.1.18 Accordingly, this Offer is being made by the Acquirer in compliance with Regulations 10, 12 and other applicable provisions of the SEBI (SAST) Regulations.

2.1.19 Neither the Acquirer, the Seller nor Target Company have been prohibited by SEBI from dealing in securities, in terms of the direction issued u/s 11B of the SEBI Act or under any other regulations made under the SEBI Act.

2.1.20 The present issued & subscribed Share Capital of the Target Company comprises of 80,00,500 fully paid-up equity shares of Rs. 10 each aggregating to Rs 8,00,05,000. At the time of PA the Acquirer did not hold fully paid equity shares of the Target Company and PAC's held 3,500 fully paid equity shares of the Target Company (constituting 0.04 % of the equity share capital and voting capital). No shares have been acquired during the twelve months period prior to the date of the Public Announcement and there are no agreements in respect of acquisition of shares in the Target Company, other than those mentioned as above. After acquisition of shares under the respective Share Purchase Agreements and assuming acquisition of 16,00,100 equity shares from the Public under this Offer, the Acquirer Sh Ajmair Singh Bhullar & Sh Haravtar Singh Arora shall hold 41 % and PAC's shall hold 10.04 % aggregating to 51.04 % of the equity share capital and voting capital of the Target Company.

2.1.21 There are **no** partly paid-up equity shares of the Target Company.

2.1.22 CONTROL:
The Acquirer Sh. Ajmair Singh Bhullar and Sh Haravtar Singh Arora, having deposited Rs 2,88,01,800 (Rupees Two crore eighty eight lacs one thousand eight hundred Only) being 100 % of the consideration of the Public Offer in the Escrow Account, were eligible to be co-opted on the Board of the Directors of the Target Company after 21 days (i.e 22^{nd} March ,2006) from the date of this Public Announcement as per provosions under Regulations 20(7), and assume majority on the Board, thereby assuming control. However, Sh A.S Bhullar & Sh H.S Arora have been co-opted on the Board on 4^{th} August,2006 i.e after SEBI observation on the draft Letter of Offer were received**.** Sh. S.S Gulati & Sh Jasbir Singh shall resign after the completion of this Offer under SEBI (SAST) Regulations and thereafter the Board of Directors of JHL may further be reconstituted.

2.1.23 The investment by the main Acquirers Sh Ajmair Singh Bhullar and Sh Haravtar Singh Arora both NRIs for acquisition of shares under the SPA, spot agreements or under the Offer is on non- repatriable basis .

2.2 Details of the proposed Offer:

2.2.1 Pursuant to the above, the Acquirer hereby makes an Offer to Acquire in cash upto 16,00,100 fully paid equity shares of the Target Company, (representing 20% of the issued paid-up equity share capital and voting capital) from the shareholders of the Target Company on the terms and conditions as set out below at a price of Rs 18 (Rupees eighteen only) for each fully paid share, payable in cash.

2.2.2 The Public Announcement conforming to Regulation 15(1) of the SEBI (SAST) Regulations, was made in the following newspapers on March 01/02, 2006 and the Public Announcement for revised activity schedule appeared in the same newspapers on August 1, 2006 :

Newspaper	Language	Editions
Financial Express	English	All Editions
Janasatta	Hindi	All Editions
Tribune- Punjabi	Hindi	Chandigarh Edition

The copy of the Public Announcement(s) is also available on the SEBI's web-site www.sebi.gov.in

2.2.3 Any upward revision in the Offer price under Regulation 26 or withdrawal of the Offer under Regulation 27 of the SEBI (SAST) Regulations, will be announced in the above mentioned newspapers and the revised price would be payable by the Acquirer for all the valid shares tendered in the Offer at any time during the Offer period.

2.2.4 The Offer is **not** subject to any minimum level of acceptances and is for 20 % equity share capital of the Target Company.

2.2.5 Since the date of the PA to the date of this Letter of Offer, the Acquirer has not acquired or entered into agreements other than under SPA & spot share agreements any shares of the Target Company.

2.2.6 The shares will be acquired by the Acquirer free from all liens, charges, encumbrances and together with all rights attached thereto, including the right to all dividends, bonuses and rights declared.

3 REASONS FOR THE OFFER:

3.1. The reason of acquisition of shares of the Target Company is (i) to acquire majority holding in the Target Company (ii) and acquire management control .The Offer is in accordance with Reg. 10 & 12 of the SEBI (SAST) Regulations. The Acquirer has no plans to dispose off or otherwise encumber assets of the Target Company in the succeeding two years, except in the ordinary course of business of the Target Company. However, Acquirer shall seek shareholders approval in case need arises to dispose, encumber assets of the Target Company in succeeding two years.

3.2 Future Plans / Strategies of the Acquirer with regard to the Target Company

Firstly, the Acquirer envisages to get the orders of resumption of the hotel site revoked & site restored from the Estate office, Chandigarh. Acquirer will then draw new building plans and rebuild/complete the hotel project by availing loans from banks/Institutions, if required. They may complete and run the hotel project by themselves or invite experienced partners or lease the property for management by an experienced hotel group. Necessary shareholders approval shall, however, be obtained wherever required.

4. BACKGROUND OF THE ACQUIRER

4.1 **Sh Ajmair Singh Bhullar** S/o Sh Kewal Singh Bhullar, 56 years. NRI based in UK since 1961. British Passport No-101847567 Permanent Address # 7, Wicton Chase, Leeds PC- LS178SG (UK) Tel No:00441132660070 Fax No:00441132421882 (Indian Address- 328, New Jawahar Nagar, Jalandar, Ph No 0161-2223322). He has over 40 years experience in manufacturing & trading of textiles. He is Chairman of M/s Wetherby Fashions Limited UK engaged in imports of textiles from China, Hong Kong etc and has real estate interests. Personal net worth of Sh Ajmair Singh Bhullar including assets in India is Rs 6019.22 Lakhs, as per certificate dated 10.3.2006 of Kumar Bhagwad & Co. Chartered Accountant (Membership No 500154), Chandigarh .

Sh Haravtar Singh Arora S/o Sh Kartar Singh, 46 Years. NRI based in UK since 1985 Passport No-093070435, Permanent Address- 85, Fulmer Drive, Gerarrds Cross, Buckinghamshire PC-SL97HF, London (U.K) Tel No: 00442089921789 Fax: 00442089921689 (Indian Contact Address # 1715, Sector 34 D, Chandigarh Tel No:0172-2608287). He has working experience of almost 10 years in textile trade and 20 years in retailing, import/export trade and real estate in Germany and UK. He is Director of Wise Spendings Limited (UK), Euroflair Import Export Limited (UK), De Barons Property Services Limited (UK). Personal net worth of Sh Haravtar Singh Arora including assets in India is Rs 708.64 lakhs as per certificate dated 10.3.2006 of Kumar Bhagwad & Co. Chartered Accountant(Membership No 500154), Chandigarh.

4.2 PERSONS ACTING IN CONCERT (PACs)

1. Sh Bhupinder Singh S/o Sh Kartar Singh R/o # 1232, Sector-34 C Chandigarh is brother of Sh H.S Arora and holding 3500 shares of JHL purchased on 08/04/05 at Rs 5.50 per equity shares. He is Proprietor of M/s Jai Exports, engaged, in trading of textiles. The annual post tax income for the year 2003-04, 2004-05 & 2005-06 has been Rs 1,01,432, Rs 98,630 & Rs 1,64,805 respectively. Personal net worth of Sh Bhupinder Singh as per certificatie dated 27/5/2006 of Kumar Bhagwad & Co. Chartered Accountant (Membership No 500154), is Rs. 2,61,03,500.

Further the following persons will acquire shares under the SPA as nominee of Sh Ajmair Singh Bhullar and Sh Haravtar Singh Arora.

2. Sh Gurdit Singh S/o Sh Kartar Singh, 62 years, R/o # 966, Phase-XI, Mohali, Ph-2234525, Mobile No-9815061375 is brother of Sh H.S Arora. He has working experience of almost 20 years in textiles and real estate. The annual post tax income for the year 2004-05 & 2005-06 has been Rs 51,460 & Rs 66,500 respectively. Personal net worth of Sh Gurdit Singh, as per certificate dated 27/05/2006 of Kumar Bhagwad & Co. Chartered Accountant (Membership No 500154), is Rs. 1,86,89,500.

3. Sh Kanwaljitjit Singh S/o Sh Kartar Singh, 42 years R/o # 1715 Sector-34 D, Chandigarh, Ph-2608287 is brother of Sh H.S Arora. He has working experience of almost 10 years in textile trade. He is Proprietor of M/s J. Fabs engaged in trading of textiles. Personal net worth of Sh Kanwaljit Singh as per certificate dated 27/05/2006 of Kumar Bhagwad & Co. Chartered Accountant(Membership No 500154), is Rs.1,78,85,200. The annual post tax income for the year 2003-04, 2004-05 & 2005-06 has been Rs 1,38,837, Rs 1,50,397 & Rs. 1,27,818 respectively.

4. Sh Paramjit Singh S/o Sh Sh Kartar Singh, 51 years R/o 1899, Sector-34 D, Chandigarh , Ph.4613839 is brother of Sh H.S Arora. He has working experience of almost 20 years in textile trade. The annual post tax income for the year 2004-05, 2005-06 has been Rs 1,04,160 & Rs 1,15,600 respectively. Personal net worth of Sh Paramjit Singh, as per certificate dated 27/05/2006 of Kumar Bhagwad & Co. Chartered Accountant (Membership No 500154), is Rs.1,77,38,076 .

5. Sh Ajit Pal Singh S/o Sh Bhupinder Singh, 24 years, R/o # 1232, Sector-34D, Chandigarh Ph-5003580, BSC(IT) and pursuing MBA(IT). He is nephew of Sh H.S Arora. He is Proprietor of M/s Hi Fashions. The annual post tax income for the year 2005-06 has been Rs 1,22,403 respectively. The personal net worth of Sh Ajit Pal Singh, as per certificate dated 27/05/2006 of Kumar Bhagwad & Co. Chartered Accountant(Memebership No 500154), is Rs. 88,09,265.
The Acquirer or the PACs have no experience in hotel industry.

4.3 Status of compliances under Chapter II of SEBI(SAST) Regulations

The Acquirer has entered into agreements to acquire 13,46,800 equity shares (16.83 % of voting capital) as detailed in para 2.1.10. Out of which 11,22,800 equity shares (14.03% of voting capital) have been transferred in their name on 31/03/2006. The transfer have been reported to the Target Company on 1/4/2006.

4.4 DETAILS OF ASSOCIATE CONCERNS OF Sh Ajmair Singh Bhullar and Sh Haravtar Singh Arora
Mr AJMAIR SINGH BHULLAR

4.4.1 a. Wetherby Fashions Limited

Registered Office: 2 – Grant Avenue, Off Roundhay Road , Leeds – West Yorkshire LS7 1RQ U.K
Principal Activity : Manufacturing, trading & imports of textiles.
Directors :Sh A.S Bhullar, Sh Ujjal Singh Bhullar (Brother), Amar Singh Bhullar (Son).
The Company is engaged in textile trading and has rental income.
Brief Financial Results for the last three years as per the Audited Financial Statement (for year ending October)are as under:-

Particulars	Year ended 31/10/2003		Year ended 31/10/2004		Year ended 31/10/2005	
	pounds (,000)	**Rs(Lacs)**	**pounds (,000)**	**Rs(Lacs)**	**pounds(,000)**	**Rs(Lacs)**
Sales / other income	23958	20124.72	20308	17058.72	22656	18954.60
Profit before interest & depreciation	132.85	111.594	181	152.04	583	489.72
Depreciation	-	-	-		-	0
Profit after depreciation but before int.	132.85	111.594	180	151.2	583	489.72
Interest	9.7	8.148	111	93.24	416	349.44
Profit before tax	123.15	103.446	69	57.96	167	140.28
Net Profit	75	63	46	38.64	108	90.72
Balance Sheet Statement						
Share Capital	100	84	100	84	100	84
Reserve and Surplus	5792	4865.28	5837	4903.08	5967	5012.28
Unsecured Loan	-	-	-	-	-	0
Long Term Liabilities	-	-	-	-	-	0
Current Liabilities	4461	3747.24	9735	8177.4	10439	8768.76
Total Liabilities	**10353**	**8696.52**	**15672**	**13164.50**	**16506**	**13865.04**
Fixed Assets	2295	1927.8	2326	1953.84	5375	4515
Current Assets	8058	6768.72	13346	11210.6	11131	9350.04
Others	-	-	-	-	-	-
Total Assets	**10353**	**8696.52**	**15672**	**13164.50**	**16506**	**13865.04**
Earning Per Share Rs.	**0.75**	-	**2.45**	-	**1.08**	-
Return on Net Worth (% age)	**1.28**	-	**3.99**	-	**1.83**	-

(1 Pound = Rs 84 quoted from The Economic Times dated 11/07/2006)

Sh HARAVTAR SINGH ARORA

4.4.2 Wise Spending Ltd

Registered Office: .– Grenville Court ,Britwell Road Burnham, Buckinghamshire SL18DF

Business Address: 342 Bath Road ,Hounslow,Middlesex TW14 7HW

The Company was incorporated in the year on 24th 1992 in the name of Wise Spending Ltd. Presently it has only rental income from its property & no other commercial operations .Mr H.S Arora is the director of the company. He and his wife hold the entire shareholding .

Brief Financial Results for the last three years as per the Audited Financial Statement (as of year ending May) and Provisional financial statement certified by CA for the period 1/06/2005-31/012/2005 are as under:-

Particulars	**Year ended 31/5/2003**		**Year ended 31/5/2004**		**Year ended 31/5/2005**		**Period 1/06/2005-31/12/2005**	
	Pounds (,000)	**Rs(Lacs)**	**Pounds (,000)**	**Rs.(Lacs)**	**Pounds (,000)**	**Rs(Lacs)**	**Pounds (,000)**	**Rs(Lacs)**
Sales	148	124.32	125	105	85	71.4	89	74.76
Profit before interest & depreciation	78	65.52	449	377.16	7	5.88	11	9.24
Depreciation	-	-	-	0	-	0	0	0
Profit after depreciation but before int.	78	65.52	449	377.16	7	5.88	11	9.24
Interest	47	39.48	75	63	85	71.4	79	66.36
Profit before tax	31	26.04	374	314.16	-78	-65.52	-68	159.6
Net Profit	37	31.08	271	227.64	-78	-65.52	-68	159.6
Balance Sheet Statement								
Share Capital	0.1	0.08	0.1	0.08	0.1	0.08	0.1	0.08
Reserve and Surplus	1239	953.26	1827	1406.79	2497	2097.48	2429	2040.36
Long Term Liabilities	1265	974.05	1346	1036.42	1429	1200.36	1820	1528.8
Current Liabilities	72	0.55	686	528.22	478	401.52	427	358.68
Total Liabilities	**2576**	**1983.52**	**3860**	**2972.20**	**4404**	**3699.36**	**4676**	**3927.92**
Fixed Assets	2184	1681.68	2283	1757.91	3122	2622.48	3355	2818.24
Current Assets	392	301.84	1577	1214.29	1282	1076.88	1321	1109.68
Total Assets	**2576**	**1983.52**	**3860**	**2972.20**	**4404**	**3699.36**	**4676**	**3927.92**
Earning Per Share	**0.37**	-	**2.71**	-	-	-	-	-
Return on Net Worth (% age)	**2.98**	-	**14.83**	-	-	-	-	-

(1 Pound = Rs 84 quoted from The Economic Times dated 11/07/2006)

4.4.3 Euroflair Export/ Import Limited

Registered Office: Grenville Court ,Britwell Road , Burnham, Buckinghamshire SL1 8DF.

Business Address: 342 Bath Road ,Hounslow, Middlesex TW14 7HW

The Company was incorporated on April 29th 1993. At Present the company is only engaged in having trading of textiles.

Brief Financial Results for the last three years as per the Audited Financial Statement (as of year ending March) and Provisional financial statement certified by CA for the period 1/04/2005-31/12/2005 are as under:

Particulars	**Year ended 31/3/2003**		**Yearended 31/3/2004**		**Yearended 31/3/2005**		**Period 1/4/2005 31/12/2005**	
	pounds (,000)	**Rs(Lacs)**	**pounds (,000)**	**Rs(Lacs)**	**pounds (,000)**	**Rs(Lacs)**	**pounds (,000)**	**Rs(Lacs)**
Sale/other income	87	73.08	98	82.32	190	159.6	52	43.68
Profit before interest & depreciation	13	10.92	-0.02	-0.0084	9.3	7.812	4	3.36
Profit after depreciation but before int.	13	10.92	-	-	9.3	7.812	4	3.36
Interest	0	0	-	-	-	-	-	0
Profit before tax	13	10.08	-0.02	-	-	-	4	3.36
Net Profit	9	7.56	-0.02	-0.0084	9.3	7.812	4	3.36
Balance Sheet Statement								
Share Capital	0.1	0.084	0.1	0.084	0.1	0.084	0.1	0.084
Reserve and Surplus	140	117.6	141	118.44	150	126	154	130.1

Unsecured Loan	-	-	-	-	-	-	-	-
Long Term Liabilities	-	-	-	-	-	-	-	-
Current Liabilities	95	79.8	246	206.64	137	115.08	125	105
Total Liabilities	**235.1**	**197.48**	**387.10**	**325.164**	**287**	**241.08**	**280**	**235.20**
Fixed Assets	2	1.68	16	13.44	13	10.92	12	10.08
Current Assets	233.10	195.804	372.10	312.564	274	230.16	268	225.12
Total Assets	**235.10**	**197.48**	**387.10**	**325.164**	**287**	**241.08**	**280**	**235.20**
Earning Per Share	**0.09**	-	**-**	-	0.09	-	43.75	-
Return on Net Worth (% age)	**6**	-	**-**	-	6	-	2.83	-

(1 Pound = Rs 84 quoted from The Economic Times dated 11/07/2006)

4.4.4 De Barons Property Services Limited

The Company was incorporated on May 27, 2002,It only has rental income.
Registered Office: 342,Bath Road ,Hounslow ,Middx TW4 7HW.
Directors : Sh H.S Arora & Sh Kulbir Singh Arora
Brief Financial Results for the last three years as per the Audited Financial Statement (as of year ending May) and Provisional financial statement certified by CA for the period 1/06/2005-31/12/2005 are as under:-

Particulars	**Year ended 31/5/2003**		**Year ended 31/5/2004**		**Year ended 31/5/2005**		**Year ended 31/12/2005**	
	pounds (,000)	**Rs(Lacs)**	**pounds (,000)**	**Rs(Lacs)**	**pounds (,000)**	**Rs(Lacs)**	**pounds (,000)**	**Rs(Lacs)**
Sale/other income	-	-	11	9.24	32	26.88	40	33.6
Profit before interest & depreciation	-	-	-2	-1.68	-42	-35.28	8	6.72
Depreciation	-	-	-	-	-	-	-	-
Profit after depreciation but before int.	-	-	-	-	-	-	-	-
Interest	-	-	-	-		-	-	-
Profit before tax	-	-	-2	-1.68	-42	-35.28	8	6.72
Net Profit	-	-	-2	-1.68	-42	-35.28	8	6.72
Balance Sheet Statement								
Share Capital	0.1	0.08	0.1	0.084	0.1	0.084	0.1	0.084
Reserve and Surplus	-		-2	-1.68	-44	-36.96	-36	-30.24
Unsecured Loan	-		-	-	-	0	-	0
Long Term Liabilities	-		305	256.2	295	247.8	1910	1604.4
Current Liabilities	-		191	160.44	1672	1404.48	21	17.64
Total Liabilities	**0.1**	**0.08**	**494.1**	**415.04**	**1923**	**1615.32**	**1895**	**1591.80**
Fixed Assets	-	-	456.05	383.082	1891	1588.44	1891	1588.44
Current Assets	0	0.08	38.05	31.962	32	26.88	4	3.36
Others	-	-	-	-	-	0	-	0
Total Assets	**0.1**	**0.08**	**494.1**	**415.04**	**1923**	**1615.32**	**1895**	**1591.80**
Earning Per Share	**-**	**-**	-	-	-	-	78.81	-
Return on Net Worth (% age)	**-**	**-**	-	-	-	-	-	-

(1 Pound = Rs 84 quoted from The Economic Times dated 11/07/2006)

4.4.5 Vesta Hotels & Resorts Pvt Ltd ("Vesta")

The Company was incorporated on March 7, 2005, to carry on the business of hotels and resorts. There is no commercial activity so far . It has raised loans & extended loans to JHL. In future it may take up contract management of part business of JHL. It is not registered NBFC with RBI. Acquirer have 50 % shareholding of Vesta. Acquirer intent to repay loans of Vesta after raising funds in JHL.RBI may however take necessary action against Vesta / Promoters of Vesta / Shareholders for any non-compliances.

Registered Office: #1232 Sector-34-C Chandigarh.

Directors : Mr Bhupinder Singh & Ms Manpriya Bhullar W/o Sh Amardeep Singh Bhullar S/o Sh A.S Bhullar

Brief Financial Results for the one year as per the Audited Financial Statement (as of year ending March) are as under:-

Particulars	2004-2005 Rs(Lacs)
Sale/other income	0
Profit before interest & depreciation	0
Depreciation	0
Interest	0
Profit before tax	0
Net Profit	-
Balance Sheet Statement	
Share Capital	1.4
Reserve and Surplus	-
Unsecured Loan	757
Long Term Liabilities	-
Current Liabilities	0.03
Total Liabilities	**758.43**
Fixed Assets	-
Current Assets	757.25
Others	1.18
Total Assets	**758.43**
Earning Per Share Rs.	**-**
Return on Net Worth (% age)	**-**

4.5. DETAILS OF ASSOCIATE CONCERNS OF PACs

4.5.1 Sh.Bhupinder Singh

M/s Jai Exports. The Firm was incorporated in 1993, to carry on the business of trading of textiles.

Registered Office: #1232 Sector-34-C Chandigarh.

Proprietor : Mr Bhupinder Singh

financial Results for the last three years as per the Financial Statement (as of year ending March)are as under:-

Particulars	2003-2004	2004-2005	2005-2006
	Rs(Lacs)	Rs(Lacs)	Rs(Lacs)
Sale/other income	2.04	2.63	2.26
Profit before interest & depreciation	1.12	2	1.44
Depreciation	0.83	1.42	0.85
Interest	-	-	-
Profit before tax	0.29	0.58	0.59
Net Profit	0.29	0.58	0.59
Balance Sheet Statement			
Proprietor's Capital	30.79	20.64	38.75
Reserve and Surplus	-	-	-
Unsecured Loan	2.83	19.29	11.37
Long Term Liabilities	-	-	-
Current Liabilities	0.1	-	-
Total Liabilities	**33.72**	**39.93**	**50.12**
Fixed Assets	3.37	5.7	4.85
Current Assets	30.35	34.23	45.27
Others	-	-	-
Total Assets	**33.72**	**39.93**	**50.12**
Return on net worth(% age)	**0.94**	**2.81**	**1.52**

4.5.2 Sh.Kanwaljit Singh

M/s J.Fabs

The Firm was incorporated in 2001, to carry on the business of trading of textiles.

Registered Office: S.C.O -1002, Sector-22-B, Chandigarh

Financial Results for the last three year as per the Financial Statement (as of year ending March)are as under:-

Particulars	2003-2004	2004-2005	2005-2006
	Rs(Lacs)	Rs(Lacs)	Rs(Lacs)
Sale/other income	34.13	26.59	29.47
Profit before interest & depreciation	2.49	1.95	1.86
Depreciation	0.76	0.61	0.36
Interest	-	-	-
Profit before tax	1.73	1.34	1.50
Net Profit	1.73	1.34	1.50
Balance Sheet Statement			
Proprietor's Capital	17.3	17.58	17.94
Reserve and Surplus	-	-	-
Unsecured Loan	-	-	-
Long Term Liabilities	-	-	-
Current Liabilities	3.39	3.47	3.47
Total Liabilities	**20.69**	**21.05**	**21.40**
Fixed Assets	3.04	2.43	2.06
Current Assets	17.65	18.62	19.34
Others	-	-	-
Total Assets	**20.69**	**21.05**	**21.40**
Return On Net Worth (% age)	**10.00**	**7.62**	**8.36**

4.5.3 Ajit Pal Singh

M/s Hi Fashions

The Firm was incorporated in 2004, to carry on the business of trading of textiles.

Registered Office: S.C.O -12, Sector-20-D, Chandigarh.

Proprietor : Mr Ajit Pal Singh

Financial Results for the last two year as per the Financial Statement (as of year ending March)are as under:-

Particulars	2004-2005	2005-2006
	Rs (lacs)	Rs (lacs)
Sale/other income	24.38	22.26
Profit before interest & depreciation	1.32	1.17
Depreciation	0.1	-
Interest	-	-
Profit before tax	1.22	1.17
Net Profit	1.22	1.17
Balance Sheet Statement		
Proprietor's Capital	6.83	8.45
Reserve and Surplus	-	-
Unsecured Loan	-	0.48
Long Term Liabilities	-	-
Current Liabilities	7.88	-
Total Liabilities	**14.71**	**8.93**
Fixed Assets	0.86	0.86
Current Assets	13.85	8.07
Others	-	-
Total Assets	**14.71**	**8.93**
Return on Net Worth(% age)	**17.8**	**13.8**

5. **Undertaking under Regulation 21**

Acquirer has undertaken that their acquisition of shares pursuant to Share Purchase Agreements (SPA), Spot Share Purchase Agreements, Public Offer and any other purchases during the Offer period shall not exceed the limits prescribed by the Stock Exchanges for continuous listing in the listing agreements.

6. BACKGROUND OF THE TARGET COMPANY (James Hotels Ltd.)

6.1. Brief History and Main Areas of Operations:

6.1.1 Incorporation of JHL

JHL was incorporated on August 25, 1980 in the name of Mehfil Restaurants & Hotels Pvt Ltd. The name was changed to James Hotels Ltd in 1992 and a fresh certificate of incorporation was obtained on 20-3-92.

6.1.2. Project

JHL interalia had envisaged setting up of a four star hotel with 96 rooms in Chandigarh. Though JHL was incorporated in August 1980, yet there was no activity in the till 1985. JHL acquired the land on 99 years lease in 1985. However, there was delay of about two years from U.T Admin, Chandigarh to grant Urban Land Ceiling Exemption to the Company. In the meantime, upon resignation of former Managing Director, Mr Harmohan Dhawan, Mr. Surjit Singh Gulati ('Main Seller') took over as the Managing Director of JHL and as main promoter. He took effective steps to implement the project. Under his supervision. All India Financial Institutions (namely IFCI,TFCI,ICICI & IDBI), sanctioned term loan to the extent of Rs.284 lacs in June 1989 & additional loan of Rs 68 lacs in Aug 1992.

6.1.3 Public Issue and project implementation

JHL made a maiden Public Issue of 42,60,000 equity shares of Rs 10 each for cash at par (Rs 2.50 per share as application money & Rs 7.50 per share as allotment money) in 1994. But could not fully implement the project as envisaged at the time of the Public Issue. However, it commenced commercial operations of the restaurant, banquet and 20 rooms at 70 % occupancy in 1995.

6.1.4 Defaults of Finanacial Obligation

But due to cost overruns and non-receipt of allotment money from subscribers in the Public Issue, JHL ran into losses & closed operations in 1997 and defaulted with the Financial Institutions. The site of the hotel at Plot -10, Sector -17A, Chandigarh was also resumed on 13.12.2001 due to non-payment of lease money of Rs 79.82 Lacs to the Estate Office, Chandigarh and also non-completion of the building as per approved plans. The Financial Institutions recalled the loans in 1999 and obtained decree on 15/12/2001 for auction from Debt Recovery Tribunal Chandigarh (DRT) for recovery of Rs 1478 lacs. The unit was put to auction in Jan, 2002 at a reserve price of Rs 4200 Lacs but sale did not materialize.

6.1.5 Association with the Acquirer

The main Seller /promoter Sh Surjit Singh Gulati could not manage the requisite funds for running the unit and had been looking for help from friends and relatives since then. In that process, in August 2004, he met with the Acquirer. The Acquirer extended personal loans to Sh Surjit Singh Gulati of Rs. 365.05 Lacs between Oct 2004 and May 2005 and through M/s Vesta Hotels & Resorts Ltd (incorporated under the Companies Act 1956 and having registered office at 1232, Sector-34, Chandigarh in which Acquirer have 50% shareholding) extended Inter Corporate Deposit of Rs 1228.50 lacs against pledge of 3,50,000 equity shares (4.37 % of voting capital) of JHL, held by the Seller, between May, 2005 and Oct,2005. To overlook the interest of the Acquirer, Sh Gurmit Singh s/o Sh Kirpal Singh was appointed Director on the Board of the Target Company on 09.02.05.

6.1.6 Settlement of Accounts of Financial Institutions

With the funds raised from the Acquirer, the Seller settled the accounts of all the Financial Institutions (namely ICICI, IFCI, TFCI, IDBI) and Punjab & Sind Bank as one time settlements. The title deeds have been released between 12/3/2005- 20/9/2005 and obtained No Due certificate. Further, Company paid outstanding lease money of Rs 79.82 Lakhs to Estate Office, Chandigarh and got the site restored after appeal before the Advisor to Administration, Chandigarh (Revision Petition No.69 of 2004).

6.1.7 Status of legal cases

Due to non- completion of the project the Estate Office ,Chandigarh has again issued orders on 15/02/2006 for resumption of site of the hotel and demanded a sum of Rs 137 lakhs as non-construction charges. The company has filed appeal before the Finance Secretary, Chandigarh and the hearing is scheduled for 14/09/2006. However, there are no restriction by Estate Office on sale of equity shares.

6.1.8 The Promoters Offer for sale of controlling stake

But due to ill health and inability to raise further approx Rs 25 crore to complete the total project and commence the operations and also repay loans of the Acquirer, Sh Surjit Singh Gulati & his associates ("Seller") offered to sell their entire stake to the Acquirer and hand over the control. The Acquirer has become a bit familiar with the project and looking at the bright future of the hotel industry and for securing their financial interest, accepted the offer.

6.1.9 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	80,00,500	100%
Partly paid up equity shares	-	-
Total paid up equity shares	80,00,500	100%
Total voting rights in Target company	80,00,500	100%

6.1.10 The shares of the Target Company are listed on BSE , DSE and LSE (LSE was the regional stock exchange at the time of initial listing, however, now BSE is the Designated Stock Exchange).

6.1.11 The Board of Directors of the Target Company as on the date of the PA was as follows:

Sl. No.	Names of Directors/ Age/Designation/Date of appointment	Qualification/ Experience	Residential / Mailing Address	No. and % of shares of the Target Company held as on date of P. A. (i.e. 03.03.2006)	
1	Sh Surjit Singh Gulati s/o Sh Late Sh .Inder Singh Gulati/55 years /Managing Director//16.12.85	Matriculation/30 years experience in colonization , Real estate & Hotels .	#1,Gobind Nagar ,Ambala Cantt.(Haryana) Ph :0171-2650217	20,42,840	25.53%
2	Sh Jasbir Singh s/o Sh Dharam Singh/46 Years/Additional Director /23.01.2002	Matriculation /12 years experience in Real estate and Colonization.	# 126-A, Staff Road ,Ambala Cantt.(Haryana) Ph: 0171-2641795	1,94,500	2.43%
3.	Sh Gurmit Singh s/o Sh Kirpal Singh /36years/Additional Director/9.02.2005	Graduate/ 4 Years experience in Real Estate	# 2160, Sector-44C Chandigarh Ph: 9872202528	--	--
4	Sh Nar Singh Bedi s/o Sh Harkrishan Singh Bedi /47years/Additonal Director/20.12.05	Graduate/ 5 years experience in Real Estate	#3920,Sector-47D Chandigarh Ph: 9855132499	--	--
5	Sh Neeraj Mohindroo s/o Sh Krishan Pal Mohindroo/46years/Additional Director /20.12.05	Graduate/ 7 years experience in Real Estate	#509/2, Uppar Bazar, Kalka Ph: 9416187594	--	--
6	Sh Rajesh Saini s/o Sh Ram Nath Saini /43years/Additional Director/20.12.05	Graduate/4 years experience in financial Accounting	#1439,Sector-34D ,Chandigarh Ph : 9888300220	--	--

Directors named at Sr. No. 1, and 2 represent the Seller, at Sr. No .3 represents the Acquirer and Directors at Sr No 4,5,6 are independent directors all appointed on 20.12.2005.

As mentioned above in para 2.1.13, Sh. Ajmair Singh Bhullar, Haravtar Singh Arora have been be co-opted on the Board of Directors of the Target Company on August 4th 2006, thereby assuming control. Sr No 1 & 2 shall resign after the Public Offer is closed .

6.1.12 There has been no merger / demerger or spin off involving the Target Company during the last 3 years.

6.1.13 Details of the changes in share capital of the Target Company since incorporation and status of compliance with applicable SEBI regulations/other statutory requirements are as follows:-

Date of allotment	No. of shares issued	% of shares issued	Cumulative paid up capital	Mode of allotment	Consideration	Identity of allot tees	Status of compliance
27.08.1980	600	.007%	600	PRIVATE PLACEMENT	Cash	PROMOTERS	NA
29.11.1985	100	.001%	700	PRIVATE PLACEMENT	Cash	PROMOTERS	NA
29.04.1988	3,40,360	4.25%	3,41,060	PRIVATE PLACEMENT	Cash	PROMOTERS	NA
07.12.1988	2,33,305	2.90%	5,74,365	PRIVATE PLACEMENT	Cash	PROMOTERS	NA
05.09.1989	5,57,630	6.95%	11,31,995	PRIVATE PLACEMENT	Cash	PROMOTERS	NA
15.01.1991	2,48,300	3.10%	13,80,295	PRIVATE PLACEMENT	Cash	PROMOTERS	NA
06.05.1992	5,20,000	6.50%	19,00,295	DIRECT SUBSCRIPTION	Cash	FIs	NA
06.05.1992	4,59,705	5.75%	23,60,000	PRIVATE PLACEMENT	Cash	PROMOTERS	NA
27.06.1994	13,30,000	16.62%	36,90,000	PRIVATE PLACEMENT	Cash	PROMOTERS	NA
27.06.1994	43,10,500	53.87%	80,00,500	PUBLIC ISSUE	Cash	PUBLIC	NA

6.1.14 Built of Promoters equity

Promoters	Mr. Surjit Singh (A)	Mr. Subhas Nagpal	Mr. Jasbir Singh	Mr. Lovkesh Kumar	Mr. Amarjit Singh	Other Relatives/ Friends Associates	Total (B)	Financial Institutions under Direct Subscription under Buyback Agreement				Total (C)
								IFCI	IDBI	ICICI	TFCI	
After Public Issue June,94	1752280	12000	500	0	0	1302400	1330000	180000	180000	80000	80000	520000
As of 31.03.95	1752280	12000	500	6200	1000	782760	817560	180000	180000	180000	80000	520000
31.03.96	1752280	12000	500	6200	1000	782760	817560	180000	180000	180000	80000	520000
31.03.97	1752280	12000	500	6200	1000	780960	817560	180000	180000	180000	80000	520000
31.03.98	1752280	12000	500	6200	1000	780960	817560	180000	180000	180000	80000	520000
31.03.99	1752280	12000	500	6200	1000	780960	817560	180000	180000	180000	80000	520000
31.03.00	1752280	(12000)	4500	6200	1000	780960	817560	180000	180000	180000	80000	520000
31.03.01	1752280	0	4500	6200	1000	788960	817560	180000	180000	180000	80000	520000
31.03.02	1582280	0	4500	6200	1000	788960	817560	180000	180000	180000	80000	520000
31.03.03	1582280	0	4500	6200	1000	788960	817560	180000	180000	180000	80000	520000
31.03.04	1582280	0	194500	176200	1000	428960	817560	180000	180000	180000	80000	520000
31.03.05	1782840	0	194500	176200	1000	428960	817560	180000	180000	180000	80000	520000
31.03.06	2042840	0	194500	176200	60000	386860	817560		180000	80000		260000*

(*1,80,000 & 80,000 shares transferred from TFCI & IFCI in favour of Sh Surjit Singh Gulati on 21/09/2005 respectively. Full payment of 1,80,000 & 80,000 equity shares to IDBI & ICICI was made on 18/08/2005 & 11/03/2005 respectively.)
The Acquisition of 2,60,000 share (3.24% of voting capital) from IFCI & TFCI which have been transferred in the name of Sh Surjit Singh Gulati, when clubbed with acquisition from IDBI (which is during the same financial year), though not transferred in the name of Sh Surjit Singh Gulati, and to be directly transferred in the name of Acquirer, exceeds the creeping acquisition limit of 5% of voting capital by promoters in year 2005-06 & hence triggered Regulation 11 of SEBI (SAST) necessating a Public Offer by Sh Surjit Singh Gulati. Since offer has not been made SEBI retains the right to take appropriate action for non -compliances. As per report of M/s P.K Vasudeva, Auditors, (Membership No-13787) dated 30/06/06 the fair price for the Offer would have been at Rs 10 per share.

6.1.15 The Status of Compliance of Regulation 6 and Regulation 8 by the Target Company .

a) As per letters received from Delhi Stock Exchange Ltd (DSE), the filing of report under Regulation 6, 7 & 8 of SEBI(SAST) has not been timely and in order. The Company has not been complied with Regulation under Chapter II of SEBI (SAST) Further, as per the letters dated. 15 & 24.12.2005 the Delhi Stock Exchange has informed that the Company has not submitted information under provisions of Clause-20 for the period from 2001 to 2005, Clause-31a for the period from 1998 to 2003 and 2005, Clause -31c for the period from 2001 to 2003 and 2005, Clause-31d for the period from 2001 to 2005, Clause-35 for the period from 1998 to 2005, Clause-41 (regarding quarterly result) for the quarter ended on 30.9.2002, 31.3.2003, 30.9.2003, 31.12.2004, 31.12.2004, 30.09.2005, Clause-41(Limited Review Report) for the quarter ended on 30.6.2003 to 31.03.2004, 30.6.2004 to 30.9.2005, Clause-41 (half yearly result)for the six months ended on 30.9.2001,30.9.2002 and 30.9.2003, Clause 41 (regarding of notice of Board meeting) for the period ended on 31.12.2002, 31.12.2004, 31.3.2005, 30.9.2005, Clause -41 (notices of board meeting /book closure AGM) for the period from 2001 to 2005, Clause -41(Publication of unaudited quarterly results) for the period from 2001 to 2004 and for the quarter ended on 31.3.2005 to 30.9.2005, Clause-47a (not complied), Clause-47c (RTA certificate) for the period ended on 30.9.2001, 31.3.2002, 30.9.2002, 31.3.2003,30.9.2003, 31.3.2004, 30.9.2004, Clause-49 (Corporate Governance Report) for the period from 30.6.2002 to 30.9.2005 of the Listing Agreement. The Delhi Stock Exchange further informed that, the Company has not submitted secretarial audit reports for the period from 31.12.2002 to 30.9.2005 and the Company has not appointed Common Agency for share registry work .The Delhi Stock Exchange further informed that the Company has not submitted disclosure under Regulation 6(2) and 6(4) as on 20.02.1997 and subsequently under Regulation 8(3) of (SAST) ,1997 for the year ended on 1998 to 2005.
Vide letter dated 16.02.2006, JHL claims to have filed desired documents with Delhi Stock Exchange on time and is taking up the matter with Delhi Stock Exchange Association Ltd & shall take up with SEBI, if required. The trading on Delhi Stock Exchange Limited is suspended as on date.

b) As per letter dated May 15,2006 of Ludhiana Stock Exchange Ltd (LSE), the company had submitted the documents under Regualtion 6(2) & 6(4) SEBI (SAST)1997 and Regulation 8(3) of SEBI(SAST) 1997(for the years 1998 to 2005 on dated 6/5/2005 and further the company had submitted the documents under Regulation 8(3) for the year 2006 on dated 08/05/2006. Further, it is informed that the trading in scrips of the company has been suspended with effect from 10/12/2001 and the same has yet to be revoked. As per letter dated 16/02/2006, the LSE has informed that the Company has not submitted information under provisions of Clause 31a for the period 2004-05, Clause 31c for the period 2003 to 2004 and 2005, Clause 35 for the quarter ended on 30/06/2005, 30/9/2005, 31/12/2005, Clause 41 for the quarter ended on 30/6/2005, 30/9/2005, 31/12/2005, publication of quartely results for all the quarters ending on 1/04/2000 to 31/12/2005, Clause 47c for the half year ended on 30/06/2005 & 31/12/2005, Secretarial Audit Report(SEBI Circular no. D& CC/ FITTC/CIR-16/2002) SEBI (SAST) 1997 for the quarter ended on 30/09/2005. Company has filed information vide letter dated 3/5/2006 and shall take steps for revocation of the suspension of listing.

c) The Company has not yet received any reply from Bombay Stock Exchange Ltd (BSE) regarding the filing status of reports Regulation 6,7 & 8 of SEBI(SAST) Regulations. The Company has not been complied with Regulation under Chapter II of SEBI (SAST) Regulations. The trading on BSE is suspended as on date. JHL requested BSE vide letter dated 3.2.2006 to inform us about the pending compliance in order to get the suspension revocated, reply awaited .

d) **SEBI may initiate appropriate action in light of non–compliances with various Stock Exchange & under Chapter II of SEBI(SAST) Regulations**. No punitive action has been taken up by any Stock Exchange so far. However the Shareholding of the Target Company has been approved by BSE & DSE. Reply to letter dated 3.2.2006 to BSE & DSE for confirmation of any pending complaint/grievances is pending. The Target Company has confirmed that it has complied under clause 49 of the listing agreement on corporate governance.

6.1.16 As per the available information, the Target Company has addressed all investor's complaints as and when received and there are no pending complaints as on this date. No penal action has been taken by any Stock Exchange till date against the Target Company.

6.1.17 Financial Information:

The audited financial information of the Target Company for the years 2002-03, 2003-04, 2004-05 and audited 8 months period ending 30.11.2005, is as follows:

(Amount – Rupees in Lacs)

Profit & Loss Statement	**Year ended 31.03.2003**	**Year ended 31.03.2004**	**Year ended 31.03.2005**	**Period ended 30/11/2005**
Income -Lease rent /other Income	2.81	2.93	3.14	1.97
Expenditure				
-Administrative & Other Expenses	7.37	1.28	1.62	5.72
-Financial Charges	40.30	0.39	16.34	2.97
Gross Operating Profit /(Loss)	(44.86)	1.26	(14.82)	(6.72)
Provision for Income Tax Earlier years	0.09	0.09	Nil	Nil
Surplus /(Deficit) Carried to Balance Sheet	(45)	1.16	(14.82)	(6.72)
Balance Sheet Statement				
Sources of funds				
-Share Capital	800.05	800.05	800.05	800.05
Reserves and Surplus (including revaluation reserves)	1,847.48	1,847.48	1,847.48	1,847.48
Loan Funds				
Secured loans	875.01	989.11	471.65	Nil
Unsecured loans	111.20	13.77	772.00	1248.50
Current Liabilities	62.74	64.38	84.73	7.70
Total	**3,696.48**	**3,714.79**	**3,975.91**	**3903.73**
Uses of funds				
Fixed assets	2,366.34	2,366.34	2,477.08	2477.08
Capital Work in Progress	1164.31	1168.01	1207.66	1,231.15
Current Assets ,Loans & Advances	12.20	27.97	123.88	21.50
Miscellaneous Expenditure not written off	153.63	152.47	167.29	174.00
Total	**3696.48**	**3,714.79**	**3,975.91**	**3903.73**
Earning Per Share(EPS)	**(0.56)**	**0.015**	**(0.18)**	**(0.08)**
Return On Net Worth	**0.05**	**-**	**-**	
Book Value	**31.10**	**31.10**	**31.55**	**30.90**

NOTES:

1. Net fixed assets and reserves include of revaluation reserve to the extent of Rs 1841.46 Lacs.
2. Contingent liabilities and provisions not made as per notes to accounts are as under:-

(Amount - Rupees in Lacs)

Particulars	**As on 31.03.04 (Audited)**	**As on 31.03.05 (Audited)**	**As on 30.11.05 (Audited)**
i. Claims against the Company not acknowledged as debts Estate Office ,Chandigarh	67.38	-	-
ii. Chandigarh Electricity Deptt.	3.98	-	-
iii. Municipal Corporation , Chandigarh	1.31	-	-
iv. Monnet Finance Ltd.	9.60	-	-
v. Capital Contracts pending execution(Net of Advances)	Nil	-	-
Total:-	82.27	-	-

3. EPS=Profit after tax/No. of Shares outstanding, Return on Net Worth = Profit after Tax/Net Worth at year/period end.
Book value per share=Net Worth/No. of shares outstanding, Net Worth = Share Capital + Retained Profits.
Source: Audited Annual Reports/ Certified Financial Statements.

4. Outstanding litigation: As reported by the Managing Director, except for litigation by the Estate Office ,Chandigarh and other case relating to the site of hotel as mentioned in para 4 above, no other litigation is pending .

6.1.18 Pre and Post-Offer Shareholding Pattern of the Target Company (based on Subscribed and paid-up Equity and Voting Capital) is as under: -

Shareholder's Category	Share holding and voting rights prior to the Agreement/ Acquisition and Offer (A) No. of Shares %	Shares/Voting rights agreed to be acquired under the Share Purchase Agreements which triggered of the Regulations (B) No. of Shares %		Shareholding voting rights to be acquired in open Offer (Assuming full acceptance) (C) No. of Shares %	Share holding/ voting rights after the acquisition and Offer i.e. (A)+ (B) +(C) = (D) No. of Shares %
		(1)	**(2)**		
1. **Parties to the Share Purchase Agreements**					
I. Promoters/Seller					
Sh Surjit Singh	20,42,840 25.53%	(20,42,840) (25.53%)	Nil	Nil	Nil
Sh. Jasbir Singh	1,94,500 2.43%	(1,94,500) (2.43%)	Nil	Nil	Nil
Sh Lovkesh Kumar	1,76,200 2.20%	(1,76,200) (2.20%)	Nil	Nil	Nil
Sh Amarjit Singh	60,000 .75%	(60,000) (.75%)	Nil	Nil	Nil
Shares released by ICICI and paid by Sh Surjit Singh Gulati, not transferred .	80,000 1.00%	(80,000) (1.00%)	Nil	Nil	Nil
Shares released by IDBI and paid by Sh Surjit Singh Gulati, not transferred .	1,80,000 2.25%	(1,80,000) (2.25%)	Nil	Nil	Nil
TOTAL	**27,33,540** **34.17%**	**(27,33,540)** **(34.17%)**	**Nil**	**Nil**	**Nil**
II. Seller under Spot Share Purchase Agreement					
Sh Manmeet Singh	2,56,000 3.20%		(2,56,000) (3.20%)	Nil	Nil
Sh Parveen Kumar	1,30,085 1.63%		(1,30,085) (1.63%)	Nil	Nil
Sh Parveen Kumar	1,89,915 2.37%		(1,89,915) (2.37%)	Nil	Nil
Sh Ramesh Rana	2,00,000 2.50%		(2,00,000) (2.50%)	Nil	Nil
Sh Naib Singh	2,24,000 2.80%		(2,24,000) (2.80%)	Nil	Nil
Sh. Ravi Dass	3,46,800 4.33%		(3,46,800) (4.33%)	Nil	Nil
TOTAL(II)	**13,46,800** **16.83%**		**(13,46,800)** **(16.83%)**	Nil	Nil
III Acquirer /PAC					
Sh Ajmair Singh Bhullar	Nil	**10,79,455** **13.49%**	**9,60,715** **12.50%**	**8,00,050** **10.00%**	**28,40,220** **35.50%**
Sh Haravtar Singh Arora	Nil	**8,54,035** **10.68%**	**386085** **4.33%**	**8,00,050** **10.00%**	**20,40,170** **25.50%**
Sh Gurdip Singh	Nil	**80,005** **1.00%**	**Nil**	**Nil**	**80,005** **1.00%**
Sh Kanwaljit Singh	Nil	**1,60,010** **2.00%**	**Nil**	**Nil**	**1,60,010** **2.00%**
Sh Paramjit Singh	Nil	**1,60,010** **2.00%**	**Nil**	**Nil**	**1,60,010** **2.00%**
Sh Ajit Pal Singh	Nil	**4,00,025** **5.00%**	**Nil**	**Nil**	**4,00,025** **5.00%**
Sh Bhupinder Singh	**3500** **0.04%**	**Nil**	**Nil**	**NIL**	**3,500** **0.04%**

Others					
Total Acquirer	**3500 0.04%**	**27,33,540 34.17%**	**13,46,800 16.83%**	**16,00,100 20.00%**	**56,83,940 71.04%**
1 **Total - (I)+(II) +(III)**	**40,83,840 51.04%**	**Nil**	**Nil**	**16,00,100 20.00%**	**56,83,940 71.04%**
2. Parties to the agreement (Other than above)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
3. Public Share Holding (other than 1 to 2)**	Nil	**Nil**	**Nil**	} **Nil** }	**Nil**
a. FIs/MFs/FIIs/Banks, FIs	**1,100 0.01%**	**Nil**	**Nil**	**}(16,00,100) }(20%)**	**}23,16,560 }28.96%**
b.NRIs /OCBs	**33,700 0.42%**	**Nil**	**Nil**	} }	} }
c.Private Corporate Bodies	**4,20,500 5.26%**	**Nil**	**Nil**	} }	} }
d. Others	**34,13,640 43.27%**	**Nil**	**Nil**	}	}
Total (a + b+c+d)	**39,16,660 48.99%**	**Nil**	**Nil**	**(16,00,100) (20.00%)**	**23,16,560 28.96%**
GRAND TOTOAL (2+3)	**80,00,500 100%**	**Nil**	**Nil**	**Nil**	**80,00,500 100%**

The total number of shareholders in Public category are 3,745

The above figures are based on information provided by the Target Company, except shareholding of the Acquirer, which has been disclosed by the Acquirer.

6.1.19 Changes in the shareholding pattern of the Seller/Promoters in the previous years. Shares held and % change during the preceding year are as under:

Promoters	31.3.02	31.3.03	31.3.04	31.3.05	31.3.06
Mr. Surjit Singh	1582280 (-2.12%)	1582280	1582280	1782840 (+2.50%)	2042840 (+3.25%)
Mrs Manjit Kaur	200560	200560	200560	200560 (-2.50%)	0
Total (A)	1782840 (-2.12%)	1782840	1782840	1782840	2042840
Mr. Subhas Nagpal	0	0	0	0	0
Mr. Jasbir Singh	4500	4500	194500 (+2.37%)	194500	194500
Mr. Lovkesh Kumar	6200	6200	176200 (+2.12%)	176200	176200
Mr. Amarjit Singh	1000	1000	1000	1000	60000 (+0.73%)
Other Relatives/ Friends Associates	788960	788960	428960 (-4.49%)	428960	378360 (-0.73%)
Total (B)	817560	817560	817560	817560	817560
Financial Instuitions under Direct Subscription under Buyback Agreement					
IFCI	180000	180000	180000	180000	(-2.25%)
IDBI	180000	180000	180000	180000	180000
ICICI	80000	80000	80000	80000	80000
TFCI	80000	80000	80000	80000	(-1%)
Total (C)	520000	520000	520000	520000	260000
Public (D)	488010 (+2.12%)	4880100	4880100	4880100	4880100
Grand Total (A+B+C+D)	8000500	8000500	8000500	8000500	8000500

Sh. Surjit Singh has defaulted in reporting to the, his acquisition of 2,00,560 (2.50% of the voting capital) from his wife Smt Manjit Kaur in 2004-05 to the Stock Exchanges under SEBI (Prohibition of Insider Trading) Regulations and also seeking exemption under Regulation 3 of SEBI (SAST) Regulation,1997. Similarly, Sh Jasbir Singh, Sh Lovkesh Kumar and Sh Amarjit Singh (Persons Acting in Concert with Promoters) have defaulted in non reporting acquisition of 1,90,000 equity shares (2.37% of voting capital),1,70,000 equity shares (2.12% of voting capital) both in year 2003-2004 and 59,000 equity shares (0.73 of voting capital) in year 2005-06 respectively from within promoter group under SEBI (Prohibition of Insider Trading) Regulations & also seeking exemption under Regulation 3 of SEBI (SAST) Regulations,1997. The acquisition of 2,60,000 equity shares (3.25 of voting capital) from IFCI & TFCI by Sh Surjit Singh Gulati in 2005-06 have also not been reported to Stock Exchanges under SEBI (Prohibition of Insider Trading) Regulations. Since, the promoters/seller have not complied with the reporting requirement under SEBI(SAST) Regulations or SEBI (Prohibition of Insider Trading) Regulations 1992 & listing agreements, SEBI may initiate appropriate action against the Promoters/Seller in this regard. Further, as mentioned under Para 6.1.14 above, the Seller/Promoter had triggered the Regulation(11) of SEBI (SAST) on 20/9/2005 and had an obligation of making a public offer, which he failed to make. As per the certificate of P.K Vasudeva & Co. Chartered Accountant (Membership No 13787) dated 30/06/2006 the fair price per share under Regulation 20(4) & 20(5) work out to be Rs 10 with reference to trigger date of 20/09/2005. Accordingly if the offer is imposed on the Seller now, then the Offer shall be at Rs 10.78 per fully paid share (inclusive of interest upto 30/06/2006), which is less than the offer price announced by the Acquirer. Hence, would not affect the price of the Offer. However SEBI may initiate appropriate action against the Seller / Promoters.

6.1.20 Compliance Officer of the Target Company : Sh Surjit Singh Gulati s/o Sh Inder Singh R/O 1, Gobind Nagar, Ambala Cantt Haryana Ph.0171-2650217.

7. OFFER PRICE

7.1.1 Justification of Offer Price:

7.1.2. The Equity Shares of the Target Company are listed on Bombay Stock Exchange ,Delhi Stock Exchange and Ludhiana Stock Exchange. `The equity shares are not frequently traded at any Stock Exchange, as per definition under the SEBI (SAST) Regulations as have not been traded in the relevant period .

7.1.3. M/s P.K Vasudeva & Co., Statutory Auditors (Membership No -13787) of the Target Company vide Valuation Report dated 27.02.2006 certified that the value per share of the Target Company is Rs 9.44 against offer price of Rs 18 per share

Valuation Report account for:

1. The fair value as per audited results as of 31.3.04, has also been accounted for, since Acquirer had first extended personal loans in Oct, 2004.
2. North India Technical Consultancy Organization Ltd (NITCON) (Joint Venture of IFCI,IDBI, ICICI, State level Corporations and Nationalized Banks) in its valuation report also mentioned that the Target company shall require additional funds of Rs 1500-2000 Lacs for the completion of the project.
3. The shares of the Target Company are deemed to be infrequently traded on BSE, LSE & DSE. Hence in terms of Regulation 20(5) of the SEBI (SAST) Regulations, The Offer price is justified as follows:

		(Rupees)
(a)	The negotiated price paid per fully paid share under SPA dated 27.02.2006 between Acquirer & Seller	13.50
(b)	The negotiated price per fully paid share under spot share purchase agreements	14.00
(c)	The highest price paid by the Acquirer for a acquisition 26 weeks period to the date of PA.	–
(d)	Fair price as per other parameters with reference to the Target Company as above.(As per CA report dated 27/02/06)	9.44

(Note: As the Company is not operational, no industry comparison has been done)

The fair price is Rs 9.44 for the relevant period. Price of Rs 18 is higher than the price paid for the acquisition by the Acquirer under Share Purchase Agreement (SPA) & Spot share purchase agreements .

8. FINANCIAL ARRANGEMENTS

(i) The Acquirer has already deposited Rs.2, 88, 01,800 (Rupees two crore eighty eight lacs one thousand eight hundred only), being 100% of the consideration payable to the public shareholders under the Offer, in an Escrow Account with the Lord Krishna Bank, SCO-147-148, Sector- 9C, Chandigarh , opened in conjunction with the Manager to the Offer, in accordance with Reg. 28 of SEBI(SAST) Regulations. MCSL has been duly authorized to realize the value of Escrow Account in terms of SEBI (SAST) Regulations.

(ii)

(ii) The Main Acquirer Sh. A.S.Bhullar & Sh H.S.Arora have remitted funds from UK for extending personal loans to Sh S.S Gulati ('Seller') which shall be adjusted against share purchase consideration & for further payments for acquisition of shares under Share Purchase Agreements and the Offer. All funds have been routed through banking channels through their NRE / NRO Accounts.

(iii) M/s Kumar Bhagwad & Co SCO 10-11, Sector 17 B, Chandigarh. Chartered Accountants (Membership No 500154) have certified vide certificate dated 27.02.2006 that the Acquirer has made financial arrangement for meeting the obligation under the Offer. Manager to the Offer has satisfied about the ability of Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations.

9. TERMS AND CONDITIONS OF OFFER

9.1 Statutory Approvals and Conditions of the Offer

This Offer is being made in compliance with Regulation 10, 12 and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and subsequent amendments thereof (hereinafter referred to as “SEBI (SAST) Regulations")**The envisaged acquisition by NRI’s under the Share Purchase Agreements and this Offer falls under automatic route, in terms of Press Note No-4(2006 series) issued by Department of Industrial Policy & Promotion (P R & C Section) on 10/02/2006. Acquirer has received confirmation of the same from FIPB vide Letter No-4(5)/2006-PR&C/NFC dated 24/04/2006. Though there is no restriction on investment in Hotel Industry by NRIs. Acquirer has obtained confirmation of the same from RBI, Chandigarh vide letter no 6767/03.01.001/2005-06 dated 30/6/2006 for acquisition of shares under the share purchase agreement & this Offer. Besides this, as on date of the Public Announcement, no statutory approvals is required to acquire the shares tendered pursuant to this Offer.** In case of non receipt of any other approvals, if required, with in time, SEBI has power to grant extension of time to Acquirer for payment of consideration to shareholders subject to Acquirer agreeing to pay interest as directed by Reg.22(12) of SEBI (SAST) Regulations. Further, if a delay occurs on account of willful default or neglect or inaction or non-action by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulation will become applicable.

9.1.2 The Acquirer does not require any approval from its bankers or lenders to make the Present Offer.

9.1.3 Shareholders, who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer shall have the option to withdraw acceptance tendered by them upto three working days prior to the date of closure of the offer, in terms of Regulation 22(5A) of SEBI (SAST) Regulations.

9.2 OTHER TERMS OF THE OFFER

9.2.1 Accidental omission to dispatch this Offer Document to any person to whom this Offer is made or the non-receipt or delayed receipt of this Offer Document by any such person will not invalidate this Offer in any way.

a) The Letter of Offer together with the Form of Acceptance-cum- Acknowledgement will be mailed to the shareholders of Target Company, (except the Seller, Main Acquirer and PAC) whose names appear on the register of members of Target Company and the beneficial owners of the shares of Target company, whose names appear as beneficiaries on the records of the respective Depositories, at the close of business on March 01, 2006 **(“specified date”).**

b) Shareholders who wish to tender their shares will be required to send the Form of Acceptance-cum-Acknowledgement along with original Share Certificates and transfer deeds, duly signed to the Registrar to the Offer M/s Skyline Financial Services Pvt. Ltd., 123, Vinoba Puri, Lajpat Nagar-II, New Delhi - 24 Telephone Number: 011-29833777, Fax number 011-29848352 (Contact person Mr. V. Rana) either by hand delivery on week days (Monday to Saturday between 10 AM to 7 PM) or by Registered Post on or before the close of the Offer i.e. August 29, 2006 in accordance with the instructions be specified in this Letter of Offer and in the Form of Acceptance Cum Acknowledgement.

c) The Registrar to the Offer, M/s Skyline Financial Services Pvt. Ltd. has opened a special depository account with Globe Capital Market Ltd. at **NSDL** styled, **“SKYLINE – ESCROW - JHL A/c”.** The **DPID is IN 300966** and **Client ID is 10184896** Shareholders having their beneficiary account in CDSL have to use inter-depository delivery instruction slip for the purpose of crediting their share in favour of the special depository account with NSDL.

d) Beneficial owners (holders of shares in dematerialized form) who wish to tender their shares will be required to send their form of Acceptance-Cum- Acknowledgement along with the photocopy of the delivery instruction in “Off Market” mode or counter foil of the delivery instruction in “Off Market” mode, duly acknowledged by the Depository Participant (“DP”), in favour of the special depository account of the Registrar to the Offer:- M/s Skyline Financial Services Pvt. Ltd. 123, Vinoba Puri, Lajpat Nagar-II, New Delhi - 24 Telephone Number: 011-29833777, Fax number 011-29848352 (Contact person Mr. V. Rana), either by hand delivery on weekdays (Monday to Saturday between 10 AM to 7 PM) or by registered post at their own risk, on or before the close of the Offer, i.e. August 29, 2006 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 Offer, i.e. August 29, 2006 In case of non- receipt of the aforesaid documents, but receipt of the shares in the special depository account, it will be deemed that the shareholder has tendered acceptance of the Offer.

e) All owners (registered or unregistered) of shares of Target Company, (except the Seller, Acquirer and PAC) anytime before the closure of the Offer, are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of shares held, Number of shares offered, Distinctive numbers, Folio number, together with the original share certificate(s), valid transfer deeds and the original contract notes issued by the brokers through whom they acquired their shares. **No indemnity is required from the unregistered owners.**

10. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

10.1.1 Shareholders of Target Company, who wish to avail of this Offer are free to offer their shareholding in whole or part and should forward the under mentioned documents by hand delivery on week days or by registered post, at their own risk to the Registrar to the Offer at their office at**, M/s Skyline Financial Services Pvt. Ltd., 123, Vinoba Puri, Lajpat Nagar-II, New Delhi - 24 Telephone Number: 011-29833777, Fax number 011-29848352 E.Mail: admin@skylinerta.com (Contact person Mr. V. Rana)** , so as to reach the Registrar on or before 1900 hrs on August 29, 2006. **Shareholders are advised to ensure that the Form of Acceptance-cum-Acknowledgement and other documents are complete in all respects, otherwise the same is liable to be rejected. In the case of demat shares, the shareholders are advised to ensure that their shares are credited in favour of the special depository account before the closure of the Offer. The Form of Acceptance-cum-Acknowledgement of such demat shares, not credited in favour of the special depository account before the closure of the Offer, will be rejected.**

i. For Equity shares held in physical form:-

Registered Shareholders should enclose:

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
- Original Share Certificate(s).
- Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Target Company and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with this Letter of Offer.

Unregistered owners should enclose:

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original Share Certificate(s)
- Original broker contract note.
- Valid Share Transfer form(s) as received from the market.

The details of buyer should be left blank, failing which the same will be invalid under the Offer. The details of Acquirer as buyer will be filled upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

Unregistered owners who have tendered their shares for transfer shall enclose:

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Copy of the letter sent to the Target Company for transfer of Shares.
- Valid share transfer deeds duly signed by the unregistered shareholders as a transferor.

ii. For Equity shares held in demat form:-
Beneficial owners should enclose

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.
- For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance.

10.1.2 **The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to the Registrar to the Offer and not to the Manager to the Offer or Acquirer or the Target Company.**

10.1.3 In case of non-receipt of the Letter of Offer, the eligible persons may send their consent, to the Registrar to the Offer, on a plain paper stating acceptance of the Offer with Name, Address, No. of Shares held, Distinctive Nos., Certificate Nos., Folio No., No. of shares offered, along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the close of the Offer, i.e.August 29, 2006 or in case of beneficial owners they may send their application in writing to the Registrar to the Offer, on or before the close of the Offer, i.e.August 29, 2006, on a plain paper stating acceptance of the Offer with Name, Address, No. of Shares held, No. of shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account, or the eligible persons can write to the Manager to the Offer requesting for the Letter of Offer and Form of Acceptance-cum-Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the close of the Offer, i.e.August 29, 2006 Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer.
Alternatively, the Letter of Offer and Form of Acceptance-cum-Acknowledgement will be available on SEBI's website: www.sebi.gov.in, from the date of opening of the Offer. The eligible persons can download the Form of Acceptance-cum-Acknowledgement from the SEBI's website and apply in the same.

10.1.4. Shareholders who have sent their shares for dematerialization need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Escrow Account should be received on or before the date of closure of the Offer i.e. August 29, 2006, else the application would be rejected.

10.1.5. As per the provisions of Section 196 D(2) of the Income-Tax Act, 1961, no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income-tax Act, 1961, payable to a Foreign Institutional Investor. (While tendering Equity Shares under the Offer, NRI/OCB/ foreign shareholders will be required to submit the previous RBI approvals (specific or general) that they would have obtained for acquiring Equity Shares of the Target Company and a 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 to be deducted by the Acquirer before remitting the consideration. In case of the previous RBI approvals are not submitted, Acquirer reserves the right to reject the Equity Shares) In case the aforesaid No Objection Certificate/ Tax Clearance Certificate is not submitted, the Acquirer will deduct tax at the currently prevailing rate of 41.820% in case of a non-resident corporate shareholder, 33.66% in case of non-resident partnership firms and 30.6% in case of non-resident individual shareholders or trusts on the entire consideration amount (offer price as well as interest thereon) if the amount up to Rs.10,00,000 and at the rate of 33.66% if the amount paid exceeds Rs.10,00,000.

10.1.6. In terms of Regulation 22 (5A) of the SEBI (SAST) Regulations, shareholders desirous of withdrawing their acceptance tendered by them in the Offer, may do so upto three working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents as per the instructions below, so as to reach the Registrar to the Offer as per the mode of delivery indicated therein on or before August 24, 2006.

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

a. Shareholders should enclose the following:-

i. For Equity Shares held in demat form: -
Beneficial owners should enclose

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original / Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.

ii. For Equity Shares held in physical form:-
Registered Shareholders should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
- In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Target Company and duly witnessed at the appropriate place.

iii Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
- In case of non-receipt of Form of withdrawal, the withdrawal option can be exercised by making a plain paper application alongwith the following details
- In case of physical shares: Name, Address, Distinctive Nos., Folio No., No. of Shares tendered and
- In case of dematerialised shares: Name, Address, No. of Shares offered DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account.

b. The withdrawal of Shares will be available only for the Share certificates/ Shares that have been received by the Registrar to the Offer/ Special Depository Escrow Account.

c The intimation of returned shares to the Shareholders will be at the address as per the records of the Target Company/ Depository as the case may be.

d The Form of Withdrawal should be sent only to the Registrar to the Offer.

e In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target Company.

f **For equity shares held in physical form, partial withdrawal of tendered shares can be done only by registered shareholders and for equity shares held in demat form, partial withdrawal of tendered shares can be done by the beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.**

g. Shareholders holding shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

10.1.7. Where the number of shares offered for sale by the Shareholders are more than the shares agreed to be acquired by the person making the offer, such person shall accept the offers received from the shareholders on a proportionate basis, in consultation with the merchant banker, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots.
Provided the acquisition of shares from a shareholder shall note be less than the minimum marketable lot or entire holding if it is less than the marketable lot.
The marketable lot of the Target Company is one Equity Share in demat form and 100 equity shares in physical form..

10.1.8. Payment of consideration will be made by crossed account payee cheque / demand draft and sent by registered post, to those shareholders/unregistered owners and at their own risk, whose shares/ share certificates and other documents are found in order and accepted by Acquirer. In case of joint registered holders, cheques /demand drafts will be drawn in the name of the sole/first named holder/unregistered owner and will be sent to him. **It is desirable that shareholders provide bank details in the Form of Acceptance-cum-Acknowledgment, so that same can be incorporated in the cheque / demand draft.**

10.1.9. **Unaccepted or withdrawn Share Certificate(s), transfer form(s) and other documents, if any, will be returned by Registered Post at the shareholders'/unregistered owners' sole risk to the sole/first named shareholder/ unregistered owner. Unaccepted or withdrawn 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.**

10.1.10 The Registrar to the Offer will hold in trust the Share(s)/Share certificate(s), Shares lying in credit of the special depository account, Form of Acceptance-cum-Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders/unregistered owner(s) of Target Company, who have accepted the Offer, till the cheques / drafts for the consideration and/or the unaccepted shares/ share certificates are despatched / returned.

10.1.11. If the acquirer is unable to make the payment to the shareholders as per schedule i.e.September 13 , 2006, then Acquirer shall pay interest to the Shareholders for delay as may be specified by SEBI from time to time.

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

11. DOCUMENTS FOR INSPECTION

The following material documents are available for inspection at the office of the Manager to the Offer, Master Capital Services Ltd. from 10.30 a.m. to 1.00 p.m. on any day, except Saturdays, Sundays and Holidays, until the Offer closes:

1. Copy of authorization/undertakings of the PAC in favour of Sh Ajmair Singh Bhullar, Sh Haravtar Singh Arora for acting on their behalf.

2. Annual Reports of the concerns/firms of the Acquirer & PACs, for the years ended March /May/Oct/Dec (as the case may be) 2002, 2003,2004 & 2005.

3. Certificate of incorporation, Memorandum and Articles of Association of Target Company & associate companies of the Main Acquirer.

4. Annual Reports of Target Company for the years ending March 31, 2003, 2004 and March 31, 2005, audited financial results period ended November 30, 2005.
5. Copy of the agreement between NSDL & Target Company for dematerialization of equity shares .

6. Copy of the Share Purchase Agreement (SPA) dated 27.02.2006 between Seller and Acquirer and Spot Purchase Agreements dated 27.02.2006 i.e between
   i Sh Manmeet Singh**-** s/o Sh. Ravinder Singh and Sh Haravtar Singh Arora s/o Sh Kartar Singh
   ii Sh Parveen Kumar**,** s/o Sh. Surinder Parkash and Sh Haravtar Singh Arora s/o Sh Kartar Singh
   iii Sh Parveen Kumar,s/o Sh. Surinder Parkash and Sh Ajmair Singh Bhullar s/o Sh Kewal Singh Bhullar
   iv Sh Ramesh Kumar, s/o Sh.Ram Saroop and Sh Ajmair Singh Bhullar s/o Sh Kewal Singh Bhullar
   v Sh Naib Singh , s/o Sh.Naranjhan Singh and Sh Ajmair Singh Bhullar s/o Sh Kewal Singh Bhullar
   vi Sh Ravi Kumar , s/o Sh. Sadhu Ram and Sh Ajmair Singh Bhullar s/o Sh Kewal Singh Bhullar

7. Tripartite agreement signed between Lord Krishna Bank Ltd., Acquirer, and Master Capital Services Ltd. for operation of Escrow Account under Regulation 28 of SEBI (SAST) Regulations authorizing that deposit of Rs.2,88,01,800 in Escrow A/c to be operated by Manager to the Offer under the terms of SEBI (SAST) Regulations.

8. Certificate issued by M/s Kumar Bhagwad & Co, Chartered Accountants on February 28, 2006 confirming the arrangement of funds by the Acquirer.

9 Copies of Net Worth Certificates of Sh A.S Bhullar & Sh H.S Arora & PAC's dated 10.3.2006& 27/05/2006 issued by M/s Kumar Bhagwad & Co, Chartered Accountant.

10 Copy of published Public Announcement dated March 1, 2006 & revised PA dated August 1, 2006 .

11 Correspondence with Stock Exchanges

12. Copy of the documents entered into with depository participant for opening special Depository Escrow Account for the purpose of the Offer.

13. Certificate dated 27.2.2006 of M/s P.K Vasudeva & Company, Statutory Auditors of the Target Company certifying the pricing of the Offer.

14. Copies of the No due certificate & letter for release of property documents of JHL is issued by ICICI, IDBI, IFCI, TFCI & PSB.

15. Copies of legal notices issued by Estate Office, Chandigarh.

16. Copy of certificate dated June 30,2006 of M/s P.K Vasudeva & Co statutory auditors of Target Company certifying price as of 31/03/2005.

17. Copy of Power of Attorney of Sh H.S Arora & A.S Bhullar in favour of Sh Bhupinder Singh.

18. Letter dated 24/04/2006 of FIPB & 30/06/2006 of RBI

12. DECLARATION BY ACQUIRER

Acquirer (Sh Ajmair Singh Bhullar & Sh Haravtar Singh Arora) accept responsibility for the information contained in this Letter of Offer and Form of Acceptance and also for the obligations of the Acquirer laid down in SEBI (SAST) Regulations. Sh Ajmair Singh Bhullar & Sh Haravtar Singh Arora and PAC are jointly and severally responsible for fulfillment of obligations under the SEBI (SAST) Regulations. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise. Sh Bhupinder Singh (PAC) has been authorised by the Acquirer to sign the Letter of Offer.

For Acquirer (i.e Sh Ajmair Singh Bhullar & Sh Haravtar Singh Arora & PAC),

Sd/-
Sh Bhupinder Singh
(Authorised Signatory)
Place: Chandigarh
Date : 4th August, 2006

Encl.:

1. Form of Acceptance-cum-Acknowledgement.
2. Form of Withdrawal.
3. Transfer deed for shareholders holding shares in Physical Form.

(Please read para 10.1.1 of the Letter of Offer under "PROCEDURE FOR ACCEPTANCE AND SETTLEMENT" before filling this form)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrars to the Offer at their address given overleaf)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

OFFER SCHEDULE	
OPENS ON:	August 9,2006
CLOSES ON:	August 29, 2006

From: Folio No./DP ID No./Client ID No.

Name: Status: Resident / Non – resident:

Full Address:

Tel.No. Fax No. E-Mail:

To

Sh Ajmair Singh Bhullar & Sh. Haravtar Singh Arora
C/o Skyline Financial Services Pvt. Ltd.
123, Vinoba Puri, Lajpat Nagar,
Delhi – 110 024.

Sub : **Open Offer for purchase of up to 16,00,100 fully paid-up equity shares of face value of Rs. 10 each, representing up to 20% of the Voting Capital of James Hotels Ltd. at a price of Rs. 18.00 per equity share of James Hotels Ltd. by Sh Ajmair Singh Bhullar, Sh. Haravtar Singh Arora and PAC's (hereinafter referred to as the "Acquirer") payable in cash (" the Offer")**

Dear Sir**,**

I/We refer to the Letter of Offer dated August 4,2006 for acquiring the equity shares held by me/us in **James Hotels Limited. I/We the undersigned, have read the Letter of Offer and accept unconditionally its contents including the terms and conditions and procedures as mentioned therein.**

For Equity Shares in Physical Form:

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

Ledger Folio No.___________________________ No. of Share Certificate(s) _______ No. of Equity Shares _____________

Sr. No.	Certificate No.	Distinctive Nos.		No. of Shares
		From	To	
1				
2				
3				
4				
5				
Total				

(In case the space provided is inadequate, please attach a separate sheet with details and authenticate the same.)

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

I/we have enclosed the following herewith:

☐ No Objection Certificate / Tax Clearance Certificate from Income Tax Authorities.
☐ Self-declaration in Form 15G

For Equity Shares held in Demat Form:

I/We hold shares in demat form and accept the Offer and enclose photocopy of the Delivery Instruction slip duly acknowledged by my/our DP in respect of my/our equity shares as detailed below:

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

I/We have done an off market transaction for crediting the shares to the Escrow Account opened with NSDL named "Skyline-Escrow – JHL A/c" (the "Special Depository Escrow Account") with the following particulars: Depository Participant Name : M/s Skyline Financial Services Ltd. DP ID 300966: IN Client ID :10184896 (Shareholders whose shares are held in beneficiary Account with CDSL have to use an inter–depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Escrow Account with NSDL).

I/We note and understand that the Shares would lie in the Special Depository Escrow Account until the time the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer.

For NRIs/OCBs/FIIs/Foreign Shareholders:

I/We have enclosed the following documents:

No Objection Certificate / Tax Clearance Certificate from Income Tax Authorities.

Previous RBI approvals for holding the shares of James Hotels Limited hereby tendered in the Offer.

For FII Shareholders : I/We confirm that the equity shares of the Target Company are held by me/us on ☐ Investment/ Capital Account OR ☐ Trade Account (Tick whichever is applicable in your case)

ACKNOWLEGMENT SLIP

Folio No. **Sr. No.**

Sh Ajmair Singh Bhullar & Sh Haravtar Singh Arora
C/o Skyline Financial Services Pvt. Ltd.
123, Vinoba Puri, Lajpat Nagar,Delhi – 110 024.

Signature of official and Date of Receipt	Stamp of Collection Centre

Received from Mr./Ms./M/s.____

Address____

Form of Acceptance-cum-Acknowledgement, #___________ Number of Share Certificates for ___________equity shares/

copy of Delivery instruction to (DP) for _________________equity shares

Delete whatsoever is not applicable.

For NRIs/OCBs Shareholders:

(1) I/We confirm that the equity shares of the Target Company are held by me/us on ☐ Investment/ Capital Account OR ☐ Trade Account

(2) I/We confirm that the equity shares of the Target Company are held by me/us as ☐ Long Term Capital Asset OR ☐Short Term Capital Asset (Tick whichever is applicable in your case).

I/We confirm that the equity shares of James Hotels Limited which are being tendered here with by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We also note and understand that the Acquirer will pay the purchase consideration (including interest) only after verification of the documents and signatures and obtaining necessary approvals, if required.

I/We authorise the Acquirer to accept the shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorise the Acquirer to return to me/us, equity shares/share certificate(s) in respect of which the Offer is not found valid / not accepted without specifying the reasons thereof.

I/We authorise the Acquirer or the Manager to the Offer or the Registrar to send by registered post, the draft/ cheque in settlement of the amount, to the sole/ first holder at the address mentioned below.

Yours faithfully,

Signed and Delivered:

	FULL NAME(S)	SIGNATURE(S)
First/Sole Shareholder		
Second Shareholder		
Third Shareholder		
Fourth Shareholder		

Address of First/Sole Shareholder____

____

Place: Date :

Note: In case of joint holdings, all shareholders must sign. A corporation must affix its common seal.

So as to avoid fraudulent encashment in transit, the shareholder(s) holding equity shares in physical form should provide details of bank account of the first/ sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For equity shares that are tendered in electronic form, the Bank account as obtained from the beneficiary position download provided by the depositories will be considered and the cheque or demand draft will be issued with the said Bank particulars.

Name of the Bank ____Branch address________________________________

City ________________Pin Code______________Account Number ______________Savings/Current/Others (please specify) _______________________

INSTRUCTIONS

1. In the case of demat shares, the shareholders are advised to ensure that their shares are credited in favour of the special depository account, before the closure of the Offer. The Form of Acceptance-cum-Acknowledgement of such demat shares not credited in favour of the special depository account, before the closure of the Offer will be rejected.
2. Shareholders should enclose the following:-

i. For Equity shares held in demat form:-

Beneficial owners should enclose

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
- Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP.
- For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance.

In case of non-receipt of the aforesaid documents, but receipt of the shares in the special depository account, the Offer shall be deemed to be accepted.

ii. For Equity shares held in physical form:-

Registered Shareholders should enclose:

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates.
- Original Share Certificate(s).
- Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with James Hotels Ltd. and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with this Letter of Offer.

In case of registered shareholder, non-receipt of the aforesaid documents, but receipt of the share certificates alongwith the duly completed transfer form, the Offer shall be deemed to be accepted.

Unregistered owners should enclose:

- Form of Acceptance-cum-Acknowledgement duly completed and signed in accordance with the instructions contained therein.
- Original Share Certificate(s).
- Original broker contract note.
- Valid Share Transfer form(s) as received from the market.

The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the Acquirer as buyer will be filled by the Acquirer upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

3. The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to the Registrar to the Offer and not to the Manager to the Offer or the Acquirer or James Hotels Ltd.

4. Shareholders having their beneficiary account in CDSL have to use “INTER DEPOSITORY DELIVERY INSTRUCTION SLIP” for the purpose of crediting their shares in the favour of the special depository account with NSDL.

5. Non resident shareholders should enclose a copy of the permission received from RBI for the equity shares held by them in James Hotels Limited If, the shares are held under General Permission of RBI the non resident shareholder should state that the shares are held under General Permission and whether on repatriable basis or non repatriable basis.

6. Non resident shareholders should enclose No Objection certificate/ Tax Clearance certificate from the Income Tax Authorities under Income-Tax Act, 1961, indicating the tax to be deducted by the Acquirer before remittance of consideration otherwise tax will deducted at marginal rate as may be applicable to the category of the shareholder on the consideration payable by the Acquirer.

--Tear along this line--

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

Skyline Financial Services Pvt. Ltd.

123, Vinoba Puri, Lajpat Nagar-II, Delhi – 110 024.

Tel: +91-11-29833777 Fax: ++91-11-29848352

E-mail: admin@skylinertra.com

Contact Person: Mr. V. Rana

(Please read para 10.1.6 of the Letter of Offer under "PROCEDURE FOR ACCEPTANCE AND SETTLEMENT" before filling this form)

FORM OF WITHDRAWAL

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

OFFER SCHEDULE

Opens on	August 9, 2006
Closes on	August 29, 2006
Last date of withdrawal	August 24, 2006

To
Sh. Ajmair Singh Bhullar & Sh. Haravtar Singh Arora
C/o Skyline Financial Services Pvt. Ltd.
123, Vinoba Puri, Lajpat Nagar,
Delhi – 110 024.

Dear Sirs,

Sub : **Open Offer for purchase of up to 16,00,100 fully paid -up equity shares of face value of Rs. 10 each, representing up to 20%ofthe Voting Capital of James Hotels Ltd. at a price of Rs. 18 per equity share of James Hotels Ltd. by Sh. Ajmair Singh Bhullar, Sh Haravtar Singh Arora and PAC's (hereinafter referred to as the "Acquirer") payable in cash (" the Offer")**

.I/ We refer to the Letter of Offer dated August 4th , 2006 for acquiring the equity shares held by me/us in **James Hotels Ltd. I/We the undersigned, have read the Letter of Offer and accept unconditionally its contents including the terms and conditions and procedures as mentioned therein**.

I/ We have read the procedure for withdrawal of equity shares tendered by me/us in the Offer as mentioned in para 10.1.6 of the Letter of Offer and unconditionally agree to the terms and conditions mentioned therein.

I/ We hereby consent unconditionally and irrevocably to withdraw my/our equity shares from the Offer and I/We further authorise the Acquirer to return to me/us, tendered equity share certificate(s)/share(s) at my/our sole risk.

I/ We note that upon withdrawal of my/our equity shares from the Offer, no claim or liability shall lie against the Acquirer/ Manager to the Offer/Registrar to the Offer.

I/ We note that this Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or below as per the mode of delivery indicated therein on or before the last date of withdrawal.

I/ We note that the Acquirer/ Manager to the Offer/ Registrar to the Offer shall not be liable for any postal delay/ loss in transit of the equity shares held in physical form and also for the non-receipt of equity shares held in the dematerialised form in the DP account due to inaccurate/incomplete particulars/instructions.

I/ We also note and understand that the Acquirer shall return Original Share Certificate(s), Share Transfer Deed(s) and equity shares only on completion of verification of the documents, signatures carried out by the James Hotels Ltd. and/ or their R and T Agents and beneficiary position data as available from the Depository from time to time, respectively.

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

Ledger Folio No._____No. of Share Certificate(s) _______ No. of Equity Shares _____________

Sr. No.	Certificate No.	Distinctive Nos		No. of Shares
		From	To	
	Tendered			
1				
2				
3				
	Withdrawn			
1				
2				
3				
Total				

(In case of insufficient space, please use an additional sheet and authenticate the same)

I/ We note that the equity shares will be credited back only to that Depository Account, from which the equity shares have been tendered and necessary standing instructions have been issued in this regard.

I/ We confirm that the particulars given above are true and correct.

In case of dematerialised equity shares, I/ We confirm that the signatures of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them under their seal.

Yours faithfully,

SIGNED AND DELIVERED	FULL NAME(S)	SIGNATURE(S)	VERIFIED AND ATTESTED BY US. PLEASE AFFIX THE STAMP OF DP (IN CASE OF DEMAT SHARES)/BANK(IN CASE OF PHYSICAL SHARES)
First/Sole Shareholder			
Second Shareholder			
Third Shareholder			

Note : In case of joint holders all must sign. In case of body corporate, stamp of the company should be affixed and necessary Board resolution should be attached.

Place: Date :

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ACKNOWLEGMENT SLIP

Folio No. **Sr. No.**

Sh Ajmair Singh Bhullar & Sh. Haravtar Singh Arora
C/o Skyline Financial Services Ltd.
123, Vinoba puri, Lajpat Nagar-II, Delhi – 110 024.

Signature of official and Date of Receipt	Stamp of Collection Centre

Received from Mr./Ms./M/s.____

Address____

Form of Withdrawal, # ___________ Number of Share Certificates for ___________equity shares/

copy of Delivery instruction to (DP) for _________________equity shares

Delete whatsoever is not applicable.

INSTRUCTIONS

The withdrawal option can be exercised by submitting this Form of Withdrawal.

a. Shareholders should enclose the following:-

i. For Equity Shares held in demat form: -

Beneficial owners should enclose

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original / Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.

ii. For Equity Shares held in physical form:-

Registered Shareholders should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.
- In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Target Company and duly witnessed at the appropriate place.

iii Unregistered owners should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledgement slip in original/ Copy of the submitted Form of Acceptance-cum-Acknowledgement in case delivered by Registered A.D.

In case of non-receipt of Form of withdrawal, the withdrawal option can be exercised by making a plain paper application alongwith the following details

- In case of physical shares: Name, Address, Distinctive Nos., Folio No., No. of Shares tendered and
- In case of dematerialised shares: Name, Address, No. of Shares offered DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favour of the special depository account.

b. The withdrawal of Shares will be available only for the Share certificates/ Shares that have been received by the Registrar to the Offer/ Special Depository Escrow Account.

c The intimation of returned shares to the Shareholders will be at the address as per the records of the Target Company/ Depository as the case may be.

d The Form of Withdrawal should be sent only to the Registrar to the Offer.

e In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target Company.

f For equity shares held in physical form, partial withdrawal of tendered shares can be done only by registered shareholders and for equity shares held in demat form, partial withdrawal of tendered shares can be done by the beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.

g. Shareholders holding shares in dematerialized form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

--Tear along this line--

Note : All future correspondence, if any, should be addressed to Registrar to the Offer

Skyline Financial Services Pvt. Ltd.

123, Vinoba Puri, Lajpat Nagar-II, Delhi – 110 024.

Tel: ++91-11-29833777 Fax: ++91-11-29848352 E-mail: admin@skylinertra.com

Contact Person: Mr. V. Rana