LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as shareholder(s) of The Pratappur Sugar & Industries Limited If you require any clarification about the action to be taken, you may please consult your stockbroker or investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your equity shares in THE PRATAPPUR SUGAR & INDUSTRIES LIMITED, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal cum Acknowledgement and Transfer Deed(s) to the Member of Stock Exchange through whom the said sale was effected.

OPEN OFFER
BY

BAJAJ HINDUSTHAN LIMITED

Registered Office: 2nd Floor, Bajaj Bhawan, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400021.
Tel No. -022-22023626, Fax No. 022-22022238.

To

Acquire 7,20,000 equity shares of Rs. 10/- each representing 20% of the total share/voting capital of Target Company at a price of Rs. 63.50 (Rupees Sixty Three and Paise Fifty Only) per fully paid equity share of Rs.10/- each, payable in CASH.

Of

THE PRATAPPUR SUGAR & INDUSTRIES LIMITED

Registered Office: VNSS Business Centre, Ideal Plaza, South Block, 11/1 Sarat Bose Road, Kolkata, 700 020 West Bengal
Tel No: (033)-22807017-18, 30926219 Fax No.(033)- 22807016.

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

ATTENTION :

1. The offer is not a conditional offer.
2. Approval for transfer of shares of a Company registered in India by a Non Resident to a person resident in India is required. The Acquirer shall apply for approval from RBI for transfer of shares in their name in due course upon closure of the open offer once the basis of acceptance is determined
3. As on the date of Public Announcement no approval from banks /financial institutions are required for the purpose of this Offer, to the best of the knowledge of the Acquirer, except the waiver of non disposable undertaking given by the 'Promoter-sellers to the IDBI Limited in respect of Loans given to the Target company' and approval for sale of shares or change in management from The Sugar Developement Fund and Central Bank of India as may be require.
4. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the offer i.e. upto Wednesday November 09, 2005.
5. If there is any upward revision in the Offer Price by the Acquirer upto seven working days prior to the date of closure i.e. upto Thursday, November 03, 2005, the same would be informed by way of a Public Announcement in the same newspapers where the original Public Announcement had appeared. Such revision in the Offer Price would be payable for all the equity shares tendered anytime during the Offer Period.
6. **This is not a Competitive Bid**
6. **A copy of Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal are also available on SEBI's web-site: www.sebi.gov.in**

All future correspondence, if any, should be addressed to the Manager / Registrar to the Offer at the following addresses:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
Chartered Capital & Investment Limited Contact Person: Mr. Deepak Singhvi 301, Camy House, Cawasji Hormusji Street, Marine Lines,Mumbai - 400 002. Tel nos.: 022-22004271 Fax no.: 022 - 22004273 Email: mumbai@charteredcapital.net	**MCS Limited** Contact Person: Mr.Ashok Gupta Sri Venkatesh Bhavan, Plot no.27 , Road no.11, MIDC, Andheri (East), Mumbai 400 093 Tel No: 022-28215235 Fax no: 022-28350456 Email: mcsmum@vsnl.com
OFFER OPENS ON: October 26, 2005 (Wednesday)	**OFFER CLOSES ON: November 14, 2005 (Monday)**

FOR PROCEDURE FOR ACCEPTANCE OF THIS OPEN OFFER PLEASE REFER SECTION 8 "PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER" (PAGE NOS. 14 TO17)

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT AND FORM OF WITHDRAWAL ARE ENCLOSED WITH THIS LETTER OF OFFER.

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

Sr. No.	Activity	Day	Date
1.	**Date of Public Announcement (PA)**	**Monday,**	**September 02, 2005**
2.	Specified Date	Monday,	September 26, 2005
3.	**Last Date for a Competitive Bid(s)**	Friday,	September 23, 2005
4.	Date by which Letter of Offer will be dispatched to the Shareholders	Friday,	October 14, 2005
5.	**Offer Opening Date**	**Wednesday,**	**October 26, 2005**
6.	**Last Date for the Revision of the Offer Price / Number of Equity Shares.**	**Thursday,**	**November 03, 2005**
7.	Last date to withdraw acceptance tendered by shareholders	Wednesday,	November 09, 2005
8.	**Offer Closing Date**	**Monday,**	**November 14, 2005**
9.	Date by which the acceptance / rejection would be intimated and the corresponding payment for the acquired equity shares and / or the unaccepted equity shares / share certificates will be dispatched.	Tuesday,	November 29, 2005

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DEFINITIONS

1. Acquirer or The Acquirer or BHL	Bajaj Hindusthan Limited
2. Book Value per share	Net worth / Number of equity shares issued
3. BSE	Bombay Stock Exchange Limited, Mumbai
4. CSE	The Calcutta Stock Exchange Association Limited, Kolkata
5. EPS or Earning per shares	Profit after tax / Number of equity shares issued
6. FEMA	Foreign Exchange Management Act, 1999
7. Form of Acceptance	Form of Acceptance cum Acknowledgement
8. Form of Withdrawal	Form of Withdrawal cum Acknowledgement
9. "PSIL" or the Target Company	The Pratappur Sugar & Industries Limited, i.e. Target Company
10. LOO or Letter of Offer	Offer Document
11. Manager to the Offer or, Merchant Banker	Chartered Capital and Investment Limited
12. N.A.	Not Available
13. NSE	The National Stock Exchange of India Limited
14. Negotiated Price	Rs.55 (Fifty Five Only) per fully paid-up equity share of face value of Rs.10/- each.
15. Net Assets Value per share	Net worth / Number of equity shares issued
16. Offer or The Offer	7,20,000 equity shares of Rs. 10/- each representing 20% of the total voting capital of Target Company at a price of Rs. 63.50 (Rupees Sixty Three and Paisa Fifty Only) per fully paid equity share, payable in Cash.
17. Offer Price	Rs. 63.50 (Rupees Sixty Three and Paisa Fifty Only) per share for fully paid equity shares of Rs. 10/- each, payable in Cash.
18. Persons eligible to participate in the Offer	Registered shareholders of The Pratappur Sugar & Industries Limited and unregistered shareholders who own the equity shares of The Pratappur Sugar & Industries Limited any time prior to the Offer closure other than the Parties to SPA i.e. Acquirer & the Sellers under SPA.
19. Public Announcement or "PA"	Announcement of the Open Offer by The Acquirer, which appeared in the newspapers on September 2, 2005.
20. RBI	Reserve Bank of India
21. Registrar or Registrar to the Offer	MCS Limited
22. Return on Net Worth	(profit after tax/net worth) *100
23. SEBI	Securities and Exchange Board of India
24. SEBI (SAST) Regulations, 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
25. SEBI Act	Securities and Exchange Board of India Act, 1992
26. Sellers	1. M/s. Shraddha Investments Limited 2. M/s. Ajay Investment Enterprise Limited 3. Mr. P.K. Kanoria, 4. Mrs. Vinita Ahmed, 5. Mrs. Smita Poddar, 6. Mrs. Sonal Hada, 7. Mr. Akshat Jain, 8. Mrs. Nandita Jain
24. SPA	Share Purchase Agreement
25. Specified Date	Monday, September 26, 2005

1. RISK FACTORS

i. **In the event that either (a) the regulatory approvals are not received in a timely manner, (b) there is any litigation to stay the offer, or (c) SEBI instructs the Acquirer not to proceed with the offer, then the offer proceeds may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of PSIL, whose shares have been accepted in the offer as well as the return of shares not accepted by the acquirers may be delayed.**

ii. **The acquirers intends to make an offer for 20% of the voting capital amounting to 7,20,000 equity shares of PSIL under the SEBI (SAST) Regulations, 1997. Further, the shares tendered in the offer will lie to the credit of a designated escrow account, till the completion of the offer formalities. Accordingly, the acquirers make no assurance with respect to any decision by the shareholders on whether or not to participate in the offer.**

iii. **In the event of over-subscription to the offer, the acceptance will be on a proportionate basis.**

iv. **The Acquirer makes no assurance of market price of shares of the Target Company during or after the offer.**

v. **The acquirer makes no assurance with respect to financial performance of Target company.**

The risk factors set forth above, pertain to the offer and not in relation to the present or future business or operations of PSIL or any other related matters, and are neither exhaustive not intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the offer. Shareholders of PSIL are advised to consult their stockbrokers or investment consultants, if any, for further risk with respect to their participation in the offer.

2. 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 DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF THE PRATAPPUR SUGAR & INDUSTRIES LIMITED 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 COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGE ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, CHARTERED CAPITAL AND INVESTMENT LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 15/09/2005 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDEMENTS THEREOF. THE FILING OF THE 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.

3. DETAILS OF THE OFFER

3.1 Background of the Offer

3.1.1 The offer to the shareholder of PSIL is being made in accordance with and as required under Regulations 10 and 12 of the SEBI (SAST) Regulations, 1997 i.e. for substantial acquisition of shares and change in management and control of PSIL.

3.1.2 Bajaj Hindusthan Limited is the sole Acquirer in this open offer and there are no person(s) acting in concert with the Acquirer in respect of this offer.

3.1.3 Bajaj Hindusthan Limited having its registered office at 2nd Floor, Bajaj Bhawan, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400021 has entered into a Share Purchase Agreement [SPA] on 30th August, 2005 to acquire an aggregate of 19,80,000 (Nineteen Lacs Eighty Thousand Only) Equity Shares of face value Rs.10/- each fully paid-up representing 55% of the total equity/voting share capital of The Pratappur Sugar & Industries Limited having its Registered office at, VNSS Business Centre, Ideal Plaza, South Block, 11/1 Sarat Bose Road, Kolkata, 700 020, West Bengal (hereinafter referred to as "PSIL/The Target Company")" from the promoter group of PSIL, as mentioned below (hereinafter collectively referred to as "Sellers") at a price of Rs. 55/- (Rupees Fifty Five only) per fully paid up equity share payable in cash ("Negotiated Price"). The total consideration payable in cash for the shares acquired as mentioned above is Rs. 10,89,00,000/- (Rupees Ten Crores Eighty Nine Lacs Only) that resulted in triggering of SEBI (SAST) Regulations, 1997.

Name & Address of Sellers	No of shares offered under SPA
M/s. Shraddha Investments Limited VNSS Business Centre, Ideal Plaza, South Block, 11/1 Sarat Bose Road, Kolkata, 700 020.	1190199
M/s. Ajay Investment Enterprise Limited VNSS Business Centre, Ideal Plaza, South Block, 11/1 Sarat Bose Road, Kolkata, 700 020	313694
Mr. P.K. Kanoria, Ideal Plaza, South Block, 11/1 Sarat Bose Road, Kolkata, 700 020	231348
Mrs. Vinita Ahmed B/2 Alipore Road, Kolkata-700027	61950
Mrs. Smita Poddar, B/2 Alipore Road, Kolkata-700027	61916
Mrs. Sonal Hada, B/2 Alipore Road, Kolkata-700027	59150
Mr. Akshat Jain, B/2 Alipore Road, Kolkata-700027	56693
Mrs. Nandita Jain B/2 Alipore Road, Kolkata-700027	5050
TOTAL	**19,80,000**

3.1.4 The Acquirer has not acquired any equity share of PSIL during the past 12 months prior to the date of this Public Announcement except the proposed 19,80,000 equity shares of Rs. 10/- each, covered in the SPA as mentioned under para 3.1.3

3.1.5 The Acquirer does not hold any equity shares in the paid-up share capital of the Target Company as on the date of this letter of offer other than as mentioned under para 3.1.3 above

The salient features of the SPA dated 30th August, 2005 are as under:-

a. It is ageered that in case of non compliance of any of the provisions of SEBI(SAST)Regulation, 1997 this agreement shall not be acted upon

b. M/s. Khaitan & Co., Advocates having Address 1B Old Post Office Street, Kolkata 700001 are hereby appointed as the Escrow Agent, the said Escrow Agent shall handover the relevant Share transfer deeds together with the original share certificates, original Delivery Instructions duly filled in by the Escrow Agent for transfer into the demat account of the Purchaser along with statement of holding from the concerned Depository and letters of resignation of each of the Sellers' nominee directors in the Company as kept in escrow as aforesaid to the Purchaser; and pay to the each of the Sellers his respective portion of the Share Purchase price and pay on behalf of the Company to each of the Lenders his portion of the unsecured loan together with accrued interest thereon as kept in escrow as aforesaid against valid receipt thereof by each of such persons.

c. The Sellers (in their capacity of existing promoters of the Target Company) have given a "Non Disposal of shares Undertaking" for promoter shares to IDBI Ltd in connection with Term Loans availed by the Target Company. The Purchaser shall together with the Sellers approach IDBI Limited (hereinafter referred to as "IDBI") within the next 10 days to get IDBI's in-principle permission to sell the said Shares and to the consequent change in the control and management of the Company, failing which the Purchaser shall pay off the entire dues of IDBI including pre-payment premium, if any, so that the "Non Disposal Undertaking" given by the Sellers become infructuous. Dealing with IDBI shall be the responsibility of the Purchaser.

d. The Company has taken loans also from The Sugar Development Fund, and from Central Bank of India (hereinafter referred to as "said Lenders"). The Purchaser together with the Sellers shall approach the said Lenders in connection with the change in the management of the Company or for the sale of the said Shares by the Sellers to the Purchasers. Dealing with the said Lenders shall be the responsibility of the Purchaser.

3.1.6 Neither the Acquirer, Sellers nor the Target Company have been prohibited by SEBI from dealing in securities, in terms of directions under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

3.1.7 There are change in the composition of the Board of Directors of the Target Company as per Regulation 22 (7) of SEBI (SAST) Regulations, 1997 after a period of 21 days from the date of PA and Mr. Pradeep Parekh and Mr. Hemant Panpalia are appointed as member in Board of Director of Target company w.e.f.28.09.2005.

3.2 Details of Proposed Offer

3.2.1 The Acquirer has made a Public Announcement, which was published on 2nd September, 2005 in the following newspapers in accordance with the Regulation 15 and pursuant to Regulation 10 and 12 of SEBI (SAST) Regulations, 1997.

Publication	Editions
Financial Express (English)	All Editions
Jansatta (Hindi)	All Editions
Kalantar (Bengali)	Kolkata
Nav Shakti (Marathi)	Mumbai

The Public Announcement is also available on the SEBI website at www.sebi.gov.in

3.2.2. The Acquirer is making this Open Offer under the SEBI (SAST) Regulations, 1997, to acquire 7,20,000 equity shares of Rs. 10/- each representing 20% of the total share/voting capital of PSIL from the public shareholders of PSIL, other than the parties to the SPA, on the terms and subject to the conditions set out in this Letter of Offer, at a price of Rs. 63.50 (Rupees Sixty Three and Paisa Fifty Only) per fully paid-up equity share of Rs.10/- each. These equity shares are to be acquired by the Acquirer, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights offer declared hereafter.

3.2.3 The Acquirer intends to acquire 7,20,000 fully paid-up equity shares representing 20% of the total share/voting capital of the Target Company at a price of Rs. 63.50 per share payable in cash.

3.2.4 There are no partly paid-up shares in the Target Company.

3.2.5 The Offer is not a competitive bid.

3.2.6 The Offer is not subject to any minimum level of acceptances from the shareholders i.e. it is not a conditional offer.

3.2.7 Apart from the 19,80,000 equity shares constituting 55% of total share/voting capital to be acquired from promoters-sellers under SPA, the Acquirer has not acquired any equity shares in the Target Company since the date of Public Announcement i.e. **September, 02 2005,** upto the date of Letter of Offer.

3.3 Objects of the Offer

3.3.1 The Offer to the Public shareholders of PSIL is for the purpose of acquiring 20% of the voting capital. After the proposed Offer and transfer of the shares so acquired under **para 3.1.3 above,** the Acquirer will achieve substantial acquisition of shares and voting rights, accompanied with effective management control over the Target Company.

3.3.2 The Acquirer is one of the leading sugar manufactures of India having a present capacity of 32000 tonne crushed per day(tcd), the present capacity of Acquirer is concentrated in central and western part of U.P. The Acquirer has already taken up expansion of this capacity from 32000tcd to 95000tcd, considering the present potential and future growth in sugar industry. The Target Company is in the similar line of business and is having sugar-plant in eastern U.P with capacity of 3200tcd. The present acquisition of shares of the Target Company would create synergies and help the Acquirer to establish its presence in eastern part of U.P. The current acquisition of PSIL will result in addition of production capacity of the group upto 5% and also consolidate its marketing share in eastern parts of India and would be value accretive to the Acquirer. Thus substantial acquisition of shares and voting rights accompanied with change in control and management is the reason and rationale for the acquisition.

3.3.3 After the purchase of the shares in accordance with the SPA, the Target Company would become the subsidiary of the Acquirer Company in accordance with the provision of the Companies Act, 1956.

3.3.4 Acquirer Company nominated Mr. Pradeep Parekh and Mr. Hemant Panpalia as Directors on the Board of Directors of the Target Company on 28.09.2005 and i.e after a period of 21 days from the date of PA in terms of regulation 22(7) of SEBI (SAST) Regulations, 1997 after assuming full acceptances. The company has already deposited Rs.470 Lacs being more than 100 % of the consideration required for the offer in the escrow account as required as per SEBI (SAST) Regulation.

4. BACKGROUND OF THE ACQUIRER

4.1.1 The Open Offer is being made solely by Bajaj Hindusthan Limited ("BHL"), a Company incorporated as The Hindusthan Sugar Mills Limited under The Indian Companies Act VII, of 1913 as a Public Limited Company, vide registration No.1797 of 1931-32 on 24th November 1931 with the Registrar of Companies, Bombay, subsequently name and number has been changed and the company is presently known as Bajaj Hindusthan Limited and its number is 1797/TA having the Registered Office situated at 2nd Floor, Bajaj Bhawan, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400021. Tel No. - 022-22023626, Fax No. 022-22022238.

4.1.2 M/s. Bajaj Hindusthan Limited is the sole Acquirer in the present offer and there is no person(s) acting in concert with BHL in respect of this Open Offer.

4.1.3 BHL is one of the largest sugar and industrial alcohol manufacturing company in India. It processes sugarcane, a principal raw material to produce sugar and industrial alcohol. The main products being produced by the Acquirer are plantation white sugar, refined sugar and industrial alcohol, primarily ethanol and the bye-products are molasses and bagasse. The Acquirer have an operating history of over seven decades of manufacturing and marketing of sugar and related products.

4.1.4 The major promoter shareholders of the Acquirer Company are M/s. Bachhraj & Co. Private Ltd., M/s. Bajaj Auto Ltd. and M/s. Jamnalal & Sons Ltd. The promoters shareholdings are all effectively controlled directly or indirectly by members of the Bajaj Group (which consists of the members of the Bajaj Family and entities owned and controlled by them). The Bajaj Group, referred as the promoter group under the Indian Securities Laws, holds a majority stake in BHL. Mr. Shishir Bajaj is the Chairman & Managing Director in charge of the day to day affairs of the company.

4.1.5 The compliances under Chapter II of SEBI (SAST) Regulations, 1997 are applicable to the Acquirer and it has made timely disclosures to the Target Company and also informed the Stock Exchanges.

4.1.6 Shareholding pattern of BHL as on 30.06.2005 is as under:-

Sl.No.	Shareholder's Category	No. and Percentage of Shares Held
1	Promoters	52952260 (48.95%)
2	FII/Mutual Fund/FIs/Banks	26444268 (24.49%)
3	Public & others	28764932 (26.59%)
4	Total Paid-up Capital	Rs. 10,81,61,460 (100%)

4.1.7 The Board of Directors of BHL as on P.A. date has the following members:-

Sl.No.	Name	Designation	Address	Date of Appointment
1.	Shri. Shishir Bajaj	Chairman and Managing Director	101 Mount Unique, 62A Pedder Road, Mumbai	26.01.1986
2.	Shri Madhav L.Apte	Director	Woodland Apartments,Pedder Road, Mumbai	13.07.1970
3.	Shri. D.K.Shukla	Nominee Director - LIC	HP2, Palakmati Park,HIG Flat housing Board colony, Nehru Nagar, Bhopal, MP	30.10.2001
4.	Shri D.S.Mehta	Director	301-302, Gora Gandhi Appt, 3rd Floor, 3 Laburnum Road, Gamdevi, Mumbai	28.01.1986
5.	Shri. Niraj Bajaj	Director	13th Floor Mount Unique, 62A Pedder Road, Mumbai	29.10.1999
6.	Shri. R.V.Ruia	Director	417, Samudra Mahal, Dr.A.B.Road, Mumbai	16.04.2001
7.	Shri. I.D.Mittal	Executive Director	1/72 Vishwas Khand I, Gomti Nagar, Lucknow, UP	19.10.2002
8.	Shri.Suresh A.Kotak	Director	Saket Villa, 14 Laburnum Road, Gamdevi, Mumbai 400 007.	27.12.2002

None of the above directors are on the board of the Target Company

4.1.8 The Shares of the Company are listed on BSE and The National Stock Exchange of India Limited; and the GDR and convertible bonds are listed on Luxembourge Stock Exchange, Luxembourge, Europe.

4.1.9 The paid-up capital of the Acquirer as on PA date is Rs. 11,24,53,362/-* divided into 11,24,53,362 fully paid up equity shares of Rs.1/- each. The closing market price of shares as on PA date at BSE Rs. 202.45 and at NSE was Rs. 202.35. (Out of which for 3703970 equity shares allotted upon conversion of FCCB listing approval and trading permission from BSE and NSE awaited as on PA date.)

* The paid up capital as on 31.03.2005 is 873.00 lacs and as on the date of P.A. the paid up capital is Rs. 1124.53 the capital has increased because of issue of shares pursuant to Global Depository Receipt issued on 10th May, 2005 and taking into account the FCCB's converted into equity shares as per option exercised by the bonds holders upto the date of P.A. Both the GDR's and FCCB's are listed at the Luxembourge Stock Exchange, Luxembourge, Europe.

4.1.10 The brief audited financials of BHL are as under:-

(Rs. In Lakhs)

Profit & Loss Statement	Period ended 31.09.2002 (Audited) 18 months	Year ended 30.09.2003 (Audited) 12 months	Year ended 30.09.2004 (Audited) 12 months	Period Ended 31.03.2005 (Reviewed and certified by Auditor) 6 months
Sales	62,044.90	45,826.70	52,528.40	22,367.70
Other Income	530.30	1,297.20	1,767.00	850.60
Total Income	62,575.20	47,123.90	54,295.40	23,218.30
Total Expenditure	57,189.50	41,468.80	43,239.80	15,691.70
Profit before Depreciation, Interest and Tax	5,385.70	5,655.10	11,055.60	7,526.60
Depreciation	1,842.60	1,351.00	1,908.70	1,508.50
Interest	1,665.70	673.60	1,359.00	1,026.50
Extra Ordinary Items	615.00	144.00	4,123.70	0.00
Less:Withdrawn from General Reserve	0.00	0.00	4,123.70	0.00
Profit before Tax	1,262.40	3,486.50	7,787.90	4,991.60
Provision for Tax	226.00	651.40	1,686.00	1,828.00
Profit after Tax (PAT)	1,036.40	2,835.10	6,101.90	3,163.60

(Rs. In Lakhs)

Balance Sheet Statement	As at 31.09.2002 (Audited) 18 months	As at 30.09.2003 (Audited) 12 months	As at 30.09.2004 (Audited) 12 months	As at 31.03.2005 Reviewed and certified by Auditor) 6 months
Sources of Funds				
Paid up Share Capital	873.30	873.30	873.30	873.30
Reserves & Surplus	8,777.10	11,316.60	12,899.80	16,063.40
(Excluding Revaluation Reserve)				
Networth	9,650.40	12,189.90	13,773.10	16,936.70
Secured Loans	8,435.00	17,777.10	32,023.70	53,372.50
Unsecured Loans	221.60	206.90	193.50	28,205.60
Deferred Tax Liability	2,450.60	2,846.60	4,242.60	5,040.60
Total	**20,757.60**	**33,020.50**	**50,232.90**	**103,555.40**
Application of Funds				
Net Fixed Assets	11,080.70	18,925.00	42,326.70	72,159.40
Investments	215.10	132.60	6.60	6.60
Net Current Assets	9,461.80	13,962.90	7,899.60	31,389.40
Miscellaneous Expenses not written off	0.00	0.00	0.00	0.00
Total	**20,757.60**	**33,020.50**	**50,232.90**	**103,555.40**

Other Financial Data	Period ended 30.09.2002 (Audited) 18 months	Year ended 30.09.2003 (Audited) 12 months	Year ended 30.09.2004 (Audited) 12 months	Period Ended 31.03.2005 Reviewed and certified by Auditor) 6 months
Dividend (%)	37.50%	30.00%	40.00%	N.A.
Earning Per Share (Rupees)	1.19	3.25	6.99	3.62
Return on Networth (%) (PAT/Net Worth)	10.74%	23.26%	44.30%	18.68%
Book Value Per Share (Rupees)	11.05	13.96	15.77	19.39

The Company is not a Sick industrial undertaking

Note: The Company has changed its Financial Year from March to September from 2002, hence the financials of 30.09.2002 represents Eighteen Months figures.

4.1.11 There has been no merger / de-merger, spin-off during the past three years in BHL.

4.1.12 There is no change in Accounting Policies during last three financial periods.

4.1.13 The Acquirer has not promoted any Companies and/ or any Venture other than the followings:
- 4.1.13.1 Bajaj Hindusthan Holdings Private Limited.
- 4.1.13.2 Bajaj ebiz Private Limited
- 4.1.13.3 Esugarindia Clearing Corporation Limited
- 4.1.13.4 Esugarindia Limited

4.1.14 Brief Details of Companies /Ventures Promoted by Acquirer:-

a. Name of Company	Bajaj Hindusthan Holdings Private Limited
b. Date of Incorporation	06 July 2005
c. Nature of Business	Investment Company
d. Listed At Stock Exchange	N.A
e. Equity Capital	Rs. 500.00 lacs (50,00,000 equity shares of Rs.10/- each)
f. Brief Financials: Company was incorporated recently hence no financial prepared as company has not commenced business. Company has made application to RBI for registration as Non Banking Financial Company (NBFC).	

The company is not a sick industrial company

1. (Rs. In Lacs unless specified)

a. Name of Company	Esugarindia Limited
b. Date of Incorporation	Incorporated as Private Limited company on 17th October 2000 as Esugarindia Private Limited and the got change of name certificate on 27th June 2002
c. Nature of Business	B2B Portal for sugar trading

Year Ended (Audited)	March 31, 2003	March 31, 2004	March 31, 2005
d. Equity Capital	305.00	306.35	310.15
e. Reserves (excluding revaluation reserve)	Nil	Nil	Nil
f. Total Income	9.09	14.94	7.10
g. Profit After Tax (PAT)	(84.27)	(46.15)	(24.68)
h. Earning per share (EPS) Rs.	(2.77)	(1.51)	(0.8)
i. Net Asset Value (NAV)	3.17	1.72	1.05

The company is not a sick industrial company

(Rs.In Lacs unless specified)

a. Name of Company	Esugarindia Clearing Corporation Limited
b. Date of Incorporation	20th May 2002 and got business commencement certificate on 30th May 2002
c. Nature of Business	Clearing Corporation for commodity-sugar

Year Ended (Audited)	March 31, 2003	March 31, 2004	March 31, 2005
d. Equity Capital	15.00	15.00	25.00
e. Reserves (excluding revaluation reserve)	Nil	0.89	1.80
f. Total Income	Nil	2.37	2.04
g. Profit After Tax (PAT)	(0.63)	1.53	0.90
h. Earning per share (EPS) Rs.	(0.42)	1.02	0.36
i. Net Asset Value (NAV)	6.67	8.01	9.36

The company is not a sick industrial company

(Rs. In Lacs unless specified)

a. Name of Company	Bajaj ebiz Private Limited
b. Date of Incorporation	6th October 2002
c. Nature of Business	Information Technology

Year Ended (Audited)	March 31, 2003	March 31, 2004	March 31, 2005
d. Equity Capital	232.00	232.00	232.00
e. Reserves (excluding revaluation reserve)	Nil	Nil	Nil
f. Total Income	Nil	0.10	Nil
g. Profit After Tax (PAT)	(0.75)	(0.72)	(0.77)
h. Earning per share (EPS) Rs.	(0.03)	(0.03)	(0.03)
i. Net Asset Value (NAV)	9.83	9.83	9.83

The company is not a sick industrial company

4.1.13 The Acquirer at present have no intention to sell, dispose of or otherwise encumber any significant assets of PSIL in the succeeding two years, except in the ordinary course of business of PSIL. PSIL's future policy for disposal of its assets, if any, will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders at a General Body Meeting of PSIL.

5. BACKGROUND OF THE TARGET COMPANY - THE PRATAPPUR SUGAR & INDUSTRIES LIMITED (PSIL)

5.1 The Target Company i.e The Pratappur Sugar and Industries Limited, "PSIL" was incorporated on 24.7.1971 with the Registrar of Companies, West Bengal, as a Public Limited Company and got Commencement of Business Certificate on 24.7.1971 from the Registrar of Companies, West Bengal. The Company has its Registered Office at VNSS Business Centre, Ideal Plaza, South Block, 11/1 Sarat Bose Road, Kolkata, 700 020 West Bengal, India. Tel no: (033)-2280 7017/ 18, 3092 6219 Fax No: (033) -2280 7016

5.2 As on the date of PA, PSIL has an authorized share capital of Rs. 605 lacs, comprising of 60,00,000 equity shares of Rs 10/- (Rupees Ten Only) each and 50,000 Preference Share Capital of Rs. 10/- each. It has an issued, subscribed and paid-up equity share capital of Rs. 360.00 lacs, consisting of 36,00,000 fully paid-up equity shares of Rs.10/- each. There are no partly paid-up shares in the Target Company .

Paid up Equity Shares of PSIL	No. of Equity Shares/ voting rights	% of Shares / voting rights
Fully paid-up equity shares	36,00,000	100.00
Partly paid-up equity shares	Nil	Nil
Total paid-up equity shares	36,00,000	100.00
Total voting rights in the Target Company	36,00,000	100.00

5.3 The shares of "PSIL" are at presently listed on The Bombay Stock Exchange Limited, "BSE" and The Calcutta Stock Exchange Association Limited, "CSE". The company was listed at Jaipur Stock Exchange Ltd., Jaipur and was voluntarily delisted with effect from 19/02/2005.

5.4 PSIL has been engaged in the business of manufacturing and marketing of sugar. The Company's plant was set up for the manufacture of sugar. PSIL is having manufacturing facilities at Pratappur, District. Deoria (U.P.) - 274 703. The plant has an installed capacity of 3200 tcd of sugarcane.

5.5 The current capital structure of the Company has been build up since inception as under

Date of allotment	No of shares issued	% of shares issued	Cumulative paid up capital in Rs.	Mode of allotment	Identity of allottees (promoters/ ex-promoters/ others)	Status of compliance
24.07.1971	150	0.004	1500	Cash	Subscriber	All Compliance done
17.08.1971	1050	0.29	12000	Cash	Promoter	
03.08.1972	138800	3.85	1400000	Cash	Promoter	
28.03.1979	85000	2.36	2250000	Cash	Promoter	
31.08.1989	225000	6.25	4500000	---	Bonus Issue	
15.01.1992	450000	12.50	9000000	---	Bonus Issue	
05.04.1993	900000	25.00	18000000	---	Bonus Issue	
25.01.1994	600000	16.67	24000000	Cash	Right Issue	
26.05.1994	1200000	33.33	36000000	Cash	Public Issue	
TOTAL	3600000	100				

- There are no preference shares or outstanding convertible instruments / warrants.
- There are no partly paid up shares.

5.6 The shares of Company has not been suspended by any stock exchange and the entire subscribed capital is listed.

5.7 The Target Company, Sellers, Promoters and other major shareholders have timely complied with the provisions of Chapter II of the regulations.

5.8 PSIL has complied with requirements of the Listing Agreement and no punitive action has been initiated by the stock exchanges where its equity shares are listed.

5.9 The composition of the Board of Directors of PSIL as on date of LOO is as follows:-

Name of the Director	Designation	Qualification	Experience	Residential Address	Date of Appointment.
Shri.P.K.Kanoria	Executive Chairman	B.A	50 Years Industrialist, vast experience in Sugar, Jute and Tea Industry	8/2 Alipore Road, Kolkata 700027.	24.07.1971
Shri.R.K.Choudhury	Independent Non Executive Director	Advocate	40 Years, Legal field	10/1, Alipore Park Place, Kolkata 700027	26.06.1998
Shri.S.S.Kothari	Independent Non Executive Director	PHD(Eco)FCA.	51 Years, Chartered Accountant and Ex member of parliament and extensive knowledge of corporate finance, taxation, and corporate management	20, Ray Street, Kolkata 700 020	28.02.1975
Shri.B.N.Patodia	Independent Non Executive Director	B.Com	45 Years, Experience in trading Sugar, Tea and Jute.	11/1 Heysham Road, Kolkata, 700020	24.12.2001
Shri S.Jain	Non Executive Director	Engineer	20 years, Technocrat, experience in production, corporate finance	14 Alipore Road, Civil Lines, Delhi 110054	25.09.1991
Shri.V.M.Pittie	Independent Non Executive Director		20 Years Jute, Tea Industry	Saket, 3rd Floor, 29 B Dongersi Road, Malabar Hill, Mumbai - 6	26.02.2003
Shri K.M.Bhandari	Non Executive Director	B.Com, LL.B, A.C.A	40 Years in the field of Accounts and legal matters	18/71/1 Dover Lane, Kolkatta 700029	16.12.1999
Shri Pradeep Parakh	Additional Director	A.C.A, A.C.S	15 Years in the field of Secretarial, Accounts, & Finance.	1A/602, Green Views, Lokhandwala Kandivali (E), Mumbai - 400 101	28.09.2005
Shri Hemant Panpalia	Additional Director	A.C.A	Accounts, Audit, Finance	208, Kedia Chambers S.V.Rd., Malad (W) Mumbai	28.09.2005

Mr. Pradeep Parekh and Mr.Hemant Panpalia represent the acquirer on the board of the Target Company and they will recuse themselves and not participate in any matter(s) concerning or relating to the offer including any preparatory steps leading to the offer and to ensure the compliance u/r 22 (9) of SEBI (SAST) Regulation 1997.

5.10 There has been no merger / de-merger, spin-off during the past three years in PSIL.

5.11 Audited financial information of PSIL for the financial year ended on March 31, 2005, 2004 and 2003 (Source: As per the certificate issued by Auditors dated 13.09.2005 and Annual Reports of Target Company) is given below:-

(Rs. In Lakhs)

Profit & Loss Statement	Period ended 31.03.2003 (17 Months) (Audited)	Year ended 31.03.2004 (Audited)	Year Ended 31.03.2005 (Audited)
Income from operations	9,302.44	5,131.70	4,973.10
Other Income	40.01	62.49	60.68
Total Income	9,342.45	5,214.19	5,033.78
Total Expenditure	8,419.39	4,294.64	4,030.47
Profit before Depreciation, Interest and Tax	923.06	919.55	1,003.31
Depreciation	463.62	319.94	285.41
Interest	808.42	564.12	413.14
Profit before Tax	(348.96)	35.49	304.76
Extra Ordinary Item Depreciation Sugar Cane Price (Net of General Reserve)	N.A.-	N.A.	476.32
Provision for Tax	(352.39)	143.88	(113.18)
Profit after Tax (PAT)	3.41	(108.39)	(58.38)

Rs. In Lacs

Balance Sheet Statement	Period ended 31.03.2003 17 Mths (Audited)	Year ended 31.03.2004 (Audited)	Year Ended 31.03.2005 (Audited)
Sources of Funds			
Paid up Share Capital	360.00	360.00	360.00
Reserves & Surplus			
(Excluding Revaluation Reserve)	497.46	389.08	183.82
Total Shareholders Fund (A)	**857.46**	**749.08**	**543.82**
Secured loans	5,202.64	5,772.88	6,162.24
Unsecured ioans	-	-	-
Deferred Tax Liability	-	-	-
Total Loan Fund (B)	5,202.64	5,772.88	6,162.24
Total A+B	**6,060.10**	**6,521.96**	**6,706.06**
Application of Funds			
Net Fixed Assets	2,866.10	2,652.45	2,591.73
Investments	8.50	12.96	8.65
Deferred Tax Assets	192.52	51.37	164.55
Net Current Assets	2,991.28	3,805.18	3,882.36
Miscellaneous Expenses not written off	1.72	-	-
Profit & Loss Account	-	-	58.77
Total	6,060.12	6,521.96	6,706.06

Other Financial Data	Period ended 31.03.2003 17 Mths (Audited)	Year ended 31.03.2004 (Audited)	Year Ended 31.03.2005 (Audited)
Net Worth (Total A as reduced by (1) Debit balance in P & L account and (2) Miscellaneous Expenses not written off)	855.76	749.08	485.05
Dividend (%)	NIL	NIL	NIL
Earning Per Share (Rupees)	0.09	(3.01)	(1.62)
Return on Networth (%) (PAT/Net Worth)	0.00%	(0.14%)	(0.12%)
Book Value Per Share (Rupees)	23.77	20.81	13.47

* The Sugar Industry was better during the year under review though successively production was lower, and due to increase in sugar price the Industry had a better time. But the present sugar price is not satisfactory considering the higher payment of cane price in season 2004-05. During the year ended March 2005 there was a cash operating profit of Rs.590.16 Lacs as against the previous year Rs.355.43 Lacs.

5.12 Pre- and Post-Offer shareholding pattern of the Target Company is as per the following table:

Sr No	Shareholder category	Shareholding & Voting rights prior to the Acquisition and offer (A)		Shares/voting rights acquired Which triggered off the Regulations (B)		Shares/Voting rights to be acquired in the open offerOffer i.e. (assuming full acceptance) (C)		Shareholding/voting rights after the acquisition and offer A+B+C	
		No.	%	No.	%	No.	%	No.	%
1	Promoter Group								
	a. Parties to SPA								
	1. M/s. Shraddha Investments Limited	1190299	33.06	(1190199)	(33.06)	Nil	Nil		
	2. M/s. Ajay Investment Enterprise Limited	335286	9.31	(313694)	(8.71)	Nil	Nil	#	#
	3. Mr. P.K. Kanoria,	231448	6.43	(231348)	(6.43)	Nil	Nil		
	4. Mrs. Vinita Ahmed,	61950	1.72	(61950)	(1.72)	Nil	Nil		
	5. Mrs. Smita Poddar,	61916	1.72	(61916)	(1.72)	Nil	Nil		
	6. Mrs. Sonal Hada,	59150	1.64	(59150)	(1.64)	Nil	Nil		
	7. Mr. Akshat Jain,	56693	1.57	(56693)	(1.57)	Nil	Nil		
	8. Mrs. Nandita Jain	5050	0.14	(5050)	(0.14)	Nil	Nil		
	Total	2001792		(1980000)	(55.00)	Nil	Nil	#	#
	b. other than (a) above	6946	0.19	Nil	Nil	Nil	Nil	#	#
	Total (a+b)	**2008738**	**55.80**	**(1980000)**	**(55.00)**	**Nil**	**#**	**#**	
2	**A. Acquirer**								
	Bajaj Hindusthan Limited	Nil	Nil	1980000	55.00	720000	20.00	2700000	75.00
	Total	**Nil**	**Nil**	**1980000**	**55.00**	**720000**	**20.00**	**2700000**	**75.00**

3	**Parties to the Agreement other than 1a. & 2**	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
4	**Public (other than Acquirer & parties to the Agreement)**								
	FIs / MFs / FIIs / Banks	5800	0.16	Nil	Nil				
	Others (including 5525 public shareholders); and # including shares of earstwhile promoters)	1585462	44.04	Nil	Nil	(720000)	(20.00)	900000	25.00
	Total	3600000	100.00			3600000	100.00		

Note: The data in negative indicates sale of equity shares.
There are no partly paid shares hence percentage of equity capital & voting capital is same therefore single figures given.
(# The remaining 28738 equity shares held by existing promoter (parties to the SPA) has been grouped as Others (Public Shareholders) for the purpose of shareholding/ voting rights after the acquisition and offer.

5.13 The approximate number of shareholders in PSIL in public category is 5525 as on PA date,as informed by Target Company, vide their letter dated 15.09.2005 which includes 7 NRI shareholders.

5.14 There were changes in Promoters holding, the promoters has complied with the compliances of Chepter II of SEBI (SAST) Regulation 1997.

5.15 The Company has complied with the conditions of Corporate Governance as envisaged under clause 49 of the listing agreement, statutory auditors of the Company have certified compliance of conditions of corporate governance; this certificate is attached with annual report of the Target Company.

5.16 The following litigation matters are pending by and against the Company.

Details of pending cases filed by/against the Target Company: -

S.No.	**Title & Case No.**	**Particulars**	**Amount involved (Rs. in lacs)**	**Court**
A.	Levy Sugar Price Difference case for the season 1973-74 Case No.5949 (W) of 1974	The Writ Petition was filed in or above 1974 challenging the validity and legality of the Levy Sugar Price fixed by the Sugar (Price Determination for 1973-74 Production) Order, 1973 as amended by the Sugar (Price Determination) for 1973-74 production Amendment Order, 1973 under the Essential commodities Act, 1955 fixing the price for levy sugar of D-29 grade for the sugar season 1973-74 at Rs.167.95 per qtl.	7.01	Calcutta High Court
B.	Levy Sugar Price Difference case for the season 1974-75 Case No.7479 (W) of 1974	The Writ Petition was filed in or above 1974 challenging the validity and legality of the Levy Sugar Price fixed by the Sugar (Price Determination for 1974-75 Production) Order, 1974 under the Essential commodities Act, 1955 fixing the price for levy sugar of C-29 and D-29 grade for the sugar season 1974-75 at Rs.168.95 and Rs.167.95 per qtl.	7.53	Calcutta High Court
C.	State Trading Corporation of India Case No.FAO (OS) 53 of 1986 by STC	Claim for Non-lifting of export sugar quota for 1976-77 season	10.84	Delhi High Court
D.	Income Tax Case for the Assessment Year 1994-95	Penalty levied under section 271(1)(C) of Income Tax Act by the Assessing Officer.	9.95	Income Tax Tribunal, Kolkata

Trade Tax Matter

1	Asst. Year1990-91 Ex UP	Company has purchased Iron & Steel and store material from out side U.P. and issued Form C. The Trade Tax dept. imposed penalty on company considering that these items cannot be purchased against Form C. The Tribunal Trade Tax, Gorakhpur passed the order in Company's favour . The Trade Tax Deptt. Has filed an appeal with Hon'ble High Court of Allahabad. The hearing is not fixed so far	3,08,976.00	High Court, Allahabad
2	Asst. Year1996-97 Ex UP	Company has purchased Iron & Steel and store material from out side UP and issued Form C. The Trade Tax deptt. imposed penalty on company considering that these items can not be purchased against Form C. The Tribunal Trade Tax, Gorakhpur passed the order in Company's favour. The Trade Tax Deptt. Has filed an appeal with Hon'ble High Court of Allahabad. The hearing is not fixed so far	1,76,232.00	High Court, Allahabad
3	Asst. Year200-2001 Ex UP	The deputy Commissioner, Trade Tax Deptt. Vide his order dated 05.03.2003 had created demand challenging our exemption scheme granted under section 4 A to the Company by the Joint Director, Industries, Gorakhpur. Presently case is pending for hearing with the Dy. Commissioner, Trade Tax Deptt. Trade Tax Assessment is completed upto the financial year 2002-2003.Notice No.391 dated 05.08.2005 received from Dy.Commissioner, Trade Tax, Deoria wherein be required partywise sale of non levy sugar from 01.4.04 to 31.08.2005 with mode of payment received.	1,64,424.00	The Deputy Commissioner, Trade Tax, Deoria.

Central Excise Matter

1	Appeal No-4Of 2005 Central Excise Rule 11D	In the matter the Company has collected an amount of Rs.1047948.00 excess excise duty (differential of free & levy Excise Rate) & retain with it which is payable to the Central Govt. as per Section 11D Sub Section 2 of Central Excise Act, 1944	1047948.00	High Court, Allahabad

Cane Matter

1	SahakariGanna Vikash Samiti Ltd. And Others VersusState of U.P. and OthersCase No.110614 and 32692 of 2005	122 Cane Unions filed Writ Petition for payment interest on late payment of Cane Price 2002-03, 2003-04 and 2004-05	Not Ascertainable	High Court
2	8089 of 2004/LPA of 2005 State of Bihar and Others Versus Bihar Sugar Mills Association and others	High Court quashed the notification for Z.D.C. @ 1.80% of the cane price payable till Bihar Government filed L.P.A. Order in L.P.A is reserved	Not Ascertainable	High Court
3	CWJC:8088 of 2004 Versus Union of India	Case against transport subsidy matter filed in the High Court, Patna. Hearing completed and judgment reserved	Not Ascertainable	High Court
4	Appeal No.2984/2002 Oriental Insurance Co. Ltd. Vs.PSIL	Mr.P.K.Mishra, working as Cashier committed embezzlement of Rs.5.50 lacs on 7.7.98. The Company	Rs.5.00 Lacs	State Commission, Lucknow

		lodged a complaint before DCP. Deoria forclaiming the sum as there was a fidelity policy of Rs.5.0 lacs.Against the order of DCP in our favour, the insurance company has filed an appeal before State Commission, Lucknow		

Labour Matters :

There are 38 labour cases pending with various authorities viz. Labour Commissioner, Kanpur; Industrial Tribunal Gorakhpur; Providend Fund Commissioner, Hon'ble High Court of Allahabad & High Court of Lucknow (bench) inter-alia relating to reinstatement with back wages, bonus, provident fund dues.

5.17 Mr.Kaushik Adhikari Company Secretary is the Compliance Officer of the Company, his residential address is Dharsa, Nr, Pallymangal Sanity, P O GIP Colony, Howrah 711 112. phone no. 033-22807017.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1 Justification of Offer Price

6.1.1 The equity shares of PSIL are presently listed on Bombay Stock Exchange Ltd, Mumbai and The Calcutta Stock Exchange Association Limited, Kolkota.

6.1.2 The annualised trading turnover during the preceding six Calendar months ending August, 2005 in the Stock Exchanges is detailed below:

Sr. No.	Name of the Stock Exchange	Total no. of equity shares during the 6 calendar months prior to September, 2005	Total no. of equity share listed	Annualised Trading turnover (in terms of % to total listed shares
1	BSE	2,773,283	36,00,000	154.07
2.	CSE	Nil	36,00,000	Nil

As per official website of Stock Exchanges, Mumbai (www.bseindia.com) and official letter from CSE dated September 01, 2005

6.1.3 The shares of "PSIL" are at present listed on The Stock Exchange, Mumbai under "TS" group. The shares are frequently traded as per the data available with The Stock Exchange, Mumbai within the meaning of explanation (i) to Regulation 20(5) of the SEBI as mentioned in Para 7.1.2 above and are infrequently traded at CSE

6.1.4 Following are the average of the weekly high and low of the closing prices and volume data for 26 weeks ended on September 01, 2005. i.e. the 26 week preceding the date of P.A. (At BSE)(Source: www.bseindia.com)

No of Week	Week Ended	Weekly High (In Rupees)	Weekly Low (in Rupees)	Average of High & Low	Volume (No of Shares)
1	10-Mar	39.75	36.10	37.93	120,192
2	17-Mar	38.30	35.00	36.65	50,632
3	23-Mar	35.65	32.10	33.88	34,638
4	31-Mar	31.15	28.90	30.03	20,154
5	07-Apr	32.65	31.50	32.08	32,499
6	14-Apr	31.35	28.35	29.85	64,447
7	21-Apr	29.65	28.00	28.83	37,831
8	28-Apr	30.05	26.75	28.40	14,229
9	05-May	26.25	23.70	24.98	32,733
10	12-May	26.75	24.80	25.78	20,198
11	19-May	26.65	26.10	26.38	16,567
12	26-May	26.45	25.35	25.90	19,587
13	02-Jun	25.30	23.90	24.60	14,710
14	09-Jun	24.40	23.35	23.88	29,338
15	16-Jun	28.75	24.00	26.38	81,733
16	23-Jun	25.85	24.35	25.10	24,919
17	30-Jun	29.45	27.45	28.45	86,727
18	07-Jul	29.55	28.40	28.98	67,331
19	14-Jul	36.00	33.85	34.93	260,902
20	21-Jul	46.90	36.00	41.45	250,345

21	28-Jan	55.80	49.65	52.73	182,139
22	04-Aug	48.45	45.90	47.18	136,509
23	11-Aug	49.10	46.25	47.68	230,293
24	18-Aug	58.85	49.30	54.08	193,208
25	25-Aug	59.95	54.50	57.23	184,133
26	01-Sep	78.05	62.50	70.28	512,373
	Average			35.52	

6.1.5 Following are the prices and volume data for 2 weeks ended on September 01, 2005 i.e. the 2 week preceding the date of P.A.(at BSE) (Source: www.bseindia.com)

Day	**Dated**	**Daily High (in Rupees)**	**Daily Low (in Rupees)**	**Average**	**Volume**
Friday	19-Aug-05	61.00	56.10	58.55	38,192
Monday	22-Aug-05	60.50	56.05	58.28	33,306
Tuesday	23-Aug-05	61.00	50.90	55.95	23,756
Wednusday	24-Aug-05	59.00	52.00	55.50	78,329
Thursday	25-Aug-05	55.75	54.00	54.88	10,550
Friday	26-Aug-05	65.00	54.50	59.75	67,085
Monday	29-Aug-05	74.25	62	68.13	93,870
Tuesday	30-Aug-05	85.9	70.5	78.20	224,100
Wednesday	31-Aug-05	82	68	75.00	95,829
Thursday	01-Sep-05	74.95	66	70.48	31,489
	Average			63.47	

6.1.6 The offer price of Rs. 63.50 per equity shares of face value of Rs. 10/- each fully paid-up is justified in terms of Regulation 20 (4) and 20 (5)of the SEBI (SAST) Regulations 1997:

Price as per regulation 20(4)	
The negotiated price	Rs. 55.00
Price paid by the Acquirer by way of allotment in a public or rights or preferential issue during the 26 week period prior to the date of PA	Not applicable
*** Higher of (i) or (ii) below :** Share price data of PSIL on BSE, where it is most frequently traded, is as under: i) The average of the weekly high and low of the closing prices of the shares of PSIL during the 26 weeks preceding the date of the announcement.	Rs. 35.52
ii) The average of the daily high and low of the prices of the shares of PSIL during the 2 weeks preceding the date of Public Announcement **Highest Price as per regulation 20(4)**	Rs. 63.50 **Rs. 63.50**
Other parameters for calculating price as per Regulation 20(5) (data based on audited balance sheet for year ended 2004-2005)	
Return on Net Worth	Negative
Book value	Rs. 13.47
Earning Per Share	Rs. (1.62)
Price Earning Multiple for the industry category sugar(source: capital market vol. Aug 1-14, 2005).	11.6 (However EPS is negative hence not computable with industry average).
Highest Price as per Regulation 20(5)	**13.47**

* Weekly prices have been derived considering that the week ended on 01st September, 2005 which is week preceeding the date of PA i.e.2nd September, 2005.

6.1.7 Hence, based on the above facts, the Offer Price of Rs. 63.50 is justifiable in terms of Regulation 20.

6.1.8 There is no non-compete agreement.

6.1.9 If the Acquirer acquire equity shares after the date of Public Announcement upto 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the Offer.

6.2 Financial Arrangements

6.2.1 For the Offer, requirement of funds for the Offer would be Rs. 4,57,20,000/- (Rupees Four hundred Fifty Seven Lacs Twenty Thousand Only). The Acquirer has sufficient means to fulfill the obligations under this Offer to complete the Offer in accordance with the SEBI (SAST) Regulations, 1997.to acquisition of 7,20,000 equity shares of Rs. 10/- each at an Offer Price of Rs. 63.50 per equity share.

6.2.2 The Acquirer have adequate resources to meet the financial requirements of the Offer., no borrowing from any Bank/ Financial Institution is being made for this purpose.

6.2.3 As per Regulation 28, Acquirer has opened an Escrow Account with IDBI Limited, Commercial Banking SBU, Nariman Point Branch, Mittal Court, Mumbai 400 021 and have deposited Rs 4,70,00,000/- (Rs Four Hundred Seventy Lacs Only), being more than 100% of the amount required for the Open Offer

6.2.4 The Acquirer has duly empowered M/s Chartered Capital and Investment Limited, Manager to the Offer, to realise the value of the Escrow Account in terms of the SEBI (SAST) Regulations, 1997.

6.2.5 The Manager to the Offer, M/s Chartered Capital and Investment Limited, hereby confirm that firm arrangements for funds and money for payment through verifiable means are in place to fulfil the Offer obligation under the SEBI (SAST) Regulations, 1997.

7. TERMS AND CONDITIONS OF THE OFFER

7.1 Persons eligible to participate in the Offer

7.1.1 Registered shareholders of The Pratappur Sugar & Industries Limited and unregistered shareholders who own the equity shares of The Pratappur Sugar & Industries Limited any time prior to the date of Closure of the Offer, other than the Acquirer and parties to the SPA.

7.1.2 None of the existing shares of PSIL are under any Lock-in requirements.

7.2 Statutory Approvals

7.2.1 Approval for transfer of shares of a Company registered in India by a Non Resident to a Person Resident in India is required. The Acquirer shall apply for approval from RBI for transfer of shares in their name in due course upon closure of open offer once the basis of acceptance is determined

7.2.2 The Acquirer shall not be responsible for payment of interest to the shareholder on account of delay in receiving approval from RBI beyond the control of the Acquirer.

7.2.3 As on the date of Public Announcement no approval from banks /financial institutions are required for the purpose of this Offer, to the best of the knowledge of the Acquirer. Except the waiver of non disposable undertaking given by the 'Promoter-sellers to the IDBI Limited in respect of Loans given to the Target company' and approval for sale of shares or change in management from The Sugar Developement Fund and Central Bank of India as may be require.

7.2.4 As on the date of Public Announcement, to the best of the Acquirer' knowledge, no other statutory approvals are required to be obtained for the purpose of this Offer.

7.2.5 In case of delay in receipt of any statutory approval, Regulation 22(12) of SEBI (SAST) Regulations, 1997, will be adhered to, i.e. 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 SEBI. Further in case the delay occurs on account of wilful default by the Acquirer in obtaining the approvals, Regulation 22 (13) of SEBI (SAST) Regulations, 1997, will also become applicable.

7.3 Others

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

7.3.2 This Letter of Offer has been mailed to all the shareholders of PSIL (other than Acquirer and parties to the Agreement), whose names appeared on the Register of Members of PSIL as on Monday, September 26, 2005 being the Specified Date.

7.3.3 Unaccepted Share/ Shares Certificates, Share Transfer Forms and other documents, if any, will be credited back to respectively depository account or returned by registered post at the shareholder(s) / unregistered owner(s) sole risk.

7.3.4 Consideration for equity shares accepted would be paid by crossed account payee cheques / demand drafts / pay orders and sent by registered post to the address of the first shareholder(s) / unregistered owner(s) at their sole risk.

8 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

8.1 Shareholders who wish to tender their equity shares will be required to send their Form of Acceptance cum Acknowledgement, Original Share Certificate(s) and duly signed Share Transfer Form(s) to the Registrar to the Offer by hand delivery or registered post, as the case may be, at the address mentioned in Para 9.17 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

8.2 The Registrar to the Offer, **M/s MCS Limited.**, has opened a special depository account with **HDFC Bank Limited (Depository-National Securities Depository Limited).**

8.3 Shareholders of PSIL to whom this Offer is being made, are free to offer his / her / their equity shares of PSIL for sale to the Acquirer, in whole or part, while tendering his / her / their equity shares in this Offer.

8.4 Beneficial owner and shareholders holding shares in physical form, who wish to avail of this Offer will have to forward the following documents to the office of the Registrar to the Offer by hand delivery or by registered post, as the case may be, so as to reach them on or before 1700 hours upto the date of closure of the offer i.e. **Monday, November 14, 2005.**

- Form of Acceptance, duly completed in all respects and signed by all the joint shareholders in the same order and as per the specimen signature(s) registered with PSIL.
- Relevant Original Share Certificate(s).
- Valid Share Transfer Deed(s), duly signed (in case the equity shares are held in joint names, by all the shareholders and in the same order as appearing in the Register of Members of PSIL or on the Share Certificate issued by PSIL) as per the specimen signature(s) lodged with PSIL and witnessed by an independent witness (if possible, by a Notary Public, Bank Manager or a Member of a recognised stock exchange with membership number). Please do not fill in any other details in the Share Transfer Deed. In the event that a shareholder needs additional Share Transfer Deed(s), the same can be obtained from the Registrar to the Offer as mentioned hereafter.
- Where the Transfer Deed(s) are executed by Constituted Attorney, attach a copy of the Power of Attorney duly certified as a True Copy by a Notary Public / Gazetted Officer.

8.5 Beneficial owners and **shareholders holding shares in the dematerialised form**, will be required to send their Form of Acceptance cum Acknowledgement to the Registrar to the Offer either by Registered Post / Courier or by hand delivery on or before 1700 hours upto the date of closure of the offer i.e. Monday, November 14, 2005, along with

- a Form of Acceptance cum Acknowledgement, duly completed and signed in accordance with the instructions contained therein by sole/all shareholders whose names appear (in case of joint holdings) in the same order in which their names appear in their beneficiary account;
- a photocopy of the delivery instructions in **"Off-market"** mode or counterfoil of the delivery instruction in **"Off-market"** mode, duly acknowledged by the Depository Participant ("DP"), in favour of **"MCS Ltd. - Escrow Account -PSIL Offer"** ("Depository Escrow Account") filled in as per the instructions given below:

  DP Name : HDFC Bank Limited.
  Client ID Number : 19486532
  DP ID Number : IN-301549
  Depository : National Securities Depository Limited- ("NSDL")
- Delivery Instruction: Special attention should be paid to the following:-
- Beneficial owners, who hold equity Shares of PSIL in dematerialised form, are required to execute an "off-market" trade by tendering the Delivery Instruction for debiting their beneficiary account with their concerned depository participant and crediting the above-mentioned account. The credit in the Depository Escrow Account should be received on or before the Offer Closing Date; i.e., Monday, November 14, 2005, else the application would be rejected.
- The Delivery Instructions to be given to the depository participant should be in "For Off Market Trade" mode only. For each Delivery Instruction, the beneficial owner should submit a separate Form of Acceptance cum Acknowledgement.Shareholders having their beneficiary account in Central Depository Services India Limited ("CDSL") have to use inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account with NSDL.

8.6 A copy of the No Objection Certificate / Tax Clearance Certificate if obtained from the Indian tax authorities by the shareholders (applicable to NRIs/OCBs/FIIs).

8.7 In case the equity shares are held by a Company / Body Corporate, then a certified True Copy of a valid Board Resolution giving authority and certified true copy of the Memorandum and Articles of Association of such Company / Body Corporate should also be enclosed.

8.8 In case of Non-resident equity shareholders, Foreigners, Foreign Companies and Foreign Institutional Investors, photocopies of the approval(s) by the Reserve Bank of India for acquiring and holding equity shares in PSIL.

8.9 In case the equity shares stand in the name of a sole shareholder, who is deceased, the Notarised copy of the legal representation obtained from a Competent Court.

8.10 **Special Note for shareholders who have sent their Shares for Dematerialisation:** Shareholders who have sent their physical Shares for dematerialisation need to ensure that the process of getting Shares dematerialized is completed well in time so that the credit in the Escrow Depository Account can be received on or before 1700 hours upto the Offer Closing Date i.e. Monday, November 14, 2005, else the application would be rejected.

8.11 No document should be sent to the Acquirer or to Target Company or to the Manager to the Offer.

8.12 In case of non-receipt of Letter of Offer, the eligible shareholders may send his / her / their applications to the Registrar to the Offer on the address mentioned hereinabove, **on a plain paper stating the name, address, number of equity shares held, folio number(s), certificate number(s), distinctive number(s), and number of shares tendered** along with the relevant documents as mentioned hereinabove, so as to reach them on or before 1700 hours upto the date of closure of the offer i.e. Monday, November 14, 2005.

8.13 Persons who own equity shares of PSIL any time prior to the date of Offer Closure, but are not registered holders, can tender their equity shares for purchase by the Acquirer, by communicating his / her / their desire to tender, in writing to the Registrar to the Offer and obtain from them a copy of the Letter of Offer, the Application Form and Transfer Deed(s) and lodge the same along with the relevant Share Certificate(s) and other documents, as mentioned hereinabove together with the Original Contract Note issued by a registered Stock Broker of a recognised Stock Exchange, only at the address of Registrar to the Offer as mentioned hereinabove:

An unregistered shareholder can send his / her / their application to the Registrar to the Offer on the address mentioned hereinabove, on a **plain paper** stating the name, address, number of shares held, folio number(s), certificate number(s), distinctive number(s) and number of equity shares tendered along with the relevant documents as mentioned hereinabove, so as to reach them **on or before 1700 hours on Monday, November 14, 2005.**

8.14 No indemnity is required from the unregistered shareholders.

8.15 In case the Share Certificate(s) and the instrument(s) of transfer are lodged for transfer with PSIL, then the **Form of Acceptance** should be accompanied by (i) the Share Transfer Deed(s) and (ii) the acknowledgement of lodgement or receipt issued by PSIL by individual. Whereas the Transfer Deed(s) are executed by Constituted Attorney, also attach a copy of the Power of Attorney duly certified as a True Copy by a Notary Public / Gazetted Officer along with the acknowledgement of lodgement or receipt issued by PSIL. In case the equity shares are lodged by a Company / Body Corporate, then a certified True Copy of a valid Board Resolution giving authority and certified true copy of the Memorandum and Articles of Association of such Company / Body Corporate should also be enclosed along with the Form of Acceptance and the acknowledgement of lodgement or receipt issued by PSIL.

8.16 In case of shareholders who have not received the LOO and holding shares in the dematerialised form may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of shares held, Depository name, Depository I.D., Client name, Client I.D., number of shares offered along with a photocopy of the original delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the Depository Participant as specified in para 8.5 above, so as to reach the Registrar to the Offer on or before 1700 hours upto the date of Closure of the Offer i.e. **Monday, November 14, 2005**. Such shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

8.17 The following collection centres would be accepting the documents as specified above, both in case of shares in physical and dematerialized form.

Address of Registrar to the Offer:

Sr.No.	Address of Registrar to the Offer	Business Hours	Mode of Delivery
1.	**MCS Limited** Contact Person: Mr. Ashok Gupta Sri Venkatesh Bhavan, Plot No. 27, Road No. 11, MIDC, Andheri East, Mumbai-400 093. Telephone Nos.(022) 28215235 Fax: (022) 28350456. Email : mcsmum@vsnl.com	Monday to Friday 1000 hours to 1700 hours Saturday 1000 hours to 1330 hours	Hand Delivery / Courier/ Registered Post
2.	**MCS Limited** 77-2A, Hazra RoadKolkata 700 029 Contact Person: Mr. Alok Mukherjee Telephone Nos 033-24767350 Fax: 033-24541961	Monday to Friday 1000 hours to 1700 hours Saturday 1000 hours to 1330 hours	Hand Delivery

Holidays: Sundays and Bank Holidays

8.18 The Registrar to the Offer will hold in trust the shares / share certificates, 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 of PSIL who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are despatched / returned.

8.19 In terms of Regulation 22(5A) of the SEBI (SAST) Regulations, shareholders desirous of withdrawing their acceptances tendered in the Offer can do so up to three working days prior to the date of Closure of the Offer i.e. **Wednesday, November 09, 2005.** The withdrawal option can be exercised by submitting the Form of Withdrawal as enclosed in the Letter of Offer. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the collection centre mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 1700 hours upto the last date of withdrawal i.e. Wednesday, November 09, 2005.

8.20 The withdrawal option can be exercised by submitting the Form of Withdrawal enclosing with it Copy of the Form of Acceptance-cum-Acknowledgement / Plain paper application submitted and the Acknowledgement slip. In case of non receipt of Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:-

8.20.1 In case of physical shares: name, address, distinctive numbers, folio number, share certificate number, number of shares tendered, date of tendering the shares.

8.20.2 In case of dematerialized shares: name, address, number of shares tendered, DP name, DP ID, date of tendering the shares, beneficiary account number and a photocopy of the delivery instructions in "off market" mode or counterfoil of the of the delivery instruction in "off market" mode, duly acknowledged by the DP, in favour of the "MCS Ltd.- Escrow Account-PSIL Offer " ("Depository Escrow Account").

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

8.21 The intimation of returned shares to the Shareholders will be sent at the address as per the records of PSIL / Depository as the case may be.

8.22 Acquirer will acquire all the 7,20,000 paid-up equity shares tendered in the Offer with valid applications.

8.23 **Method of Settlement**

8.23.1 Where the number of shares offered for sale by the shareholders are more than the shares agreed to be acquired by Acquirer, Acquirer will accept the offers received from the share holders on a proportionate basis, in consultation with the Manager to the Offer 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 that acquisition of shares from a shareholder shall not be less than the minimum marketable lot or the entire holding if it is less than the marketable lot. The marketable lot of PSIL is 1 {one}.share.

8.23.2 The Form of Acceptance, relevant Original Share Certificate(s), valid Share Transfer Deed(s) and other documents or/ and shares lying in the special depository account, tendered by the shareholders of PSIL under this Offer, shall be accepted from such shareholders in terms of the Letter of Offer, but will become a fully valid and binding contract between such shareholder(s) and the Acquirer only upon the fulfilment of all the conditions mentioned herein the Letter of Offer and Form of Acceptance.

8.23.3 On fulfilment of all the conditions herein mentioned, the Letter of Offer and Form of Acceptance, the Acquirer will pay the Offer Price by a crossed and "Account Payee Only" cheque(s) or demand draft(s) or pay order(s) drawn in favour of the sole shareholder or first named shareholder in case of joint holding. The payment consideration will be sent by Registered Post to the sole / first named shareholder of PSIL whose equity shares are accepted by the Acquirer at his address registered with PSIL/ DP. **It is desirable that shareholders holding Shares in physical mode provide bank details of the first/ sole shareholder in the Form of Acceptance cum Acknowledgement, so that the same can be incorporated in the cheque/demand draft. In case of shareholders holding Shares in electronic mode, bank particulars recorded with the Depository Participant (DP) and forming part of the beneficial download will be incorporated in the cheque/demand draft. In case of any change in bank particulars recorded with the DP, new bank particulars duly attested by the DP should be furnished.**

8.23.4 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the shareholders' / unregistered owners' sole risk to the sole / first shareholder.

8.23.5 The equity shares of PSIL held in dematerialised form, which are not accepted in view of not being a valid tender of equity shares or which are withdrawn by the shareholders, will be released to the beneficial owner's depository account with the respective depository participant, from where the credit was initially received in favour of the Depository Escrow Account, at the sole risk of the beneficial owner. An intimation to that effect will be sent to the beneficial owner by Ordinary Post.

8.23.6 The Acquirer shall endeavour to complete all procedures relating to the Offer within fifteen days from the date of Closure of the Offer (i.e. **November 29, 2005**), including payment of consideration to the shareholders of PSIL whose equity shares are accepted for purchase by the Acquirer.

8.23.7 While tendering the Shares under the Offer, the NRIs/OCBs/FIIs will be required to submit the No Objection Certificate/ Tax Clearance Certificate, indicating the amount of tax to be deducted by the Acquirer before remitting the consideration, from the Income Tax Authorities under Income Tax Act, 1961. In case the aforesaid No Objection Certificate/Tax Clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of the shareholder, on the entire consideration amount payable to such shareholder. The Acquirer will send the proof of having deducted and paid the tax along with the payment consideration.

8.23.8 In case of non-receipt of any of statutory approvals, if any required, SEBI may grant extension of time for the purpose of making payments to the shareholders who have successfully tendered their equity shares pursuant to this Offer and in such an event, the Acquirer will pay interest for the delayed payment beyond fifteen days of the closure of the Offer, at such rate as may be prescribed by SEBI.

8.24 General

8.24.1 The Form of Acceptance and instructions contained therein are integral part of this Letter of Offer.

8.24.2 Neither the Acquirer nor the Manager nor the Registrar nor the Target Company will be responsible for any loss in transit or delay in receipt of the completed Form of Acceptance, Share certificate(s), Share transfer deed(s), copy of delivery instructions or other documents.

8.24.3 The Offer Price is denominated and payable in Indian Rupees only.

8.24.4 All the communication in connection with the Form of Acceptance should be addressed to the Registrar to the Offer as mentioned above, with full name of the sole / first applicant, folio number, number of equity shares tendered, date of lodgement of the Form of Acceptance and other relevant particulars.

8.24.5 If there is any upward revision in the Offer Price (Regulation 26) by the Acquirer till the last day of revision, viz., at any time upto seven working days prior to the date of closure of the Open Offer or withdrawal of the Offer, the same would be informed by way of Public Announcement in the same newspapers where original Public Announcement had appeared. Such revised Offer would be payable for all the shares tendered anytime during the Offer.

8.24.6 This is not a competitive bid

8.24.7 Acquirer does not hold any share in the Target Company except to be acquired through SPA as mentioned in para 3.1.3.

8.24.8 In terms of Regulation 22 (5A), shareholders shall have the option to withdraw acceptance tendered earlier, by submitting the Form of Withdrawal enclosed with the LOO, so as to reach Registrars to the Offer on or before 1700 hours upto three working days prior to the date of Closure of the Offer, i.e. Wednesday, November 09, 2005, as mentioned in para 9.19.

8.24.9 Alternatively, a copy of Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal cum Acknowledgement can be obtained from SEBI's official web-site: www.sebi.gov.in.

8.24.10 The manager to the Offer i.e. Chartered Capital & Investment Limited does not hold any shares in PSIL as on the date of PA.

9 DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer at 301, Camy House, Cawasji Hormusji Street, Marine Lines, Mumbai - 400 002. Contact Person: Mr. Deepak Singhvi from 10.30 a.m. to 1.00 p.m. on any working day, except Saturdays, Sundays and Holidays until the closure of the Offer.

9.1 Undertaking from the Acquirer, stating full responsibility for all information contained in the PA and the Letter of Offer.

9.2 Annual Reports of PSIL for years ended on March 31, 2003, 2004 and 2005.

9.3 Annual Reports of for years ended on March 31, 2003, 2004 and 2005 of the Companies/Ventures promoted by the Acquirer i.e (Bajaj ebiz Pvt Ltd. Esugar India Clearing Corporation Ltd., and Esugar India Limited.)

9.4 Annual Reports for the year ended September 30, 2002, 2003 and 2004 (and Half-Yearly Limited Review Report for half year ended on March 31, 2005) of the Acquirer.

9.5 Certificate of Statutory Auditor M/s Jain & Co (Chartered Accountant) dated September 13, 2005 on the three year financials of the Target Company.

9.6 Certificate from Industrial Development Bank of India confirming the amount kept in Escrow Account opened as per SEBI (SAST) Regulation 1997 as on September 2, 2005.

9.7 Copy of Share Purchase Agreement dated August 30, 2005.

9.8 Published copy of the PA, which appeared in the newspapers on September 2, 2005.

9.9 The Letters Dated 30.08.2005 sent by PSIL to BSE and CSE asking for Price & volume data, minimum public shareholding percentage for continued listing and compliance status of its equity shares as referred in the LOO.

9.10 The letter from the Depository Participant-HDFC Bank Limited confirming opening of a special depository account titled "MCS Ltd.- Escrow Account-PSIL Offer" bearing Client ID:19486532 for the purpose of this offer opened by MCS Ltd.

9.11 Letter from The Calcutta Stock Exchange Association Limited dated 01.09.2005 for price volume data.

9.12 Preliminary Comments vide letter no CFD/DCR/AK/TO/50661/2005 dated September 29, 2005 on Draft Letter of Offer filed with SEBI.

9.13 Observation letter noCFD/DCR/AK/TO/51885/2005 dated October 17th 2005 on the draft Letter of Offer filed with the Securities and Exchange Board of India.

10 DECLARATION BY THE ACQUIRER

10.1 The Acquirer, Bajaj Hindusthan Limited and its Directors accept full responsibility for the information contained in this Letter of Offer and also for the obligations of the Acquirer laid down in the SEBI (SAST) Regulations, 1997.

10.2 The Acquirer, Bajaj Hindusthan Limited and its Directors are responsible for ensuring compliance with the SEBI (SAST) Regulations, 1997.

10.3 All information contained in this document is as on the date of the Public Announcement, unless stated otherwise.

For Bajaj Hindusthan Limited

Sd/-
(ACQUIRER)

Place: Mumbai
Date: 18th October 2005

11. ENCLOSURES

1. Form of Acceptance cum Acknowledgement
2. Form of Withdrawal cum Acknowledgement
3. Blank Share Transfer Deed(s).

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

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

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
(Please send this Form of Acceptance with enclosures to the Registrar to the Offer)

OFFER OPENS ON	**: Wednesday, October 26, 2005**
OFFER CLOSES ON	**: Monday, November 14, 2005**

Please read the Instructions overleaf before filling-in this Form of Acceptance

From :

FOR OFFICE USE ONLY	
Acceptance Number	
Number of equity shares offered	
Number of equity shares accepted	
Purchase consideration (Rs.)	
Cheque/Demand Draft/Pay Order No.	

Tel. No.: Fax No.: E-mail:

To,
BAJAJ HINDUSTHAN LIMITED,
C/o. MCS Limited.
Sri Venkatesh Bhavan, Plot no.27 , Road no.11,
MIDC, Andheri (East), Mumbai 400 093

Dear Sirs,

Sub: Open Offer to acquire 7,20,000 equity shares of Rs. 10/- each representing 20 % of the total equity/ voting share capital of PSIL, at an offer price of Rs. 63.50 (Rupees Sixty Three and Paisa Fifty Only) per fully paid equity share of Rs.10/- each by BAJAJ HINDUSTHAN LIMITED

I / We, refer to the Letter of Offer dated 18/10/2005 for acquiring the equity shares held by me / us in The Pratappur Sugar & Industries Limited.

1. I / We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.
2. I / We, unconditionally offer to sell to BAJAJ HINDUSTHAN LIMITED, (hereinafter referred to as the "Acquirer") the following equity shares in THE PRATAPPUR SUGAR & INDUSTRIES LIMITED (hereinafter referred to as "PSIL"), held by me / us, at a price of Rs.63.50 per fully paid-up equity share.

SHARES HELD IN PHYSICAL FORM

3. I/We and enclose the original share certificate(s) and duly signed valid Transfer Deed(s) in respect of my / our equity shares as detailed below (please enclose additional sheet(s), if required).

Ledger Folio No.................................. Number of share certificates attached...................
Representing .... equity shares

Number of equity shares held in PSIL		**Number of equity shares offered**	
In figures	**In words**	**In figures**	**In words**

Sr. No.	**Share Certificate No.**	**Distinctive Nos.**		**No. of equity shares**
		From	**To**	
1				
2				
3				
		Total no. of Equity Shares		

SHARES HELD IN DEMATERLISED FORM

DP NAME	**DP I.D.**	**CLIENT ID**	**NO OF SHARES OFFERED**	**NAME OF BENEFICIARY**

4. I/We have done an off market transaction for crediting the equity Shares to the special depository account in NSDL styled **"MCS Ltd.-Escrow Account - PSIL Offer"** ("Depository Escrow Account") details are as under

DP Name	: HDFC Bank Limited
Client ID Number	: 19486532
DP ID Number	: IN-301549
Depository	: National Securities Depository Limited- ("**NSDL**")

ACKNOWLEDGEMENT SLIP

Open Offer to acquire 7,20,000 equity shares of Rs. 10/- each representing 20 % of the total equity/voting capital of PSIL, at an offer price of Rs. 63.50 (Rupees Sixty Three and Paisa Fifty Only) per fully paid equity share of Rs.10/- each by BAJAJ HINDUSTHAN LIMITED.

Received from Mr. / Ms. / Mrs. .... Ledger Folio No/ Client ID. ....DP ID..Number of certificates enclosed .... under the Letter of Offer dated ___________________, Form of Acceptance, Transfer Deeds(s) and Original Share Certificate(s) as detailed hereunder:

Sr. No.	**Share Certificate No.**	**Distinctive Nos.**		**No. of equity shares**
		From	**To**	
1				
2				
3				
		Total no. of Equity Shares		

Authorised Signatory
Date

Stamp

Tear Here

5. I / We confirm that the equity shares of PSIL which are being tendered herewith by me / us under the Offer are free from liens, charges and encumbrances of any kind whatsoever.
6. I / We authorize the Acquirer to accept the equity shares so offered or such lesser number of equity shares that the Acquirer may decide to accept in consultation with the Manager to the Offer and in terms of the said Letter of Offer and I / we further authorise the Acquirer to apply and obtain on our behalf split of share certificate(s) as may be deemed necessary by them for the said purpose. I further authorize the Acquirer to return to me / us, equity share certificate(s) in respect of which the Offer is not found / not accepted, specifying the reason thereof.
7. My / Our execution of this Form of Acceptance shall constitute my / our warranty that the equity shares comprised in this application are owned by me / us and are transferred by me / us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said equity shares, I / we will hold the Acquirer, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer acquiring these equity shares. I / We agree that the Acquirer may pay the Offer Price only after due verification of the document(s) and signature(s) and on obtaining the necessary approvals as mentioned in the said Letter of Offer.
8. I / We also note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirer makes payment of consideration or the date by which Shares/ Original Share Certificate(s), Transfer Deed(s) and other documents are despatched to the shareholders, as the case may be.
9. I/We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.
10. I/We undertake to execute such further document(s) and give such further assurance(s) as may be required or expedient to give effect to my / our agreeing to sell the said equity shares.
11. I / We irrevocably authorise the Acquirer to send by Registered Post at my / our risk, the Cheque(s) / Demand Draft(s) / Pay Order(s) in settlement of consideration payable and excess share certificate(s), if any, to the Sole / First holder at the address given hereunder and if full address is not given below the same will be forwarded at the address registered with PSIL/DP :

Name and complete address of the Sole/ First holder (in case of member(s), address as registered with THE PRATAPPUR SUGAR & INDUSTRIES LIMITED):

____

______________________ **Place:** __________ **Date:** __________ **Tel. No(s). :** __________ **Fax No.:** __________

So as to avoid fraudulent encashment in transit, the shareholder(s) holding Shares in physical mode may provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. In case of shareholders holding Shares in electronic mode, bank particulars noted with the Depository Participant (DP) and forming part of the beneficial download will be incorporated in the cheque/demand draft. In case of any change in bank particulars recorded with the DP, new bank particulars duly attested by the DP should be furnished.

Bank Account No.:____________________**Type of Account:** ________________ **(Savings / Current / Other (please specify))**

Name of the Bank: ____________________

Name of the Branch and Address: ____

The Permanent Account No. (PAN / GIR No.) allotted under the Income Tax Act, 1961 is as under:

	1st Shareholder	2nd Shareholder	3rd Shareholder
PAN / GIR No.			

Yours faithfully,
Signed and Delivered:

	FULL NAME (S) OF THE HOLDERS	SIGNATURE (S)
First/Sole Shareholder		
Joint Holder 1		
Joint Holder 2		

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

INSTRUCTIONS

1 Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance.
2 The Form of Acceptance should be filled-up in English only.
3 Signature(s) other than in English, Hindi, Marathi, and thumb impressions must be attested by a Notary Public under his Official Seal.
4 Mode of tendering the Equity Shares Pursuant to the Offer:
   I. The acceptance of the Offer made by the Acquirer is entirely at the discretion of the equity shareholder of PSIL.
   II. Shareholders of PSIL to whom this Offer is being made, are free to offer his / her / their shareholding in PSIL for sale to the Acquirer, in whole or part, while tendering his / her / their equity shares in the Offer.
5. Business Hours : Mondays to Friday : 1000 hours to 1700 hours
   Saturday : 1000 to 1330 hours
   Holidays : Sundays and Bank Holidays

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

MCS Limited

Contact Person: **Mr. Ashok Gupta**
Sri Venkatesh Bhavan, Plot no.27 , Road no.11,
MIDC, Andheri (East), Mumbai 400 093
Tel No: 022-28215235 Fax no: 022-28350456
Email: mcsmum@vsnl.com

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FORM OF WITHDRAWAL CUM ACKNOWLEDGEMENT

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

OFFER OPENS ON	**: Wednesday, October 26, 2005**
LAST DATE OF WITHDRAWAL	**: Wednesday, November 9, 2005**
OFFER CLOSES ON	**: Monday, November 14, 2005**

Please read the Instruction in Letter of Offer and overleaf before filling-in this Form of Withdrawal

From:

FOR OFFICE USE ONLY
Withdrawal Number
Number of equity shares offered
Number of equity shares withdrawn

Tel. No.: Fax No.: E-mail :

To,
BAJAJ HINDUSTHAN LIMITED,
C/o MCS Limited.
Sri Venkatesh Bhavan, Plot no.27 , Road no.11,
MIDC, Andheri (East), Mumbai 400 093
Contact Person: Mr.Ashok Gupta
Tel No: 022-28215235 Fax no: 022-28350456
Email: mcsmum@vsnl.com

Dear Sirs,

Sub: Open Offer to acquire 7,20,000 equity shares of Rs. 10/- each representing 20 % of the total Share/voting capital of PSIL, at an offer price of Rs. 63.50 (Rupees Sixty Three and Paisa Fifty Only) per fully paid equity share of Rs.10/- each by BAJAJ HINDUSTHAN LIMITED

Dear Sir,

I/We refer to the Letter of Offer dated 18/10/2005 for acquiring the equity shares held by me/us in The Pratappur Sugar & Industries Limited

I/We, the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

I/We wish to withdraw our acceptance tendered in response to the said offer. We had deposited/sent our 'Form of Acceptance' to you on _________ alongwith original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

(Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance')

Sr. No.	**Share Certificate No.**	**Distinctive Nos.**		**No. of equity shares**
		From	**To**	
1				
2				
3				
		Total no. of Equity Shares		

TEAR HERE

Folio No.\DP ID Client ID: Serial No.:

(ACKNOWLEDGEMENT SLIP)

Received from Mr./Ms.________________________________

Address : ________________________________

____

Form of withdrawal in respect of ____________________ Number of Share Certificates representing ____________________ number of shares.

Signature of Official and Date of Receipt	**Stamp of Registrar to the Offer**

Note: All future correspondence, if any, should be addressed to Registrar to the Offer
MCS Limited.Sri Venkatesh Bhavan, Plot no.27 , Road no.11, MIDC, Andheri (East), Mumbai 400 093
Contact Person: Mr.Ashok Gupta Tel No: 022-28215235 Fax no: 022-28350456 Email: mcsmum@vsnl.com

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I/We note and understand the terms of withdrawal of acceptance and request you to return the original share certificate(s) and valid share transfer deed will be held in trust for me/us by you and authorize you not to remit the consideration as mentioned in the Letter of Offer.

SHARES HELD IN DEMATERLISED FORM

DP NAME	DP I.D.	CLIENT ID	NO OF SHARES OFFERED	NAME OF BENEFICIARY

12. I/We have done an off market transaction for crediting the equity Shares to the special depository account in NSDL styled "MCS Escrow Account -PSIL Offer" ("Depository Escrow Account") details are as under

DP Name : HDFC Bank Limited
Client ID Number : 19486532
DP ID Number : IN-301549
Depository : National Securities Depository Limited- ("NSDL")

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

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

In case of dematerialised Shares, I/We confirm that the signatures 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) OF THE HOLDERS	SIGNATURE (S)
First/Sole Shareholder		
Joint Holder 1		
Joint Holder 2		

Place:

Date:

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

INSTRUCTIONS

1. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 1700 hours upto the last date of withdrawal i.e. November 09 2005.

2. Shareholders should enclose the following:-
   a. **For Equity Shares held in demat form:**
   Beneficial owners should enclose
      i. Duly signed and completed Form of Withdrawal.
      ii. Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.
      iii. Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.

   b. **For Equity Shares held in physical form:**
   Registered Shareholders should enclose:
      i. Duly signed and completed Form of Withdrawal.
      ii. Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.
      iii. 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.

   Unregistered owners should enclose:
      - Duly signed and completed Form of Withdrawal.
      - Copy of the Form of Acceptance cum Acknowledgement/Plain paper application submitted and the Acknowledgement slip
3. 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.
4. 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.
5. The Form of Withdrawal alongwith enclosure should be sent only to the Registrar to the Offer.
6. 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 PSIL. The facility of partial withdrawal is available only on to Registered shareholders.
7. **Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.**

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