Recommendations of the Committee of Independent Directors (IDC) on the Open Offer to the Equity Shareholders of the Rajlaxmi Industries Limited (Target Company) under Regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

1.	Date	November 12, 2012
2.	Name of the Target Company (TC)	Rajlaxmi Industries Limited
3.	Details of the Offer pertaining to TC	Open Offer is being made by the Acquirer to the equity shareholders of the Target Company to acquire up to 2,60,000 (Two Lacs Sixty Thousand) Equity Shares of Rs. 10/- (Rupees Ten Only) each at a price of Rs.30/- (Rupees Thirty Only) per equity share payable in cash, representing 26% of the Paid Up Equity Share Capital of the Target Company as per Regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 2011, and subsequent amendments thereto ("Takeover Code")
4.	Name(s) of the acquirer and PAC with the acquirer	Acquirer is Caren Trading Private Limited ("CTPL"). There is no Person Acting in Concert with the Acquirer for the purpose of this Open Offer.
5.	Name of the Manager to the offer	Choice Capital Advisors Private Limited Shree Shakambhari Corporate Park, 156 - 158, Chakravarti Ashok Society, J.B. Nagar,Andheri (East), Mumbai 400 099 Tel: + 91 22 6707 9999 Fax: + 91 22 6707 9959 Email:sujata@choiceindia.com SEBI Regn. No. INM000011872
6.	Members of the Committee of Independent Directors (IDC)	1. Ramakant Gaggar (Chairman) 2. Navratan Gaggar 3. Prakashchand Tulsiram Bihani
7.	IDC Member's relationship with the TC (Director, Equity shares owned, any other contract / relationship), if any.	IDC Member's are the Independent Directors of the Target Company. None of the members of IDC hold any equity shares of the Target Company and nor have any relations with the Target Company's Non- Independent Directors.
8.	Trading in the Equity shares/other securities of the TC by IDC Members	None of the IDC Members have done any trading in Equity Shares of the Target Company.
9.	IDC Member's relationship with the acquirer (Director, Equity shares owned, any other contract/ relationship), if any.	None of the IDC Members is a Director in the Acquirer or holds any equity shares of Acquirer or has any relationship with the Acquirer.
10.	Trading in the Equity shares/other securities of the acquirer by IDC Members	There has been no trading in equity shares/securities of the Acquirer, a Private Limited Company, by the IDC Members.
11.	Recommendation on the Open offer, as to whether the offer is fair and reasonable	IDC believes that Open offer is fair and reasonable.
12.	Summary of reasons for recommendation	The Committee considered the following facts: The Target Company is engaged in the business of trading in textile. The Acquirer is also engaged in the same line of business and is confident of utilizing their experience and contacts to further the business prospects of Rajlaxmi and ensure sustained growth. The Target Company is not carrying out any business activity at present and has incurred losses during past years. The Book Value per Equity Shares of the Target Company as per audited accounts as on March 31, 2012 is Rs. (35.77) which is much lower than the Offer Price. The Offer price of Rs. 30/- per share offered by the Acquirer is higher by 55.44% over Target Company's Closing price on April 20, 2011 (the last traded price on BSE). Hence the Committee is of the view that the Open Offer is fair and reasonable.
13.	Details of Independent Advisors, if any.	NIL
14.	Any other matter(s) to be highlighted	NIL

To the best of our knowledge and belief, after making proper enquiry, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the Target Company under the Takeover Code.

For **Rajlaxmi Industries Limited**

Sd/-
Ramakant Gaggar
Chairman – Committee of Independent Directors

Place : Mumbai
Date : November 12, 2012