LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as shareholder(s) of **Rana Sugars 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 Rana Sugars 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

Rana Inder Partap Singh, Rana Veer Partap Singh, Rana Karan Partap Singh and Rana Preet Inder Singh OF

RANA SUGARS LIMITED

Address: 53, Sector-4, Chandigarh - 160001
Tel No.: (0172) 2743653, Fax: (0172) 2546809
To

Acquire 99,60,440 fully paid up equity shares of Rs. 10/- each representing 20% of the total Voting capital of Target Company at a price of Rs.28.50/- (Rupees Twenty Eight and paise fifty only) per fully paid equity share and Rs.14.25/- (Rupees Fourteen and Paise Twenty Five Only) per partly paid-up equity share of Rs. 10/- each, payable in Cash.

Of

RANA SUGARS LIMITED

Registered Office: SCO 49-50, Sector 8-C, Madhya Marg, Chandigarh-160009
Tel.(0172) 2540007, 2549217 Fax (0172) 2546809

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 Acquirers shall apply for approval from RBI for transfer of shares in their name in due course after successful completion of this Offer.
3. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the offer i.e. May 27, 2005 (Friday)
4. If there is any upward revision in the Offer Price by the Acquirers upto seven working days prior to the date of closure i.e. upto May 20, 2005 (Friday), 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.
5. **There is no 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 13, Community Centre,East of Kailash, New Delhi - 110065. Tel.: 011-26419079/26218274; Fax: 011-26219491; Email:delhi@charteredcapital.net Contact Person: Ms. Shweta Jain	**Alankit Assignments Limited** 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi - 110055 Tel.: 011- 51540060-63 Fax.: 011- 51540064 E-mail: mj@alankit.com Contact Person: Mr. Mahesh Jairath
OFFER OPENS ON: May 13, 2005 (Friday)	**OFFER CLOSES ON: June 01, 2005 (Wednesday)**

FOR PROCEDURE FOR ACCEPTANCE OF THIS OPEN OFFER PLEASE REFER SECTION "11" PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER (PAGE NOS. 12 TO 14)

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 and Date
1.	Date of Public Announcement (PA)	March 24, 2005 (Thursday)
2.	Specified Date	April 15,2005 (Friday)
3.	Last Date for a Competitive Bid(s)	April 14, 2005 (Thursday)
4.	Date by which Letter of Offer will be dispatched to the Shareholders	May 06, 2005 (Friday)
5.	Offer Opening Date	May 13, 2005 (Friday)
6.	Last Date for the Revision of the Offer Price / Number of Equity Shares.	May 20, 2005 (Friday)
7.	Last date to withdraw acceptance tendered by shareholders	May 27,2005 (Friday)
8.	Offer Closing Date	June 01, 2005 (Wednesday)
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.	June 14, 2005 (Tuesday)

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1. DEFINITIONS

1.	Acquirers or The Acquirers	Rana Inder Partap Singh, Rana Veer Partap Singh, Rana Karan Partap Singh and Rana Preet Inder Singh
2.	BSE	The Stock Exchange, Mumbai
3.	DSE	The Delhi Stock Exchange Association Limited
4.	FEMA	Foreign Exchange Management Act, 1999
5.	Form of Acceptance	Form of Acceptance cum Acknowledgement
6.	Form of Withdrawal	Form of Withdrawal cum Acknowledgement
7.	General Meeting	Extra-Ordinary General Meeting
8.	JSE	The Jaipur Stock Exchange Association Limited
9.	RSL/Target Company	Rana Sugars Limited
10.	LOO or Letter of Offer	Offer Document
11.	LSE	Ludhiana Stock Exchange
12.	Manager to the Offer or, Merchant Banker	Chartered Capital and Investment Limited
13.	MSE	The Madras Stock Exchange Association Limited
14.	NSE	National Stock Exchange of India Limited
15.	Offer or The Offer	99,60,440 fully paid up equity shares of Rs. 10/- each representing 20% of the total Voting capital of Target Company at a price of Rs.28.50/- (Rupees Twenty Eight and Paise Fifty only) per fully paid equity shares and Rs.14.25/- (Rupees Fourteen and paise twenty Five Only) per partly paid-up equity share of Rs. 10/- each, payable in Cash.
16.	Offer Price	Rs.28.50/- (Rupees Twenty Eight and Paise Fifty only) per fully paid equity share and Rs.14.25/- (Rupees Fourteen and paise twenty Five Only) per partly paid-up equity share of Rs. 10/- each, payable in Cash.
17.	Persons eligible to participate in the Offer	Registered shareholders of Rana Sugars Limited and unregistered shareholders who own the equity shares of Rana Sugars Limited any time prior to the Offer closure excluding the Promoters of RSL.
18.	Public Announcement or "PA"	Announcement of the Open Offer by The Acquirers, which appeared in the newspapers on March 24, 2005.
19.	Preferential Issue/ Basis	Preferential Allotment pursuant to special resolution passed u/s 81(1A) of the Companies Act, 1956 in the General Meeting of the Company.
20.	RBI	Reserve Bank of India
21.	Registrar or Registrar to the Offer	Alankit Assignments Limited
22.	SEBI	Securities and Exchange Board of India
23.	SEBI (SAST) Regulations, 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
24.	SEBI Act	Securities and Exchange Board of India Act, 1992
25.	Specified Date	April 15,2005 (Friday)
26.	Target Company	Rana Sugars Limited (RSL)

2. 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 Acquirers 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 RSL, 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 are making this offer for 20% of the Voting capital of 99,60,440 equity shares of RSL 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.

The risk factors set forth above, pertain to the offer and not in relation to the present or future business or operations of RSL 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 RSL are advised to consult their stockbrokers or investment consultants, if any for further risk with respect to their participation in the offer.

3. 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 RANA SUGARS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, 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 ACQUIRERS ARE 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 ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, CHARTERED CAPITAL AND INVESTMENT LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 05.04.2005 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 ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

4. DETAILS OF THE OFFER

4.1 Background of the Offer

4.1.1 The offer is being made under Regulation 11(1) of the SEBI (SAST) Regulations, 1997 as the Acquirers have consolidated their holding by acquiring additional shares and voting rights of RSL entitling them to exercise more than 5% of the Voting Rights, in any one Financial year. The above acquisition took place pursuant to 1,50,00,000 (One Crore Fifty Lacs only) Equity Shares being allotted by the Board of RSL to the Acquirers on Preferential Basis vide a special resolution passed u/s 81(1A) of the Companies Act, 1956 in the General Meeting of RSL

4.1.2 The Acquirers pursuant to the acquisition of 1,50,00,000 equity shares of “RSL” of Rs. 10/- each at a premium of Rs. 13/- per share aggregating to Rs.34,50,00,000/- (Rupees Thirty Four Crores and Fifty Lacs only) on preferential basis pursuant to special resolution passed u/s 81(1A) of the Companies Act, 1956 at the General Meeting of “RSL” on 04.03.2005, hold **30.08%** of the total paid up Equity Share Capital of ”RSL” and post preferential issue, the holding of the Promoter Group increased from **23.36% to 46.42% as on the date of PA** of the total paid-up capital/voting rights of RSL i.e. after considering the shares allotted on preferential basis. The pre preferential shareholding of the promoter group was 30.53% as on the date of EGM dated 04.03.2005 and 23.36% as on date of PA i.e. 24.03.2005. Pursuant to preferential allotment the promoter group holding is 51.43% as proposed in EGM notice and 46.42% as an PA date.

4.1.3 The important features of the allotment on preferential basis are laid down as under:

a. Pursuant to special resolution passed u/s 81(1A) of the Companies Act, 1956 in the General Meeting of the Company held on 04.03.2005, the Acquirers in the Board Meeting of RSL held on March 18,2005 have been allotted in aggregate 1,50,00,000 (One crore Fifty Lacs only) fully paid up equity shares of Rs.10/- each at a premium of Rs. 13/- per share on preferential basis, payable in cash representing 30.08% of the total paid up equity share capital and voting rights of "RSL". The total consideration being paid by the Acquirers for the shares acquired under the Preferential Issue is Rs.34,50,00,000/- (Rupees Thirty Four Crores and Fifty Lacs only).

b. The Acquirers pursuant to the acquisition of 1,50,00,000 equity shares of "RSL" of Rs. 10/- each at a premium of Rs. 13/- per share aggregating to Rs.34,50,00,000/- (Rupees Thirty Four Crores and Fifty Lacs only) on preferential basis pursuant to special resolution passed u/s 81(1A) of the Companies Act, 1956 at the General Meeting of "RSL" on 04.03.2005, hold 30.08% of the total paid up Equity Share Capital of "RSL".

c. The acquisition, as mentioned above by the Acquirers on preferential basis has triggered the Regulations of SEBI (SAST), Regulations, 1997 pursuant to which the Acquirers have to make a public offer to the shareholders of the Target Company "RSL" to acquire further a minimum 20% of the voting capital of the "RSL".

d. Since the Acquirers being part of the Promoter Group are acquiring more than 5% of the total paid-up share capital/ voting rights of RSL in a financial year, which is the maximum limit allowed, the Acquirers are making this Offer to the shareholders of "RSL" to acquire 99,60,440 fully paid equity shares representing 20% of the Voting Capital of "RSL" at a price of Rs. 28.50/- (Rupees Twenty Eight and Paise Fifty only) per fully paid up equity share and Rs.14.25/- (Rupees Fourteen and Paise Twenty Five only) per partly paid equity share ("Offer Price"), payable in cash subject to terms and conditions mentioned herein after.

4.1.4 Neither the Acquirers nor the Target Company have been prohibited by SEBI from dealing in securities, in terms of direction under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

4.1.5 Acquirers have not acquired any equity shares of the Target Company after the date of Public Announcement till the date of Letter of Offer.

4.1.6 There may be a change in the composition of the Board of Directors of the Target Company in course of normal business. However, there is no proposal to this effect as of today.

4.2 Details of the proposed offer

4.2.1 The Acquirers have made a Public Announcement, which was published on 24th March 2005 in the following newspapers in accordance with the Regulation 15 and pursuant to Regulation 11 of SEBI (SAST) Regulations, 1997.

Publication	Editions
Financial Express (English)	All Editions
Jansatta (Hindi)	All Editions
Navshakti (Hindi)	All Editions
Dainik Tribune (Hindi)	All Editions

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

4.2.2 The Acquirers are making this offer under the SEBI (SAST) Regulations, 1997 to acquire 99,60,440 equity shares of Rs. 10/- each fully paid up representing 20% of the paid up/voting equity share capital of "RSL" at a price of Rs. 28.50/- (Rupees Twenty Eight and paise fifty only) per fully paid up equity share and Rs.14.25/- (Rupees Fourteen and Paise Twenty Five only) per partly paid equity share ("Offer Price") payable in cash. The Offer is not subject to any minimum level of acceptances from shareholders.

4.2.3 There are 58,800 partly paid up shares in "Rana Sugars Limited".

4.2.4 The Offer is not subject to any minimum level of acceptances from the shareholders. The Acquirers will accept the equity shares of RSL those are tendered in valid form in terms of this offer upto maximum of 99,60,440 equity shares.

4.3 Object of the acquisition/offer

4.3.1 The Acquirers have consolidated their holdings and also acquired additional shares /voting rights on preferential basis entitling them to exercise more than 5% of the Voting Rights, in any Financial Year. Hence this acquisition on preferential basis has resulted in the above Offer to the Public Shareholders of RSL.

4.3.2 The Acquisition under this Offer will further enable the Acquirers to hold 20% of the Voting Capital of RSL.

5. BACKGROUND OF THE ACQUIRERS

5.1.1 The Acquirers i.e. Rana Inder Partap Singh, Rana Veer Partap Singh, Rana Karan Partap Singh & Rana Preet Inder Singh are the part of the existing Promoter Group of the Target Company, all resident of 53, Sector-4, Chandigarh. The Contact number of the Acquirers is Tele: (0172) 2743653 and Fax Number is (0172) 2546809

5.1.2 Out of the Acquirers, Rana Inder Partap Singh and Rana Karan Partap Singh are real brothers. Also, Rana Veer Partap Singh and Rana Preet Inder Singh are real brothers. Further, Rana Veer Partap Singh and Rana Preet Inder Singh are also the cousin brothers of Rana Inder Partap Singh and Rana Karan Partap Singh.

5.1.3 There is no formal agreement entered into by these Acquirers among themselves.

5.1.4 Besides looking after the business of RSL, all the Acquirers jointly look after the family business of Agriculture and farming which includes agricultural products and certified seeds that are supplied to State Government Agencies in Himachal Pradesh, Uttar Pradesh, Bihar etc.

5.1.5 As certified by Mr. S.K.Kansal (Membership No.80632), Partner, M/s. Kansal Singla & Associates, Chartered Accountants, SCO 80-81, 4th Floor, Sector 17-C, Chandigarh-160 017, Tel.: 0172-5078401-02, Fax: 0172-5072903, Rana Inder Partap Singh S/o :Rana Gurjeet Singh has a net worth of Rs. 1412.95 Lacs as on 18.03.2005 and has sufficient funds to fulfill his obligation under the offer.

5.1.6 As certified by Mr. S.K.Kansal (Membership No.80632), Partner, M/s. Kansal Singla & Associates, Chartered Accountants, SCO 80-81, 4th Floor, Sector 17-C, Chandigarh-160017, Tel.: 0172-5078401-02, Fax: 0172-5072903, Rana Veer Partap Singh S/o :Rana Ranjit Singh has a net worth of Rs. 1234 Lacs as on 18.03.2005 and has sufficient funds to fulfill his obligation under the offer.

5.1.7 As certified by Mr. S.K.Kansal (Membership No.80632), Partner, M/s. Kansal Singla & Associates, Chartered Accountants, SCO 80-81, 4th Floor, Sector 17-C, Chandigarh-160017, Tel.: 0172-5078401-02, Fax: 0172-5072903, Rana Karan Partap Singh S/o :Rana Gurjeet Singh has a net worth of Rs. 1391 Lacs as on 18.03.2005 and has sufficient funds to fulfill his obligation under the offer.

5.1.8 As certified by Mr. S.K.Kansal (Membership No.80632), Partner, M/s. Kansal Singla & Associates, Chartered Accountants, SCO 80-81, 4th Floor, Sector 17-C, Chandigarh-160 017, Tel.: 0172-5078401-02, Fax: 0172-5072903, Rana Preet Inder Singh S/o :Rana Ranjit Singh has a net worth of Rs. 1227.88 Lacs as on 18.03.2005 and has sufficient funds to fulfill his obligation under the offer.

5.1.9 The Acquirers have been complying with the requirements of provisions of chapter II of the guidelines.

5.1.10 As per the declaration given by the Acquirers, there are no litigation pending against them as on date.

5.1.11 No action has been taken by SEBI against the Acquirers under any of the Regulations made under the SEBI Act, 1992 and disclosure in this regard has been made.

5.1.12 As per the declaration given by the Acquirers, they are not a whole time Director/ Partner of any company/firm.

5.1.13 As per the declarations given by the Acquirers, Rana Veer Partap Singh, Rana Karan Partap Singh and Rana Preet Inder Singh have not promoted any other company. Out of the four Acquirers, only Rana Inder Partap Singh has promoted "Rana Informatics Limited."

5.1.14 Brief details of the company promoted by Rana Inder Partap Singh (Acquirer)

A.	Name of the company	Rana Informatics Limited
B.	Date of Incorporation	17.08.1999
C.	Nature of business	Software Development
D.	Listed at Stock exchanges	Nil
E.	Brief Financials	As below

(Rs. In Lacs)

Profit and loss statement	**Year ended 31.03.2002 (Audited)**	**Year ended 31.03.2003 (Audited)**	**Year ended 31.03.2004 (Audited)**	**Nine Months Ending 30.12.2004**
Income from Operations	4.01	72.00	117.40	86.23
Other Income	Nil	Nil	0.05	Nil
Total Income	4.01	72.00	117.45	86.23
Total Expenditure	51.71	68.28	52.73	32.23
Profit Before Depreciation, Interest & Tax	(47.70)	3.72	64.72	54.00
Depreciation	6.52	7.98	8.57	6.96
Interest	Nil	Nil	2.05	3.05
Profit Before tax	(54.22)	(4.26)	54.10	43.99
Provision for Tax	Nil	Nil	Nil	N.A.
Profit After Tax	(54.22)	(4.26)	54.10	43.99

(Rs. in lacs)

Balance Sheet Statement	**Year ended 31.03.2002 (Audited)**	**Year ended 31.03.2003 (Audited)**	**Year ended 31.03.2004 (Audited)**	**Nine Months Ending 30.12.2004**
Sources of Funds				
Paid up Share Capital	0.07	15.07	15.07	15.07
Share Application Money	106.87	83.76	47.66	44.36
Networth	(70.32)	(58.99)	(4.16)	N.A.
Secured Loans	Nil	Nil	Nil	25.15
Unsecured Loans	Nil	Nil	Nil	Nil
Total	106.94	98.83	62.73	N.A.
Uses of Funds				
Net Fixed Assets	49.23	42.29	35.86	33.90
Investments	Nil	Nil	Nil	N.A.
Net Current Assets	(12.68)	(17.52)	7.64	N.A.
Total miscellaneous expenditure not written off	3.22	2.49	1.75	1.75
Profit & Loss account	67.17	71.57	17.48	N.A.
Total	106.94	98.83	62.73	N.A.

Other Financial Data	**Year ended 31.03.2002 (Audited)**	**Year ended 31.03.2003 (Audited)**	**Year ended 31.03.2004 (Audited)**	**Nine Months Ending 30.12.2004**
Dividend (%) Nil	Nil	Nil	Nil	
Earning Per Share (in Rs.)	(7745.71)	(2.83)	35.90	29.19
Return on Networth (%)	(77.10)	(7.22)	1300	N.A.
Book Value Per Share (in Rs.)	(10045)	(39.14)	(2.76)	N.A.

* Source : As certified by Statutory Auditor Mr. S.K.Kansal (Membership No.80632), Partner, M/s. Kansal Singla & Associates, Chartered Accountants, SCO 80-81, 4th Floor, Sector 17-C, Chandigarh-160017, Tel.: 0172-5078401-02, Fax: 0172-5072903

Dividend (%)	=	(Dividend Paid/Face Value of Equity shares issued)*100
Earning Per Share	=	Profit After Tax/No. of Equity Shares issued
Return on Networth (%)	=	(Profit After Tax/Networth)*100
Book Value Per Share	=	Networth/ No. of Equity shares issued

6. Disclosure in terms of Regulation 16 (ix)

The Acquirers at present have no intention to sell, dispose of or otherwise encumber any significant assets of RSL in the succeeding two years, except in the ordinary course of business of RSL. RSL's future policy for disposal of its assets, if any, will be decided by it's 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 RSL.

7. BACKGROUND OF RANA SUGARS LIMITED

7.1.1 RANA SUGARS LIMITED ("RSL") was incorporated as a public limited company on 30.07.1991 with the Registrar of Companies, Punjab, H.P. & U.T., Chandigarh and it obtained the Certificate of Commencement of Business to carry on the business of manufacturers, importers, exporters and dealers in all types and grades of Sugar and its allied products. The registered office of the company is at present situated at SCO 49-50, Sector 8-C, Madhya Marg, Chandigarh-160 009.Tele: (0172)-2540007, 2549217 Fax: (0172) 2546809.

7.1.2 The Authorised capital of "RSL" is Rs. 50,00,00,000/- (Rs. Fifty Crores) and the present paid up equity share capital of "RSL" is Rs. 49,86,10,000/- (Rupees Forty Nine Crores Eighty Six Lacs and Ten Thousand Only) divided into 4,98,02,200 fully paid equity shares of Rs.10/- each and 58,800 partly paid shares. The present Offer is for 99,60,440 fully paid equity shares representing 20% of the Voting Capital of "RSL". According to the Articles of the Company, the partly paid up shares of the company do not carry any voting Rights.

7.1.3 The present capital structure of RSL is as under:-

Paid-up equity shares of RSL	No. of Equity Shares/ Voting Rights	% of shares/ Voting Rights
Fully paid-up equity shares	49802200	100
Partly paid-up equity shares	58800	Nil
Total paid-up equity shares	49861000	100
Total Voting Rights in RSL	49802200	100

7.1.4 The equity shares of "RSL" are at present listed on The Stock Exchange, Mumbai (BSE), Ludhiana Stock Exchange (LSE) and National Stock Exchange of India Limited (NSE). The shares of RSL were also listed at the Madras Stock Exchange Association Limited (MSE), the Delhi Stock Exchange Association Limited (DSE) and the Jaipur Stock Exchange Limited (JSE). However DSE, MSE and JSE on applications made by the Company has delisted the shares of the company w.e.f. March 31, 2005 vide its office letter no.: DSE/LIST/548 dated March 30, 2005 , w.e.f. March 07, 2005 vide its office letter no.: MSE/LD/PSK/731/178/05 dated 07.03.2005 and w.e.f. March 30, 2005 vide its office letter no.: JSEL/2005/753 dated 05.04.2005 respectively.

7.1.5 Based on the latest audited accounts for the year ending 31st March' 2004 the company has made a gross total income of Rs.10664.50 Lacs (including profit on sale of assets and increase in stock), profit after tax of Rs.709.69 Lacs and a basic/diluted earning per share of Rs.2.04. As certified by Mr. S.K.Kansal (Membership No.80632), Partner, M/s. Kansal Singla & Associates, Chartered Accountants, SCO 80-81, 4th Floor, Sector 17-C, Chandigarh-160 017, Tel.: 0172-5078401-02, Fax: 0172-5072903, the company has a gross total income of Rs. 5247 Lacs, Profit After Tax of Rs.1015 Lacs and an EPS of Rs.2.91 as on 31st December'2004.

7.1.6 The current capital structure of RSL 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
30.07.1991	7	0.00	70	Cash	Subscribers	No
10.11.1993	97,49,993	19.56	97500000	Cash	Promoters	Compliance is
10.11.1993	1,15,50,000	23.16	213000000	Cash	Public Issue	pending.
29.10.1999	72,75,800	14.59	285758000	Cash	Promoters	
31.10.2001	62,85,200	12.61	348610000	Cash	Promoters	
18.03.2005	1,50,00,000	30.08	498610000	Cash	Promoters	Listing Pending
TOTAL	**4,98,61,000**	**100**				

7.1.7 There are no outstanding convertible instruments like warrants, FCDs or PCDs etc. in RSL.

7.1.8 Based on the information made available, the Target Company and promoters have duly complied with the provisions of Chapter II of SEBI (SAST) Regulations, 1997.

7.1.9 As per the declaration given by RSL, the company has duly complied with all the requirements of Listing Agreement with the concerned stock exchanges where the shares of the company are listed/ permitted to trade and no punitive action has been taken against the company by SEBI or any Stock Exchange. As regards, Listing of 1,50,00,000 (One Crore Fifty Lacs) Equity shares issued on preferential basis, in-principle approval for listing has already been obtained by the company from BSE vide letter no.list/sg/rk/kj/2005 dtd. 22.03.2005, and from NSE vide letter no. NSE/LIST/11967-N dtd. 01.04.2005. RSL has already filed the listing applications in this regard with the Stock Exchanges. RSL has obtained find listing approval in this regard from LSE vide letter no. listing/852-54, April 20, 2005.

7.1.10 The composition of the Board of Directors of RSL as on the date of this letter of offer is as under:-

Sl.No.	Name	Designation	Date of Appointment	Educational Qualification/ Experience in no. of years	Address
1	Shri Himmat Singh	Chairman	26.04.2002	IAS/ 23 yrs	1513, Sector 34,Chandigarh.
2.	Shri Rana Ranjit Singh	Managing Director	30.07.1991	Graduate/ 15 yrs	H.No. 53, Sector-4, Chandigarh
3.	Shri S.S.Rajput	Director	31.10.2003	IAS/27 yrs	H. No. 1021, Sector 11, Chandigarh
4.	Shri A.S.Sodhi	Director	30.11.1992	Retd. IAS/ 35 yrs.	2282, Sector-21C, Chandigarh
5.	Shri S.A.S.Bajwa	Director	30.11.1992	M.A., LLB/ 30 yrs.	Village Naya Gaon, (Near Punjab Engg. College,) Distt. Ropar (Punjab)
6.	Shri S.S. Sekhon	Director	27.08.2001	B.Tech/ 25 yrs.	659/2, Sector 38A,Chandigarh
7.	Dr. Y.P.Abbi	Director	30.07.2001	PHD in Engineering/ 40 yrs.	A-1/85, Safdarjung EnclaveNew Delhi
8.	Mrs. Anjana kapoor	Director	31.10.2002	B.E. /(Chemical)/ 20 yrs	591, Sector - 8, Panchkula (Haryana)
9.	Shri Rajnish Tuli	Director	26.04.2002	B.E. (Chemical)/ 19 yrs.	104, Sector-15A, Chandigarh
10.	Shri Rana Inder Partap Singh	Director	31.10.2002	MBA/4 yrs	H.No. 53, Sector-4, Chandigarh
11.	Shri Rana Veer Partap Singh	Director	31.10.2002	BBA/4 yrs	H.No. 53, Sector-4, Chandigarh
12.	Shri Baljit Singh	Director	30.07.2004	Chemical Engineer/ 32 yrs.	264, Shivalik Enclave, NAC Manimajra, Chandigarh

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

7.1.12 The audited financial information of RSL is as under: -

(Rs. In Lacs)

Profit and loss statement	**Year ended 31.03.2002 (Audited)**	**Year ended 31.03.2003 (Audited)**	**Year ended 31.03.2004 (Audited)**	**Nine Months Ending 30.12.2004***
Income from Operations	8587	9863	10351	5164
Other Income	65	138	313	83
Total Income	8652	10001	10665	5247
Total Expenditure	7090	8018	8135	3286
Profit Before Depreciation, Interest and Tax	1562	1982	2530	1961
Depreciation	403	578	610	305
Interest	890	850	866	555
Profit before Tax	269	555	1054	1101
Provision for Tax	108	210	344	86
Profit After Tax	161	345	710	1015

(Rs. in lacs)

Balance Sheet Statement	**Year ended 31.03.2002 (Audited)**	**Year ended 31.03.2003 (Audited)**	**Year ended 31.03.2004 (Audited)**	**Nine Months Ending 30.12.2004***
Sources of Funds				
Paid up Share Capital	3483	3483	3483	3483
Reserves and Surplus (excluding revaluation reserves)	1986	2365	2746	N.A
Secured Loans	8518	7594	9004	1494
Unsecured Loans	1409	1524	1564	1452
Deferred Tax Liability	222	390	660	N.A
Total	15618	15356	17456	N.A
Uses of Funds			N.A	
Net Fixed Assets	9583	9525	9680	9680
Investments	-	-	4	4
Net Current Assets	6003	5816	7754	6025
Total miscellaneous expenditure not written off	32	15	19	10
Total	15618	15356	17456	N.A
Networth**	5659	6223	6870	N.A

Other Financial Data	Year ended 31.03.2002 (Audited)	Year ended 31.03.2003 (Audited)	Year ended 31.03.2004 (Audited)	Nine Months Ending 30.12.2004
Dividend (%) -	-	10	-	
Earning Per Share (in Rs.)	0.46	0.99	2.04	2.91
Return on Networth (%)	2.84	5.54	10.33	N.A
Book Value Per Share (in Rs.)	16.23	17.85	19.71	N.A

* Source : As certified by Mr. S.K.Kansal (Membership No.80632), Partner, M/s. Kansal Singla & Associates, Chartered Accountants, SCO 80-81, 4th Floor, Sector 17-C, Chandigarh-160 017, Tel.: 0172-5078401-02, Fax: 0172-5072903

** Deferred Tax Liability has been added to Networth.

Dividend (%)	=	(Dividend Paid/Face Value of Equity shares issued)*100
Earning Per Share	=	Profit After Tax/No. of Equity Shares issued
Return on Networth (%)	=	(Profit After Tax/Networth)*100
Book Value Per Share	=	Networth/ No. of Equity shares issued

7.1.13 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		Shares/voting rights acquired Which triggered off the Regulations		Shares/Voting rights to be acquired in the open offer (assuming full acceptances)		Shareholding/voting rights after the acquisition and Offer i.e.	
		(A)		(B)		(C)		(A+B+C)	
		No.	%	No.	%	No.	%	No.	%
1.	**Promoter Group**								
	(a) Acquirers								
	- Rana Inder Partap Singh	Nil	Nil	3750000	7.52				
	- Rana Veer Partap Singh	Nil	Nil	3750000	7.52	9960440	20	24960440	50.08
	- Rana Karan Partap Singh	Nil	Nil	3750000	7.52				
	- Rana Preet Inder Singh	Nil	Nil	3750000	7.52				
	(b) Other Promoters								
	- Rana Ranjit Singh	1359561	3.89	Nil	Nil	Nil	Nil	1359561	2.73
	- Rana Gurjeet Singh	1399141	4.01	Nil	Nil	Nil	Nil	1399141	2.80
	- Mrs. Rajbans Kaur	1070001	3.06	Nil	Nil	Nil	Nil	1070001	2.15
	- Rana Hardeep Singh	1	0.00	Nil	Nil	Nil	Nil	1	0.00
	- Rana Mohendra Papers Ltd.	30000	0.08	Nil	Nil	Nil	Nil	30000	0.06
	- Punjab Agro Ind. Corp. Ltd.	1737000	5	Nil	Nil	Nil	Nil	1737000	3.48
	- Punjab Energy Development Agency	2550000	7.32	Nil	Nil	Nil	Nil	2550000	5.10
	Total of (a + b)	**8145704**	**23.36**	**15000000**	**30.08**	**9960440**	**20**	**33106144**	**66.40**
2.	**Non Promoter (Other than 1)**								
	(a) Instuitutional Investors MFs & UTI	45300	0.13	Nil	Nil				
	(b) Banks, Insurance Companies (Central/State/Govt. Institutions/ Non-Govt. Institutions)	2000	0.01	Nil	Nil	(9960440)	(20)	16754856	33.60
	(c) Financial Institutions	150000	0.43	Nil	Nil				
	(d) Others (Private Corporate Bodies)	8171711	23.44	Nil	Nil				
	(e) Indian Public & NRIs/OCBs	*18346285	52.63	Nil	Nil				
	Total of 2 (a + b+c+d+e)	**26715296**	**76.64**	**Nil**	**Nil**	**(9960440)**	**(20)**	**16745856**	**33.60**
	Grand Total (1 to 2)	**34861000**	**100**	**15000000**	**30.08**	**Nil**	**Nil**	**49861000**	**100**

Note : The data within bracket indicates sale of equity shares.

* Includes 58800 shares which are partly paid up shares and do not carry any voting rights. The number of shares under the Offer (i.e.. 20%) has been calculated considering only the fully paid shares which carry voting rights.

7.1.14 The number of shareholders in RSL in public category as on April 15, 2005 i.e. the specified date is 46,410

7.1.15 The company has complied with the conditions of corporate governance.

7.1.16 Following Litigation if pending in the court:-

S.No.	Name of the Party	Nature of case	Amount involved	Status of the case
1	Amritsar pulp & Board Pvt. Limited	Recovery of amount	18.51 Lakhs	The suit decreed in favour of RSL. The opposite party has filed of sale of bagasse appeal in Court of higher jurisdiction.

7.1.17 The name and contact details of the compliance officer are as under:-

Name of the Compliance Officer:
Mr. M. K. Raina, Company Secretary
Contact Address:
SCO 49-50, Sector 8-C, Madhya Marg,Chandigarh-160 009.
Contact Number:
(0172)-2540007, 2549217, Fax: (0172) 2546809. Mobile : 09815900913

8. OFFER PRICE AND FINANCIAL ARRANGEMENTS

8.1 (A) Justification of Offer Price (as per Regulation 20(4) of the Guidelines)

8.1.1 The shares are frequently traded as per the data available with The Stock Exchange, Mumbai (BSE) (Source: www.bseindia.com) and the National Stock Exchange (NSE) (Source: www.nseindia.com). The shares of the Company got listed/permitted to Trading at NSE w.e.f. 24.02.2005 The annualized trading turnover of shares at BSE and NSE were 519% and 17% respectively (based on trading volume of the shares for six calendar months preceding the PA date). The shares of the Target Company are not traded during the relevant period in any other exchange, where they are listed/permitted to trade. The Offer Price of Rs.28.50/- (Rupees Twenty Eight and Fifty Paise only) per fully paid up equity share and Rs.14.25/- (Rupees Fourteen and Paise Twenty Five only) per partly paid up equity share has been arrived at as per Regulation 20(4) of SEBI (SAST) Regulations, 1997, after taking into account the highest of (a) trading price at BSE for the shares during the relevant period (average of weekly high and low of the closing prices of the shares for 26 weeks preceding the PA date at BSE (Rs. 20.78/-) and average of the daily high and low of the prices of shares during the two weeks preceding the PA date at BSE (Rs. 28.31/-) and at NSE (Rs.28.38/-) and is justified.

8.1.2 The annualized trading turnover during the preceding six calendar months from the date of PA in BSE and NSE is detailed below:

S.No.	Name of the Stock Exchange	Total no. of equity shares traded during the 6 calendar months prior to the month in which PA was made	Total no. of equity shares listed	Annualized Trading turnover (In terms of % to total listed shares)
1	BSE*	129335313	49861000#	519%
2	NSE**	4282299	49861000#	17%
3	LSE	-	49861000#	-

* Source: www.bseindia.com
**Source; www.nseindia.com
Includes 1,50,00,000 equity shares allotted on preferential basis but not yet listed. (Note : No trading data available from LSE)

8.1.3 As the annualized trading turnover (by number of equity shares) of RSL shares at Stock Exchange, Mumbai & National Stock Exchange was 519% and 17% respectively of the total equity shares, the equity shares of RSL are frequently traded at BSE and NSE. The Offer price of Rs. 28.50/- per fully paid up shares and Rs. 14.25/- per partly paid up share has been arrived as per the Regulation 20(4) of SEBI (SAST) Regulations, 1997, after taking the highest of the following prices:-

Negotiated Price under the agreement referred to in clause (a) of sub-regulation (4) of regulation 20	Not Applicable
Highest Price paid by the Acquirer for acquisition including the Preferential Issue during the twenty six week period prior to the date of Public Announcement.	Rs.10/- each at a premium of Rs. 13/- per share
Highest average price calculated as per regulation 20(4)(c) during the 26 weeks preceding the date of PA:- at BSE	Rs.20.78/-
Highest average price calculated as per regulation 20(4)(c) during the 2 weeks preceding the date of PA:-at BSEat NSE	Rs.28.31/-Rs.28.36/-
Other Parameters:- Return on Net Worth as on 31.03.2004 Book Value Per Share as on 31.03.2004 Earning Per Share as on 31.12.2004	Rs.10.33/-Rs.19.71/-Rs.2.91/-

The Highest Price of the above is Rs.28.36/-. Hence, the offer price of Rs.28.50/- is justified.

8.1.4 If the Acquirers 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 officer, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the offer.

8.1.5 The details of Trading prices for RSL shares during the last 26 weeks is as under:-
BSE

Week No.	Week Ending	High(Rs.)	Low(Rs.)	Average	Volume
1	24th September	14.50	13.90	14.20	1371147
2	1st October	15.10	14.65	14.88	1652682
3	9th October	15.85	14.75	15.30	1598698
4	15th October	15.70	15.40	15.55	879210
5	21st October	15.45	15.30	15.38	699759
6	29th October	16.20	15.10	15.65	1997963
7	5th November	16.55	15.95	16.25	3805531
8	12th November	17.85	15.60	16.73	8095084
9	19th November	16.10	16.05	16.08	6885181
10	24th November	17.00	16.35	16.68	1842811
11	3rd December	17.25	16.30	16.78	3234057
12	10th December	20.65	17.60	19.13	11118840
13	17th December	21.45	19.85	20.65	5367059
14	24th December	21.70	19.50	20.60	4538122
15	31st December	25.10	21.20	23.15	8383533
16	7th January	26.65	23.45	25.05	15325566
17	14th January	24.55	20.55	22.55	4813648
18	20th January	22.45	21.90	22.18	1885549
19	28th January	23.50	21.15	22.33	5410632
20	4th February	26.20	22.65	24.43	11963811
21	11th February	29.85	27.15	28.50	11048239
22	18th February	26.20	24.85	25.53	4381113
23	25th February	26.90	24.70	25.80	3755985
24	4th March	31.60	29.70	30.65	22477688
25	11th March	29.90	26.85	28.38	5066476
26	18th March	28.95	27.15	28.05	4636860
Average				**20.78**	

The details of Trading prices for RSL shares at BSE during the last 2 weeks is as under:-
BSE

Day No.	Dates	High(Rs.)	Low(Rs.)	Average(Rs.)	Volume
1	7th March	32.10	29.55	30.83	1400920
2	8th March	30.35	28.55	29.45	925795
3	9th March	29.20	27.30	28.25	656247
4	10th March	27.95	26.55	27.25	1230532
5	11th March	27.90	26.80	27.35	852982
6	14th March	27.45	27.00	27.23	350864
7	15th March	29.95	27.30	28.63	2576680
8	16th March	29.50	28.00	28.75	793903
9	17th March	28.35	27.25	27.80	385379
10	18th March	28.30	26.80	27.55	530034
Average				**28.31**	

NSE

Day No.	Dates	High(Rs.)	Low(Rs.)	Average(Rs.)	Volume
1	7th March	32.50	29.80	31.15	1815061
2	8th March	30.50	28.80	29.65	1400800
3	9th March	29.20	27.45	28.33	800307
4	10th March	28.00	26.40	27.20	1452903
5	11th March	27.80	26.70	27.25	1116413
6	14th March	27.55	27.00	27.28	321023
7	15th March	29.90	27.30	28.60	2748383
8	16th March	29.70	28.10	28.90	1056345
9	17th March	28.50	27.10	27.80	406654
10	18th March	28.25	26.70	27.48	529499
Average				**28.36**	

Note: As the shares of target company has been listed on National Stock Exchange on 24.02.2005, therefore the data pertaining to 26 weeks could not be considered.

8.1.6 **(B) Justification of Offer Price (as per Regulation 20(5) of the Guidelines)**
The Offer price is also justified under Regulation 20(5) of the Regulations, after considering the following Parameters:-

Return on Net Worth as on 31.03.2004	Rs.10.33/-
Book Value Per Share as on 31.03.2004	Rs.19.71/-
Earning Per Share as on 31.12.2004	Rs.2.91/
Highest Price that was paid by the Acquirer in a preferential Issue	Rs.23/-

The highest of the price as reflected above is Rs.23/- and hence the offer price being higher than this is also justified under regulation 20(5).

8.2 Financial Arrangements

8.2.1 The Acquirers have confirmed that the firm financial arrangements required to meet the obligation under the offer are in place and are available with them. The consolidated Net Worth of the Acquirers as at 18.03.2005 is Rs. 5265.83 Lacs, which is sufficient surplus funds to meet the obligations under this offer.

8.2.2 The total fund requirements for the acquisition of 99,60,440 fully paid equity shares/voting capital of "RSL" at Rs.28.50/- per share is Rs.28,38,72,540/- (Rupees Twenty Eight Crores Thirty Eight Lacs Seventy Two Thousand Five Hundred Forty Only). In accordance with Regulation 28 of the SEBI (SAST) Regulations, 1997 the Acquirers have created an Escrow Account in the form of a cash deposit for an amount of Rs.7,15,00,000/- (Rupees Seven Crores Fifteen Lacs Only) being more than 25% of the total consideration payable to shareholders under the offer with The IDBI Bank Limited, K.G. Marg, New Delhi vide the Escrow Agreement dated March 21, 2005 entered into by and between the Acquirers, the IDBI Bank Limited and the Manager to the Offer.

8.2.3 The Acquirers has empowered Chartered Capital and Investment Limited, Manager to the Offer to operate and realize the value of the Escrow Account in terms of SEBI (SAST) Regulations, 1997.

8.2.4 In terms of Regulation 28(13), in case of non-fulfillment of obligations by the Acquirers, the Manager to the Offer shall ensure realisation of escrow amount by way of foreclosure of deposit.

8.2.5 The Manager to the Offer has satisfied itself about the Acquirers's ability to implement the offer in accordance with the SEBI (SAST) Regulations, 1997.

9. TERMS AND CONDITIONS OF THE OFFER

9.1 Persons eligible to participate in the Offer

9.1.1 Registered shareholders of RSL and unregistered shareholders who own the equity shares of RSL any time prior to the date of Closure of the Offer are eligible to participate in the Offer.

9.1.2 As certified by Mr. S.K.Kansal (Membership No.80632), Partner, M/s. Kansal Singla & Associates, Chartered Accountants, SCO 80-81, 4th Floor, Sector 17-C, Chandigarh-160 017, Tel.: 0172-5078401-02, Fax: 0172-5072903, vide its certificate dated 30.03.2005 the 1,50,00,000 Equity shares to the Director/Promoters of the Target Company shall be subject to Lock-in and shall not be sold/ transferred/hypothecated until 17th March, 2006/ 17th March, 2008. The details of Lock-in is specified as below:-

Name of Shareholders	Number of shares	Distinctive Number		Lock-in upto
		From	To	
Rana Inder Partap Singh	1256950	34861001	36117950	17.03.2006
Rana Inder Partap Singh	2493050	36117951	38611000	17.03.2008
Rana Veer Partap Singh	1256950	38611001	39867950	17.03.2006
Rana Veer Partap Singh	2493050	39867951	42361000	17.03.2008
Rana Karan Partap Singh	1256950	42361001	43617950	17.03.2006
Rana Karan Partap Singh	2493050	43617951	46111000	17.03.2008
Rana Preet Inder Singh	1256950	46111001	47367950	17.03.2006
Rana Preet Inder Singh	2493050	47367951	49861000	17.03.2008

9.1 Statutory Approvals

9.2.1 Approval for transfer of shares of a Company registered in India by a Non Resident to a person resident in India is required. The Acquirers shall apply for approval from RBI for transfer of shares in their name in due course after successful completion of this Offer.

9.2.2 As on date of this Public Announcement, to the best of Acquirers's knowledge, there are no other statutory approvals required, other than that indicated above. The Acquirers will not proceed with the offer to the extent the statutory approval that is enumerated above being refused in terms of the SEBI (SAST) Regulations, 1997.

9.2.3 The offer would be subject to all other statutory approvals that may become applicable at a later date before the completion of offer.

9.2.4 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 Acquirers for payment of consideration to shareholders subject to Acquirers agreeing to pay interest as directed by SEBI. Further in case the delay occurs on account of willful default by the Acquirers in obtaining the approvals, Regulation 22 (13) of SEBI (SAST) Regulations, 1997, will also become applicable.

9.2.5 The Acquirers shall withdraw this offer if the statutory approval(s) required as above is refused as provided in Regulation 27 of the SEBI (SAST) Regulations, 1997.

9.3 Others

10.3.1 Accidental omission to dispatch 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.

10.3.2 This Letter of Offer has been mailed to all the shareholders of RSL, whose names appeared on the Register of Members of RSL as on April 15,2005 (Friday), being the Specified Date.

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

10.3.4 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.

10. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

10.1 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 /registered post or through courier, as the case may be, at the address mentioned in Para 11.17 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

10.2 The Registrar to the Offer, **M/s. Alankit Assignments Limited** has opened a special depository account with its own Depository Division **(Depository-National Securities Depository Limited).**

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

10.4 Beneficial owners 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 5.00 PM upto the date of closure of the offer i.e. **June 01, 2005 (Wednesday).**

- 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 RSL.
- 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 RSL or on the Share Certificate issued by RSL) as per the specimen signature(s) lodged with RSL 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.

10.5 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 5.00 PM upto the date of closure of the offer **i.e. June 01, 2005 (Wednesday) 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 **"Alankit-RSL-OPEN OFFER Escrow A/c" ("Depository Escrow Account")** filled in as per the instructions given below:

DP Name	**:**	**Alankit Assignments Limited**
DP ID Number	**:**	**IN30018**
Client ID Number	**:**	**10814625**
Depository	**:**	**National Securities Depository Limited**

- Delivery Instruction: Special attention should be paid to the following:-

- Beneficial owners, who hold equity Shares of RSL 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., June 01, 2005 (Wednesday) 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 National Securities Depository Limited **("NSDL")** have to use inter-depository delivery instruction slip for the purpose of crediting their shares in favour of the special depository account with **NSDL.**

10.6 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).

10.7 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.

10.8 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 RSL

10.9 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.

10.10 **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 5.00 PM upto the Offer Closing Date i.e. June 01, 2005 (Wednesday), else the application would be rejected.

10.11 **The offer documents are being dispatched to only those shareholders, who are eligible to participate in the offer. The Acquirers being not eligible are not entitled to receive the offer documents.**

10.12 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 5.00 PM upto the date of closure of the offer i.e. June 01, 2005 (Wednesday).

10.13 Persons who own equity shares of RSL any time prior to the date of Offer Closure, but are not registered holders, can tender their equity shares for purchase by the Acquirers, 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 recognized 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 5.00 PM on June 01, 2005 (Wednesday).**

10.14 No indemnity is required from the unregistered shareholders.

10.15 In case the Share Certificate(s) and the instrument(s) of transfer are lodged for transfer with RSL, then **the Form of Acceptance** should be accompanied by (i) the Share Transfer Deed(s) and (ii) the acknowledgement of lodgment or receipt issued by RSL 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 lodgment or receipt issued by RSL. 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 lodgment or receipt issued by RSL.

10.16 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 11.5 above, so as to reach the Registrar to the Offer on or before 5.00 PM upto the date of Closure of the Offer **i.e. June 01, 2005 (Wednesday).** Such shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

10.17 The following collection centre 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.	Alankit Assignments Limited205-208, Anarkali Complex,Jhandewalan Extension New Delhi - 110 055Tel.: 011-51540060-63; Fax: 011-51540064;Email: mj@alankit.com Contact Person: Mr. Mahesh Jairath	Monday to Friday 10.30 a.m. to 5.00 p.m. Saturday 10.30 a.m. to 1.30 p.m.	Hand Delivery / Courier/ Registered Post

Holidays: Sundays and Bank Holidays

10.18 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 RSL who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are dispatched / returned.

10.19 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. May 27, 2005 (Friday).** 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 5.00 PM upto the last date of withdrawal i.e. May 27, 2005 (Friday).**

10.20 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:-

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

10.22 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 delivery instruction in "off market" mode, duly acknowledged by the DP, in favour of the **"Alankit -RSL Open Offer Escrow A/c" ("Depository Escrow Account").**

10.23 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. Physical shares withdrawn by shareholders would be returned to the shareholders by Registered post.

10.24 The Acquirers shall acquire the shares received from the shareholders under the offer on a proportional basis in terms of Regulation 21(6) & the intimation of returned shares to the Shareholders will be sent at the address as per the records of RSL.

10.25 **Acquirers will acquire all the 99,60,440 fully paid-up equity shares tendered in the Offer with valid applications. In case the shares received under the offer exceeds the offer size, then the acquirers will accept shares on proportionate basis.**

10.26 Method of Settlement

10.26.1 The marketable lot of RSL is 1 {one} equity share.

10.26.2 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 RSL 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 Acquirers only upon the fulfillment of all the conditions mentioned herein the Letter of Offer and Form of Acceptance.

10.26.3 On fulfillment of all the conditions herein mentioned, the Letter of Offer and Form of Acceptance, the Acquirers 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 RSL whose equity shares are accepted by the Acquirers at his address registered with RSL. **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.

10.26.4 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.

10.26.5 The Acquirers shall endeavour to complete all procedures relating to the Offer within fifteen days from the date of **Closure of the Offer (i.e. June 01, 2005 (Wednesday),** including payment of consideration to the shareholders of RSL whose equity shares are accepted for purchase by the Acquirers.

10.26.6 **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 Acquirers 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 Acquirers 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 Acquirers will send the proof of having deducted and paid the tax along with the payment consideration.**

10.26.7 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 Acquirers 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.

10.27 General

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

10.27.2 Neither the Acquirers 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.

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

10.27.4 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.

10.27.5 If there is any upward revision in the Offer Price (Regulation 26) by the Acquirers 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.

10.27.6 There is no competitive bid.

10.27.7 Acquirers do not hold any share in the Target Company except 1,50,00,000 fully paid equity shares acquired on preferential basis.

10.27.8 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 5.00 PM upto three working days prior to the date of Closure of the Offer, i.e. May 26, 2005 (Thursday), as mentioned in para 11.19.

10.27.9 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.**

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

10.27.11 Applications which are complete in all respect and which reach the Registrar to the Offer on or before the date of closure of offer **i.e. June 01, 2005 (Wednesday)** would be approved and the shares so offered would be accepted by the Acquirers free from all lien, charges, encumbrances along with all the rights attached to the shares like the right to all dividends, bonus and right shares and all other rights as are attached to such acquired shares.

11. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the Office of the Manager to the Offer i.e. Chartered Capital and Investment Limited, 13, Community Centre, East of Kailash, New Delhi-110 065, from 10:00 a.m. to 5:00 p.m. on all working days except Sundays, until the closure of the Offer:

11.1 Net worth Certificates issued by Chartered Accountant certifying the net worth of the Acquirers.

11.2 Net worth certificates issued by Chartered Accountant certifying the adequacy of financial resources with the Acquirers to fulfill the open offer obligations.

11.3 Audited Annual Reports of "RSL" for the financial year 2004, 2003 and 2002.

11.4 A letter from IDBI BANK confirming the amount kept in Escrow Account and that the lien is in favour of Chartered Capital and Investment Limited.

11.5 Copy of the Notice of the General Meeting held on 04.03.2005, wherein the approval for allotting 1,50,00,000 Equity shares to the Acquirers, on preferential basis u/s 81(1A) of the Companies Act, 1956 was taken from the shareholders of RSL.

11.6 Published copies of the Public Announcement dated March 24,2005.

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

11.8 A copy of the agreement entered with DP for opening special depository account for the purpose of the Offer.

12. DECLARATION BY THE ACQUIRERS

12.1. The Acquirers accept full responsibility for the information contained in this Letter of Offer.

12.2 Each of the Acquirers would be severally and jointly responsible for ensuring compliance with the Regulations.

For and on behalf of all Acquirers
Rana Inder Partap Singh

Place: New Delhi

Date: April 30, 2005

13. Enclosures

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