LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder(s) of **RDB INDUSTRIES LIMITED**. If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager to the offer/ Registrar to the Offer. In case you have recently sold your equity shares in the company, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum- Acknowledgement, Form of Withdrawal and Transfer Deed to the member of the stock exchange through whom the said sale was affected.

CASH OFFER

By

Mr. Vinod Dugar & Mrs. Sheetal Dugar ("Acquirers")

63, Park Street Kolkata- 700 016

Ph: +91 33 2248 5146/6941 Fax:+ 91 33 2243 6569

Along with

Ankur Constructions Pvt Ltd and Loka Properties Pvt Ltd (" Persons acing in concert")

Registered Office: 8/1, Lal Bazaar Street, Kolkata-700 001

to the shareholders of

RDB INDUSTRIES LIMITED. ("RDB" or "Target Company")

Bikaner Building 1st Floor, 8/1, Lal Bazaar Street, Kolkata-700 001

Ph:+91 33 2243 5646/6568, Fax:+ 91 33 2242 0588

To acquire up to 20,00,000 fully paid up Equity Shares of Rs. 10/- each representing 20% of the expanded paid-up equity share capital of RDB Industries Ltd **at a price of Rs.70/- (Rupees Seventy only) per Equity Share (the "Offer Price")**

The Offer is being made by Mr. Vinod Dugar and Mrs. Sheetal Dugar ("Acquirers") pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("SEBI (SAST) Regulations").

- The Offer is not subject to a minimum level of acceptance.
- This is not a competitive bid.
- As on the date of this Letter of Offer, as per Acquirers, no statutory or regulatory approval is required for the Acquirers to proceed with this Offer. If any statutory approvals become applicable at a later date, the offer would be subject to such statutory approvals. In case the statutory approvals are not obtained, the Acquirers will not proceed with the Offer.
- **Shareholders who accept the Offer by tendering the requisite documents, in terms of the Public Announcement/ Letter of Offer, can withdraw the same up to 3 (three) working days prior to the date of closure of the Offer, in terms of Regulations 22 (5A) of the SEBI (SAST) Regulations. (i.e. Wednesday, August 30,, 2006).**
- The Acquirers can revise the Offer Price upwards up to 7 (seven) working days prior to the date of closure of the Offer (i.e. Thursday August 24, , 2006). If there is any upward revision in the Offer Price by the Acquirers till the last date for revising the Offer Price, or if the Offer is withdrawn, the same would be communicated by a public announcement in the same newspapers in which the Public Announcement appeared. The Acquirers would pay such revised Offer Price for all the Equity Shares validly tendered any time during the Offer and accepted under the offer.
- **If there is a competitive bid(s):**
  - **The public offers under all the subsisting bids shall close on the same date;**
  - **As the Offer Price cannot be revised during 7 (seven) working days prior to the closing date of the offers/ bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.**

Copy of the Public Announcement and the Letter of Offer (including Form of Acceptance and Form of Withdrawal) is also available on SEBI's website (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
MICROSEC Microsec Capital Limited Azimganj House, 2nd Floor 7, Camac Street, Kolkata 700 017 Tel.: (033) 2282 9330 (5 Lines) Fax: (033) 2282 9335 SEBI Regd No. INM 000010791 Contact Person: Mr. Kamlesh Agarwal E-mail: kagarwal@microsec.co.in Website: www.microsec.co.in	Niche Technologies Pvt. Ltd. D-511, Bagree Market 71, B R B Basu Road Kolkata - 700001 Ph - 033-22357270/7271 Fax - 033-22156823 Contact Person: Ms. Seema Bhuwalka E- Mail: seema@nichetechpl.com

THE TABLE BELOW SUMMARIZES THE SCHEDULE OF ACTIVITIES

SL. NO	Activity	Original- Day and Date	Revised- Day and Date
a)	Public Announcement (PA) Date	Friday, May 05, 2006	Friday, May 05, 2006
b)	Specified Date	Friday, June 02,2006	Friday, June 02,2006
c)	Last date for a competitive bid	Friday, May 26,2006	Friday, May 26,2006
d)	Date by which Letter of Offer to be dispatched to shareholders	Monday, June 19, 2006	Friday August 11, 2006
e)	Offer opening Date	Wednesday, June 28, 2006	Wednesday August 16, 2006
f)	Last date for revising the Offer Price	Thursday July 06,2006	Thursday August 24, 2006
g)	Last date for withdrawal by the shareholders	Wednesday July 12, 2006	Wednesday August 30, 2006
h)	Offer closing Date	Monday July 17, 2006	Monday, September 04, 2006
i)	Date by which the acceptance/rejection would be intimated and the corresponding payment for the acquired shares and/or share certificates for the rejected shares would be dispatched	Tuesday, August 01, 2006	Tuesday September 19, 2006

RISK FACTORS

The risk factors set forth below pertain to the Offer and are not in relation to the present or future business operations of the Target Company or its subsidiaries or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the Offer. Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for analyzing all the risks with respect to their participation in the Offer.

Risks related to the proposed Offer

1. In the event that either (a) there is any litigation leading to a stay on the Offer, or (b) Regulatory approval if any are not received in time or (c) SEBI instructs the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of RDB Industries Limited whose Shares have been accepted in the Offer as well as the return of the Shares not accepted by the Acquirers may be delayed.
2. If the aggregate of the valid responses to the offer exceeds offer size, then the Acquirers shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the Regulations. In such an event all the equity shares tendered by the applicant may not be accepted.
3. The Acquirers make no assurance with respect to the financial performance of the Target Company or with respect to its investment/divestment relating to its proposed shareholding in the target company
4. The Acquirers make no assurance of market price of shares of the target company during or after the offer.

5. The Shares tendered in the Offer will lie to the credit of a designated escrow account, till the completion of the Offer formalities. The Acquirers make no assurance with respect to the market price of the Shares both during the Offer period and upon completion of the Offer, and disclaim any responsibility 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 are not in relation to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Shareholder in the Offer. Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the Offer.

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1 DEFINITIONS

Acquirers	Mr. Vinod Dugar and Mrs. Sheetal Dugar
BSE	Bombay Stock Exchange Limited
CSE	Calcutta Stock Exchange Association Limited
CDSL	Central Depository Services (India) Limited
Date of closure of Offer	Monday September 04, 2006
DP	Depository Participant
Letter of Offer/LOO	This Letter of Offer
Eligible Person(s) for the Offer	Registered shareholders of RDB Industries Limited, and unregistered shareholders who own the equity shares of RDB Industries Limited at any time prior to the Offer closure other than the Acquirers.
EGM	Extraordinary General Meeting
Expanded Post Issue Paid Up Voting Capital	The post preferential expanded paid up voting capital of RDB Industries Limited.
Form of Acceptance/FOA	Form of Acceptance cum Acknowledgement
FOW	Form of Withdrawal
Microsec/MCL/Manager to the offer/MB/Merchant Banker	Microsec Capital Limited
NSDL	National Securities Depositories Limited
Offer	Open Offer for acquisition of 20,00,000 equity shares, representing 20.00% of the expanded post preferential issue and paid up voting capital at the Offer Price.
Offer Price	Rs 70.00
Public Announcement/PA	Public Announcement of the Offer made by the Acquirers on May 05, 2006
PACs	Persons Acting in Concert Viz, Ankur Constructions Pvt Ltd and Loka Properties Pvt Ltd.
RDB	RDB Industries Limited
Registrar/ Registrar to the Offer/Niche	Niche Technologies Pvt Limited
Regulations	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof.
SEBI	Securities & Exchange Board of India
SEBI Act	Securities & Exchange Board of India Act 1992
SEBI Takeover Code	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof.
Share(s)	Fully Paid up equity shares of face value of Rs 10/- each of RDB Industries Limited
Specified Date	Date for the purpose of determining the names of Shareholders, as appearing in the Register of Members of RDB, to whom the Letter of Offer should be sent, i.e. Friday June 02, 2006
Target Company/RDB	RDB Industries Limited

2 DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE 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 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 SEBI (SAST) REGULATION. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF RDB INDUSTRIES 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 TARGET COMPANY WHOSE EQUITY SHARES/ CONTROL 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 THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, MICROSEC CAPITAL LIMITED, THE MANAGER TO THE OFFER, HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MAY 08, 2006 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. 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.

3 DETAILS OF THE OFFER

3.1 Background of the Offer

The acquirers have acquired more than 26% of the issued and paid up share capital in Ankur Constructions Pvt. Ltd and Loka Properties Pvt. Ltd on April 28, 2006, which hold 375,000 equity shares and 377,100 equity shares aggregating to 5.906% and 5.939% respectively of the paid up capital of RDB. Pursuant to this acquisition and subsequent preferential issue , Regulation 11 is triggered for indirect increasing of holding of the acquirers in RDB.

On July 24, 2006, the Board of Directors of Target Company issued and allotted, on preferential basis, 36,50,000 Equity Shares for cash, at a price of Rs. 70/- (Rupees Seventy Only) which includes a premium of Rs. 60/- (Rupees Sixty Only) per Equity Share, aggregating Rs. 25,55,00,000 (Rupees Twenty five Crore fifty five Lacs Only) to the Acquirers and others in accordance with Chapter XIII of the SEBI Guidelines. The shares have been issued pursuant to receipt of in principle listing approval from BSE on July 17, 2006 and pursuant to receipt of the subscription money from the acquirers. A Preferential Share Subscription Agreement dated April 28, 2006 was entered into between the target Company and the persons to whom the preferential shares were allotted as mentioned below:

Particulars	No. of Shares
Promoters	
Mr. Vinod Dugar	20,00,000
Mrs. Sheetal Dugar	10,00,000
Sub-Total	**30,00,000**
Outside Entities	
Chamatkar.net. India Ltd	3,00000
Tantia Financial Services Ltd	2,50000
Nigolice Trading Pvt. Ltd	1,00,000
Sub-Total	**6,50,000**
Total	**36,50,000**

ii) The Preferential Issue was duly authorised by a resolution passed by the Board of Directors of Target Company at its meeting held on April 28, 2006 (the "Board Meeting") and by the special resolution under Section 81(1A) of the Companies Act, 1956 and other applicable provisions, passed by the shareholders of Target Company at the Extraordinary General Meeting held on May 26, 2006 authorising the Board of Directors of Target Company to issue and allot the abovementioned Equity Shares to the Acquirer. The Equity Shares allotted under the Preferential Issue are proposed to be listed on the BSE and CSE, and will be subject to "lock-in" as per the Guidelines. The listing applications have been made to BSE and CSE and their approvals are awaited.

The Acquirers belong to the Promoter group of the Target Company, which in aggregate owned 24,62,453 shares aggregating 38.78% of the Shares and voting rights of the Target Company (before preferential allotment). As a result of the above Preferential Issue, the Acquirers have acquired u30,00,000 Shares, and the total voting rights of the Promoter group stands increased up to 54.62% of the fully expanded voting capital.. The voting rights before and after preferential allotment (on a fully diluted basis) is given below:

Category	**Voting Rights (%) before preferential allotment**	**Voting Rights (%) after preferential allotment**
Promoters	38.78	54.62
Others	61.22	45.38
Total	**100.00**	**100.00**

Pursuant to acquiring shares through preferential allotment, the Acquirers propose to acquire upto 20,00,000 fully paid up Equity Shares ("Shares") of the Target Company (the "Offer Size") representing 20% of the fully expanded voting equity capital of the Target Company (including the Shares allotted in the Preferential Issue) at a price of Rs. 70.00 (Rupees Seventy only) for each Share of the Target Company (such price, the "Offer Price"), to be paid in cash in accordance with the Regulations.

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The Manager to the Offer does not hold any shares in the Target Company, as on the date of this Letter of Offer.

As on the date of Public Announcement, Mr. Vinod Dugar is holding 1,88,078 equity shares (including shares of minor daughter) representing 2.96% of the paid up capital of the Target Company. As on the date of Public Announcement, Mrs. Sheetal Dugar, Chamatkar.net (India) Ltd, Tantia Financial Services Ltd and Nigolice Trading Pvt. Ltd did not hold any shares of the company . The shareholding of Mr. Vinod Dugar is 21,88,078 equity Shares representing 21.88%, Mrs. Sheetal Dugar's is 10,00,000 shares representing 10.00%, Chamatkar.net (India) Ltd's is 300,000 shares, Tantia Financial Services Ltd's is 250,000 shares and Nigolice Trading Pvt. Ltd's is 100,000 shares of the Post Preferential Allotment in the Paid Up capital of the company on fully diluted basis.

Neither the Acquirers, the Target Company nor the outside entities to which the preferential allotment has been made have been prohibited by SEBI from dealing in securities, in terms of direction issued under section 11B of SEBI Act or under any of the regulation made under the SEBI Act.

As on date, the Acquirers do not have any plans to make changes in the Board of Directors of the Target Company pursuant to the Open Offer

3.2 Details of the proposed offer

The Public Announcement announcing the Offer as per Regulation 15(1) of the SEBI (SAST) Regulations was made in the following newspapers:

NEWSPAPERS	LANGUAGE	EDITIONS	DATE
The Financial Express	English	All Editions	Friday, May 05, 2006
Jansatta	Hindi	All Editions	Friday, May 05, 2006
Dainik Statesman	Bengali	Kolkata	Friday, May 05, 2006

A corrigendum public announcement has been published in all the newspapers mentioned above on August 4, 2006.

The Public Announcement and the corrigendum Public Announcemnt is also available on the SEBI website at http://www.sebi.gov.in/.

This offer is being made by the Acquirers to the shareholders (other than Acquirers) of RDB to acquire upto 20,00,000 Equity Shares of RDB, representing 20% of the fully expanded voting equity share capital (post Preferential Issue) of RDB, at an Offer Price of Rs. 70/- per fully paid-up Equity Share payable in cash in terms of regulation 20 and 21 of SAST Regulations. The Offer is in accordance with regulation 11(1) of the Regulations, consequent to the Preferential Issue of Equity Shares of the Target Company to the Acquirers and acquisition of more than 26% shareholding in Ankur Constructions Pvt. Ltd and Loka Properties Pvt. Ltd referred to in paragraph 3.1 above and on account of substantial acquisition of Equity Shares without change in control or management.

Any decision for an upward revision in the Offer Price by the Acquirers till the last date of revision i.e. Thursday August 24,2006, or withdrawal of the Offer would be communicated by way of a public announcement in the same newspapers in which the Public Announcement had appeared. In case of an upward revision in the Offer Price, the Acquirers would pay such revised price for all the Equity Shares validly tendered any time during the Offer and accepted under the Offer.

The Offer is for the fully paid up Equity Shares of RDB and there are no partly paid up Equity Shares.

This is not a competitive bid

There have been no competitive bids from the date of the Public Announcement to the date of this Letter of Offer.

If there is competitive bid:

The public offers under all the subsisting bids shall close on the same date.

a) As the offer price cannot be revised during 7 working days prior to the closing date of the offers/bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.

The Offer is not a conditional offer and is not subject to a minimum level of acceptance. Accordingly, the Acquirers will accept all Equity Shares tendered by the shareholders of the Target Company pursuant to the Offer at the Offer Price subject to the Offer size not being exceeded. In case the number of Equity Shares received in the Offer exceeds the offer size, the acceptance will be made on a proportionate basis.

No further equity Shares have been acquired by the Acquirers from the date of the Public Announcement except the preferential shares allotted to them on July 24, 2006 by the Target Company till the date of this Letter of Offer.

3.3 Object of the Offer and Future Plans

In order to part finance the future growth plans of the company, the company has raised capital by issue of further equity shares on a preferential basis. Since, the promoter group has taken 30,00,000 equity shares which is more than 5% of the voting capital of the company and further indirect acquisition of shares by acquiring 26.30% holding in Ankur Constructions Pvt. Ltd and 27.26% holding in Loka Properties Pvt. Ltd which in turn held 5.91% and 5.94% respectively in the target Company, the provisions of Regulation 11 of the SEBI (SAST) Regulations became applicable. Hence, this offer of 20% of the fully expanded voting capital i.e. 1,00,00,000 equity shares is made in terms of regulation 11 of the SEBI (SAST) Regulations 1997.

Presently, RDB is engaged in cigarette manufacturing and real estate development. The management is of the opinion that taking up of large-scale real estate development offer sustainable business opportunity. The company has acquired and is in the process of acquiring land for various projects and requires funds for investment in real estate ventures/companies, acquisition of companies in real estate development.

The Acquirers do not have any plans to dispose of or otherwise encumber any assets of RDB for next 2 (two) years, except in the ordinary course of business of RDB and except to the extent required for the purpose of restructuring and/or rationalization of assets, investments, liabilities or otherwise of RDB.

Other than in the ordinary course of business, the Acquirers undertake that they shall not sell, dispose of or otherwise encumber any substantial asset of RDB except with the prior approval of shareholders of RDB.

The acquirers are already a part of the Promoter Group of the target company and are in control. Hence, except for the increase in shareholding, the post-offer position of the acquirers would remain unchanged.

4 BACKGROUND OF THE ACQUIRERS

4.1 Mr. Vinod Dugar ("Acquirers")

Mr. Vinod Dugar s/o Mr. Sundar Lal Dugar residing at 63, Park Street Kolkata- 700 016 Tel: +91 33 2242 5146/ 6941 is a graduate. He is aged 33 years. He has gained experience in finance and real estate activities. He is one of the promoters of RDB Industries Limited (" target Company"). He has also interest in automobile industry and is solely responsible for successful running of dealership business of passenger cars of Tata Motors.

Net worth of Mr. Vinod Dugar as on February 28,2006 is Rs. 211.98 lacs as certified by Mr.Pawan Agarwal partner of M/s Agarwal Shankar & Associates Chartered Accountants, having office at 7A, Bentinck Street, Kolkata – 700 001 (Membership No 63196).

Mr. Vinod Dugar is on the board of Directors of listed venture Khatod Investment & Finance Co. Ltd. He is a full-time director in Khatod Investment & Finance Co. Ltd. The financial details of Khatod Investment & Finance Co. Ltd for the last three years is as follows:

Khatod Investment & Finance Co Ltd

Rs in lacs

For the Year Ended 31st March	**2004**	**2005**	**2006**
	(Audited)	**(Audited)**	**(Audited)**
Income from Operations	44.62	22.19	-
Other Income	39.92	33.16	38.65
Total Income	**84.54**	**55.35**	**38.65**
Total Expenditure	44.62	22.19	13.57
Profit before Interest, Depreciation and Tax	42.52	11.59	25.07
Depreciation	1.03	0.76	0.77
Interest	-	-	-
Profit before Tax	41.50	10.83	24.30
Provision for Tax	5.46	4.00	8.06
Profit after Tax	36.04	6.84	16.25

Balance Sheet Statement

Rs in lacs

As on	**31st March 2004 (Audited)**	**31st March 2005 (Audited)**	**31st March 2006 (Audited)**
Sources of funds			
Paid Up Equity Share Capital	300.22	300.22	300.22
Reserves & Surplus (excluding revaluation reserves)	10.73	17.57	33.82
Revaluation Reserve	-	-	-
Less: Total Miscellaneous Expenditure not written off	0.81	-	-
Net Worth	**310.15**	**317.79**	**334.04**
Secured loans	-	-	11.31
Unsecured loans	19.34	19.34	19.34
Total	**329.49**	**337.14**	**364.69**
Uses of funds			
Net Fixed Assets	2.84	2.26	14.98
Investments	1.00	5.40	-
Net Current Assets	325.42	329.25	349.59
PL Account - debit balance	0.23	0.23	0.12
Total	**329.49**	**337.14**	**364.69**

Dividend (%)	-	-	-
Earning Per Share (Rs.)	1.20	0.23	0.54
Return on Net worth (%)	11.62%	2.15%	4.86%
Book Value Per Share (Rs.)	10.33	10.59	11.13

As on date of PA, Mr. Vinod Dugar holds 1,88,078 equity shares (including shares of minor daughter) representing 2.96% of the paid up capital of the Target Company. Mr. Vinod Dugar has subscribed to 20,00,000 Equity Shares offered to him in the preferential issue. The shareholding of Mr. Vinod Dugar is 21,88,078 Equity Shares representing 21.88% of the Post Preferential Allotment Paid Up capital of the company on fully diluted basis. The details of earlier acquisition made by Mr. Vinod Dugar in the target company is as follows:-

Date	**No. of shares Issued /sold/acquired**	**% of paid up capital**	**Mode of Acquisition**	**Status of Compliance**
On Incorporation	100	0.00%	Cash	Complied with
30.11.1993	22000	0.35%	Market Purchase	Complied with
FY 2002-03	29448	0.46%	Market Purchase	Complied with
FY 2003-04	99135	1.56%	Market Purchase	Complied with
FY 2003-04	13525	0.21%	Market Purchase	Complied with
FY 2005-06 (Upto 05.07. 2005)	23870	0.38%	Market Purchase	Complied with
Total	**188078**	2.96%		

The compliances under Chapter II of SEBI (SAST) Regulations, 1997 are applicable to the Acquirer and he has made timely disclosures to the target company.

The Acquirer is one of the existing promoters of the Target Company. Presently RDB is engaged in the business of cigarette manufacturing and real estate activities as per existing main objects. But of late considering the present market scenario the management is of the opinion that taking up of large-scale real estate development offer sustainable business opportunity. The company has acquired and is in the process of acquiring land for various projects and requires funds for investment in real estate ventures/companies, acquisition of companies in real estate development.

The Acquirer does not have any plan to dispose of or otherwise encumber any assets of RDB within two years from the date of closure of the Offer except in the ordinary course of business. However, reorganization and/or streamlining of various businesses may be considered for commercial reasons and operational efficiencies which may include the restructuring and/or rationalization of assets of RDB, however, not limited to, merger.

Other than ordinary course of business, the Acquirer undertake not to sell, dispose of or otherwise encumber any significant assets of RDB in the succeeding two years, except with the prior approval of shareholders.

The details of pending litigations against the Mr. Vinod Dugar are as follows: -

i. Pertaining to Criminal Cases

Sl. No	**Parties**	**Court**	**Charges/ Allegations**	**Date of Institution**	**Present Status**	**Implication on Vinod Dugar/ Sheetal Dugar**	**Amount Involved (In Rs)**
1	State VS Vinod Dugar	Chief Metropolitan Magistrat	Alleged clandestine removal of cigarettes	1996	Matter pending for consideration on	Fine & Imprisonment	Not Applicable

	& Others	e Court, Kolkata	from Agarpara Unit		charges		

ii. **Pertaining to Securities Laws- NIL**

iii. **Pertaining to Statutory Laws- NIL**

iv. **Pertaining to Civil Cases- NIL**

v. **Pertaining to Labour Laws- NIL**

4.2 Mrs. Sheetal Dugar

Mrs. Sheetal Dugar wife of Mr. Vinod Dugar residing at 63, Park Street Kolkata- 700 016 Tel: +91 33 2242 5146/6941 is a graduate. She is aged 30 years. She is engaged in making strategic investments in real estate and securities.

Net worth of Mrs Sheetal Dugar as on February 28,2006 is Rs. 349.26 lacs as certified by Mr.Pawan Agarwal partner of M/s Agarwal Shankar & Associates Chartered Accountants, having office at 7A, Bentinck Street, Kolkata – 700 001 (Membership No 63196).

As on date of PA, Mrs. Sheetal Dugar does not hold any shares of the Target Company. Mrs. Sheetal Dugar has subscribed to 10,00,000 Equity Shares offered to her in the preferential issue. The shareholding of Mrs. Sheetal Dugar is 10,00,000 Equity Shares representing 10.00% of the Post Preferential Allotment Paid Up capital of the company on fully diluted basis..

The details of pending litigations against the Mrs. Sheetal Dugar are as follows: -

i. **Pertaining to Criminal Cases- NIL**

ii. **Pertaining to Securities Laws- NIL**

iii. **Pertaining to Statutory Laws- NIL**

iv. **Pertaining to Civil Cases- NIL**

v. **Pertaining to Labour Laws- NIL**

DETAILS OF THE COMPANIES IN WHICH THE ACQUIRERS HAVE ACQUIRED CONTROL (PACs)

(1) Ankur Constructions (P) Ltd

Ankur Constructions (P) Ltd having its registered office at 8/1, Lal Bazaar Street, Kolkata-700 001 was incorporated on January 05,1981 with the object of carrying on the business of builders, developers, and contractors in real estate and infrastructure development. Mr. Vinod Dugar is a Director of the Company. By virtue of acquiring 26.30% holding in the Company, Mr. Dugar has become a part of the promoter group and has acquired control over the Company. The details of Board of Directors of the Company as on date of PA are:

Name	**Designation**	**Experience & Qualification**
Mr. Madan Gopal Saha	Director	Senior Secondary, having more than two decades experience in construction sector
Mr. Sunder Lal Dugar	Director	Senior Secondary. He has more than three decades of experience in real estate business and is instrumental in making key strategic decisions of the Company
Mr. Vinod Dugar	Director	Commerce Graduate, having over a decade experience in real estate sector
Mr. Braja Kundu	Director	Senior Secondary, having more than two decades experience in construction sector

As on date, Ankur Constructions (P) Ltd holds 375,000 equity shares in the target company representing 5.91% of the paid up capital of the target company .

The paid up share capital of the company as on date of PA is 19,04,700 equity shares of Rs. 10/- each. The details of the shareholding pattern is:

SL No	Category	No. of Shares held	Percentage
1.	Promoter Group	501,00	26.33%
2.	Others	14, 03,100	73.67%
	Total	**19,04,700**	**100.00**

(2) Loka Properties (P) Ltd

Loka Properties (P) Ltd having its registered office at 8/1, Lal Bazaar Street, Kolkata-700 001 was incorporated on April 22, 1988 with the object of carrying on the business of builders, developers, and contractors in real estate and infrastructure development. Mr. Vinod Dugar is a Director of the Company. By virtue of acquiring 27.26% holding in the Company, Mr. Dugar has become a part of the promoter group and has acquired control over the Company. The details of Board of Directors of the Company as on date of PA are:

Name	Designation	Experience & Qualification
Mr. Prakash Bothra	Director	Commerce Graduate, having over five years experience in real estate sector
Mr. Sunder Lal Dugar	Director	Senior Secondary. He has more than three decades of experience in real estate business and is instrumental in making key strategic decisions of the Company
Mr. Vinod Dugar	Director	Commerce Graduate, having over a decade experience in real estate sector
Mr. Sushant Sircar	Director	Senior Secondary. He has over two decades experience in real estate sector

As on date, Loka Properties (P) limited holds 377,100 equity shares in the target company representing 5.94% of the paid up capital of the target company.

The paid up share capital of the company as on date of PA is 11,42,500 equity shares of Rs. 10/- each. The details of the shareholding pattern is:

SL NO	Category	No. of Shares held	Percentage
1.	Promoter Group	311,500	27.26%
2.	Others	831,000	72.74%
	Total	**11,42,500**	**100.00**

5 DISCLOSURE IN TERMS OF REGULATION 21(3)

Assuming full acceptance of offer, the post offer public shareholding would not be less than 25% of the voting capital of the target company.

6 BACKGROUND OF RDB INDUSTRIES LIMITED (“RDB”/”TARGET COMPANY”)

6.1 The Target Company, having its registered office at Bikaner Building 1st Floor, 8/1, Lal Bazaar Street, Kolkata-700 001, Ph: +91 33 2243 5646/6568, Fax:+ 91 33 2242 0588 was incorporated on November 15, 1991 as R.D. Builders & Developers Limited under the Companies Act 1956 and received certificate for commencement of Business on December 18,1991. Its name was changed to RDB Industries Limited on August 19, 1994.

The main promoter of the company is Mr. Sunder Lal Dugar.

6.2 The company was incorporated with the main object of real estate development. The company took over the business of the firm "M/s R.D. Builders” as a going concern with effect from the close of April 30, 1992.

In April 1994, the company took over the assets of New Tobacco Company Limited on lease in terms of the Hon’ble Calcutta High Court Order dated February 23, 1994. The company started commercial production on May 31, 1994 at Agarpara, West Bengal factory and launched brands of cigarette namely "REGENT, NUMBER TEN FILTER, NUMBER TEN VIRGINA, COOL PRINCE HENRY (Pipe Tobacco), and REGENT MINI KINGS.

6.3 The Target Company came out with a public issue in the year 1994 of 16,00,000 equity Shares of Rs 10 each at a premium of Rs 10/- per share aggregating Rs 320 Lacs. The shares were listed on the stock exchanges- BSE and CSE in February 1995.

6.4 Share Capital Structure of the target company as on the date of Public Announcement

Paid Up Equity Shares of Target Company	No. of Shares/ Voting Rights	% of shares/voting rights
Fully Paid up Equity Shares	63,50,000	100%
Partly Paid Up Equity Shares	Nil	Nil
Total paid Up Equity Shares	**63,50,000**	**100%**
Total Voting Rights in the Target Company	**63,50,000**	**100%**

6.5 The share capital structure of RDB as on the date of Public Announcement since inception and the disclosure relating to the status of compliance with applicable provisions of SEBI (SAST) Regulations/ other applicable regulations under the SEBI Act 1992 and other statutory requirements as applicable, is given as under:

Date of Allotment	Number of Shares Issued	% of Shares Issued	Cumulative Paid up Capital	Mode of Allotment	Identity of Allottees	Status of Compliance
18.11.1991	200	0.00%	200	Cash	Subscription to Memorandum by Promoters	Complied
18.11.1991	500	0.01%	700	Cash	Subscription to Memorandum by Non-Promoters	Complied
20.05.1992	992,050	15.62%	992,750	Cash	Further Issue to Non-Promoters	Complied
03.06.1992	58,700	0.92%	1,051,450	Cash	Further Issue to Non-Promoters	Complied
01.07.1992	16,200	0.26%	1,067,650	Cash	Further Issue to Non-Promoters	Complied
02.07.1992	5,100	0.08%	1,072,750	Cash	Further Issue to Non-Promoters	Complied
30.11.1993	900,450	14.18%	1,973,200	Cash	Further Issue to Promoters	Complied
30.11.1993	526,800	8.30%	2,500,000	Cash	Further Issue to Non-Promoters	Complied

14.09.1994	135,422	2.13%	2,635,422	Cash	Further Issue to Promoters	Complied
14.09.1994	1,114,578	17.55%	3,750,000	Cash	Further Issue to Non-Promoters	Complied
03.10.1994	1,000,000	15.75%	4,750,000	Cash	Further Issue to Promoters	Complied
12.02.1995	1,600,000	25.20%	6,350,000	Cash	Public Issue	Complied
Total	63,50,000	100.00%				

6.6 There are no partly paid up Equity Shares carrying voting rights nor outstanding convertibles nor any stock options as on the date of this Letter of Offer.

6.7 The Shareholding holding of the Target Company as on May 05, 2006, date of PA is as below:

Sl. No.	**Category**	**Pre-issue**	
		No. of shares Held	% of shares held
A.	**PROMOTERS' HOLDING**		
1.	**Promoters**		
	Sunder Lal Dugar	551,800	8.690%
	Vinod Dugar	68,023	1.071%
	Sheetal Dugar	-	0.000%
	Yashashwi Dugar	120,055	1.891%
	Khatod Investments & Finance Co. Ltd.	921,225	14.507%
	Rekha Benefit Trust	46,300	0.729%
	Rekha Jhabak	2,950	0.046%
	Ankur Constructions Pvt. Ltd	375,000	5.906%
	Loka Properties Pvt. Ltd.	377,100	5.939%
2.	**Foreign Promoters**	-	-
	Sub-total	**2,462,453**	**38.779**
B.	**NON-PROMOTERS' HOLDING**		
3.	**Institutional Investors**		
a)	Mutual Fund		
b)	Banks, Financial Institutions/ Insurance companies (Central Govt./ Non-Government Institutions	4,800	0.076
C.	**FIIs**		
4.	**OTHERS**		
a)	Private Corporate Bodies	1,885,010	29.685
b)	Indian Public	1,975,838	31.116
c)	NRIs/OCBs	6,248	00.098
d)	Any Other (Please specify)		
e)	Clearing Members	15,651	00.247
	Sub-total	**3,882,747**	**61.146**
	GRAND TOTAL	**6,350,000**	**100.000**

6.8 The shares of the company were suspended from trading by BSE from 03/07/2000 to 02/07/2002 for non-compliance of Clause 16 of the listing agreement regarding the closure of register of members and transfer books during the year 1999. The company duly complied with all the non-compliances and the trading was resumed w.e.f 03/07/2002. There have been no other cases of suspension from any of the Stock Exchanges where the shares of the Company are listed.

6.9 No disciplinary action has been taken against the target company by any of the Stock Exchanges where its shares are listed

6.10 There has been no merger/De-merger/Spin off during the last three years

6.11 The details of Board of Directors as on date of PA are: -

Name	**Designation**	**Experience & Qualification**	**Date of Appointment**
Sunder Lal Dugar	Chairman & Managing Director	Senior Secondary. He has more than three decades of experience in real estate business and is instrumental in making key strategic decisions of the company	15.11.1991
Ravi Pincha	Whole time Director	Senior Secondary. He has good administrative skills and core knowledge of real estate operations	02.01.2001
Manish Kumar Jain	Director	CA, having experience in accounts, taxation and finance	28.06.2004
Rajendra Kumar Baradia	Director	Graduate, having experience and knowledge in real estate and stock market operations	02.01.2001
Krishna Gopal Sinha	Director	Graduate, has good administrative skills	22.05.2000
Ishwar Chandra Parakh	Director	Graduate, has rich and rewarding experience in real estate business.	29.01.1998

6.12 The brief audited financials of RDB for the year ended March 31, 2004, 2005 and 2006 are as under:-

Profit and Loss Account

(Rs in Lacs)

For the Year Ended 31st March	2004	2005	2006
	(Audited)	(Audited)	(Audited
Income from Operations	798.26	754.40	1,781.78
Other Income	71.90	351.80	223.45
Total Income	**870.16**	**1,106.20**	**2,005.23**
Total Expenditure	803.67	873.07	1,438.24
Profit before Interest, Depreciation and Tax	66.49	233.13	566.99
Depreciation	52.04	52.96	53.83
Interest	12.04	1.33	4.14
Profit before Tax	2.41	178.84	509.02
Provision for Tax	0.19	12.35	30.43
Profit after tax	**2.22**	**166.49**	**478.59**

Balance Sheet Statement

(Rs in Lacs)

As on	31st March 2004	31st March 2005	31st March 2006
Sources of funds	**(Audited)**	**(Audited)**	**(Audited)**
Paid Up Equity Share Capital	635.00	635.00	635.00
Paid up Preference share capital	264.40	264.40	264.40
Reserves & Surplus (excluding revaluation reserves)	649.40	760.93	1,152.37
Revaluation Reserve	-	-	-
Less: Total Miscellaneous Expenditure not written off	13.00	-	-
Net Worth	**1,535.80**	**1,660.33**	**2,051.77**
Secured loans	5.60	2.08	-
Unsecured loans	252.21	235.13	358.08
Total	**1,793.61**	**1,897.54**	**2,409.85**
Uses of funds			
Net Fixed Assets	1,753.62	1,745.22	1,789.71
Investments	-	-	16.06
Net Current Assets	(14.97)	152.32	590.25
PL Account - debit balance	54.96	-	13.83
Total	**1,793.61**	**1,897.54**	**2,409.85**

Other Financial Data

Dividend (%)	-	-	5%
Earning Per Share (Rs.)	0.04	2.62	7.06
Return on Net worth (%)	0.14%	10.03%	23.33%
Book Value Per Share (Rs.)	24.19	26.15	32.31

Dividend (%) = (Dividend Paid/Face Value of Equity shares issued)*100

Earning Per Share = Profit After Tax / No. of Equity Shares issued

Return on Net worth (%) = (Profit After Tax / Net worth)*100

Book Value Per Share = Net worth / No. of Equity shares issued

6.13 Reason for fall /rise in income in relevant years are as follow: -

1. Comparison of Performance for Financial year ended 31st March 2005 vis-à-vis 31st March 2004

Revenues

Net Sales in FY 2005 was Rs 754.40 lacs as against Rs 798.26 in FY 2004.The company has retained its earning from sale of tobacco products, construction activities and commission and services almost at the same level as compared to the previous year.

Other Income

During the year other income increased from Rs. 71.90 lacs to Rs 351.80 lacs on account of withdrawal of luxury tax liability in accordance with the judgment delivered by Hon'ble Supreme Court of India vide its judgement dated 20.01.2005.

Expenditure

The administrative and other expenses expenditure accounted for Rs. 873.07 lacs during the year registering an increase of 8.64% over the previous year.

Depreciation

Depreciation has increased from Rs 52.04 lacs to Rs 52.96 lacs during the year.

Profit after tax

The company has booked profit of Rs.166.49 lacs as compared to Rs. 2.22 lacs in the previous year due to impact of writing off of Outstanding Luxury Tax Liability.

2. Comparison of Performance for Financial year ended 31st March 2006 vis-à-vis 31st March 2005

Revenues

Net Sale in FY 2006 was Rs 1781.78 lacs as against Rs 754.40 lacs in FY 2005 registering an increase of 136.19%. The quantum jump is on account of better realization in construction contracts activities.

Other Income

During the year other income decreased from Rs 351.80 lacs to Rs 223.45 lacs as the FY 2005 included a major amount of writing off liabilities/advances no longer payable.

Expenditure

The administrative and selling expenditure in the FY 2006 accounted for Rs 190.19 lacs as against Rs 136.07 lacs in the FY 2005 registering an increase of 39.77%.

Depreciation

Depreciation for FY 206 has been Rs 53.83 lacs as against Rs 52.95 lacs remaining uniform.

Profit after tax

The Company has booked profit of Rs 478.60 lacs as against Rs 166.49 in the previous year due to better realization of construction contracts activities, recognisation of revenue on account of exceptional items.

6.14 The pre and post offer shareholding of the target company is as follows:-

Shareholders' Category	Share holding & voting rights prior to the agreement/acquisition and Offer		Shares/voting rights Agreed to be acquired which triggered off the Regulations		Shares/voting rights to be acquired in the open Offer		Share holding/ voting rights after the open offer	
	(A)		(B)		(C)		Acquisition and Offer D=(A+B+C)	
	No. Of Shares	%	No. Of Shares	%	No. Of Shares	%	No. Of Shares	%
1. Promoter Group								
a) Parties to Agreement								
Vinod Dugar	188,078	2.96%	2,000,000	*20.00%	1,000,000	*10.00%	3,188,078	31.88%
Sheetal Dugar	-	0.00%	1,000,000	*10.00%	1,000,000	*10.00%	2,000,000	20.00%
b) Promoter other than (a) above	**2,274,375	35.82%	-	-			2,274,375	22.74%
TOTAL 1 (a + b)	**2,462,453**	**38.78%**	**3,000,000**	***30.00%**	**2,000,000**	***20.00%**	**7,462,453**	**74.62%**
2. Acquirers								
Main Acquirer	Same as Above	-	-	-	-	-	-	-
TOTAL	N.A.	-	-	-	-	-	-	-
3. Parties to the agreement (Other than 1(a) & 2)	N.A.	-	650,000	*6.50%	-	-	650,000	6.50%
4) Public Share Holding (other than 1 to 3)								
a) FIs/NRIs/MFs/FIIs /Banks	4,800	0.08%	-	-				
b) Corporate	1,885,010	29.69%		-				
c) NRI/OCB/Indian Public	1,982,086	31.21%	-	-	(2,000,000)	(20.00%)	1,887,547	18.88%
d) Others	15,651	0.25%	-	-				
TOTAL	3,887,547	61.22%	-	-				
5. GRAND TOTAL (1+2+3+4)	**6,350,000**	**100.00%**	**3,650,000**	**-**			**10,000,000**	**100.00%**

* % of expanded Equity

** Includes the shareholding of Ankur Constructions Pvt. Ltd and Loka Properties Pvt. Ltd, which hold 375,000 equity shares and 377,100 equity shares aggregating to 5.906% and 5.939% respectively of the paid up capital of RDB. The promoters have acquired more than 26% in these companies and this has triggered the SAST Regulations. Both these companies have now become a part of the promoter group.

6.15 There has been prior period violations by the promoters of Takeover Code for which appropriate action may be initiated by SEBI against them or the same. Changes in shareholding of the promoters, as and when it happened in the target company along with status of compliance with the applicable provisions of SEBI (SAST) Regulations/other applicable regulations under the SEBIACT 1992 and other statutory requirements, as applicable.

SL. No.	Name of Promoter	For the Year Ended	Market Purchase	% of Share Capital	Market Sale	% of Share Capital	Cumulative Balance	Compliance status
1	**Sunder Lal Dugar**	1.4.1997 (Opening Balance)	2,430,372	38.27%			2,430,372	Complied with
		1997-98	2,800	0.04%	-	-	2,433,172	Complied with
		1999-00	-	-	952,072	14.99%	1,481,100	Complied with
		2000-01	-	-	75,500	1.19%	1,405,600	Complied with
		2001-02	-	-	921,000	14.50%	484,600	Complied with
		2002-03	67,700	1.07%	-	-	552,300	Complied with
		2003-04	-	-	500	0.01%	551,800	Complied with
2	**Khatod Investment &Finance Co. Ltd**	1.4.1997 (Opening Balance)	502,700	7.92%	-	-	502,700	Complied with
		1997-98	3,000	0.05%	-	-	505,700	Complied with
		1998-99	952,425	15.00%	-	-	1,458,125	Not complied
		2000-01	-	-	4,500	0.07%	1,453,625	Complied with
		2001-02	-	-	120,750	1.90%	1,332,875	Complied with
		2002-03	-	-	441,050	6.95%	891,825	Complied with
		2003-04	29,400	0.46%	-	-	921,225	Complied with
3	**Rekha Jhabak**	1.4.1997 (Opening Balance)	7,000	0.11%	-	-	7,000	Complied with

		2002-03	295,950	4.66%	-	-	302,950	Not complied
		2003-04	-	-	-	-	302,950	Complied with
		2004-05	-	-	300,000	4.72%	2,950	Complied with
4	**Rekha Benefit Trust**	1.4.1997 (Opening Balance)	-	-	-	-	-	Complied with
		2002-03	335,800	5.29%			335,800	Not complied
		2004-05			289,500	4.56%	46,300	Complied with
5	**Vinod Dugar**	On Incorporation	100	0.00%			100	Complied with
		1993-94	22000	0.355	-	-	22,100	
		2002-03	29448	0.46%	-	-	51,548	Complied with
		2003-04	99135	1.56%	-	-	150,683	Complied with
		2003-04	13525	0.21%	-	-	164,208	Complied with
		FY 2005-06	23870	0.38%	-	-	188,078	Complied with

6.16 The statutory auditors of RDB have vide their certificate dated June 30, 2006 certified for the year ended 31st March 2006 that in their opinion and to the best of their information and according to the explanation given to them, and the representations made by the directors and management, RDB has complied with the conditions of Corporate Governance as stipulated in clause 49 of the listing agreement.

6.17 There were certain delays in making disclosures under regulations 6(2), 6(4) and 8(3) from 20/02/1997 to 31/03/2001. However, the Company had made all the pending disclosures on 31/03/2003 under the SEBI Regularization Scheme, 2002. Apart from this all applicable legal provisions, in particular the provisions of SEBI Takeover Code, as in force at the relevant times and SEBI (Prohibition of Insider Trading) Regulations, 1992 were complied with by the Promoters/persons acting in concert with them and RDB, at the time of each change in the Promoter's shareholding, including changes in the shareholding of the persons acting in concert.

6.18 The details of pending litigations as on date of PA are as follows:-

A. Against the company

i. Pertaining to Criminal Laws:

SL. No	Parties	Court	Charges/ Allegations	Date of Institution	Present Status	Implications on RDB	Amount Involved (In Rs)
1	State Vs NTC case	17th MM Court,	Delayed payment of ESI	1996	Hearing not completed	Fine & Imprisonment	-

	no. 1424of 1996	Kolkata	contribution		completed	Imprisonment	
2	State Vs. S.L.Dugar & NTC PF case no.536/98	SDJM, Barrackpore Court	Charges u/s 406/409 of PF Act due to delayed payment of PF contributions for the period 7/98,8/98/9/98	23.10.98	Summon issued to PF authority for confirmation of payment	Prosecution may be dropped on payment of fine	-

ii. Pertaining To Securities Laws: Nil

iii. Pertaining To Statutory Laws:

a) Tax Disputes

Sl. No	Assessment Order Challenged	Assessing Authority	Issue	Date of Institution	Present Status	Implication on RDB	Amount Involved (In Rs)
1.	2002-03	IT Circle 8C	Disallowance of Rs. 1,37,03,258/- in the matter of interest component on Luxury Tax	30.03.2006	Pending for hearing	ITAT may disallow the expenses	Rs. 1,37,03,258/-
2	Certificate Case no. C/3901/ NS Against NTC	Certificate Officer of ESI Corpn.	Short payment ESI Contribution of Rs. 200772/- related to the period 4/97 to 3/99 was raised as due	13.11.2003	Pending for hearing	Payment of demand along with interest and penalty subject to final adjudication	Rs. 2,00,772/- and Interest.
3	C NO V (15)9/NTC/ARC/2005/8601-8750	Dy. Commissioner of Central Excise, Silchar (Assam)	Demand of duty refunded Rs. 2,76,90,000/- and duty not paid Rs. 2,15,48,160/- as per the provisions of Notification No. 32/99 and later on retrospectively amendment of Section 154 of Finance Act. by the Central Govt. and subsequently upheld by its Order of Hon'ble Supreme	10.02.2006	Clarification petition filed in Hon'ble Supreme Court of India	The Department may direct RDB to deposit the entire demand along with the interest.	Rs. 4,92,38,160/- and Interest @ 13%

			Court of India.				
5	Adj. Order no. 9/204	Commissioner of Centra1 Excise Vishakhapatanam	Clandestine manufacture of shell and slide	31.3.2004	Appeal pending for argument at CESTAT, Bangalore	CESTAT may order for payment of demand after adjustment of interim payment made for stay order.	Rs.2,31,000/and interest
6	Show Cause notice no. – V/ Seizure(15)90/CE/Cal-III/97/131-143(DGAE-96)	Commissioner of Central Excise, Kol-III	Clandestine manufacture of Cigarettes	21.3.1997	Documents still to be received for final reply to show cause notice	The department may adjudicate to deposit the demanded amount alongwith interest and penalty	Rs. 36,15,91, 800/- and interest and penalty
7	Adj. Order.no. C.NO. V(Ch-2403)2/XAP-89/KOL-III/04/5141-42	Commissioner (Appeal) of central excise	Shortage of stock of 19 cbs of Cigarette found during search conducted by DGAE .kolkata.	26.04.2005	Appeal pending with CESTAT Kolkatta.	CESTAT may confirm the demand with interest and penalty.	15,71,460 /- and penalty Rs 10,71,460 and interest
8	SCN no. C.No.V/(15)2-AE/CE/CAL-II	Assistant Commissioner(Anti-Evasion) of central excise	Clandestine removal of cigarette of Rs 12,06,000/-	01.06.2002	Adjudication order awaited.	Department may confirm the demand.	Penalty
9	S.C.N.No.V/(15)17CE/COMM/ADJN/KOL-III/2002/4361	Commissioner of Central Excise	Tobacco refuse cleared at Nil Rate of duty as per Central excise tariff between 4/97 to 2/2002 is matter of wrong classification.	01.06.2002	Adjudication order is pending.	Department may direct Company to deposit the demand with interest.	Rs 44,77,900 /- and interest. and penalty.

10	SCN No. V95)10/ST-Adjl/2005	Commissioner of Service Tax Division I, Kolkata	Non-payment of Service Tax on commission income which is considered as Income of Clearing & forwarding Agent by department during the period 2000-01 to 2004-05	29.8.2005	Reply of show cause notice has been submitted. Matter is pending for hearing.	Department may ask for payment of Service Tax	Rs. 1,19,33,053/- and interest and penalty.

iv. Pertaining To Civil Laws:

Sl. No	Parties	Court	7 Issue	Date of Institution	Present Status	Implication on RDB	Amount Involved (In Rs)
1.	Purnendu Pathak Vs. RDB Industries Ltd.	District Consumer Reddressal Forum	Claimed compensation of Rs. 499000/-on cancellation of Flat at Bhubaneshwar	2003	Hearing is pending	The Court may ask for payment of suitable compensation.	-
2	Duncan Industries Ltd. Vs. RDB Industries Ltd.	High Court, Calcutta Case no. 189 of 1999	Rs. 2 crores not refunded for violation of Agreement.	1999	Pending for hearing	The Hon;ble High Court may ask for refund of due along with interest	Rs. 2,00,00,000/- and interest

vi. Pertaining To Labour Laws: Nil

B. Filed by the Company

i. Pertaining to Criminal Cases - Nil

ii. Pertaining to Securities Laws - Nil

iii. Pertaining to Statutory Laws

a) Tax Disputes

Sl. No	**Assessment Order Challenged**	**Assessing Authority**	**Issue**	**Date of Institution**	**Present Status**	**Implication on RDB**	**Amount Involved (In Rs)**
1	2002-03	IT Circle 8	Disallowance of exp. and treated slump sale for one of the unit of the Company	8.2.06	Hearing is pending.	ITAT may allow expenses and not to treat slump sale.	Rs. 1,03,44,162/-

b) **Pertaining to Civil Cases- NIL**

iv. **Pertaining to Labour Laws - Nil**

6.19 The details of Compliance Officer is

Mr. Vimal Taparia
Company Secretary
RDB Industries Limited
Bikaner Building 1st Floor,
8/1, Lal Bazaar Street,
Kolkata-700 001
Phone:+91 33 2243 5646/6568
Fax:+ 91 33 2242 0588

7. OFFER PRICE & FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

The Shares of the Target Company are listed on the Bombay Stock Exchange Limited, Mumbai ("BSE") and Calcutta Stock Exchange Association Limited (CSE). The shares of the company are frequently traded within the meaning of explanation (i) to Regulation 20 (5) of SEBI (SAST) Regulations. The annualized trading turnover during the preceding six Calendar months prior to April 2006 in the Stock Exchanges is detailed below:-

SL. No	Name of the Stock Exchange	Total No. of Equity Shares traded during the 6 calender months prior to April	Total No. of equity shares listed	Annualised turnover (in terms of % to total no. of shares.
1.	BSE	16,81,587	63,50,000	52.96

*As per official website of BSE (www.bseindia.com)

The Offer price of Rs 70/- is justified in terms of Regulation 20(4) of the SEBI (SAST) Regulation 1997, in view of the following: -

The negotiated price under the agreement for acquisition of shares/voting rights	NA
Price paid by Acquirers or PACs with him for acquisition, if any by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of PA	NA
The price paid by the Acquirers and PACs for allotment of shares by way of preferential issue	Rs. 70.00
The average of weekly high and low of the closing prices of the shares of the target company as quoted on BSE during twenty-six weeks prior to Board Meeting for the week ending on April 27, 2006	Rs. 30.31
The average of the daily high and low of the prices of the shares during two weeks preceding PA for the week ending on April 27, 2006	Rs. 65.27

Following are the average of the weekly high and low of the closing prices and volume data for 26-week period ended on April 27, 2006 i.e. the weeks preceding the date of Board Meeting i.e. 28.04.2006 (at BSE) (Source: www.bseindia.com)

No. of Weeks	Week Ended	Weekly High (n Rupees)	Weekly Low (n Rupees)	Average	Volume (No. Of Shares)
1	27-Apr-06	80.25	66.25	73.25	624887
2	20-Apr-06	60.25	45.35	52.80	101042
3	13-Apr-06	41.25	26.05	33.65	288230
4	6-Apr-06	25.45	22.15	23.80	89538
5	30-Mar-06	19.60	17.90	18.75	50814
6	23-Mar-06	20.40	18.90	19.65	45400
7	16-Mar-06	22.15	20.70	21.43	37462
8	9-Mar-06	21.80	20.40	21.10	26472
9	2-Mar-06	23.55	21.25	22.40	45811
10	23-Feb-06	24.05	23.35	23.70	27947
11	16-Feb-06	25.30	23.50	24.40	41635
12	9-Feb-06	25.15	24.85	25.00	25330
13	2-Feb-06	27.50	25.50	26.50	62172
14	26-Jan-06	27.85	26.55	27.20	39606
15	19-Jan-06	27.20	24.85	26.03	38913
16	12-Jan-06	27.20	25.35	26.28	33988
17	5-Jan-06	29.90	27.50	28.70	96364
18	29-Dec-05	25.40	22.80	24.10	45924
19	22-Dec-05	27.75	25.15	26.45	63194
20	15-Dec-05	31.70	26.90	29.30	70465
21	8-Dec-05	32.70	27.95	30.33	184550
22	1-Dec-05	38.80	35.25	37.03	61300
23	24-Nov-05	37.15	35.55	36.35	29838
24	17-Nov-05	40.10	38.20	39.15	54482
25	10-Nov-05	38.85	36.00	37.43	36726
26	3-Nov-05	34.35	32.40	33.38	35607
Average of Weekly High & Low				**30.31**	

Following are the prices and volume data for 2-week period preceding the date of Board Meeting i.e. April 28 2006(at BSE) (Source: www.bseindia.com)

Dated	Day High (In Rupees)	Day Low (In Rupees)	Average	Volume
27-Apr-06	84.25	84.25	84.25	9992
26-Apr-06	80.25	80.25	80.25	13957
25-Apr-06	76.45	76.45	76.45	17550
24-Apr-06	72.85	72.85	72.85	58582
21-Apr-06	66.25	60.50	63.38	524806
20-Apr-06	60.25	60.25	60.25	35363
19-Apr-06	54.80	54.80	54.80	32318
18-Apr-06	49.85	49.85	49.85	15854
17-Apr-06	45.35	45.35	45.35	17507
Average of Two Weeks			**65.27**	

The Acquirers have not acquired any shares from date of PA to date of filing of LOO with SEBI other than preferential shares allotted to them.

There is no non-compete agreement

7.2 Financial Arrangement

The total funds requirement for the acquisition of up to 20,00,000 shares held by shareholders in RDB at Rs. 70 per share is Rs. 14,00,00,000 (Rs. Fourteen crores only).

The acquirers have made firm arrangements with M/s Abhiflax Tracon (P) Ltd of 29A, Rabindra Sarani, 3rd Floor, Room No 12, Kolkata- 700 001 and M/s Arham Commercial Co. (P) Ltd of 16, Jamunalal Bajaj Street, Kolkata- 700 007 for funds upto Rs 10,00,00,000 (Rupees Ten crore only) and Rs 20,00,00,000 (Rupees Twenty Crores only) vide their letter dated 02.05.2006 respectively for the open offers.

Mr. Pawan Agarwal of M/s Agarwal Shankar & Associates, Chartered Accountants for the acquirers, having their office at 7A, Bentinck Street, Kolkata-700 001 Membership No. 63196 have vide their letter dated May 04, 2006 certified that the acquirers have sufficient resources to meet their obligations under Regulation 29 of the SEBI (SAST) Regulations. The acquirers have agreed to contribute cash in order to fulfill its obligations under Regulation 29 of the SEBI (SAST) Regulations.

Further, the acquirers have made a cash deposit of Rs.3,50,00,000 being 25% of the amount required under Regulation 28(2) of the SEBI (SAST) Regulations in a bank account with Standard Chartered Bank, N.S. Road, Kolkata- 700 001. MCL has been authorized to realize the value of the aforesaid bank account.

On the basis of the above, the Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the SEBI (SAST) Regulations as firm financial arrangements are in place to fulfill the obligations under the SEBI (SAST) Regulations.

8 TERMS AND CONDITIONS OF THE OFFER

8.1 The Letter of Offer together with the Form of Acceptance shall be mailed to the Shareholders of RDB whose names appear on the Register of Members of RDB and to the beneficial owners of the Equity Shares of RDB whose names appear on the beneficial records of the respective depositories at the close of business on Friday, June 02, 2006 (the "Specified Date").

8.2 All Equity Shares tendered and accepted under the Offer, will be acquired by the Acquirers, subject to the terms and conditions set out in this Letter of Offer. All necessary requirements for the valid transfer of the Equity Shares to the Acquirers will be preconditions for acceptance of the tendered Equity Shares. Besides the Equity Shares allotted by RDB to the Acquirers and outside entities consequent to the Preferential Issue, RDB does not have any Equity Shares that are subject to lock-in.

8.3 Non-resident shareholders, if any, will be required to submit all the previous RBI Approvals (specific or general) that they would have obtained for acquiring shares of RDB, except where the shares have been acquired under automatic route/exemption order of RBI. In case of previous RBI Approvals not being submitted, the Acquirers reserves the right to reject the shares tendered in the offer.

8.4 All equity shareholders of RDB (except the Acquirers and the Promoters), whose names appear in the register of members of RDB as of Friday, June 02, 2006 and also persons (except the Acquirers, and the Promoters), who acquire any Equity Shares of RDB at any time prior to the closure of the Offer, whether or not they are registered shareholders, are eligible to participate in the Offer anytime before the closure of the Offer.

8.5 The acceptance of the Offer made by Acquirers is entirely at the discretion of the shareholders of RDB and each shareholder of RDB to whom this Offer is being made, is free to offer his shareholding in RDB, in whole or in part while accepting the Offer by way of the Offer as per the instructions contained in the aforementioned circular. As on the date of this Letter of Offer, there are no other statutory approvals required to implement this Offer

8.6 As on the date of this Letter of Offer, no statutory or regulatory approval is required for the Acquirers to proceed with this Offer.

8.7 . If any other such approvals are required subsequently, the Offer would be subject to such additional approvals. The Acquirers will have a right not to proceed with the Offer in the event the approvals indicated above are refused in terms of Regulation 27(b) of the SEBI (SAST) Regulations.

8.8 In case of delay in receipt of any statutory approval, SEBI has the power to grant an extension of the time required for payment of consideration under the Offer provided that the Acquirers agrees to pay interest in accordance with Regulation 22(12) of the SEBI (SAST) Regulations. If the delay occurs due to the willful default or neglect or inaction or non-action on the part of the Acquirers in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will become applicable.

8.9 The Acquirers shall complete all procedures relating to the Offer within a period of 15 days from the date of closure of the Offer. In case of delay, due to non-receipt of statutory approvals, as per Regulation 22(12), SEBI may, if satisfied that the non receipt of approvals was not due to willful default or negligence on part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers paying interest to the shareholders, at such rates as may be specified by SEBI.

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

8.11 Accidental omission to dispatch Letter of Offer or any further communication to any person to whom Letter of Offer is or should be made or the non-receipt of Letter of Offer by any such person shall not invalidate the Offer in any way

8.12 The instructions, authorisations and provisions contained in the Form of Acceptance and Form of Withdrawal constitute an integral part of the terms of this Offer.

8.13 Barring unforeseen circumstances and factors beyond their control, the Acquirers intends to complete all formalities pertaining to the purchase of the Equity Shares, including dispatch payment of consideration to the shareholders who have accepted the Offer, by Tuesday September 19, 2006.

8.14 The acceptance of the Offer made by the Acquirers is entirely at the discretion of the shareholders of the Target Company. The Acquirers will not be responsible in any manner for any loss of equity share certificate(s) and offer acceptance documents during transit and the shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

8.15 This Offer is not subject to any minimum level of acceptance from the shareholders. This Offer is being made by the Acquirers to the public shareholders of RDB to acquire up to 20,00,000 Equity Shares, representing 20% of the expanded equity share capital of the Target Company. The Acquirers will proceed with the Offer even if it is unable to obtain acceptance to the full extent of the Equity Shares of RDB for which this Offer is made.

8.16 Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected.

8.17 The Acquirers are permitted to revise the Offer Price upward any time up to seven working days prior to the date of the closure of the Offer (i.e. Thursday August 24,, 2006). If there is any upward revision in the Offer Price before the last date of revision (i.e. Thursday August 24,, 2006) or withdrawal of the Offer, the same would be informed by way of Public Announcement in the same newspapers where the original Public Announcement has appeared. Such revised Offer Price would be payable by the Acquirers to all shareholders who tender their Equity Shares at any time during the Offer and which are accepted under the Offer. However, the Acquirers do not intend to revise the Offer Price.

8.18 Shareholders who have sent their Equity Shares for dematerialization need to ensure that the process of getting Equity Shares dematerialized is completed well in time so that the credit in the Registrar's special depository account should be received on or before the date of closure of the offer, i.e. Monday, September 04, , 2006, else the application would be rejected.

9 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

9.1 Shareholders of RDB, who wish to avail this Offer should forward the under mentioned documents by hand delivery or by registered post to the Registrar to the Offer at the address of the registrar so as to reach the Registrar on or before the date of closure of the Offer (i.e., Monday, September 04, 2006)

In the case of demat Equity Shares; the Registrar is not bound to accept Equity Shares which are not credited to the Special Depository Account as on the date of closure of the Offer, i.e. Monday, September 04, , 2006.

9.2 For equity share held in physical form

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/ first shareholders whose names appear on the share certificates (in case of joint holdings) in the same order in which their names appear in the Register of Members.
- Original Share Certificate(s)

- Valid share transfer deed(s) duly signed as transferors by all shareholders (in case of joint holdings) in the same order and as per specimen signatures lodged with RDB and duly witnessed at the appropriate place. It is preferred that the transferor's signature(s) is attested by a Notary or Bank Manager or Member of Stock Exchange under their seal of office and membership number. The transfer deed should be left blank, excepting the signatures as mentioned above.

9.3 For equity share held in demat form

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/ all shareholders whose names (in case of joint holdings) in the same order in which their names appear in their beneficiary account. The Form of Acceptance has to be tendered by the beneficial holder of Equity Shares only.
- A photocopy of the Delivery Instruction Slip duly acknowledged by the Depository Participant ("DP") filled as per the instructions given hereunder:
- The Beneficial Owners who hold Equity Shares in demat form are required to execute a trade by tendering the Delivery Instruction for debiting their Beneficiary Account with the concerned DP and crediting the Special Depositary Account. The credit in the Special Depository Account should be received on or before 3 p.m as on the date of closure of the Offer, i.e. Monday, September 04, 2006.
- The Delivery Instructions to be given to the DP should be in "Off-Market" mode only. For each Delivery Instruction the Beneficial Owner should submit a separate Form of Acceptance.
- The Registrar to the Offer Niche Technologies Pvt. Limited has opened a special depository account. Beneficial owners holding Equity Shares in the demat form, will be required to send their Form of Acceptance to the Registrar to the Offer either by hand delivery during normal business hours or by Registered Post on or before the close of the Offer, i.e. Monday September 04, , 2006, along with 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 "Niche Technologies Pvt. Ltd – RDBI- Open Offer Escrow Account" filled in with details given below:

DP Name	Shilpa Stock Broker Pvt Limited
DP ID	IN 12025700
Beneficiary Account Number	00013142
Client ID	"Niche Technologies Pvt. Ltd – RDBI- Open Offer Escrow Account".
Depository	Central Depository Services (India) Ltd

For Equity Shares, which are tendered in electronic form, the bank account as obtained from the beneficiary position provided by the Depository will be considered and the warrants/ bank drafts will be issued with the said bank particulars.

Shareholders having their beneficiary account in NSDL have to use inter-depository delivery instruction slip for the purpose of crediting their Equity Shares in favour of the special depository account with CDSL.

In case of non-receipt of the aforesaid documents, but receipt of the Equity Shares in the Special Depository Escrow Account, the Acquirers may deem the Offer to have been accepted by the shareholder.

The address of the Registrar Niche Technologies Pvt. Ltd for the purpose of the Offer is as follows:

Niche Technologies Pvt. Ltd.
D-511, Bagree Market
71, B R B Basu Road
Kolkata - 700001
Ph - 033-22357270/7271
Fax - 033-22156823

Business Hours: Monday to Saturday: 10.00 a.m. to 3.00 p.m.

Holidays: Sundays and Bank Holidays

9.4 Applicants may send their documents only by Registered Post, at their own risk, if not hand delivered at the designated collection centers, to the Registrar at the addresses as mentioned hereinabove during business hours indicated above other than on holidays.

Please note that the Share Certificates/ Delivery Instruction Slip and other documents in relation to the acceptance of the Offer should not be sent to the Acquirers or the Target Company. Such documents should NOT be sent to the Manager to the Offer

9.5 All owners of Equity Shares registered or unregistered, who own the Equity Shares at any time prior to the closure of the Offer are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer. They are required to submit, besides the documents as mentioned in 11.1 above, other documents to prove their title to the Equity Shares offered for acceptance, such as a copy of the contract note issued by the broker through whom they acquired their Equity Shares on or before the close of the Offer, i.e. Monday September 04 , 2006, transfer deed(s) executed by the registered holders of the Equity Shares in addition to the Form of Acceptance and share certificate(s). No indemnity is required from the unregistered owners. Unregistered owners, if they so desire, may also apply on the Form of Acceptance downloadable from SEBI's website (www.sebi.gov.in). Notwithstanding that the signature(s) of the transferor(s) have been witnessed as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with RDB or are not in the same order, such Equity Shares are liable to be rejected under this Offer even if the Offer has been accepted by a bona fide owner of such Equity Shares.

9.6 In case of non-receipt of the Letter of Offer, shareholders may send their acceptance of the Offer to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of Equity Shares held, Distinctive Number., Folio Number, Number of Equity Shares offered, along with documents as mentioned above, so as to reach the Registrar to the Offer on or before the date of closure of the Offer (i.e. Monday September 04 , 2006). No indemnity is required in this regard. Shareholders, who have lodged their Equity Shares for transfer with RDB must also send the acknowledgement, if any, received from RDB towards such lodging of Equity Shares.

9.7 The shareholders should also provide all relevant documents, which are necessary to ensure transferability of the Equity Shares in respect of which the application is being sent. Such documents may include, but are not limited to:

- Duly attested death certificate and succession certificate/ probate/ letter of administration (in case of single shareholder) if the original shareholder is deceased;
- Duly attested Power of Attorney if any person apart from the shareholder has signed the application form and/or transfer deed(s);
- No objection certificates from the chargeholder/ lender, if the Equity Shares in respect of which the application is sent, are under any charge, lien or encumbrance;

- In case of companies, the necessary corporate authorisation (including Board Resolutions);
- Any other relevant documentation.

9.8 Payment of consideration will be made by crossed account payee cheques/ demand drafts and sent by registered post and /or courier in case of consideration amount exceeding Rs. 1,500/- (under Certificate of Posting otherwise) to those shareholders whose share certificates and other documents are found in order and accepted by the Acquirers. All cheques /demand drafts will be drawn in the name of the first holder, in case of joint registered holders.

9.9 In case of physical Equity Shares, the Registrar to the Offer will hold in trust the share certificates, Form of Acceptance duly filled in and the transfer deed(s) on behalf of shareholders of RDB who have accepted the Offer, till the cheques/ drafts for the consideration and/ or the share certificates are posted.

9.10 In case of demat Equity Shares, the Equity Shares would reside in the Special Depository Account as mentioned above. The Registrar to the Offer will debit the Special Depository Account to the extent of payment of consideration made by the Acquirers and give instructions for credit to the beneficial account of the Acquirers.

9.11 Barring unforeseen circumstances and factors beyond their control, the Acquirers intends to complete all formalities pertaining to the purchase of the Equity Shares, including dispatch of consideration to the shareholders who have accepted the Offer, by Tuesday, September 19, 2006.

9.12 In case of physical Equity Shares, to the extent the Equity Shares are not accepted under the Offer, the rejected Share Certificates, transfer deeds and other documents, if any, will be returned by registered post by the Registrar to the Offer to the shareholders /unregistered owners. Subject to the necessary approval from RBI, for the physical Equity Shares accepted under the Offer, the Registrar shall take action for transferring the Equity Shares to Acquirers after the consideration cheques are released to the shareholders concerned.

9.13 The Equity Shares held in demat form to the extent not accepted under the Offer will be released to the Beneficial Owner's Depository Account with the respective DP as per details furnished by the Beneficial Owner in the Form of Acceptance, at the sole risk of the Beneficial Owner. An intimation to that effect will be sent to the Beneficial Owner by Ordinary Post. Subject to the necessary approval from RBI, for the Equity Shares lying in the Special Depository Account, the Registrar shall take action for transferring the Equity Shares to Acquirers after the consideration cheques are released to the Beneficial Owners.

9.14 As the shares trade in the compulsory dematerialized segment of BSE, the minimum market lot for the shares is 1 (one).

9.15 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. The withdrawal option can be exercised by submitting the document as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before Wednesday August 30,2006.

- The withdrawal option can be exercised by submitting the Form of Withdrawal as enclosed herewith.
- 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 the last date of withdrawal.

- Shareholders should enclose the following: -

  For Equity Shares held in demat form beneficial owners should enclose:

  - Duly signed and completed Form of Withdrawal.
  - Copy of the Form of Acceptance/ Plain paper application submitted and the Acknowledgement slip.
  - Photocopy of the delivery instruction slip in "Off-market" mode or counterfoil of the delivery instruction slipin "Off-market" mode, duly acknowledged by the DP.

  For Equity Shares held in physical form Registered shareholders should enclose:

  - Duly signed and completed Form of Withdrawal.
  - Copy of the Form of Acceptance/ Plain paper application submitted and the Acknowledgement slip.
  - 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 RDB and duly witnessed at the appropriate place.

  Unregistered owners should enclose:

  - Duly signed and completed Form of Withdrawal.
  - Copy of the Form of Acceptance/ Plain paper application submitted and the Acknowledgement slip.
  - The withdrawal of Equity Shares will be available only for the Share certificates/ Equity Shares that have been received by the Registrar to the Offer or credited to the Special Depository Escrow Account.
  - The intimation of returned Equity Shares to the shareholders will be sent at the address as per the records of RDB/ Depository as the case may be.
  - The Form of Withdrawal along with enclosure should be sent to the Registrar to the Offer only.
  - In case of partial withdrawal of Equity 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 RDB. The facility of partial withdrawal is available only to Registered shareholders.
  - Shareholders holding Equity Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.
  - In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:
  - In case of physical Equity Shares: name, address, Distinctive Nos., Certificate Numbers., Folio Number, number of Equity Shares tendered
  - In case of dematerialized Equity Shares: name, address, number of Equity Shares tendered, DP name, DP ID, beneficiary account number and a photocopy of delivery instructions slip in "off market" mode or counterfoil of the delivery instruction slip in "off market" mode, duly acknowledged by the DP, in favour of the Special Depository Escrow Account.

10 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 Azimganj House, 2nd Floor 7, Camac Street, Kolkata 700 017from 10.30 a.m. to 1.00 p.m. on any working day, except Saturdays, Sundays and Holidays until the closure of the Offer.

a) Copy of share purchase agreement dated April 28, 2006 among Shree Vinod Dugar, Mrs Sheetal Dugar , Chamatkar.net. India Ltd, Tantia Financial Services Ltd and Nigolice Trading Pvt. Ltd

b) Minutes of Board Meeting of RDB held on April 28th 2006 approving allotment of shares on preferential basis.

c) Minutes of the EGM of RDB dated May 26th 2006 approving allotment of shares on preferential basis.

d) Minutes of the Board Meeting of RDB dated July 24th 2006 allotting shares on the preferential basis.

e) Net worth certificate of Mr. Vinod Dugar and Mrs Sheetal Dugar as certified vide certificate dated 02.05.2006 by Mr. Pawan Agarwal, partner of M/s Agarwal Shankar & Associates Chartered Accountants, (Membership No 63196) having office at 7A, Bentinck Street, Kolkata – 7-00 001

f) Audited results of RDB for the period ended March 31, 2004, 2005 and 2006

g) Certificate from Mr. Pawan Agarwal, partner of M/s Agarwal Shankar & Associates Chartered Accountants, (Membership No 63196) having office at 7A, Bentinck Street, Kolkata – 7-00 001 regarding financial adequacy of Acquirers to fulfill the open offer.

h) Certificate from Standard Chartered Bank, N.S. Road Branch Kolkata confirming the amount placed in escrow towards the proposed Offer, with a lien in favour of Microsec Capital Limited, Manager to the Offer.

i) Copy of the Power of Attorney from Mrs. Sheetal Dugar, authorizing Mr. Vinod Dugar to be the authorized signatory to the Letter of Offer.

j) Published copies of Public Announcement made on May 05, 2006 and Corrigendum Public Announcement dated August 04, 2006 by the Acquirers.

k) A copy of the agreement entered into with the Depository participant for opening a special depository account for the purpose of the offer.

l) SEBI's observation letter no CFD/DCR/HB/TO/73220/06 dated August 02, 2006

11 DECLARATION BY THE ACQUIRERS

The Acquirers accept joint and several responsibility for the information contained in this Letter of Offer and also for their obligations under the SEBI (SAST) Regulations. The Acquirers are responsible for their respective obligations in terms of the SEBI (SAST) Regulations.

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

For and on behalf of:

Mr. Vinod Dugar

Mrs. Sheetal Dugar

Mr. Vinod Dugar

Date: August 07 2006

Place: Kolkata

Encl.:

1) Form of Acceptance-cum-Acknowledgement
2) Form of Withdrawal
3) Transfer Deed for Shareholders holding Equity Shares in Physical Form

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

OFFER

Opens on	Wednesday, August 16, 2006
Closes on	Monday September 04, , 2006
Last date of Withdrawal	Wednesday August 30 , 2006

From

Name:

Address:

Tel. No.

Fax No.

E-mail:

Date:

To,

Niche Technologies Pvt. Ltd.
D-511, Bagree Market
71, B R B Basu Road
Kolkata – 700001

Dear Sir,

Sub: Open Offer to the shareholders of RDB Industries Limited (RDB to acquire from them upto 20,00,000 equity shares of Rs 10/- each aggregating 20.00% of the expanded paid up share capital of RDB@ Rs 70 per share.

I/We refer to the Letter of Offer dated ------------------- for acquiring the equity shares held by me/us in RDB.

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

SHARES IN PHYSICAL FORM

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

SL. No.	Ledger Folio No.	Certificate No(s).	Distinctive No(s).	No. Of shares
Total number of equity shares				

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Offer until the time the Acquirers give the purchase consideration as mentioned in the Letter of Offer.

I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

SHARES IN DEMATERIALISED FORM

I/we, holding shares in the dematerialised form, accept the Offer and enclose the photocopy of the Delivery instruction in " Off market" mode, duly acknowledged by the Depository participant ("DP") in respect of my/our shares as detailed below

DP Name	DP ID	Client ID	No of Shares	ISIN No.
				INE 920C01017
Total number of shares				

I/we have done an off market transaction for crediting the shares to the special account opened for the purposes of the Offer, for which necessary instructions have been given to my/our DP

I/We note and understand that the shares would reside in the depository account opened for the purposes of this offer until the time the acquirers accept the shares and make payment of the purchase consideration as mentioned in the letter of offer.

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

I/We authorise the Acquirers to accept the shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorise the Acquirers to return to me/us, equity share certificate(s) in respect of which the offer is not found valid/not accepted.

I/We authorise the Acquirers and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UCP as may be applicable at my/our risk, the draft/cheque/warrant, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below.

I/We authorize the Acquirers to accept the Shares so offered or such lesser number of Shares that they may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirers to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirers are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,

Signed and Delivered

	Full Name (s) of the holders	Address	Signature
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings all must sign. Enclose duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s). A corporation must affix its common seal and enclose necessary certified corporate authorizations. Non-resident shareholders with repatriable benefits must enclose appropriate documentation.

Place:

Date:

Bank Details

So as to avoid fraudulent encashment in transit, the shareholder(s) may, at their option, provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Savings/Current/(Others; please specify): ____

Name of the Bank & Branch: ____

Account Number: ____

¤---Tear along this line ---

Acknowledgement slip

Ledger Folio No. _____________ DP ID------------------- Client ID---------------------Received from _______________________________ ___________an application for sale of __________Equity Share(s) of RDB Industries Limited together with ________share certificate(s) bearing Certificate Numbers _________________________ and _______transfer deed(s)/photocopy of " Off Market" delivery instructions duly acknowledged by the DP.

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

Date of receipt   Signature of the official

FORM OF WITHDRAWAL

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

OFFER

From

Name:

Address:

	Opens on	Wednesday, August 16, , 2006
	Closes on	Monday September 04 , 2006
	Last date of Withdrawal	Wednesday August 30,, 2006

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

To,

Niche Technologies Pvt. Ltd.
D-511, Bagree Market
71, B R B Basu Road
Kolkata – 700001

Dear Sir,

Sub: <u>Open Offer to the shareholders of RDB Industries Limited (RDB to acquire from them upto 20,00,000 equity shares of Rs 10/- each aggregating 20.00% of the expanded paid up share capital of RDB@ Rs 70 per share.</u>

I/We refer to the Letter of Offer dated ---------------- for acquiring the equity shares held by me/us in RDB 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, hereby consent unconditionally and irrevocably to withdraw my/our shares from the Offer and I/We further authorise the Acquirers to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.

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

I/We note that this Form of Withdrawal should reach the Registrar to the Offer before the last date of withdrawal i.e. August 30 , 2006

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

I/We also note and understand that the Acquirers will return the original share certificate(s), share transfer deed(s) and shares only on completion of verification of the documents, signatures and beneficiary position as available from the depositories from time to time.

SHARES HELD IN PHYSICAL FORM

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

Sr. No.	Ledger folio No.	Certificate No.	Distinctive No.		No. of Shares
			From	To	
Total number of shares					

SHARES HELD IN DEMAT FORM

I/We have tendered the shares in the offer which was done in an off market transaction for crediting the shares to ""Niche Technologies Pvt. Ltd – RDBI- Open Offer Escrow Account" as per the following particulars:

DP ID	IN 12025700
DP Name	Shilpa Stock Broker Pvt Limited
Beneficiary ID Number	Client ID is 00013142

Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my/our shares have been tendered are as detailed below:

DP Name	**DP ID**	**Client ID**	**Name of the Beneficiary**	**No. of Shares**

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 have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,

Signed and Delivered

	Full Names (s) of the holders	**Address**	**Signature**
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of joint holdings, all shareholders must sign. A corporate body must sign under its official name. The withdrawal option can be exercised by submitting the Form of Withdrawal, duly signed and completed, along with the copy of acknowledgement slip issued at the time of submission of the Form of Acceptance cum Acknowledgement. Applicants are requested to clearly mark the envelope with the words "RDB Industries Limited Open Offer" while sending the documents to the registrar to the offer. All future correspondence, if any, should be sent to the Registrar to the Offer, Niche Technologies Pvt. Limited (unit: RDB Industries Limited at their aforesaid address.

Place: Date:

¤-- Tear along this line---------------------------------------

ACKNOWLEDGEMENT RECEIPT

Received Form of Withdrawal from Mr./ Mrs./Ms. ---

Folio No.------------------------ DP ID------------------------ Client ID No---------------------------

Number of shares tendered ---------------

Number of share withdrawn --

Stamp of Registrar **Signature of official** **Date of Receipt**