LETTER OF OFFER

This document is important and requires your immediate attention

This Letter of Offer is sent to you as shareholder(s) of Rossell Tea Limited. If you require any clarification about the action to be taken, you may please consult your stock broker 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 Rossell Tea 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

1. **BMG Enterprises Limited (Acquirers)**
   Reg. Off.: 1st Floor, DCM Building,
   16, Barakhamba Road, New Delhi-110001
   Tel: 011-23713262, 23713265
   Fax: 011-23327512
2. **Mr. Harsh Mohan Gupta (Acquirers)**
   Add: 18, Avenue Ashok, Rajokri, New Delhi –110 038
   Off. Tel: 011-23713262
   Res. Tel: 011-41667100
   Fax: 011-23327512
3. **Mrs. Vinita Gupta (Acquirers)**
   Add: 18, Avenue Ashok, Rajokri, New Delhi – 110 038
   Tel: 011-23713262
   Fax: 011-23327512

Persons Acting in Concert (PAC)

1. **Harvin Estate Pvt. Limited**
   Add: 1st Floor, DCM Building, 16, Barakhamba Road,
   New Delhi – 110 001
   T el: 011-23713262, 23713265,
   Fax: 011-23327512
2. **Mr. Rishab Mohan Gupta**
   Add: 18, Avenue Ashok, Rajokri, New Delhi –110 038
   Tel: 011-23713262
   Fax : 011-23327512
3. **H. M. Gupta & Son (HUF)**
   Add: 1st Floor, DCM Building, 16, Barakhamba Road,
   New Delhi – 110 001
   Tel: 011-23713262
   Fax: 011-23327512

to

Acquire 12,62,859 fully paid up equity shares of Rs. 10/- each representing 20% of the total paid up capital and voting rights of Target Company at a price of Rs. 22.50 (Rupees Twenty Two and Paise Fifty Only) per fully paid equity share, payable in Cash Pursuant to the Regulation 11 (1) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof

Of

ROSSELL TEA LIMITED

Registered and Corporate Office: Jindal Towers, Block B, 4th Floor, 2/1A/3,Darga Road, Kolkatta – 700 017
Tel No.: 033-2287 4794, Fax: 033-2287 5269, Website: www.rosselltea.com
CIN L01132WB1994PLC063513

ATTENTION:

1. **The offer is not a conditional offer.**
2. **The offer is not a competitive bid.**
3. **As on the date of Public Announcement, no Statutory Approvals are required to be obtained for the purpose of this Offer. However, the Offer would be subject to all Statutory Approvals that may become applicable at a later date before the completion of offer.**
4. **Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the offer i.e. (Thursday) 23rd August, 2007.**
5. **Acquirers have the option of upward revision of the offer price/size upto seven working days prior to the date of closure of the offer i.e. (Thursday) 23rd August, 2007. If there is any revision in the Offer Price/withdrawal of the offer the same would be informed by way of a Public Announcement in the same newspapers where the original Public Announcement had appeared. Such revised price would be payable for all the equity shares tendered anytime during the Offer.**
6. **If there is a Competitive Bid:**

6.1. The Public Offers under all the subsisting bids shall close on the same date.

6.2 As the Offer Price can not be revised during 7 working days prior to the closing date of the offers, 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.

7. **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**
8. **For procedure of acceptance of this open offer please refer to section "procedure for acceptance and settlement of the offer".**
9. **Form of acceptance-cum-acknowledgement and form of withdrawal are enclosed with this letter of offer.**

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
NEXGEN CAPITALS LIMITED 9-B, Netaji Subhash Marg, Daryaganj, New Delhi-110 002 **Tel:** +91 11 3011 1333 **Fax:** +91 11 3088 8866 **Contact Person:** Ms. Payal Mittal Chhabra **Email:** pmittal@nexgencapitals.com **Website:** www.nexgencapitals.com	**SKYLINE FINANCIAL SERVICES PVT. LIMITED** 246, Sant Nagar, 1st Floor, East of Kailash, Main Iskon Temple Road, New Delhi- 110065 **Tel:** + 91 11 26292682, 26292683 **Fax:** + 91 11 26292681, **Contact Person:** Mr. V Rana, **Email:** virenr@skylinerta.com;admin@skylinerta.com

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

S.NO.	ACTIVITY	ORIGINAL SCHEDULE	REVISED SCHEDULE
1.	**Public Announcement Date**	(Saturday) 31st March, 2007	(Saturday) 31st March, 2007
2.	**Specified Date** (For the purpose of determining the names of shareholders to whom Letter of Offer would be sent)	(Monday) 30th April, 2007	(Monday) 30th April, 2007
3.	**Last date for a competitive bid**	(Saturday) 21st April, 2007	(Saturday) 21st April, 2007
4.	**Date by which Letter of Offer will be despatched to the shareholders**	(Thursday) 10th May, 2007	(Monday) 30th July, 2007
5.	**Offer Opening Date**	(Friday) 25th May, 2007	(Saturday) 4th August, 2007
6.	**Last date for revising the offer price/number of shares**	(Friday) 1st June, 2007	(Monday) 13th August, 2007
7.	**Last date for withdrawal by shareholders**	(Thursday) 7th June, 2007	(Friday) 17th August, 2007
8.	**Offer Closing Date**	(Wednesday) 13th June, 2007	(Thursday) 23rd August, 2007
9.	**Date by which the acceptance/rejection would be intimated and the corresponding payment for the acquired shares and /or the share certificate for the rejected shares will be despatched**	(Thursday) 28th June, 2007	(Friday) 7th September, 2007

RISK FACTORS

Risk relating to the transaction

1. **The transaction is subject to completion risks as would be applicable to similar transactions.**

   Risk relating to the proposed offer

2. **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 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 RTL, whose shares have been accepted in the offer as well as the return of shares not accepted by the Acquirers, may be delayed.**

3. **The Shares tendered in the Offer will be held in trust by the Registrar, 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 the 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.**

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

   Risk relating to association with the acquirers

5. **Association of the Company with the Acquirers does not warrant any assurance with respect to the future financial performance of the Company.**

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

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1. DEFINITIONS

1.	Acquirers or The Acquirers	BMG Enterprises Limited, Mr Harsh Mohan Gupta and Mrs. Vinita Gupta
2.	CSE	The Calcutta Stock Exchange Association Limited
3.	GSE	The Gauhati Stock Exchange Limited
4.	Form of Acceptance	Form of Acceptance cum Acknowledgement
5.	Form of Withdrawal	Form of Withdrawal cum Acknowledgement
6.	LOO or Letter of Offer	Offer Document
7.	Manager to the Offer or Merchant Banker	NEXGEN Capitals Limited
8.	Offer or The Offer	Open Offer for acquisition of **12,62,859** Fully Paid up equity shares, representing 20% of the total paid up share capital/ voting share capital of Target Company at a price of Rs.22.50 (Rupees Twenty Two Paise Fifty Only) per equity share payable in cash.
9.	Offer Price	Rs. 22.50 (Rupees Twenty Two Paise Fifty Only) per equity share payable in cash.
10	Persons eligible to participate in the present offer	Registered shareholders of RTL as on the specified date other than acquirers and PACs and unregistered shareholders who own the equity shares of RTL any time prior to the date of Closure of the Offer.
11.	Public Announcement or "PA"	Announcement of the Open Offer by The Acquirers, which appeared in the newspapers on 31-03-2007.
12.	RTL or Target Company	Rossell Tea Limited
13.	Registrar or Registrar to the Offer	Skyline Financial Services Private Limited
14.	SEBI	Securities and Exchange Board of India
15.	SEBI (SAST) Regulations, 1997	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto
16.	SEBI Act	Securities and Exchange Board of India Act, 1992
17.	Specified date	Date for the purpose of determining the names of the shareholders, as appearing in the Register of Members of the Target Company or the records of the depositories, to whom the Letter of Offer should be sent i.e. 30-04-2007

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF ROSSELL TEA LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, PERSONS ACTING IN CONCERT 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, NEXGEN CAPITALS LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 13-04-2007 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.

3. DETAILS OF THE OFFER

3.1 Background of the Offer

3.1.1 The offer to the shareholder of RTL is being made in accordance with and as required under Regulations 11(1) of the SEBI (SAST) Regulations, 1997 i.e. for consolidation of holding by the Acquirers who are a part of the Promoters Group of RTL.

3.1.2 ***BMG Enterprises Limited, Mr. Harsh Mohan Gupta and Mrs. Vinita Gupta*** (hereinafter collectively referred to as "**the Acquirers**") are making an Open Offer pursuant to Regulation 11(1) in compliance with the SEBI (SAST) Regulations, 1997. Along with the acquirers, M/s Harvin Estate Pvt. Ltd., Mr. Rishab Mohan Gupta and H. M. Gupta & Son (HUF) are deemed to be Persons Acting in Concert for the purpose of this Offer.

3.1.3 On 28th March, 2007, the Board of Directors of **ROSSELL TEA LIMITED** ("Target Company" or "RTL") issued and allotted on preferential basis 17,77,778 (Seventeen lacs seventy seven thousand seven hundred and seventy eight) fully paid up equity shares of face value of Rs 10/- each at a price of Rs.22.50 including a premium of Rs.12.50 per equity share, aggregating to Rs. 4,00,00,005 (Rupees Four Crores Five Only) **("Preferential Issue")** to the Acquirers in accordance with the guidelines for preferential issues contained in Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 and subsequent amendments thereto **("SEBI DIP Guidelines").**

The said preferential Issue is duly authorised by a Special Resolution passed under section 81(1A) of the Companies Act, 1956, SEBI Guidelines and other applicable provisions, by the shareholders of RTL at the Extraordinary General Meeting held on 28th March, 2007 authorizing the Board of Directors of the RTL to issue and allot the above mentioned equity shares to the Acquirers. Also, the Board of Directors of the Target Company in its meeting held on 28th March, 2007 have issued and allotted on preferential basis 17,77,778 (Seventeen lacs seventy seven thousand seven hundred and seventy Eight) fully paid up equity shares of face value of Rs 10/- each to the Acquirers.

The said preferential issue has been made in compliance with the SEBI DIP Guidelines. A certificate to this effect has been issued by the statutory Auditors M/s S S Kothari & Co. dated 26-03-2007. However, this is subject to the following:

i. In the explanatory statement to the notice of general meeting held on 28-03-2007 shareholding pattern before and after the offer and the percentage of post preferential issue shareholding of BMG Enterprises Limited (allottee) was not mentioned. However, company has mentioned about the consequent increase in the share capital of promoter group in the explanatory statement.

ii. Also, the proposed time within which the allotment shall be complete was not mentioned in the explanatory statement. However, it was clearly mentioned that the allotment will be done inaccordance with the SEBI (DIP) Guidelines. And the allotment was actually completed on 28-03-2007.

iii. The pre-preferential shareholding of BMG Enterprises Limited was dematerialized after the allotment.

After this **"Preferential Issue"** the Acquirers holding along with the holding of Persons Acting in Concert in RTL has increased from 24,53,708 equity shares (54.09% of pre-preferential issue paid-up equity share capital) to 42,31,486 number of equity shares representing 67.01% of the Post preferential paid-up equity share capital of RTL. The allotment of 17,77,778 equity shares (more than 5% of shares carrying voting rights) in the financial year ending on 31-03-2007 has resulted in triggering of the Regulation 11(1) of SEBI (SAST) Regulations, 1997.

3.1.4 Apart from 42,31,486 (Forty Two Lacs Thirty One Thousand Four Hundred Eighty Six Only) shares as per the details given in paragraph 3.1.3 above, the Acquirers do not hold any equity shares in the paid-up share capital of the Target Company.

3.1.5 Neither the Acquirers nor the PACs 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. Further, no directions have been issued by SEBI or action has been taken by SEBI against the acquirers, PACs and the Target Company (including its promoter/directors) for any reason whatsoever, under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act.

3.1.6 The Acquirers do not intend to make any changes in the Board of Directors of the Target Company.

3.1.7 The identity of allottee along with number of shares allotted is given below:

S. No.	Name/Identity of the allottee	Pre Preferential holding of allottees and % to the total paid up capital	Number of shares allotted	Post preferential holding of allottees and % to the total paid up capital
1.	BMG Enterprises Limited	22,61,972 (49.86%)	17,77,778	40,39,750 (63.97%)

3.2 The Offer

3.2.1 The Acquirers have made a Public Announcement, which was published on March 31, 2007 in the following newspapers in accordance with the Regulation 15 of SEBI (SAST) Regulations, 1997.

Publication	Editions
Financial Express (English)	All Editions
Jansatta (Hindi)	All Editions
Aajkal (Bangla)	All Editions

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

3.2.2. The Acquirers are making an offer under the SEBI (SAST) Regulations, 1997 to acquire 12,62,859 equity shares of Rs. 10/- each fully paid up representing 20% of the post-preferential share/voting capital of "RTL" at a price of Rs.22.50 (Rupees Twenty Two and Paisa Fifty) per fully paid up equity share ("**Offer Price**") payable in cash subject to the terms and conditions mentioned hereinafter.

3.2.3. There are no equity shares partly paid up in "Rossell Tea Limited".

3.2.4. The Offer is not subject to any minimum level of acceptances from the shareholders. The Acquirers will accept the equity shares of RTL those are tendered in valid form in terms of this Offer.

3.2.5. Acquirers have not acquired any shares of the Target Company after the date of Public Announcement till the date of this draft Letter of Offer.

3.3 Object of the Acquisition/ Offer

3.3.1 This offer is being made pursuant to Regulation 11(1) of the SEBI (SAST) Regulations 1997, consequent to the preferential allotment of equity shares by RTL to the Acquirers as explained in paragraph 3.1.3 above resulting in consolidation of holding of the Acquirers in RTL.

In terms of the consent obtained from the Members in the Annual General Meeting held on 28th August, 2002, the Board of Directors of RTL had issued and allotted 4,00,000 9% Redeemable Preference Shares of Rs. 100 each to BMG Enterprises Ltd. on 24th October, 2002. These Preference Shares were non-cumulative and were required to be redeemed within 5 years from such date as per the terms of issue. Thus the latest date of redemption of these Shares was 23rd October, 2007.

RTL had incurred cash losses in the financial years 2001-2002 to 2005-2006, except in the financial year 2004-2005 when it had made modest cash profit. In view of these losses, no dividend could ever been declared on the Preference Share Capital. Although the current financial year 2006-2007 was expected to be a reasonably good year for the Company, the existing resources, did not permit availability of cash flows for such redemption.

Accordingly, the Board of Directors called the EGM on 28-03-2007 to obtain consent for the conversion and allotment of 4,00,000 preference shares of Rs.100 each into 17,77,778 equity shares of Rs. 10 each at the premium of Rs.12.50.

3.3.2 Acquirers are the part of the promoter Group of RTL.

4 BACKGROUND OF THE ACQUIRERS

4.1 BMG Enterprises Limited

4.1.1 BMG Enterprises Limited was formed as a private limited company and was registered with the Registrar of Companies, Delhi and Haryana, Delhi vide its Certificate Of Incorporation dated 6th June, 1978 under the name and style of BMG Enterprises Pvt. Ltd. Subsequently, its name was changed from BMG Enterprises Pvt. Ltd. to BMG Enterprises Ltd. w.e.f. 9th July, 2002 in view of the amendment in the provisions of Section 43A of the Companies Act, 1956. Its Registered Office is situated at 1st Floor, DCM Building, 16, Barakhamba Road, New Delhi-110001. Phone No. 91-11-23713262 and 91-11-23713265, Fax No. 91-11-23327512.

4.1.2 The Authorised share capital of BMG Enterprises Ltd. as on the date of PA consists of Rs 500 lacs divided into 5,00,000 equity shares of Rs 100/- each. The Issued, Subscribed and Paid up share capital of BMG Enterprises Ltd. constitutes 92,332 fully paid up equity shares of Rs. 100/- each aggregating to Rs. 92.33 lacs.

4.1.3 The founder promoters of BMG Enterprises Ltd. are Late. Mr. Brij Mohan Gupta and Mr Harsh Mohan Gupta. The Board of Directors of BMG Enterprises Ltd. comprises of Mr. Harsh Mohan Gupta, Mrs. Vinita Gupta, Mrs. Dayavati Gupta, Dr. S.S.Baijal, Mr. Narendra Nath Mukherjee and Mr. Pramod Jain.

4.1.4 BMG Enterprise Limited is engaged into the business of promotion of products of various foreign manufacturers of aviation equipment in India. Its main customers are Defence Organisations and Public Sector Undertakings.

4.1.5 It holds 40,39,750 Equity Shares (Post Preferential Issue) of RTL amounting to 63.97% of its total equity share paid up capital.

4.1.6 Details of allotment/acquisition of equity shares of the target company to BMG Enterprises Limited:

Date of allotment/ acquisition	Particulars	% of shares acquired	Cumulative shareholding	% of Cumulative shareholding	Mode of Acquisition	Compliance with statutory provisions
25-11-1995	4,77,952 were alloted under the Arrangement with Rossell Industries Ltd.	15.74	4,77,952	15.74	Original allotment made under the Arrangeent with Rossell Industries Ltd.	SAST not applicable. Other statutory provisions complied
02-05-1996	Acquired 165 equity Shares	0.01	4,78,117	15.75	Off market purchase	SAST not applicable Other statutory provisions complied
17-07-1997	Acquired 60,335 equity shares	1.99	5,38,452	17.73	Off market purchase	SAST Complied. Other statutory provisions complied
28-10-1997	Preferential allotment– 15,00,000 equity shares	33.06	20,38,452	44.93	Preferential allotment	SAST Complied. Other statutory provisions complied
06-08-1998	Acquired 90,000 equity shares	1.98	21,28,452	46.92	Off market purchase	SAST Complied. Other statutory provisions complied
13-01-1999	Acquired 1,33,520 equity shares	2.94	22,61,972	49.86	Off market purchase	SAST Complied. Other statutory provisions complied
28-03-2007	Preferential Allotment of 17,77,778 shares.	28.15	40,39,750	63.97	Preferential allotment on conversion of preference shares	SAST Compliance is under process Other statutory provisions complied

BMG Enterprises Limited has not made any acquisition earlier in the target Company through Open Offer(s).

4.1.7 BMG Enterprises Limited has complied with the provisions of Chapter II of the SEBI (SAST) Regulations.

4.1.8 The entire shareholding of BMG Enterprises Limited as on date is held by Mr. Harsh Mohan Gupta and his family.

4.1.9 The Board of Directors of BMG Enterprises Limited as on date consists of following members:-

Name of the Director	**Designation and Experience in Field/ No. of years**	**Area of Business**	**Residential Address**	**Date of Appointment/**	**Qualification re-appointment**	**DIN**
Mr. Harsh Mohan Gupta	Chairman and Managing Director	B.A. (Hons) 30 Years	He is actively involved in the business of BMG Enterprises Limited and RTL	18, Avenue Ashok, Westend Greens, Rajokri, New Delhi-110 038	01-08-1978 Reappointed on 01-02-2004	00065973
Mrs. Vinita Gupta	Director	Graduate 20 years	She is involved in to day to day functions of BMG Enterprises Limited and looks after its accounts, finance and administration	18, Avenue Ashok, Westend Greens, Rajokri, New Delhi – 110 038	30-09-1996 reappointed wef 30-09-2005	00065994
Mrs. Dayawati Gupta	Director	Higher Secondary 40 years	She is presently not doing any business.	1, Under Hill Lane, Civil Lines, Delhi-110 054	28-04-1998	00065950
Dr. S.S.Baijal	Director	B.Sc, M.Sc., D.Phil.- Organic Chemistry 52 years	He has retired as Managing Director of ICI Ltd. and presently he is on the board of various companies. He is an independent Director of RTL.	B-4, Sector-30, Noida – 201 303	16-08-2005	00027961
Cdr. Narendra Nath Mukherjee	Director	F.I. Mar E London 55 years	He is a retired senior officer of Indian navy. He is an independent Director of RTL.	E-97, Sarita Vihar, New Delhi – 110 044	16-08-2005	00101702
Mr. Pramod Jain	Director	B.Com (Hons.) 35 years	He is into the business of hospitality and travelling. He is an independent Director of RTL.	W-51, G.K. Part II, New Delhi.	16-08-2005	00053852

Mr. Harsh Mohan Gupta is on the Board of Directors of RTL. Being on the Board of the target company, he has not participated in any matter concerning or relating to the offer.

4.1.10 The Shares of the BMG Enterprises Limited are not listed on any stock exchange.

4.1.11 Brief audited financial details of BMG Enterprises Limited for the financial year ended on March 31, 2006, 2005 and 2004 and Certified financial information for the period ended December 31, 2006 is given below:

(Rs. in lacs)

Profit and Loss Statement	**31.3. 2004 Year Ended (Audited)**	**31.03.2005 Year Ended (Audited)**	**31.03.2006 Year Ended (Audited)**	***31-12-2006 (Certified)**
Income from Operations				
Sale of Tea	23.38			
Commission Income	498.34	440.77	615.92	501.41
Other Income	**68.14**	**43.47**	**32.59**	**26.10**
Total Income	589.86	484.24	648.51	527.51
Total Expenditure	**451.93**	**427.27**	**543.47**	**304.49**
Profit before Depreciation, Interest and Tax	137.93	56.97	105.04	223.02
Depreciation	35.55	33.49	30.32	18.14
nterest	43.06	17.76	14.53	8.05
Profit before Tax	**59.32**	**5.72**	**60.19**	**196.83**
Provision for Tax (grouped)	21.63	4.34	40.03	24.00
Profit after Tax	**37.69**	**1.38**	**20.16**	**172.83**

Balance Sheet Statement	31.3. 2004 Year Ended (Audited)	31.03.2005 Year Ended (Audited)	31.03.2006 Year Ended (Audited)	*31-12-2006 (Certified)
Sources of Funds				
Paid up Share Capital	92.33	92.33	92.33	92.33
Reserves & Surplus	1034.77	1036.20	1055.12	1227.96
Secured Loan	37.39	60.49	35.25	0
Unsecured Loan	490.08	137.16	127.83	137.40
Total	**1654.57**	**1326.18**	**1310.53**	**1457.69**
Uses of Funds				
Net Fixed Assets	223.18	215.09	192.05	178.78
Investments	917.78	901.76	901.76	886.76
Net Current Assets, Loans and Advances	520.58	214.56	215.38	390.81
Deferred Tax Liability/Asset	-6.97	-5.23	1.34	1.34
Total	**1654.57**	**1326.18**	**1310.53**	**1457.69**

Other Financial Data	31.3. 2004 Year Ended (Audited)	31.03.2005 Year Ended (Audited)	31.03.2006 Year Ended (Audited)	*31-12-2006 (Certified)
Net Worth	1127.10	1128.53	1147.45	1320.29
Dividend (%)	0	0	0	0
Earning Per Share	40.82	1.49	21.83	187.18
Return on Net Worth (%)	3.34	0.12	1.76	13.09
Book Value Per Share	1220.71	1222.25	1242.75	1429.94

* Certified by M/s Sandeep Dinodia & Co., Chartered Accountants, The Statutory Auditors of BMG Enterprises Limited.

Formula: - Return on Net Worth = (Profit After Tax/ Net Worth) x100;

Book value of shares = Net Worth / Total Number Of Equity Shares;

EPS = Profit After Tax / Total Number of equity shares

4.1.12 There are no Contingent Liabilities in the company as per Auditor's Report for the FY 2005-2006.

4.1.13 Reasons for rise/fall in profit during the relevant years.

BMG Enterprises Limited has closed down its business of manufacturing and processing tea in the year 2004-05. Further, the consultancy income for the Avitron Division of the company is received from the principals on the basis of deliveries effected and payment received by them against deliveries effected.

Reason for decrease in PAT in the year 2005 (Financial Year Ending 31-03-2005)

Comparison of Profit and Loss Account of FYs ending on 31-03-2004 and 31-03-2005

(Rs. in lacs)

Particulars	31.03.2004	31.03.2005	Difference
Sale of Tea	23.38	0	(23.38)
Commission Recd.	498.34	440.77	(57.57)
Exchange Rate Variation	0	5.54	5.54
Interest	60.61	30.32	(30.29)
Dividend	0.02	0	(0.02)
Credit Balance Written off	7.31	7.46	0.15
Miscellaneous Income	0.20	0.01	(0.19)
Profit on Sale of Assets	0	0.13	0.13
Total Income	**589.86**	**484.23**	**(105.63)**

Expenditure

Decrease in Stock	**17.39**	0	**(17.39)**
Manufacturing & other Exps	91.07	87.94	(3.13)
Staff Welfare	8.06	10.44	2.37
Gratuity	9.80	3.79	(6.00)
Travelling	105.18	78.75	(26.42)
Legal & Professional	56.74	80.38	23.64
Interest paid to directors	39.19	14.73	(24.46)
Interest paid to others	3.87	3.03	(0.84)
Others Expenses	153.34	154.09	(0.75)
Sub Total	**467.25**	**433.14**	**(34.11)**
Managerial Remuneration	10.35	11.89	1.54
Depreciation	35.55	33.49	(2.06)
Provision for Income Tax	30.00	6.00	(24.00)
Deferred Tax	(8.74)	(1.74)	7.00
Provision for wealth tax	0.37	0.08	(0.29)
Total Expenses	**552.17**	**482.86**	**(69.30)**
Net Profit	**37.69**	**1.38**	**(36.32)**

i. **Sale of Tea and Decrease in stock**
BMG Enterprises Limited had closed down its business of manufacturing and processing tea in the year 2004-05. During the year only the leftover stock of tea from the previous year was sold.

ii. **Commission**
Further, Business income of BMG Enterprises Limited is subject to fluctuations. In the financial year 2005 it has gone down to Rs.4,40,76,854/- from Rs.4,98,34,206/- (commission Income) in the financial year 2004 and in the financial year 2006 has gone up to Rs.6,15,91,757/-. Thereby, resulting in the respective decrease and increase in PATs for the FY ending on March 2005 and 2006 respectively.

iii. **Interest**
ICDs amounting to Rs.3,05,00,000/- were withdrawn by BMG Enterprises Limited in the FY 2005. As a result the interest income came down by Rs. 30,29,316/- i.e. from Rs.60,61,407/- in the year 2004 it reduced to Rs.30,32,091/- in the year 2005.

iv. **Reduction in interest paid**
During the Financial year ending on 31-03-2005, the unsecured loans amounting Rs.2,84,31,000/- and Rs.68,60,000/- were refunded to Mr. Harsh Mohan Gupta and Mrs. Vinita Gupta respectively resulting into decrease in the interest paid to the tune of Rs.24,46,165/- in the said year.

4.1.14 Reasons for decrease in unsecured loans, Net Current Assets, Loans and advances in the Financial year 2005 of BMG Enterprises Limited.

Reason for decrease in unsecured loans **(Rs. In Lacs)**

Particulars	**31.03.2004**	**31.03.2005**	**Difference**
Unsecured Loan	490.08	137.16	(352.92)

During the year the unsecured loans amounting Rs.2,84,31,000/- and Rs.68,60,000/- were refunded to Mr. Harsh Mohan Gupta and Mrs. Vinita Gupta respectively.

Reason for decrease in Net Current Assets

(Rs. In Lacs)

Particulars	**31.03.2004**	**31.03.2005**	**Difference**
Net Current Assets Loans & Advances	**31.03.2004**	**31.03.2005**	
Cash & Bank Balances	48.43	53.15	4.72
Advance Recoverable in cash & kind	23.34	23.34	0
Inter Corporate Deposit	514.00	209.00	(305.00)
Interest Accrued on Deposit	43.68	22.39	(21.29)
Loan to Employees	8.05	1.73	(6.32)
Security Deposit	2.43	2.65	0.21
Tax	40.94	53.84	12.90
Total	**680.88**	**366.10**	**(314.77)**
Tax Liabilities			
Sundry Creditors	24.63	24.53	(0.10)
Outstanding Liabilities	63.22	45.49	(17.73)
Other Liabilities	0.56	0.39	(0.16)
Provision for Tax	30.37	36.08	5.71
Provision for Gratuity	41.51	45.04	3.53
Total	**160.30**	**151.54**	**(8.76)**
Net current Assets	**520.58**	**214.57**	**(306.01)**

i. Inter Corporate Deposit :-

During the F.Y. ending March 2005 nter corporate deposits to the extent of Rs.3,05,00,000/- has been withdrawn to repay the unsecured loans.

ii. Interest Accrued on Deposit :-

Interest accrued on deposit during the year has gone down by Rs.21,28,510/- since the inter corporate deposits have gone down.

iii. Loan to Employees :-

A sum of Rs.631,750/- was recovered out of advances given to employees during the year.

iv. Outstanding Liabilities :-

Reason for decrease in outstanding liablities to the extent of Rs.1,773,393/- during the year ending 31st March, 2005 are:

• Liabilities to the extent of Rs.746,213/- were written back,

• Incentive to the extent of Rs.500,000/- were paid off out of the provision of incentive existing in the FY 2004,

•Professional Fees to the extent of Rs.399,050/- were paid off out of the provision of incentive existing in the FY 2004

• Other small liabilities have been paid.

Reason for decrease in Loans and advances explained above

4.1.15 **Significant Accounting Policies for the year ended March 31, 2006**

1. Basis of Accounting:
   The company maintains its accounts on accrual basis following the historical cost convention in accordance with generally accepted Accounting Principles and the provisions of the Companies Act, 1956.
2. Inventories:
   Stock of tea is valued at lower of cost and net realizable value and that of stores and spares is valued at cost or under. Cost is determined on FIFO basis.
   There are no inventories carried on by the company throughout the year.
3. Fixed Assets:
   The fixed assets are stated at cost of acquisition as increased by any subsequent improvement thereto. Cost is inclusive of freight, duties, levies and directly attributable costs of bringing the assets to the working condition for the intended use.
   There is one air conditiner which is not put to use during the year shown under capital WIP and therefore no depreciation has been provided on it during the financial year 2005-06. The depreciation on said air conditioner shall be charge from the date it will be put to use.
4. Depreciation:
   The depreciation has been provided on Written Down Value Method on pro rata basis in accordance with the rates prescribed as per Schedule XIV to the Companies Act, 1956.

5. Investments:
Investments made by the company are long term in nature and hence stated at cost as reduced by diminution of permanent nature, if any.

6. Revenue Recognition:
Revenue from sale of tea includes excise duty and is net of sales taxes. Commission and other income is recognized on accrual basis except dividend income, which is recognized on receipt basis.

7. Retirement Benefits:
The company's contribution to the provident fund is charged against revenue. Gratuity is provided for on accrual basis as per the Payment of Gratuity Act, 1972 on assumption that all employees retire at the balancesheet date. Leave encashment payable to employees is paid within the year.

8. Foreign Currency Transaction
Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Assets and liabilities denominated in foreign currency are translated at year end exchange rates. Profit/loss on transaction is charged to the profit and loss account.

9. Capital Reserve
The subsidies received from MPEDA and Gujarat Government are treated as a part of promoters' contribution and credited to capital reserve. No deductions from specific fixed assets have been done and the reserve is not available for distribution as dividend nor is it considered as deferred income.

10. Taxes on income
Tax on current income is provided on the basis of tax laws and tax rates as prescribed by Income Tax Act 1961. Deferred Tax assets and liabilities arising due to timing differences between taxable income and accounting income are computed using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deffered tax assets are recognised and carried forward only to the extent that there is a reasonable certainity of their realization.

There has been no change in Accounting Policies during last three financial periods.

4.2 *Mr. Harsh Mohan Gupta*

Mr. Harsh Mohan Gupta is a graduate from the University of Delhi and is an expert in International Trade and Business. He joined the business with his father about three decades back. During this period, he gained experience in management, finance and marketing. He has been associated with avionics business for more than 30 years, besides having comprehensive knowledge of Tea Industry. During his leadership, the Company made enormous progress. Presently, he is the Chairman and Managing Director both in BMG Enterprises Ltd. and Rossell Tea Ltd and is actively involved in the business of both the companies.

4.2.1 Mr. Sandeep Dinodia, Partner of S. R. Dinodia & Co., Chartered Accountants, having Office at K-39, Connaught Place, New Delhi – 110 001, Tel No. 11.23418016, 23417630 (Membership No. 83689) has certified vide certificate dated 7th March, 2007 that the Net Worth of Mr. Harsh Mohan Gupta as on 28th February, 2007 is Rs. 896.09 Lacs.

4.2.2 Mr. Harsh Mohan Gupta has complied with the provisions of Chapter II of the SEBI (SAST) Regulations.

4.2.3 Mr. Harsh Mohan Gupta holds 45,757 Equity Shares (Post Preferential Issue) of RTL amounting to 0.72% of its total paid up Equity Share Capital.
Details of allotment/acquisition of equity shares of the target company to Mr. Harsh Mohan Gupta:

Date of allotment/ acquisition	Particulars	% of shares acquired	Cumulative shareholding	% of Cumulative shareholding	Mode of Acquisition	Compliance with statutory provisions
25-11-1995	127 were alloted under the Arrangement with Rossell Industries Ltd.	0.004	127	0.004	Original allotment made under the Arrangement with Rossell Tea Industries Ltd.	SAST not applicable. Other statutory provisions complied
30-04-1996	150 shares acquired	0.005	277	0.009	Off market purchase	SAST not applicable. Other statutory provisions complied
25-07-1996	1980 shares acquired	0.07	2257	0.07	Off market purchase	SAST not applicable. Other statutory provisions complied
28-12-2001	25,000 shares acquired	0.55	27,257	0.60	Off market purchase	SAST Complied Other statutory provisions complied

Date of allotment/ acquisition	Particulars	% of shares acquired	Cumulative shareholding	% of Cumulative shareholding	Mode of Acquisition	Compliance with statutory provisions
25-11-2004	10,500 shares acquired	0.23	37,757	0.83	Off market purchase complied	SAST not applicable as acquisition is for less than 2% of share capital of target company Other statutory provisions
18-10-2005	8,000 shares acquired	0.18	45,757	1.01	Off market purchase	SAST not applicable as acquisition is for less than 2% of share capital of target company Other statutory provisions complied

He has not made any acquisition earlier in the target Company through Open Offer(s).

4.2.4 Mr. Harsh Mohan Gupta holds directorship in the following Companies:

S.No.	Name of the Company	Designation	Listed At
1.	BMG Enterprises Limited	Chairman and Managing Director	Unlisted
2.	Harvin Estates Private Ltd.	Director	Unlisted
3.	RTL	Executive Chairman and Managing Director	CSE and GSE

4.2.5 Mr. Harsh Mohan Gupta has promoted RTL, BMG Enterprises Limited and Harvin Estate Pvt. Ltd.

4.2.6 Mr. Harsh Mohan Gupta is on the Board of Directors of RTL. Being on the Board of the target company, he has not participated in any matter concerning or relating to the offer in accordance with Regulation 22(9) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

***4.3* Mrs. Vinita Gupta**

4.3.1 Mrs. Vinita Gupta, wife of Mr. Harsh Mohan Gupta, aged 43 years is an Indian national and is residing at 18, Avenue Ashok, Rajokri, New Delhi – 110 038, Tel No. 011-23713262.

4.3.2 Mrs. Vinita Gupta holds a graduate degree. She is a director in BMG Enterprises Ltd. and has been associated with the affairs of the Company for more than two decades. She is looking after the commercial activities of the Company which includes looking after accounts, finance, administration and day to day working of the company and giving commercial advice to the suppliers.

4.3.3 Mr. Sandeep Dinodia, Partner of S. R. Dinodia & Co., Chartered Accountants, having Office at K-39, Connaught Place, New Delhi – 110 001, Tel No. 11.23418016, 23417630 (Membership No. 83689) has certified vide certificate dated 7th March 2007 that the Net Worth of Mrs. Vinita Gupta as on 28th February, 2007 is Rs. 330.41 Lacs.

4.3.4 She does not hold any share in RTL as on date. She has not made any acquisition earlier in the target Company through Open Offer(s).

4.3.5 Mrs. Vinita Gupta holds directorship in the following Companies:

S.No.	Name of the Company	Designation	Listed At
1.	BMG Enterprises Limited	Director	Unlisted
2.	Harvin Estates Private Ltd.	Director	Unlisted

4.3.6 She has not promoted any company till the date of PA.

4.4 BACKGROUND OF PACs

4.4.1 Mr. Rishab Mohan Gupta, aged 20 years S/o Mr. Harsh Mohan Gupta is a resident of 18, Avenue Ashok, Rajokri, New Delhi –110 038, Tel No. 011-23713262.

4.4.2 He is not carrying on any business activity and is studying as on the date of PA.

4.4.3 Mr. Sandeep Dinodia, Partner of S. R. Dinodia & Co., Chartered Accountants, having Office at K-39, Connaught Place, New Delhi – 110 001, Tel No. 11.23418016, 23417630 (Membership No. 83689) has certified vide certificate dated 15th May, 2007 that the Net Worth of Mr. Rishab Mohan Gupta as on 31st March, 2007 is Rs. 411.31 Lacs.

4.4.4 He holds 0.40% of the equity Share capital of RTL.

4.4.5 Details of allotment/acquisition of equity shares of the target company to Mr. Rishab Mohan Gupta:

Date of allotment/ acquisition	Particulars	% of shares acquired	Cumulative share-holding	% of Cumulative shareholding	Mode of Acquisition	Compliance with statutory provisions
28-12-2001 acquired	25,000 shares	0.55	25,000	0.55	Off market purchase	SAST complied Other statutory provisions complied

He has not made any acquisition earlier in the target Company through Open Offer(s).

4.4.6 The Compliances under Chapter II of SEBI (SAST) Regulations, 1997 are duly done.

4.4.7 Mr. Rishab Mohan Gupta does not hold Directorship in any company.

4.4.8 **Harvin Estate Pvt. Ltd.** is a part of the promoter group of the RTL. Its registered office is situated at 1st Floor, DCM Building, 16, Barakhamba Road, New Delhi – 110 001. Phone: 011-23713262 Fax: 011-23327512. It was incorporated with the Registrar of Companies, Delhi and Haryana vide certificate of incorporation dated 25th August, 1988. At present, there are no business operations in this Company. Company is presently earning Lease rentals. It is promoted by Late Mr. Brij Mohan Gupta and Mr. Harsh Mohan Gupta .

4.4.9 The Compliances under Chapter II of SEBI (SAST) Regulations, 1997 are duly done.

4.4.10 Details of Directors of Harvin Estate Pvt. Limited

Name	Designation	Qualification & Experience	Area of Experience	Residential Address	Date of Appointment
Mr. Harsh Mohan Gupta	Director	B.A. (Hons) 30 Years	He is actively involved in the business of BMG Enterprises Limited and RTL	18, Avenue Ashok, Westend Greens, Rajokri, New Delhi-110 038	Since inception
Mrs. Vinita Gupta	Director	Graduate 20 years	She is involved in to day to day functions of BMG Enterprises Limited and looks after its accounts, finance and administration	18, Avenue Ashok, Westend Greens, Rajokri, New Delhi-110 038	Since inception

Mr. Harsh Mohan Gupta is on the Board of Directors of RTL.

4.4.11 The equity shares of Harvin Estate Pvt. Limited are not listed on any of the Stock Exchange.

4.4.12 It holds 1.52% of the equity Share capital of RTL.

4.4.13 Details of allotment/acquisition of equity shares of the target company to Harvin Estate Pvt. Ltd.

Date of allotment/ acquisition	Particulars	% of shares acquired	Cumulative shareholding	% of Cumulative shareholding	Mode of Acquisition	Compliance with statutory provisions
25-11-1995	1,965 shares were allotted under the Arrangement with Rossell Industries Ltd.	0.06	1,965	0.06	Original allotment made under the Arrangement with Rossell Industries Ltd.	SAST not applicable. Other statutory provisions complied
28-12-2001	25,000 shares acquired	0.55	26,965	0.59	Off market purchase	SAST complied. Other statutory provisions complied
11-01-2002	65,000 shares acquired	1.43	91,965	2.03	Off market purchase	SAST complied. Other statutory provisions complied
01-03-2004	4,014 shares acuired	0.09	95,979	2.12	Off market purchase	SAST not applicable as acqusition is for less than 2% of share capital of target company Other statutory provisions complied

It has not made any acquisition earlier in the target Company through Open Offer(s).

4.4.14 Brief Audited financial details of Harvin Estate Pvt. Limited are as under:

(Rs. In Lacs)

Profit and Loss Statement	**31.3. 2004 Year Ended (Audited)**	**31.03.2005 Year Ended (Audited)**	**31.03.2006 Year Ended (Audited)**	**31.03.2007 Year Ended (Audited)**
Rent Income	12.60	12.60	12.60	12.60
Other Income	0.29	0	0.35	0.59
Total Income	12.89	12.60	12.95	13.19
Total Expenditure	1.36	0.27	0.27	0.58
Profit before Depreciation, Interest and Tax	11.53	12.33	12.68	12.61
Depreciation	2.09	1.92	1.77	1.93
Interest	1.73	0.64	0	0
Profit before Tax	7.71	9.77	10.91	10.68
Provision for Diminuation in investment	0	0	0	50.38
Provision for Tax (grouped)	2.98	1.57	2.46	6.82
Profit after Tax	4.73	8.20	8.45	(46.52)

(Rs. In Lacs)

Balance Sheet Statement	**31.3. 2004 Year Ended (Audited)**	**31.03.2005 Year Ended (Audited)**	**31.03.2006 Year Ended (Audited)**	**31.03.2007 Year Ended (Audited)**
Sources of Funds				
Paid up Share Capital	48.75	48.75	48.75	33.75
Reserves & Surplus	49.52	57.72	66.16	19.65
Secured Loan	0	0	0	0
Unsecured Loan	10.00	1.00	0	0
Total	**108.27**	**107.47**	**114.91**	**53.40**
Uses of Funds				
Net Fixed Assets	37.15	35.23	33.45	31.52
Investments	68.71	68.71	68.71	18.34
Net Current Assets, Loans and Advances	0.35	0.20	8.93	3.54
Deferred Tax Liability/asset	2.06	3.33	3.82	0
Total	**108.27**	**107.47**	**114.91**	**53.40**

(Rs. In Lacs)

Other Financial Data	**31.3. 2004 Year Ended (Audited)**	**31.03.2005 Year Ended (Audited)**	**31.03.2006 Year Ended (Audited)**	**31.03.2007 Year Ended (Audited)**
Net Worth	53.27	61.47	69.91	23.4
Dividend (%)	0	0	0	0
Earnings Per Share	12.61	21.85	22.51	Nil
Return on Networth (%)	8.88	13.34	12.07	Nil
Book Value Per Share	141.98	163.83	186.34	62.36

Formula: - Return on Net Worth = (Profit After Tax / Net Worth)x100;

Book value of shares = Net Worth / Total Number Of Equity Shares;

EPS = Profit After Tax / Total Number Of Equity Shares Issued.

4.4.15 There is a contingent liability on account of Income Tax Demand for the Assessment Year 1997-98 for which Rs.1,23,109/- had already been paid.

4.4.16 Reasons for rise/fall in profit during the Financial Years 2005, 2006,and 2007

Reasons for increase in PAT in the Financial Years 2005 and 2006

Comparison of Profit and Loss Account of FYs ending on 31-03-2004, 31-03-2005 and 31-03-2006

(Rs. In Lacs)

Particulars	**31.03.2004**	**31.03.2005**	**Difference**	**31.03.2006 2005 vs. 2004**	**Difference 2006 vs. 2005**
Rent	12.60	12.60	0	12.60	0
Other Income	0.29	0	(0.29)	0.35	0.35
Total	**12.89**	**12.60**	**(0.29)**	**12.95**	**0.35**
Administrative Overhead					
Salary & Wages	0.08	0	(0.07)	0	0
Legal & Professional	0.33	0.05	(0.28)	0.08	0.03
Interest Paid to Directors	1.20	0.64	(0.56)	0	(0.64)
Interest Paid to Others	0.53	0	(0.53)	0	0
House Tax	0.70	0	(0.70)	0	0
Auditors Remuneration	0.05	0.05	0	0.05	0
Service Tax	0	0	0	0	0
Out of Pocket Exps.	0	0.01	0.01	0.01	0
Filing Fee	0.02	0.02	0	0	(0.02)
Insurance	0.12	0.12	0.01	0.10	(0.02)
Miscellaneous Exps.	0.05	0	(0.05)	0.02	0.02
Total	**3.08**	**0.90**	**(2.18)**	**0.27**	**(0.63)**
Depreciation	2.09	1.92	0.17	1.77	(0.15)
Provision for Tax	2.00	2.80	(0.80)	3.00	0.20
Deferred Tax	(0.51)	(1.28)	0.77	(0.48)	0.80
Provision for earlier year taxation	1.49	0.05	(1.44)	(0.05)	0
Total	**5.07**	**3.50**	**(1.57)**	**4.23**	**0.73**
Profit After Tax	**4.74**	**8.20**	**(3.47)**	**8.45**	**0.25**

Reasons for increase in PAT in the FY ending on March 2005

1. **Other Income**
   Interest amounting to Rs. 10,066/- were received on income refund, etc and Rs.18,767/- was the miscellaneous income earned in the financial year 2004.

2. **Interest Paid**
   During the year unsecured loans amounting to Rs.9.00 lacs have been paid. Hence the out-go on account of interest amounting to Rs.108,420/- has gone down.

3. **House Tax**
   During the year, house tax has not been paid by the Company on account of revaluation of assessable value of property owned by the Company w.e.f. February, 1991 and 1st April, 1994. As a result refund become due to the Company and no house tax was paid during the financial year 2005.

4. **Depreciation**
   The depreciation has gone down by Rs.17,137/- during the year ending 31st March, 2005 as compared to 31st March, 2004, since the depreciation is calculated on the basis of written down value.

5. **Provision for Earlier Year Taxation**
   In the year ending 31.03.2004 provision for earlier tax liability amounting to Rs.149,162/- was provided as compared to Rs.5,275/- in the year ending 31st March, 2005, thereby effecting the PAT by Rs.143,887/- in the F. Y. ending 31st March, 2005.

Reasons for increase in PAT in the FY ending on March 2006

1. **Other Income**
   Interest income amounting to Rs.34,577/- received on ICDs during the year ending 31st March, 2006.

2. **Expenses**
   Company is not carrying on any business, other then earning rental, as on date.
   Due to proper planning and judicious use of money, company has saved Rs.63,703/- towards expenses in the Financial year ending 31st March, 2006.

   Reasons for decrease in PAT in the FY ending on March 2007
   In the Financial year ending on March 2007, company has made a provision for Dimunition in investiment to the tune of Rs. 50,37,500/- as a result its PAT in the said year is significantly affected.
   Also, in the Financial year ending on March 2007, company has redeemed its 1,50,000 Preference Shares.

4.4.17 **Significant Accounting Policies for the year ended March 31, 2007**

1. Accounting Convention:
   The financial statements are prepared under the historical cost convention in accordance with generally accepted Accounting Principles and applicable mandatory accounting standards and relevant presentational requirements of the Companies Act, 1956 as adopted consistently by the company on the accrual basis of accounting.

2. Fixed Assets:
   Fixed assets are stated at cost of acquisition less accumulated depreciation. Cost is inclusive of freight, duties, taxes and other incidental expenses directly attributable to bringing the assets to the working condition for the intended use.

3. Depreciation:
   The depreciation has been provided on Written Down Value Method on pro rata basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

5. Investments:
   Investments made by the company are long term in nature and hence stated at cost as reduced by diminution of permanent nature, if any.

6. Revenue Recognition:
   Rent income is recognised on accrual basis.
   Dividend income is accrued as and when declared and approved by the shareholders of the investee company.

7. Capital Reserve
   The company has received DM 275,000 (Rs.44,67,912/-) on 23-11-1991 under the Foreign Exchange (Immunities) Scheme, 1991. Being a capital receipt it is not available for distribution as dividend. Hence, the amount is treated as capital reserve.

8. Taxes on income
   Tax on current income is provided on the basis of tax laws and tax rates as prescribed by Income Tax Act 1961.

   Deferred Tax assets and liabilities arising due to timing differences between taxable income and accounting income are computed using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty of their realization.

9. Contigent Liabilities

   There is a contingent liability on account of Income Tax Demand for the Assessment Year 1997-98 for which Rs.1,23,109/- had already been paid.

4.4.18 There has been no change in Accounting Policies during last three financial periods.

4.4.19 **H. M. Gupta & Son (HUF)** having address 1st Floor, DCM Building, 16, Barakhamba Road, New Delhi – 110 001 Phone: 011-23713262 Fax: 011-23327512 holds 0.40% of the equity Share capital of RTL.

4.4.20 It is not carrying on any business activity. However, its funds are advanced which results in interest income.

4.4.21 Mr. Sandeep Dinodia, Partner of S. R. Dinodia & Co., Chartered Accountants, having Office at K-39, Connaught Place, New Delhi – 110 001, Tel No. 11.23418016, 23417630 (Membership No. 83689) has certified vide certificate dated 15th May, 2007 that the Net Worth of Harsh Mohan Gupta & Son (HUF) as on 31st March, 2007 is Rs. 204.43 Lacs.

4.4.22 The Compliances under Chapter II of SEBI (SAST) Regulations, 1997 are duly done.

4.4.23 Details of allotment/acquisition of equity shares of the target company to H. M. Gupta & Son (HUF)

Date of allotment/ acquisition	**Particulars**	**% of shares acquired**	**Cumulative shareholding**	**% of Cumulative shareholding**	**Mode of Acquisition**	**Compliance with statutory provisions**
28-12-2001	25,000 shares acquired	0.55	25,000	0.55	Off market purchase	SAST complied. Other statutory provisions complied

It has not made any acquisition earlier in the target Company through Open Offer(s).

4.5 The Acquirers belong to the Promoter Group of the Target Company. The holding of Promoter Group as on date is 67.01% of the total share capital/voting rights of the Target Company as given below:

S. No.	**Name of Shareholder**	**No. of Shares**	**% to the total paid up capital**
1.	BMG ENTERPRISES LTD.	4039750	63.97
2.	HARSH MOHAN GUPTA	45757	0.72
3.	HARVIN ESTATE PVT.LTD.	95979	1.52
4.	RISHAB MOHAN GUPTA	25000	0.40
5.	HARSH MOHAN GUPTA & SON (HUF)	25000	0.40
	Total	42,31,486	67.01

4.6 The Acquirers at present have no intention to sell, dispose of or otherwise encumber any significant assets of RTL in the succeeding two years, except in the ordinary course of business of RTL. RTL'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 RTL.

4.7 Since the acquirers are the part of promoter group of the target company and intend to continue, no separate strategy or future plans have been disclosed separately

4.8 Also, it is to be noted that in the event of failure to comply with the provisions of Chapter II, SEBI may initiate appropriate action against promoters at a later stage.

5. DISCLOSURE IN TERMS OF REGULATION 21(2)

The Offer (assuming full acceptance) would result in public shareholding in the Target Company being reduced below the minimum level required as per the Listing Agreement with the Stock Exchanges for the purpose of listing on continuous basis. The Acquirers in terms of the provisions of regulation 21(2) of the SEBI (SAST) Regulations, 1997 will facilitate the target company to raise the level of Public shareholding to the level specified for continuous listing as specified in the listing agreement with the stock exchange within the time specified in compliance with SEBI (SAST) Regulations, 1997. Accordingly, the Acquirers undertake to comply with the provisions of the listing agreement in consultation with the stock exchange so as to maintain the minimum percentage of public shareholding in the Target Company required for continuous listing.

Also, it has been undertaken by the acquirers and PACs that they have no intention to delist the shares of the target company.

6. BACKGROUND OF THE TARGET COMPANY – ROSSELL TEA LIMITED

6.1 Rossell Tea Limited was incorporated on June 10, 1994 with the Registrar of Companies, West Bengal, as a Public Limited Company. The Company wef 01-04-2007 has its Registered Office and corporate office at Jindal Towers, Block B, 4th Floor, 21/1A/3, Darga Road, Kolkata – 700 017, Tel No.: 033-2287 4794, Fax: 033-2287 5269, Website: www.rosselltea.com, CIN L01132WB1994PLC063513

6.2 At present, RTL has been engaged in the business of cultivation and manufacturing of black tea. In the year 2006, RTL has commenced new business activity of Repairs and Maintenance of Avionics Equipment under a separate division called Aerotech Services inaccordance with its objects mentioned in its Memorandum of Association.

RTL owns five tea Estates as on the date of PA. Each estate has its own well equipped Factory for processing of Black Tea. They are situated at:

i. District Dibrugarh, Dikom,
ii Romai (Conveyance Deed not executed till the date of Letter of offer)
iii. District Tinsukia, Nokhroy
iv. District Nalbari, Nagrijuli (Conveyance Deed not executed till the date of Letter of offer)
v. District Golaghat, Bokakhat.

Place of work for Aerotech Division is Jindal Towers, Block B, 4th Floor. 21/1A/3, Darga Road, Kolkatta.

Corporate Events

Year	Event
1995	**By scheme of arrangement between Rossell Industries Ltd. and Rossell Tea Limited, all properties, rights, interests, debts, liablities, duties and obligations of Wilton Tea were transferred to Rosell Tea Limited by Rossell Industries Limited.**
2000	**Wilton Investments Limited was amalgamated with Rossell Tea Limited**
2001	**By scheme of arrangement RTL transferred its Nagrjuli Tea Estate and Borahi Tea Estate to Bokakhat Tea Company Limited and Jyoti Holdings Pvt. Limited respectively**
2002	**Bokakhat Tea Company Limited was amalgamated with Rossell Tea Limited**
2006	**RTL acquired 56.25% Equity Shares in Sigma Microsystems Pvt. Limited which is engaged in the business of manufacturing, design and development of Avionics, Aviation and Electronic Equipment**
2006	**RTL sold and transferred its entire Equity Share Holding in Jyoti Holdings Pvt. Limited to Kako Tea Pvt. Limited**

6.3 The authorised share capital of RTL as on the date of PA is Rs 9 Crores, comprising of 90,00,000 equity shares of Rs. 10/- (Rupees Ten Only) each. The issued, subscribed and paid-up equity share capital as on date of PA stood at Rs 631.43 Lacs comprising of 63,14,295 equity shares of Rs 10/- (Rupees ten each).

Paid up Equity Shares of RTL	No. of Equity Shares/ voting rights	% of Shares / voting rights
Fully paid-up equity shares	63,14,295	100
Partly paid-up equity shares	Nil	Nil
Total paid-up equity shares	63,14,295	100
Total voting rights in the Target Company	63,14,295	100

6.4 There are no partly paid up shares in the company.

6.5 The current capital structure of the company has been build up since inception as under:

Date of allotment	No of shares issued	% of shares issued	Cumulative paid up capital (in Rs.)	Mode of allotment	Identity of allottees	Status of compliance
1994	800	0.01	8,000	Cash	Subscriber to Memorandum & Articles	SAST not applicable. Other issues complied
1995	30,35,717	48.08	3,03,65,170	Arrangement with Rossell Tea Industries Ltd.	Members of Rossell Tea Industries Ltd.	SAST not applicable. Other issues complied
1997	15,00,000	23.76	4,53,65,170	Preferential allotment	BMG Enterprises Limited	Complied
2007	17,77,778	28.15	6,31,42,950	Preferential allotment	BMG Enterprises Limited	• SAST compliances are in progress. • Final approval of listing on GSE received vide its letter dated 02-06-2007 bearing Ref: GSE/L/790/2007/226. CSE has informed vide its letter dated 22-05-2007 that the application for listing is under process. • Under SEBI (Prohibition of Insider Trading Regulations), there was a delay of 7 days in making disclosure under Regulation 13(6).
Total	**63,14,295**	**100**	**6,31,42,950**			

6.6 The shares of "RTL" are listed on The Calcutta Stock Exchange Association Limited and at Gauhati Stock Exchange. At present the shares of the Company are not suspended by either of the Stock Exchanges.

6.7 17,77,778 equity shares issued under preferential allotment got final approval of listing on GSE vide its letter dated 02-06-2007 bearing Ref: GSE/L/790/2007/226. Also, CSE has informed vide its letter dated 22-05-2007 that the application for approval of listing is under process. Except these all other shares of RTL are listed.

6.8 There are no outstanding convertible instruments / warrants.

6.9 Promoter and promoter group have complied with the provisions of Chapter II of the SEBI (SAST) Regulations

6.10 RTL has not made disclosure required under regulation 8(3) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 after the record date 09-09-1997. Also, RTL has erred in the initial disclosures required under SEBI (Substantial Acquistion of Shares and Takeovers) Regulations, 1997 made to the Stock Exchanges in the year 1997 and the error continued till 2001, SEBI may initiate appropriate action against it at a later stage.

6.11 RTL has complied with requirements of the Listing Agreement entered with the Calcutta Stock Exchange Association Limited and at Gauhati Stock Exchange, where its equity shares are listed. However, for 17,77,778 equity shares (Preferential Issue) company had applied for in-principle approval for listing to CSE and GSE after the allotment. But now, these shares have got final approval of listing on GSE vide its letter dated 02-06-2007 bearing Ref: GSE/L/790/2007/226. Also, CSE has informed vide its letter dated 22-05-2007 that the application for approval of listing is under process. Further, no punitive action has been taken by the Stock Exchange against the target company.

6.12 The composition of the Board of Directors of RTL as on the date of PA are as follows:

S. No.	Name of the Director	Designation	Qualification and Experience in No. of years	Residential Address	Date of Appointment	DIN
1	Mr. H. M. Gupta	Executive Chairman & Managing Director	B.A. (Hons) 30 Years	18, Avenue Ashok, Westend Greens, Rajokri, New Delhi-110 038	10-06-1994 Reappointed wef 01-05-2006	00065973
2	Dr. S. S. Baijal	Director	B.Sc, M.Sc., D.Phil.- Organic Chemistry 52 years	B-4, Sector 30, Noida – 201 303, UP	14-07-1994	00027961
3	Mr. H. M. Parekh	Director	B.Com.(Hons) 40 years	3A, Navin Apartment, 29, Balltgunge Park, Kolkata – 700 019	19-10-2001 Reappointed on 28-08-2002	00026530
4	Mr. P. L. Agarwal	Director	B.Com., LL.B 35 years	Udyanchal 9, Sarojini Naidu Sarani, Kolkata –17	04-04-2002 Reappointed on 28-08-2002	00069708
5	Mr. R. N. Deogun	Director	M.A. 45 years	4/1, Alipore Park Road, Kolkata – 700 027	10-06-1994	00032798
6	Mr. C. S. Bedi	Executive Director	B.A. (Hons) 30 Years	UD-40202, UDITA, 1050/1, Survey Park, santoshpur, Kolkota – 700 075	01-04-2003 Re-appointed wef 01-04-2006	00123400

Mr. Harsh Mohan Gupta and Dr. S.S. Baijlal are the common directors on the board of BMG Enterprises Limited. Mr. Harsh Mohan Gupta was appointed as Managing Director on 10-06-1994 and was reappointed on 01-05-2006. Dr. Baijlal was appointed on 14-07-1994 as director. None of them have participated in the matters relating to open offer.

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

6.2 Audited financial information of RTL for the financial year ended on March 31, 2006, 2005 and 2004 and Certified financial information for the period ended December 31, 2006 is given below:

(Rs.in Lacs

Profit & Loss Statement	**Year Ended 31.03.2004 (Audited)**	**Year Ended 31.03.2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**	**Nine months Period Ended 31.12.2006***
Income from Operations	3688.88	4825.76	4199.53	4845.79
Other Income	89.20	25.50	144.41	95.14
Total Income	**3778.08**	**4851.26**	**4343.94**	**4940.93**
Total Expenditure	4016.01	4253.61	4193.86	3243.69
Profit/ (Loss) Before Depreciation Interest and Tax	**(237.93)**	**597.65**	**150.08**	**1697.24**
Depreciation	103.79	115.85	119.09	95.00
Interest	373.64	251.61	272.04	215.06
Amortisation	**8.64**	**8.64**	**8.64**	**0**
Loss on sale of investment in subsidiary	**0**	**0**	**0**	**241.90**
Profit/ (Loss) Before Tax	**(724.00)**	**221.55**	**(249.69)**	**1145.28**
Fringe Benefit Tax	0	0	11.50	4.00
Provision for current Taxation	0	2.50	**0**	**0**
Deffered Tax Adjustment	463.68	(480.00)	**72.00**	**0**
Profit/ (Loss) After Tax	**(260.32)**	**(260.95)**	**(189.19)**	**1141.28**

(Rs.in Lacs)

Balance Sheet Statement	Year Ended 31.03.2004 (Audited)	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)	Nine months Period Ended 31.12.2006*
Sources of funds				
Paid-up Share Capital	853.65	853.65	853.65	853.65
Reserves and Surplus	2097.66	2105.00	2106.98	2709.36
Secured Loan	2703.64	2524.03	2596.65	1325.25
Unsecured Loan	1019.32	1064.14	1218.79	1446.71
Total	**6674.28**	**6546.82**	**6776.07**	**6334.97**
Uses of Funds				
Net Fixed Assets	5045.77	5053.00	5112.82	5056.62
Investments	41.79	41.79	41.79	242.32
Net Current Assets	450.50	527.87	450.56	404.03
Misc. Expenses not written off	0.75	0.39	0	0
Deficit in P&La/c	95.47	363.77	538.90	0
Deferred Tax Assets	1040.00	560.00	632.00	632.00
Total	**6674.28**	**6546.82**	**6776.07**	**6334.97**

Other Financial Data	Year Ended 31.03.2004 (Audited)	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)	Nine months Period Ended 31.12.2006*
Net Worth (in Rs.)	**2455.09**	**2194.49**	**2021.73**	**3163.01**
Dividend (%)	Nil	Nil	Nil	Nil
Earnings per share (in Rs.)	Nil	Nil	Nil	25.15
Return on Net worth (%)	Nil	Nil	Nil	36.08
Book Value per Share (in Rs.)	54.12	48.37	44.57	69.73

* Certified by statutory auditor.

Formula: - Return on Net Worth = (Profit After Tax / Net Worth)x100;

Book value of shares = Net Worth / Total Number Of Equity Shares;

EPS = Profit After Tax / Total Number Of Equity Shares.

6.15 The reason for fall/ rise in income and PAT in the relevant years are as under:

As tea industry is a market driven industry, any fall or rise in income and PAT depends on market forces. However, in the year 2005-06 company has taken considerable efforts in improvement of quality of the product leading to the increase of Profits for the said year. .

Reason for increase in other income in the year 2006

(Rs. In Lacs)

Details of Other Income (As per Schedule 14)	31.03.2005	31.03.2006	Difference
Interest Other Deposit	0.52	0.42	(0.10)
On Income Tax Refunded	-	0.45	0.45
Dividend	0.38	-	(0.38)
Rent	16.80	16.80	-
Subsidy Replanting	1.86	10.64	8.79
Tea Board Orthodox Subsidy Scheme	-	72.50	72.50
Sale of DEPB Licence	2.02	3.89	1.87
Sale of Tea Waste	2.03	20.03	18.00
Compensation from Oil India for Dikom Land	1.90	13.55	11.65
Sale of scrap etc.	-	5.86	5.86
Sundry receipts	-	0.27	0.27
Total	25.50	144.41	118.91

The major reasons for increase in other income are as follows:

1. **Replanting Subsidy**
   Tea Board provides for subsidy for replanting of Tea Bushes in the garden. The subsidy on this account during the Financial Year has increased by Rs.878,522/-.

2. **Tea Board Orthodox Subsidy**
Tea Board provides for subsidy for cultivation of orthodox teas. This is the new subsidy which has been started to boost production of orthodox teas in the country. During the financial year a sum of Rs.7,250,379/- has been received from Tea Board on account of orthodox subsidy.

3. **Sale of Tea Waste**
During the financial year 2006 tea waste valuing Rs.2,003,308/- has been sold in Assam. This is obtained during the processing of tea. The sale is effected when sufficient quantity is available since it involved excise clearance etc. also.

4. **Oil Compensation**
During the financial year 2006 a sum of Rs.1,354,625/- has been received from Oil India on account of transfer of land in one of our Tea Estates. Oil India is always looking for land in Assam where there is possibility of exploring oil and land is requisitioned by them.

6.16 **Pre- and Post-Offer shareholding pattern of the Target Company (as on the date of PA) is as per the following table:**

S. No	**Shareholder category**	**Shareholding & voting rights and % of Shareholding & voting rights prior to preferential allotment and offer**		**Shares/voting rights and % of Shareholding & voing rights post preferential allotment which triggered off the Regulations**		***Shares/Voting rights and % of Shareholding & voting rights post preferential allotment to be acquired in the open offer (assuming full acceptance)**		**Shareholding/ voting rights and % of Shareholding & voting rights post preferential allotment after the acquisition and Offer i.e. A + B + C**	
		(A)		**(B)**		**(C)**		**(D)**	
		No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
1.	**Acquirers (including Promoter)**								
A	Harsh Mohan Gupta	45,757	1.01	Nil	Nil	5,00,000	7.92		
2.	**Promoter Group (including Acquirer and PAC)**								
B	BMG Enterprises Ltd.	22,61,972	49.86	17,77,778	28.15	6,62,859	10.50	54,94,345	87.01
C	Harvin Estate Pvt. Ltd.	95,979	2.12	Nil	Nil	Nil			
D	Rishab Mohan Gupta	25,000	0.55	Nil	Nil	Nil			
E	Harsh Mohan Gupta & Son (HUF) (KARTA)	25,000	0.55	Nil	Nil	Nil			
F	Vinita Gupta	Nil	Nil	Nil	Nil	1,00,000	1.58		
	Total	**24,53,708**	**54.09**	**17,77,778**	**28.15**	**12,62,859**	**20**	**54,94,345**	**87.01**
2.	**Public (othe than 1)**								
A	FIs/MFs/FIIs/ Banks/ CG/SG/Insurance Companies/	1,00,524	2.22	Nil	Nil	(12,62,859)	(20)	8,19,950	12.99
B	Private Corporate Bodies	2,51,808	5.55	Nil	Nil				
C	Indian Public	6,20,055	13.67	Nil	Nil				
D	NRI/OCB	11,10,301	24.47	Nil	Nil				
E	Any other	121	0	Nil	Nil				
	Total	**20,82,809**	**45.91**	**Nil**	**Nil**	**12,62,859**	**(20)**	**8,19,950**	**12.99**
	Grand Total (1+2)	**45,36,517**	**100**	17,77,778	28.15	Nil	Nil	**63,14,295**	**100**

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

* Proportion is subject to change

6.17 The conditions of Corporate Governance as envisaged under clause 49 of the listing agreement has been complied by the company. Statutory Auditors of the Company have certified compliance of conditions of corporate governance, this certificate is attached with annual report of the Target Company for the year ended March 31, 2006.

6.18 The total number of shareholders in the public category are 6,326.

6.19 The changes in the shareholding of promoters and promoter group of the company are as per the details mentioned below:

Date of Acquisition/ Allotment	Change in shareholding of promoters and promoter group	Paid up Cumulative shares held	% of shareholding – Cumulative Post acquisition/ Allotment	Mode of Acquisition	Status of Compliance
25-11-1995	4,80,044	4,80,044	15.81	Original allotment made under the Arrangement with Rossell Tea Industries Ltd.	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 Compliances at the end of Target company duly done. Other statutory provisions also complied
30-04-1996	150	4,80,194	15.81	Off market purchase	
02-05-1996	165	4,80,359	15.82	Off market purchase	
25-07-1996	1,980	4,82,339	15.88	Off market purchase	
17-07-1997	60,335	5,42,674	17.87	Off market purchase	
28-10-1997	15,00,000	20,42,674	45.03	Preferential allotment	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 Compliance for shares allotted on 28-03-2007: • SAST compliances are shares acuired in progress. • Final approval of GSE received vide letter dated 02-06-2007 bearing Ref: GSE/L/790/ 2007/226 • CSE has informed vide its letter dated 22-05-2007 that the application for listing is under process. • Under SEBI (Prohibition of Insider Trading Regulations), there is a delay of 7 days in making disclosure under Regulation 13(6).
06-08-1998	90,000	21,32,674	47.01	Off market purchase	
13-01-1999	1,33,520	22,66,194	49.95	Off market purchase	
28-12-2001	1,00,000	23,66,194	52.16	Off market purchase	
11-01-2002	65,000 shares acquired	24,31,194	53.59	Off market purchase	
01-03-2004	4,014 shares acuired	24,35,208	53.68	Off market purchase	
25-11-2004	10,500 shares acuired	24,45,708	53.91	Off market purchase	
18-10-2005	8,000 shares acuired	24,53,708	54.09	Off market purchase	
28-03-2007	17,77,778 shares acuired	42,31,486	67.01	Preferential allotment on conversion of preference shares	

6.20 There are no litigations pending against the Company.

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

Mr. N. K. Khurana Vice President (Finance) cum Company Secretary is the compliance officer of RTL. His correspondence address is Rossell Tea Limited, Jindal Towers, Block B, 4th Floor, 21/1A/3, Darga Road, Kolkata – 700 017, Tel No.: 033-2287 4794, Fax: 033-2287 5269

7 OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

7.1.1 The equity shares of RTL are listed on The Calcutta Stock Exchange Association Limited and Gauhati Stock Exchange Limited.

7.1.2 The shares of RTL have been infrequently traded at The Calcutta Stock Exchange Association Limited and Gauhati Stock Exchange Limited where they are listed during the preceding six calender months prior to the month of the Public Announcement in accordance with the letter dated 01-03-2007 bearing reference no. CSEALD/091/2007 and letter dated 18-05-2007 bearing reference no. GSE/L/790/2007/173 received from the Calcutta Stock Exchange Association limited and the Gauhati Stock Exchange Limited respectively. Also, it is clarified by CSE vide its letter dated 22-05-2007 bearing reference no CSEALD/296/2007 that last transaction of RTL shares was made on 26-02-2003.

Name of the Stock Exchange	Total number of shares traded during August 2006 to January 2007	Total number of listed shares	Annualised trading turnover (% of the total listed shares)
CSE	Nil	45,36,517	Nil
GSE	Nil	45,36,517	Nil

7.1.3 As the shares of "RTL" have been traded infrequently at The Calcutta Stock Exchange Association Limited and Gauhati Stock Exchange Limited where they were listed during the preceding six calendar months prior to the month of the Public Announcement, the Offer Price in terms of Regulation 20(5) of the SEBI (SAST) Regulations, 1997 has been determined taking into account the following parameters:

a.	The Negotiated Price		Not Applicable
b.	Highest Price paid by Acquirer for acquisition, if any, including by way of allotment in a public or rights issue or preferential issue during the 26 weeks prior to the date of PA		Rs.22.50
c.	**Other Financial Parameters**	**Year ended March 31, 2006 (Audited)**	**Period ended December 31,2006 certified**
1.	Return on Net Worth (%)	Nil	36.08
2.	Book Value per share (Rs.)	44.57	69.73
3.	Earning per share (Rs.)	Nil	25.15
4.	Price Earning Multiple (with reference to the Offer price of Rs. 10/- per share)	Nil	Nil
5.	The average industry P/E for the sector in which RTL operates (Source: Capital Market Vol: Mar 26-Apr 08, 2007, Industry Tea)	16.7	

The Offer Price in terms of Regulation 20(5) of the SEBI (SAST) Regulations, 1997 has been determined by M/s. S.R Dinodia & Co., Chartered Accountants, Phone No.91-11-23418016/23417630 and having office at K-39, Connought Place, New Delhi-110001 vide their report dated February 20, 2007 stating that based on the decision of Hon'ble Supreme Court of India in the case of Hindustan Lever Employee Union vs. HLL, 1995 (83 Com Cases, 30) the fair value per share is Rs. 22.50. The pricing is made on the basis of "**Guidelines for valuation of equity shares of company and the business and net assets of branches" issued by Ministry of Finance, Department of Economic Affairs, vide letter No.S.11 (21) CCI (11)/90, dated 13.07.1990**. The objective of these guidelines is to enable companies to make a best reasonable judgment of the fair value of equity shares of a company.

The relevant extracts of the report are stated as under:-

There are mainly three recognized methods, which have been used for valuation of shares of a listed company namely;

a) Market value of shares based on quotation of shares noted in the stock exchange where the shares are listed. In case of RTL shares, since no transaction has recorded in the stock exchanges where the share are listed for in the last more than three years, this method of valuation in our opinion cannot be used to determine the fair market value of the shares of the companies.

b) Net Assets Value Method (NAV): The value determined is calculated by taking into account book value of all assets of the company (based on latest audited results as on March 31,2006), after reducing there from the liabilities of the company and the accumulated losses of the company. Details are as under:

Particulars		**Amount (In Rs.)**
Total Assets		675,006,039
Less: Total Liabilities:		
-Preference Share Capital	40,000,000	
-Secured & Unsecured borrowings	381,543,579	
-Current Liabilities	51,289,318	472,832,897

Particulars	**Amount (In Rs.)**
Net Worth [A]	202,173,142
Number of equity shares [B]	4,536,517
Value per share C=[A/B]	44.57

c) The Price Earning Capacity Value (PECV): The concept underlying this approach to valuation of shares of the company is that the future earning reasonably expected to accrue to the company should be used to determine the fair value of the company's share. Based on the guidelines available, value under PECV method is calculated by the following methodology:

- Profit after tax for five financial years is taken. In case of RTL audited profits & loss is available for the financial year 2002-03 to 2005-06. For the current year's published quarterly results are available for the first three quarters of 2006-07, which show a turnaround from the past losses to current profits. In our opinion these profits should be taken into account to arrive at the fair value of RTL shares. Hence profits for the current FY 2006-07 are taken on the basis of annualized return on nine months. In this regard SRD has relied on the following representation given by the company: "Company is in the business of tea which is a seasonal industry. In a year the cycle is divided into two parts where the basic production period is from middle of March to middle of December. In the rest of the period i.e. from middle of December to middle of March, there is no production. During this period, company use to pay for the fixed expenses along with the overhauling expenses for machinery and garden maintenance. This results in the losses in the last quarter of every financial year" The above explanation is further substantiated on comparison of preceding three years results, wherein the results of the first nine months in every financial year are depleted by losses in the last quarter. Details are as under:

(Amount in Rs Lacs)

Financial year	Results in first nine months (Before tax)	Results of the year (After Tax)
2003-04	(106)	(260)
2004-05	886	(261)
2005-06	287	(189)

Accordingly as against the pre tax profit of Rs 1,141 lacs for the nine months period in the current fiscal year, annual profit of Rs 750 lacs is taken (as estimated by the management of RTL) while calculating the value under PECV method.

- Weighted average of the five years PAT is taken, where weight of three is allocated to the current years PAT and weight one is allocated to rest of each year's PAT. High weightage has been given to the current year as the company is expected to earn significant profits in the current financial year as compare to the losses in the earlier years. Further there exists reason to believe that company would be able to sustain consistent profitability in the future years also.
- Capitalization rate is taken at 15% [being the rate prescribed for the manufacturing companies] on the weighted average profits. Though the company has initiated diversification in the field of aviation consultancy but no further reduction in this rate is considered as this diversification is in its initial stage and at this level trend in the profitability in this area could not be forecasted.

Based on the above factors the value under this method is calculated as under:

A. Calculation of Weighted Average:

Year	Profit after Tax (PAT)	Weights	Value (In Rs lacs)
2006-07	500.00	3	1500.00
2005-06	(189.18)	1	(189.18)
2004-05	(260.95)	1	(260.95)
2003-04	(260.32)	1	(260.32)
2002-03	(258.23)	1	(258.23)
Total [A]		7	531.32

B. Calculation of value per share

Particulars	Amount
Weighted average profits (in rupee lacs) [531.32/7]	75.90
Rate of Capitalization	15%
Amount of capitalization (in rupee lacs)	506.02
No. of Shares	4,536,517
Value per share (In Rs)	11.15

Based on the above calculation the Fair value of the shares of RTL is summarized below in which "two" weight has been attached to price earning capacity value (PECV) and "one" weight has been attached to the Assets Value Method (NAV). The company hopes to maintain consistent profits in the future years and hence in our opinion the earning capacity method is more relevant to determine the market value of the company shares rather than historical value of the assets of the company.

The details are as under:

Particulars	Value Per Share	Weight	Amount (in Rs.)
Value as per Net Assets Method	44.57	1	44.57
Value as per Profit Earning Capacity Value Method	11.15	2	22.30
Total		3	66.87
Weighted Average Value Per Share			**(approx.) 22.50**

Having regard to all the factors mentioned above in their totality, we estimate the fair market value of the equity shares of M/S Rossell Tea Limited as on February 20, 2007 at Rs. 22.50 per equity share.

Therefore, fair value of **Rs. 22.50 per share** as calculated above is justified in terms of Regulation 20(5) of the SEBI (SAST) Regulations, 1997.

7.1.4 There is no non-compete agreement between the Acquirers and the Target Company.

7.1.5 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 Offer Price, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the Offer.

7.2 Financial Arrangements

7.2.1 Assuming full acceptance, the total requirement of funds for the Offer would be Rs. 2,84,14,328/-. As per Regulation 28 of the SEBI (SAST) Regulations, 1997, **Acquirers have opened an Escrow Account with ABN Amro Bank, Hansalaya Building, Barakhamba Road, New Delhi and have deposited Rs. 71,05,000/-,** being more then 25% of the amount required for the Open Offer.

The Acquirers have adequate resources to meet the financial requirements of the Offer. The Acquirers have made firm arrangement for the financial resources required to complete the Offer in full in accordance with the SEBI (SAST) Regulations, 1997. The acquisition will be financed through internal resources.

Details regarding sources of funds

Mr. Harsh Mohan Gupta is having a term deposit of Rs.500 lacs in Indusind Bank Kolkata maturing on 18-06-2007.

Mrs. Vinita Gupta has deposits amounting to Rs.68.90 lakhs as on 31st Mar'07.

BMG Enterprises Ltd. is having ICD with RTL amounting to Rs.1,37,90,000/- as on 13th May, 2007.

Also, the acquirers have already deposited a sum of Rs.71,05,000/- in ESCROW Account with ABN AMRO Bank.

7.2.2 NEXGEN Capitals Limited, Manager to the open offer have been duly authorised to make such appropriation and/or payments from the amount lying to the credit of the Escrow Account and to realise the value of the Escrow Account in terms of the SEBI (SAST) Regulations, 1997.

7.2.3 M/s Sandeep Dinodia & co. , Chartered Accountant, Membership No. 83689, Phone No.91-11-23418016, 23417630 Fax No. 91-11-41513666 and having office at K-39, Connaught Place, New Delhi -110001 have certified and are satisfied that the acquirers have sufficient liquid surplus funds to meet their obligations under the Offer amounting to Rs. 2,84,14,328/-.

7.2.4 The manager to the offer, NEXGEN Capitals Limited, based on the declaration received from M/s Sandeep Dinodia & co., Chartered Accountant confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations under the SEBI (SAST) Regulations, 1997.

8. TERMS AND CONDITIONS OF THE OFFER

8.1 Persons eligible to participate in the Offer

8.1.1 Registered shareholders of RTL (other than Acquirers and persons belonging to promoter group) as on the Specified date and unregistered shareholders who own the equity shares of RTL any time prior to the date of Closure of the Offer.

8.1.2 Except 17,77,778 equity shares allotted under preferential allotment dated 28.03.2007 and Pre preferential holding of BMG Enterprises which is under lock in as per the SEBI DIP Guidelines, at present no shares of RTL are under lock in.

8.2 Statutory Approvals

8.2.1 No approvals from Banks/Financial Institutions are required to make this Offer.

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

8.2.3 As on the date of PA, no other statutory approvals are required to be obtained for the purpose of this Offer.

8.2.4 In case of delay in receipt of any statutory approval, Regulation 22 (12) of SEBI (SAST) Regulations, 1997, will be adhered to vide which SEBI has power to grant extension of time to the Acquirers for payment of consideration to the shareholders subject to Acquirers agreeing to pay interest as directed by SEBI. Further, in case the delay occurs on account of wilful default by the Acquirers in obtaining the approvals, Regulation 22 (13) of SEBI (SAST) Regulations, 1997, will also become applicable.

8.3 Others

8.3.1 This Letter of Offer has been mailed to all the shareholders of RTL (Other than Acquirer and PACs), whose names appear in its Register of Members and the beneficial owners of the shares whose name appear as beneficiaries on the records of the respective depositories, on **30th April, 2007** the Specified Date.

8.3.2 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.

8.3.3 The consideration to the shareholders whose shares have been accepted will be paid by Cheque / Demand Draft / Pay Order crossed 'Account Payee' only in favor of the first holder of equity shares within 15 days from the date of Closure of the Offer. For shares, which are tendered in electronic form, the bank account as specified in beneficial owner's depository account details will be considered and the consideration will be credited with the said bank account.

9 PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

9.1 The Offer is not subject to any minimum level of acceptances from shareholders and in case of the shares received under the offer exceeding the offer size, the acquirers will accept shares on proportionate basis in consultation with the manager to the offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots. At present, the marketable lot of RTL is 1 (One) equity share.

9.2 A Letter of Offer specifying the detailed terms and conditions of the Offer together with a Form of Acceptance cum Acknowledgement and Transfer Deed (for shareholders holding shares in physical forms) will be mailed to the shareholders of RTL (other than Acquirers and persons belonging to promoter group) whose names appear on the Register of Members of RTL and to the beneficial owners of the equity shares of RTL whose names appear as beneficiaries on the records of the respective Depositories, at the close of business hours on April 30, 2007, (the "Specified Date"). Accidental omission to despatch Letter of Offer to any member entitled to this Open Offer or non receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.

9.3 All shareholders of the Target Company, (other than the Acquirers and PACs), who own equity shares at any time before the Closure of the Open Offer, are eligible to participate in the Offer.

The shareholders of RTL (other than Acquirer and PACs), eligible to participate in the Offer anytime before the closure of the offer shall send their Form of Acceptance cum Acknowledgement, Original Share Certificate(s) and Transfer Deed(s) duly signed, to the **Registrar to the Offer viz. Skyline Financial Services Pvt. Ltd.** having office at 246, Sant Nagar, 1st Floor, East of Kailash, Main Iskon Temple Road, New Delhi- 110065 either by Registered Post, Courier or Hand Delivery (Between 10.00 a.m to 5.00 p.m From Monday to Friday and between 10 a.m. to 1.00 p.m. on Saturday), on or before the date of closure of the offer i.e **(Thursday) 23rd August, 2007** in accordance with the instructions specified in the Letter of Offer and Application Form. The shares and other relevant documents should not be sent to the acquirer / PACs / RTL.

9.4 The Letter of Offer alongwith the Form of Acceptance cum acknowledgement/ withdrawal would also be available on SEBI's website at *www.sebi.gov.in,* and shareholders can also apply by downloading such forms from the website.

9.5 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 or courier as the case may be, between 10.00 a.m to 5.00 p.m From Monday to Friday and between 10 a.m. to 1.00 p.m. on Saturday, on or before the date of Closure of the Offer, i.e. **(Thursday) 23rd August, 2007**.

- 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 RTL.
- 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 RTL or on the Share Certificate issued by RTL) as per the specimen signature(s) lodged with RTL 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). In the event that a shareholder needs additional Share Transfer Deed(s), the same can be obtained from the Registrar to the Offer.
- 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.

9.6 The Registrar to the Offer, M/s Skyline Financial Services Pvt. Ltd. has opened a special depository account with SAM Global Securities Limited (Depository : CDSL) styled **"SKYLINE - RTL Escrow A/c".** The DP ID is 12019101and BO ID is 00248503.

9.7 Beneficial owners and shareholders holding shares in the dematerialised form, will be required to send their Form of Acceptance cum Acknowledgement and other documents to the Registrar to the Offer either by Registered Post / Courier or by hand delivery on Mondays to Fridays between 10.00 a.m to 5.00 p.m and between 10 a.m. to 1.00 p.m. on Saturdays, on or before the date of Closure of the Offer, i.e. **(Thursday) 23rd August, 2007**, along with a photocopy of the delivery instructions in "Off market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant ("DP"), in favour of "**SKYLINE - RTL Escrow A/c**" ("Depository Escrow Account") filled in as per the instructions given below:

DP Name: SAM Global Securities Limited
DP ID: 12019101
BO ID: 00248503
Depository: CDSL

Shareholders having their beneficiary account in NSDL shall use **inter-depository** delivery instruction slip for the purpose of crediting their equity shares in favor of the special depository account with CDSL.

9.8 In case of (a) shareholders who have not received the LOO, (b) unregistered shareholders and (c) owner of the equity shares who have sent the equity shares to the Company for transfer, may send their consent to the Registrar to the Offer on plain paper, stating their names, addresses, number of equity shares held, distinctive numbers, folio numbers, number of shares offered along with the documents to prove their title to such equity shares such as broker note, succession certificate, original share certificate / original letter of allotment and valid equity share transfer deeds (one per folio), duly signed by all the shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with RTL), and witnessed (if possible) by the Notary Public or a Bank Manager or the Member of the stock exchange with membership number, as the case may be, so as to reach the Registrar to the Offer on or before the date of Closure of the Offer i.e. (Thursday) 23rd August, 2007. Such shareholders can also obtain the LOO and Acceptance cum Acknowledgement form from the Registrar to the Offer by giving an application in writing or from the SEBI's website viz. www.sebi.gov.in. Further no indeminity is needed from the unregistered shareholders.

9.9 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.

9.10 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.

9.11 Shareholders who have sent their equity shares for dematerialisation need to ensure that the process of getting shares dematerialised is completed well in time so that the credit in the Depository Escrow Account should be received on or before the date of Closure of the Offer, i.e. (Thursday) 23rd August, 2007, else the application would be rejected.

9.12 The shareholders who have not received the LOO and holding equity 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., BO name, BO I.D., number of equity 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 so as to reach the Registrar to the Offer on or before the date of Closure of the Offer i.e**.** (Thursday) 23rd August, 2007**.** Such equity shareholders can also obtain the LOO and Acceptance cum Acknowledgement form from the Registrar to the Offer by giving an application in writing or from the SEBI's website viz. www.sebi.gov.in

9.13 The following collection centre would be accepting the documents by Hand Delivery /Regd Post/Courier as specified above, both in case of shares in physical and dematerialised form on or before (Thursday) 23rd August, 2007 **between 10.00 am to 5.00 pm from Monday to Friday and between 10.00 am to 1.00 pm on Saturday.**

Address of the Collection Centre	**Contact Person**	**Phone/Fax / Email**
Skyline Financial Services Pvt. Ltd. 246, Sant Nagar, 1st Floor, East of Kailash, Main Iskon Temple Road, New Delhi- 110065	Mr. V Rana	Tel: + 91 11 26292682, 26292683 Fax:+911126292681 Email:virenr@skylinerta.com; admin@skylinerta.com

Holidays: Sundays and Bank Holidays

9.14 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 RTL who have accepted the Offer, until the acquirers complete the offer obligations in accordance with the regulations.

9.15 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 Letter of Offer, so as to reach Registrars to the Offer upto three working days prior to the date of Closure of the Offer, i.e. (Thursday) 23rd August, 2007. The withdrawal can also be exercised by submitting an application on a plain paper.

9.16 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:-

In case of physical shares: By stating name, address, distinctive nos., folio no., share certificate number, number of equity shares tendered and to be withdrawn.

In case of dematerialised Shares: By stating name, address, number of equity shares tendered and to be withdrawn, DP name, DP ID, Beneficiary account number, Counter Foil/Photocopy of delivery instruction in "off market" mode duly acknowledged by the DP in favour of special depository account .

In either case: A copy of acknowledgement received upon tendering the shares.

9.17 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.

9.18 Acquirers will acquire all the 12,62,859 fully paid-up equity shares tendered in the Offer with valid applications.

9.19 The consideration received by the shareholders for shares accepted in the offer will be subject to the capital gains tax / deduction of tax at source applicable as per the provisions of the Income Tax Act, 1961. Further, Securities Transaction tax will not be applicable on the shares accepted in this offer.

9.20 While tendering their equity shares under the Offer, Non Resident Individuals, Overseas Corporate Bodies and other non resident shareholders will be required to submit a No Objection Certificate ("NOC") or Tax Clearance Certificate or Certificate for Deduction of Tax at lower rate from Income Tax Authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirers before remitting the consideration. In case the aforesaid NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at lower rates is not submitted, the Acquirers will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders on the entire consideration amount payable to such shareholders. Non Resident Shareholders should also submit copy of the permission received from the Reserve Bank of India for acquisition of the shares of Target company. If the shares are held under General Permission of RBI the Non Resident shareholder should state that the shares are held under General Permission and whether on repatriable basis or non-repatriable basis. In case of its non-submission the Acquirers reserve the right to reject the shares tendered in the Offer.

10. METHOD OF SETTLEMENT

10.1 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 RTL 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.

10.2 Shareholders who have offered their equity shares would be informed about acceptance or rejection of the Offer within 15 days from the date of Closure of the Offer. The consideration to the shareholders whose shares have been accepted will be paid by Cheque / Demand Draft / Pay Order crossed 'Account Payee' drawn only in favor of the first holder of equity shares within 15 days from the date of Closure of the Offer. The payment consideration will be sent by Registered Post to the sole / first named shareholder of RTL whose equity shares are accepted by the Acquirer at his address registered with RTL. 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, the bank account as specified in beneficial owner's depository account details will be considered and the consideration will be credited with the said bank account. In case of any change in bank particulars recorded with the DP, new bank particulars duly attested by the DP should be furnished.

10.3 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. Shares held in dematerialised form to the extent not accepted will be credited back to the beneficial owner's depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement and the intimation of the same will be send to the shareholders.

10.4 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. (Thursday) 23rd August, 2007, including payment of consideration to the shareholders of RTL whose equity shares are accepted for purchase by the Acquirers.

10.5 In case of delay in receipt of any statutory approval, Regulation 22 (12) of SEBI (SAST) Regulations, 1997, will be adhered to vide which SEBI has power to grant extension of time to the Acquirers for payment of consideration to the shareholders subject to Acquirers agreeing to pay interest as directed by SEBI. Further, in case the delay occurs on account of wilful default by the Acquirers in obtaining the approvals, Regulation 22 (13) of SEBI (SAST) Regulations, 1997, will also become applicable.

11. GENERAL

11.1 The Form of Acceptance and instructions contained herein are integral part of this Letter of Offer.

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

11.3 The Offer Price is denominated in Indian Rupees.

11.4 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.

11.5 If there is any upward revision in the Offer Price (in terms of 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 Offer or withdrawal of the Offer, the same would be informed by way of Public Announcement in the same newspapers where original Public Announcement has been made. Such revised Offer price would be payable to all the shareholders who have tendered their shares anytime during the Offer and have been accepted under the offer.

11.6 If there is competitive bid:

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

11.6.2 As the offer price can not be revised during 7 working days prior to the closing date of the offers / bids, it would,

therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly”

11.7 The Acquirers have not acquired any equity share of RTL during the past 12 months prior to the date of this Public Announcement other than the shares acquired in the preferential issue leading to the triggering of the provision of SEBI (SAST) Regulations, 1997.

11.8 In terms of Regulation 22 (5A) of SEBI (SAST) Regulations, 1997, 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 upto three working days prior to the date of Closure of the Offer, i.e. (Thursday) 23rd August, 2007.

11.9 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.

11.10 The manager to the Offer i.e. NEXGEN Capitals Limited does not hold any shares in RTL as on the date of PA.

11.11 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. (Thursday) 23rd August, 2007 would be approved and the shares so offered would be accepted by the Acquirers. The shares so tendered for acceptance shall be free from lien, charges and encumbrances of any kind whatsoever. Also, 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 the free transferability of these equity shares are not received together with the equity shares tendered under the offer.

12. 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 9-B, Netaji Subhash Marg, Daryaganj, New Delhi – 110002 from 10.00 A.M. to 1.00 P.M. on any working day, except Saturdays, Sundays and Holidays until the closure of the Offer.

12.1 Certificate of Incorporation, Memorandum and Articles of Association of BMG Enterprises Limited, Harvin Estate Pvt. Limited, RTL.

12.2 Net Worth certificates issued by Mr. Sandeep Dinodia, Partner of M/s S R Dinodia & Co., Chartered Accountants, certifying the net worth of Mr. Harsh Mohan Gupta, Mrs. Vinita Gupta, Mr. Rishab Mohan Gupta and H M Gupta & Sons (HUF) and certificate for adequacy of financial resources with the Acquirers to fulfill their part of open offer obligations.

12.3 Audited Annual Reports of BMG Enterprises Limited, Harvin Estate Pvt. Limited and RTL for the years ended on March 31, 2006, 2005 and 2004 and financial figures for the nine months period ending 31.12.2006 of BMG Enterprises Limited and RTL.

12.4 The report of M/s S R Dinodia & Co., Chartered Accountants on justification of Offer Price.

12.5 Notice of EGM dated 24-02-2007.

12.6 Certificate from ABN Amro Bank confirming the amount kept in Escrow Account opened as per SEBI (SAST) Regulation 1997.

12.7 Published copy of the Public Announcement, which appeared in the newspapers on March 31, 2007.

12.8 Copy of agreement entered with DP for opening special depository account for the purpose of the offer.

12.9 Copy of letter from SEBI in terms of proviso to Regulation 18(2) of the Regulations.

13. DECLARATION BY THE ACQUIRERS

The Directors of Acquirer, M/s. BMG Enterprises Limited along with other acquirers, Mr. Harsh Mohan Gupta, Mrs. Vinita Gupta and PACs viz Mr. Rishab Mohan Gupta, Directors of Harvin Estates Pvt. Ltd. and Karta of Harsh Mohan Gupta and Sons (HUF), accept responsibility for the information contained in this Letter of Offer. Also, Each of the Acquirer along with the PACs would be severally and jointly responsible for ensuring compliance with the SEBI (SAST) Regulations, 1997 and subsequent amendments made thereof.

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

For and on behalf of Board of Directors of BMG Enterprises Limited	Rishab Gupta
Harsh Mohan Gupta	For and on behalf of Board of Directors of M/s Harvin Estate Pvt. Ltd.
Vinita Gupta	H M Gupta & Sons (HUF)

Place: New Delhi
Date: 27-07-2007

14. ENCLOSURES

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

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

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

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

OFFER OPENS ON	:	**(Saturday) 4th August, 2007**
OFFER CLOSES ON	:	**(Thursday) 23rd August, 2007**

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

From: **Folio No./DP ID/BO ID:**

Name

Address

Tel. No

Fax

E-Mail

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

To,
Acquirers of Rossell Tea Limited,
C/o Skyline Financial Services Pvt. Ltd.
246 Sant Nagar, 1st Floor,
East of Kailash, Main Iskon Temple Road,
New Delhi-110065.

Dear Sirs,

Sub : Open Offer to acquire 12,62,859 equity shares of face value Rs. 10/- each representing upto 20% of the total voting capital of ROSSELL TEA LIMITED at a price of Rs. 22.50 Per fully paid equity share of Rs.10/- each by M/s BMG Enerprises Limited, Mr. Harsh Mohan Gupta Mrs. Vinita Gupta (hereinafter referred as "Acquirers")

I / we, refer to the Letter of Offer dated 27-07-2007 for acquiring the equity shares held by me / us in **ROSSELL TEA LIMITED.**

1. I/we, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.
2. I/We, unconditionally offer to sell to the acquirers the following equity shares in **ROSSELL TEA LIMITED.** (hereinafter referred to as "RTL") held by me/us, at a price of Rs. 22.50 per fully paid-up equity share.

SHARES HELD IN PHYSICAL FORM

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

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

Number of equity shares held in RTL		Number of equity shares offered	
In figures	In words	In figures	In words

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

TEAR HERE

ACKNOWLEDGEMENT SLIP

Sub: Offer to Acquire12,62,859 equity shares of Rs. 10/- each representing 20% of the total voting capital of ROSSELL TEA Limited at a price of Rs. 22.50 Per fully paid equity share of Rs.10/- each by M/s BMG Enterprises Limited, Mr. Harsh Mohan Gupta Mrs. Vinita Gupta and PACs (hereinafter referred as acquirers)

Received from Mr. / Ms. / Mrs...Ledger Folio No/ BO ID......................................DP ID................................Number of certificates enclosed....................under the Letter of Offer dated.........................Form of Acceptance, Transfer Deeds(s) and Original Share Certificate(s)/copy of delivery instruction to (DP) for.............................. equity shares as detailed hereunder:

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

Authorised Signatory Stamp

Date

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

Skyline Financial Services Pvt. Ltd.

246, Sant Nagar, 1st Floor, East of Kailash, Main Iskon Temple Road, New Delhi-110065.

Contact Person: Mr. V Rana, Phone No. 011-2983 3777, 2984 7136, Fax No. 011-011-2984 8352, E-mail: admin@skylinerta.com

Website: www.skylinerta.com

SHARES HELD IN DEMATERLISED FORM

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

DP NAME	DP I.D.	BO I D	NO. OF SHARES OFFERED	NAME OF BENEFICIARY

4. I/We have done an off market transaction for crediting the equity Shares to the special depository account in CDSL styled **"SKYLINE - RTL Escrow A/c".**
   DP Name : SAM Global Securities Limited
   BO ID Number : 00248503
   DP ID Number : 12019101
   Depository : CDSL
   (Shareholders having their beneficiary account in NSDL shall use **inter-depository** delivery instruction slip for the purpose of crediting their equity shares in favor of the special depository account with CDSL.)
5. I / We confirm that the equity shares of RTL which are being tendered herewith by me/us under the Offer are free from liens, charges and encumbrances of any kind whatsoever.
6. I / We authorize the Acquirers to accept the equity shares so offered or such lesser number of equity shares that the Acquirers may decide to accept in consultation with the Manager to the Offer and in terms of the said Letter of Offer and I / we further authorise the Acquirers to apply and obtain on our behalf split of share certificate(s) as may be deemed necessary by them for the said purpose. I further authorize the Acquirers to return to me / us, equity share certificate(s) in respect of which the Offer is not found / not accepted, specifying the reason thereof.
7. My / Our execution of this Form of Acceptance shall constitute my / our warranty that the equity shares comprised in this application are owned by me / us and are transferred by me / us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said equity shares, I / we will hold the Acquirers, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirers acquiring these equity shares. I / We agree that the Acquirers may pay the Offer Price only after due verification of the document(s) and signature(s) and on obtaining the necessary approvals as mentioned in the said Letter of Offer.
8. I / We also note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirers makes payment of consideration or the date by which Shares/ Original Share Certificate(s), Transfer Deed(s) and other documents are despatched to the shareholders, as the case may be.
9. I/We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirers make payment of purchase consideration as mentioned in the Letter of Offer.
10. I/We undertake to execute such further document(s) and give such further assurance(s) as may be required or expedient to give effect to my / our agreeing to sell the said equity shares.
11. I / We irrevocably authorise the Acquirers to send by Registered Post at my / our risk, the Cheque(s) / Demand Draft(s) / Pay Order(s) in settlement of consideration payable and excess share certificate(s), if any, to the Sole / First holder at the address given hereunder and if full address is not given below the same will be forwarded at the address registered with RTL:

Name and complete address of the Sole/ First holder (in case of member(s), address as registered with ROSSELL TEA LIMITED):

..

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

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

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

Name of the Bank: ....

Name of the Branch and Address: ....

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

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

Yours faithfully,

Signed and Delivered:

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

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

INSTRUCTIONS

1 Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance.
2 Signature(s) other than in English, Hindi, and thumb impressions must be attested by a Notary Public under his Official Seal.
3 Mode of tendering the Equity Shares Pursuant to the Offer:
   I. The acceptance of the Offer made by the Acquirers is entirely at the discretion of the equity shareholder of RTL.
   II. Shareholders of RTL to whom this Offer is being made, are free to offer his / her / their shareholding in RTL for sale to the Acquirers, in whole or part, while tendering his / her / their equity shares in the Offer.
4. Business Hours
   Monday to Friday : 10.00 AM to 5.00 PM
   Saturday : 10.00 AM to 1.00 PM
   Holidays : Sundays and Bank Holidays
5. While tendering equity shares under the Offer, Non Resident Individuals, Overseas Corporate Bodies and other non resident shareholders should enclose a No Objection Certificate ("NOC") or Tax Clearance Certificate or Certificate for Deduction of Tax at lower rate from Income Tax Authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirers before remitting the consideration. In case the aforesaid NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at lower rates is not submitted, the Acquirers will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders on the entire consideration amount payable to such shareholders.
6. Non Resident Shareholders should also submit copy of the permission received from the Reserve Bank of India for acquisition of the shares of Target company. If the shares are held under General Permission of RBI the Non Resident shareholder should state that the shares are held under General Permission and whether on repatriable basis or non-repatriable basis. In case of its non-submission the Acquirers reserve the right to reject the shares tendered in the Offer.

FORM OF WITHDRAWAL CUM ACKNOWLEDGEMENT

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

Offer opens on	**(Saturday) 4th August, 2007**
Last date of withdrawal	**(Friday) 17th August, 2007**
Offer closes on	**(Thursday) 23rd August, 2007**

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

From:
Name
Address
Tel. No
Fax
E-Mail

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

To,
Acquirers of Rossell Tea Limited,
C/o Skyline Financial Services Pvt. Ltd.
246, Sant Nagar, 1st Floor, East of Kailash, Main Iskon Temple Road,
New Delhi-110065.

Dear Sir/Madam,

Sub: Open Offer to acquire 12,62,859 equity shares of face value Rs. 10/- each representing upto 20% of the total voting capital of ROSSELL TEA LIMITED at a price of Rs. 22.50 Per fully paid equity share of Rs.10/- each by M/s BMG Enterprises Limited, Mr. Harsh Mohan Gupta Mrs. Vinita Gupta (hereinafter referred as "Acquirers"),

I/We refer to the Letter of Offer dated 27-07-2007 for acquiring the equity shares held by me/us in **Rossell Tea Limited**.
I/We, the undersigned, have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.
I/We wish to withdraw my/our acceptance tendered in response to the said offer.
I/We note that upon withdrawal of my/our equity shares tendered in response to the said offer, no claim or liability shall lie against the Acquirers/Manager to the offer/ Registrar to the offer.
We had deposited/sent our 'Form of Acceptance' to you on __________ alongwith original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:
(Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance')

Sr. No.	Share Certificate No.	Distinctive Nos.		No. of shares
		From	To	
	Tendered			
1				
2				
	Withdrawn			
1				
2				
Total no. of Equity Shares				

I/We note and understand the terms of withdrawal of acceptance and that the original share certificate(s) and Share Transfer Deed(s) shall be returned only on completion of verification of the documents and signatures carried out by Rossell Tea Limited and/or their R and T agents and beneficiary position data as available from the depository from time to time, respectively.

I/We note that the equity shares will be credited back only to that Depository Account, from which the shares have been tendered and necessary standing information have been issued in this regard.
I/We confirm that the particulars given above are true and correct.
In case of dematerialised equity shares, I/We confirm that the signatures of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them under their seal.

Yours faithfully,
Signed and Delivered:

	Full name	Signature (s)	verified and attested by us. Please affix the stamp of DP (In case of demat shares)
First/Sole Shareholder			
Joint Holder 1			
Joint Holder 2			

Place:
Date:

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

TEAR HERE

Folio No.:

Serial No.:

Acquirers of Rossell Tea Limited,
C/o Skyline Financial Services Pvt. Ltd. 246, Sant Nagar, 1st Floor, East of Kailsh, Main Iskon Temple Road, New Delhi-110065.

(Acknowledgement Slip)

Received from Mr./Ms. ....
Address ....
Form of withdrawal in respect of .... Number of Shares Certificates representing .... number of shares/Copy of Delivery instruction to DP for .... equity shares
#delete whatsoever is not applicable.
Note: All future correspondence, if any, should be addressed to **Registrar to the Offer**

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

INSTRUCTIONS

1. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at the address mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 5.00 p.m. hours upto the last date of withdrawal i.e. **June 7, 2007 (Thursday)W**
2. Shareholders should enclose the following:
   - **A. For Equty Shares held in demat form:**

     Beneficial Owners should enclose:
     - i. Duly signed and completed Form of Withdrawal.
     - ii. Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.
     - iii. Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP
   - **B. For shares held in Physical Form:**

     Registered Shareholders should enclose:
     - i. Duly signed and completed Form of Withdrawal.
     - ii. Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.
     - iii. In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Target Company and duly witnessed at the appropriate place.

     Unregistered owners should enclose:
     - i. Duly signed and completed Form of Withdrawal.
     - ii. Copy of the Form of Acceptance cum Acknowledgement/Plain paper application submitted and the Acknowledgement slip.

     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:

     In case of physical shares: By stating name, address, distinctive nos., folio no., share certificate number, number of equity shares tendered and to be withdrawn.

     In case of dematerialised Shares: By stating name, address, number of equity shares tendered and to be withdrawn, DP name, DP ID, Beneficiary account number, Counter Foil/Photocopy of delivery instruction in “off market” mode duly acknowledged by the DP in favour of special depository account .

     In either case: A copy of acknowledgement received upon tendering the shares.
3. The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer/Special Depository Escrow Account.
4. The intimation of returned Shares to the Shareholders will be sent at the address as per the records of the Target Company/ Depository as the case may be.
5. The Form of Withdrawal alongwith enclosure should be sent only to the Registrar to the Offer.
6. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from RTL.
7. For equity shares held in physical form, partial withdrawal of tendered shares can be done by the registered shareholders and for equity shares held in demat form, partial withdrawal of tendered shares can be done by the beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that extent.
8. Shareholders holding shares in dematerialized form are requested to issue the necessary standing instructions for receipt of the credit in their DP account.

TEAR HERE

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

Skyline Financial Services Pvt. Ltd.
246, San Nagar, 1st Floor, East of Kailash, Main Iskon Temple Road, New Delhi-110065.
Contact Person: Mr. V Rana, Phone No. 011-2983 3777, 2984 7136, Fax No. 011-011-2984 8352, E-mail: admin@skylinerta.com
Website:www.skylinerta.com