

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a Shareholder(s) of **Roselabs Finance Limited**. If you require any clarification about the action to be taken, you may consult your stock broker or investment consultant or Manager to the Offer/ Registrar to the Offer. In case you have sold your Shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

M/s Poonam Fast Foods Private Limited ("the Acquirer" or "PFFPL")

304, Noble Tower, Ganapatrao Kadam Marg, Lower Parel, Mumbai - 400 013 Tel No. 22873066; Fax No. 24953117
E Mail Id: poonamf51@yahoo.com

MAKES A CASH OFFER AT RS. 12.75 (RUPEES TWELVE PAISE SEVENTY FIVE ONLY) PER FULLY PAID EQUITY SHARE TO ACQUIRE UPTO

20,00,000 Equity Shares of Rs. 10/- each representing 20% of share capital of the Target Company

ROSELABS FINANCE LIMITED



123/1, Sadiram Estate, Saijpur Gopalpur, Pirana Road, Ahmedabad 382405
Tel No. (079) 26590307, Fax No. (079) 22166730, E-mail: roselabsfinance@gmail.com

Notes:

- This Offer is made pursuant to and in compliance with Regulations 10 & 12 of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 and subsequent amendments thereto ("the Regulations"). This Offer is not conditional to any minimum level of acceptance.
- This is not a competitive bid.
- There has been no revision of Offer price, till the date of this Letter of Offer.
- The Acquirer can revise the Offer price upto 7 working days prior to the date of closure of the Offer. The last date for such revision is Monday, June 23, 2008. Any upward revision or withdrawal of the Offer would be informed by way of a Public Announcement in the same Newspapers where the original Public Announcement had appeared. Consideration at the same rate will be paid for all Equity Shares tendered anytime during the Offer period.
- **If there is a competitive bid:-**
 - **The public offers under all the subsisting bids shall close on the same date.**
 - **As the offer price cannot be revised during 7 working days prior to the closing date of the offer/bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.**
- The Registration of all the Intermediaries associated with the Offer, viz., Arihant Capital Markets Limited, Manager to the Offer and M/s Intime Spectrum Registry Ltd, Registrar to the Offer are valid and no action has been initiated by SEBI or any Government body against them.
- A copy of this Letter of Offer (including the Form of acceptance and acknowledgement, Form of Withdrawal), Copy of Public Announcement and Copy of the Corrigendum to the Public Announcement are available on SEBI's website www.sebi.gov.in
- 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 3 working days prior to the date of closure of the Offer. The Last date for such withdrawal is Thursday, June 26, 2008
- The Offer is subject to the receipt of approval from Reserve Bank of India ("RBI") under the Foreign Exchange Management Act, 1999 ("FEMA") for the acquisition of Shares by the Acquirer from non-resident persons under the Offer. RFL will make the application for the RBI approval, if any, after closure of the offer. No other approvals are required for the purpose of the proposed open offer.

THE SCHEDULE OF ACTIVITIES IS AS PER THE FOLLOWING TABLE:

ACTIVITY	ORIGINAL SCHEDULE	REVISED SCHEDULE
Public Announcement (PA)	Saturday, February 23, 2008	Saturday, February 23, 2008
Corrigendum to Public Announcement		Thursday, June 5, 2008
Specified date (for the purpose of determining the names of shareholders to whom Letter of Offer would be sent)	Friday, March 14, 2008	Friday, March 14, 2008
Letter of Offer to be posted to the shareholders	Friday, April 4, 2008	Monday, June 9, 2008
Date of Opening the Offer	Tuesday, April 15, 2008	Friday, June 13, 2008
Last date for withdrawal of acceptance form	Tuesday, April 29, 2008	Thursday, June 26, 2008
Date of Closing the offer	Monday, May 05, 2008	Wednesday, July 2, 2008
Last date for a competitive bid	Saturday, March 15, 2008	Saturday, March 15, 2008
Last date for revising the Offer Price / number of shares	Wednesday, April 23, 2008	Monday, June 23, 2008
Date of communicating rejection / acceptance and payment of consideration for the application accepted.	Tuesday, May 20, 2008	Thursday, July 17, 2008

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 <p>ARIHANT capital markets ltd. Merchant Banking Division 3rd Floor, Krishna Bhavan, 67, Nehru Road, Vile Parle (East), Mumbai - 400 057 Tel No: 67664800/858, Fax No. 67664880 Email: sheela.c@arihantcapital.com Contact person: Ms. Sheela Chhatwani</p>	 <p>INTIME SPECTRUM REGISTRY LIMITED INTIME SPECTRUM REGISTRY LIMITED C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400078 Tel No: 25960320, Fax No. 25960329 Email: pffpl.openoffer@intimespectrum.com Contact person: Ms. Awani Thakkar</p>
OFFER OPENS: FRIDAY, JUNE 13, 2008	OFFER CLOSES: WEDNESDAY, JULY 2, 2008

RISK FACTORS

Risk Factors relating to the transaction

1. The acquirer proposes to take control of the Target Company. The likely changes in the management/taking control by the Acquirer shall be subject to compliance of the provisions of the Regulations.
2. In the event that either (a) a statutory and regulatory approval, if any, is not received in a timely manner, (b) there is a litigation, if any, leading to a stay of the offer, or (c) SEBI instructing the Acquirer not to proceed with the Offer, the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the shareholders of RFL whose shares have been accepted in the Offer as well as the return of shares not accepted by the acquirer may be delayed. In case of delay, due to non receipt of statutory approvals, as per the Regulation 22(12) of the Regulations, SEBI may, if satisfied that the non - receipt of approvals was not due to willful default or negligence or failure to diligently pursue on the part of the acquirer, grant an extension for the purpose of the completion of the Offer subject to the Acquirer paying interest to the shareholders, as may be specified by SEBI.
3. The Share Purchase Agreement (SPA) dated February 19, 2008 contains a clause that the agreement is subject to the provisions of the SEBI (SAST) Regulations and in case of non-compliance of any provisions of the Regulations by the Acquirer or the Sellers, the SPA shall not be acted upon by the parties.
4. The RBI has stated that the Target Company is a non-deposit taking NBFC and, therefore, is subject to minimal regulations. However, RBI have not received any exception reports from the statutory auditors of the target company regarding non-compliance with the regulatory prescriptions applicable to it.

Risk Factors relating to the proposed Offer

1. If the aggregate of valid responses exceeds the offer size, then the Acquirer will accept the valid applications on a proportionate basis in accordance with Regulation 21(6) of the Regulations.
2. Association of the acquirer with Roselabs Finance Limited/taking control of RFL by the Acquirer does not warrant any assurance with respect to the future financial performance of RFL
3. Shareholders accepting this Offer will be tendering their Equity Shares before getting payment of consideration. Further, they will not be able to take advantage of any favorable price movements, during this period.

Probable risks involved in associating with the Acquirer

1. The Acquirer has been a dormant company with no significant business in the last three years.
2. Poonam Fast Foods Private Limited, the acquirer, has only been recently taken over by Mr. Samyak Veera, and thus there is no track record of past proven performance.
3. Transfer of equity shares received from NRI shareholders under the offer is subject to receipt of RBI approval for the same.

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ABBREVIATIONS /DEFINITIONS

Acquirer/ PFFPL	M/s. Poonam Fast Foods Private Limited
ASE	Ahmedabad Stock Exchange Limited
BSE	The Bombay Stock Exchange Limited
Corrigendum to PA	Corrigendum to the Public announcement made in Newspapers on Thursday, June 5, 2008
Eligible Persons	All owners of shares of RFL, registered or unregistered (other than Acquirer and Sellers) who own shares at any time prior to the closure of the Offer
Form of Acceptance	Form of Acceptance-cum-acknowledgement
LOF	Letter of Offer
Manager/Manager to the Offer/ ACML	Arihant Capital Markets Limited
NBFC	Non Banking Finance Company
NRI	Non Resident Indian
Offer/ Open Offer	Cash offer being made by the Acquirer to the Shareholders of the Target Company
Offer Price	Rs.12.75 per equity share of RFL.
Public Announcement /PA	Public Announcement of the Offer made by the Acquirer to shareholders of RFL on February 23, 2008
RBI	Reserve Bank of India
Registrar to the Offer	Intime Spectrum Registry Limited
RFL/ Target Company/ the Company	Roselabs Finance Limited
SEBI/Board	Securities and Exchange Board of India
SEBI (SAST) Regulations, 1997 or the Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and amendments thereof.
Sellers	M/s. Roselabs Ltd and M/s. Singhal Overseas Ltd.
SPA	Share Purchase Agreement dated February 19, 2008 between the Acquirer and Sellers
FEMA	Foreign Exchange Management Act, 1999

Disclosure by Manager to the Offer with respect to the following Regulations:

- **Regulation 24(1)(e):** Arihant Capital Markets Ltd., the Manager to the Offer does not hold any shares in RFL, on their own account.
- **Regulation 24(5A):** They declare and undertake that they shall not deal in shares of RFL during the period commencing from the date of their appointment as Manager to the Offer till the expiry of 15 days from the date of closure of the offer, on their own account.

1. DISCLAIMER CLAUSE

“IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF ROSELABS FINANCE LIMITED TO TAKE AN **INFORMED DECISION** WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, ARIHANT CAPITAL MARKETS LTD HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED MARCH 7, 2008 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.”

2. DETAILS OF THE OFFER

2.1 Background of the Offer

- A. The Offer is being made in compliance with Regulations 10 and 12 of the Regulations for substantial acquisition of shares and change in control of RFL.
- B. The Offer is being made by Poonam Fast Foods Private Ltd., a company under the Companies Act, 1956, and having its registered office at 304, Noble Tower, Ganapatrao Kadam Marg, Lower Parel, Mumbai - 400 013, to the equity shareholders of Roselabs Finance Limited.
- C. PFFPL had acquired 10.25 lakh equity shares of RFL constituting 10.25% of the voting capital. These shares were acquired as follows: 1) 3.00 lakh equity shares and 1.00 lakh equity shares on 26/10/2007, at Rs. 8.34 per share and Rs. 8.36 per share respectively, from the open market, 2) 2.55 lakh equity shares on 22/11/2007, on off market spot delivery basis, at a price of Rs. 8.50 per share and 3) 3.70 lakh equity shares on 14/12/2007 also on off-market spot delivery basis at a price of Rs. 8.50 per share.
- D. The Acquirer has entered into an SPA dated February 19, 2008 whereby the Acquirer is going to acquire fully paid equity shares at a price of Rs. 8.50 per share from the sellers, as detailed herein below:

Sr. No	Name & address of the sellers	No. of Equity shares agreed to be sold by the seller	% of Share Capital of the Target Company
1	Roselabs Ltd. 123/1, Saijpur, Gopalpur, Pirana Road Piplej, Ahmedabad 382 405	23,13,850	23.14
2	Singhal Overseas Ltd. 123/1, Saijpur, Gopalpur, Pirana Road Piplej, Ahmedabad 382 405	21,58,800	21.59
	Total	44,72,650	44.73

Both the sellers are companies within the promoter group and are also the major shareholders and sellers in the promoter group.

- E. The salient features of the SPA are:
 - i. The negotiated price under the agreement is Rs.8.50 per share.

- ii. At the time of execution of this agreement:
 - a) the Acquirer shall deposit with the Sellers an amount of Rs. 3,33,49,800 (Rupees Three Crores Thirty Three Lacs Forty Nine Thousand Eight Hundred Only) as interest-free earnest money or deposit, which would be finally adjusted against the purchase consideration;
 - b) the Sellers shall deliver to the Acquirer:
 - Original Delivery Instruction Slips, in the off market mode, duly executed, to be retained by the Acquirer as security for the deposit placed with the Sellers;
 - Undated letters of resignation of all the Directors of the Company, containing a confirmation that the retiring directors have no claim whatsoever against the Company.
 - iii. The purchase and sale of shares as contemplated hereinabove shall be completed within 5 working days of the completion of the Open Offer. The completion of the Open Offer is defined as the act of submission of the 45-day final report by the Merchant Banker to the Offer, in terms of Regulation 24(7) of the Regulations;
 - iv. The balance amount for purchase of the shares, being Rs. 46,67,725/- shall be dealt with as follows:
 - Rs. 31,67,725/- (Thirty One Lacs Sixty Seven Thousand Seven Hundred and Twenty Five Only) shall be paid by the Acquirer to the Sellers by Bankers Cheques/Demand Drafts within 5 working days of the completion of the public offer as stated above.
 - The remaining amount of Rs.15,00,000/- is to be retained by the Acquirer to satisfy undisclosed / unquantified liabilities of the Target Company, if any, due to non-compliance or otherwise and pertaining to the period before the change of management, as mentioned in point (iv) below. In case of no such claim being made within a six month period, then the Acquirer shall pay, such balance monies within 5 days from the completion of six months starting from the date of completion of the public offer, as defined above.
 - v. The Acquirer shall have the right to make changes in the management including reconstitution of the Board of Directors of the Target Company, only after completion of the Open Offer, in terms of the provisions of the Regulation 22 (7) of the Regulations, Companies Act, 1956 and /or any other Statutory provisions and legislations;
 - vi. However, if the Acquirer complies with the second proviso to Regulation 22 (7) of the Regulations, it is entitled to appoint its nominee on the Board of Directors of the target company after a period of twenty one days from the date of public announcement.
 - vii. In case of non compliance of any provision of the Regulations pertaining to the Open Offer being triggered by this SPA, this agreement shall not be acted upon by the sellers or the Acquirer.
- F. The Acquirer is making an open offer to the equity shareholders of RFL to acquire upto 20,00,000 (Twenty Lacs) Equity Shares of Rs.10/- each, at a price of Rs.12.75 (Rupees Twelve Paise Seventy Five only), representing 20% of issued, subscribed, paid up and voting capital of RFL. The Offer is at a price of Rs. 12.75 (Rupees Twelve Paise Seventy Five only) per fully paid up equity share, payable in cash, subject to the terms and conditions mentioned hereinafter. There are no partly paid Shares.
 - G. The Acquirer, its Promoter/Directors, the Target Company and the Sellers have not been prohibited by SEBI from dealing in securities, in terms of directions issued pursuant to Section 11B of the SEBI Act, 1992 or under any of the Regulations made under the SEBI Act.
 - H. There is no person on the Board of the Target Company representing the Acquirer.
 - I. The Acquirer proposes to take control over the Target Company.
 - J. As the Acquirer has deposited in the escrow account hundred per cent of the consideration payable in cash, it is entitled to appoint its nominee(s) on the Board of Directors of the target company after a period of twenty one days from the date of public announcement, in terms of proviso to Regulation 22 (7) of the Regulations. The Acquirer has not yet decided the name of person(s) who will be so appointed.
 - K. No approval is required from any lenders of funds to RFL with respect to the Open Offer.
 - L. The offer is not as a result of global acquisition resulting in indirect acquisition of RFL.

2.2 Details of the proposed offer

- A. The Public Announcement in accordance with Regulation 15(1) of the Regulations was made in The Financial Express (all editions), Jansatta (all editions), Financial Express (Gujarati) on February 23, 2008 and Navshakti (Marathi) on February 26, 2008. A Corrigendum to the Public Announcement was made in the same Newspapers on Thursday, June 5, 2008.

- B. A copy of the Public Announcement is also available on the SEBI website at www.sebi.gov.in
- C. The Acquirer is making an Open offer to all the shareholders of the Target Company (except the Acquirer and Sellers) to tender upto 20,00,000 (Twenty Lacs) fully paid equity shares of Rs.10 each of RFL, representing 20% of the issued, subscribed, paid up and voting equity share capital at a price of Rs.12.75 per share in terms of Regulations 10 & 12 of the Regulations, subject to the terms and conditions mentioned hereinafter.
- D. The consideration will be paid in Cash. There is no differential price since entire consideration is payable in cash.
- E. The offer is not subject to any minimum level of acceptance. The Acquirer will acquire all the fully paid up equity shares of RFL that are validly tendered and accepted in terms of this offer upto 20,00,000 fully paid equity shares representing 20% of the issued, subscribed, paid up and voting capital of the Company.
- F. In the event the Equity shares tendered in the Offer are more than Equity shares to be acquired under the Offer, the acquisition of the Equity shares from each Shareholder will be as per the provisions of Regulation 21(6) of the Regulations on a proportionate basis.
- G. All shares tendered shall be free from lien, charges and encumbrances of any kind, whatsoever.
- H. There are no partly paid –up shares of RFL.
- I. The Acquirer has not acquired any shares of RFL after the date of PA till the date of this Letter of Offer.
- J. This is not a competitive bid.
- K. Details of competitive bids, if any: There were no competitive bids.

3. OBJECT AND PURPOSE OF ACQUISITION AND FUTURE PLANS

- A. The objects of the acquisition are substantial acquisition of shares of RFL, accompanied by change in control. The Acquirer is proposing to take control of RFL. The likely changes in the management of RFL shall be subject to compliance with the Regulations. Since the acquirer has deposited 100% of the funds required in the Open Offer in the escrow, it is entitled to appoint its nominee(s) on the Board of the target company in terms of the proviso to Regulation 22(7) of the Regulations. However, as on the date of this letter of offer no director has been appointed.
- B. RFL is a company registered with the RBI (Ahmedabad) as an NBFC. It is a 'Non Deposit Taking Company' NBFC. RFL has accumulated losses. It is presently engaged in trading of securities. The Acquirer proposes to continue with the existing activities. The Acquirer proposes to draw-up detailed business plans for expansion of business activities in the target company after completing the acquisition as per the regulations. Barring unforeseen circumstances, the Acquirer is hopeful of improved performance.
- C. Subject to satisfaction of the provisions under the Companies Act, 1956 and /or any other Regulation(s), the Acquirer intends to make changes in the management of RFL. It is proposed to induct new Directors on the Board of RFL. The Acquirer is yet to decide on the names of the persons who will be so inducted to the Board.

4.1 BACKGROUND OF THE ACQUIRER

- A. Poonam Fast Foods Private Limited was incorporated on April 1, 2003 and has its registered office at 304, Noble Tower, Ganapatrao Kadam Marg, Lower Parel, Mumbai - 400 013, Tel No. 22873066; fax no: 2495 3117
- B. It is a private limited company and its shares are not listed on any stock exchange.
- C. The Acquirer and the directors/promoter of the acquirer have not been prohibited by SEBI from dealing in securities, under directions issued pursuant to Section 11B of the SEBI Act, 1992 or under any of the Regulations made under the SEBI Act, 1992.
- D. None of the directors on the Board of the target company represents the acquirer.
- E. PFFPL has acquired 10,25,000 equity shares of RFL. For the acquisition of these shares, PFFPL has complied with the provisions of Chapter II of the Regulations, with a marginal delay as specified in para Q below, and the SEBI (Prohibition of Insider Trading) Regulations, 1992.
- F. The Memorandum of Association provides that main object of PFFPL is the business of owning, running, and carrying on the business of hotel, motel, resort and inns. PFFPL however has had no substantial business activity in the last three years.
- G. PFFPL has been taken over by the current promoter, Shri Samyak Veera. Shri Samyak Veera is an NRI. On incorporation, the paid up capital was Rs.1 lakh, divided into 10,000 Equity shares of Rs.10/- each. Shri Samyak Veera entered into an agreement dated October 23, 2007, for purchase of 9,999 (99.99% of the then paid up capital) of the aforesaid equity shares with the erstwhile promoters of PFFPL. The parties have submitted the necessary forms to the authorized dealer (s) in relation to the transfer of the aforesaid Equity shares as to comply the provisions of FEMA in this behalf. The balance one Equity share was acquired by Shri Mitesh Shah.

Build up of the Current Paid up Share capital and Share premium is as follows

Date	Type of shares	No of Shares	Cumulative Share Capital (including preference capital) (in Rupees)	Share premium (in Rupees)	Cumulative Share Premium (In Rupees)
On incorporation	Equity	10,000	1,00,000	Nil	Nil
05/11/2007	Equity	1,78,685	18,86,850	80,40,825	80,40,825
04/01/2008	CRPS	12,50,000	1,43,86,850	5,00,00,000	5,80,40,825
04/02/2008	CRPS	1,50,000	1,58,86,850	60,00,000	6,40,40,825

- H. Shri Samyak Veera was associated with Goldman Sachs & Co., USA, as a summer analyst in the treasury group, equity administration group and equity derivatives group in summers of 1992, 1994 & 1995 respectively. Subsequently, he has been associated with organizations like Morgan Stanley & Co., USA, Sentinel Advisors, LLC, USA, Bricolage Capital, LLC, USA, Gamma Trading Partners, LLC, USA and MidCoast Financial, Inc, USA till 2006. Since 2006 he has been providing investment advisory services.
- I. Shri. Veera or Shri. Shah do not belong to any group.
- J. The authorized capital of PFFPL as on the date of the PA is Rs.170 lacs comprising 2.50 lakh Equity shares of Rs.10/- and 14.50 lakh Compulsorily Redeemable Non-Cumulative Preference shares (CRPS) of Rs.10/- each. The build up of the authorized capital is as follows:

Date	From (In Rs)	To (In Rs)	Authorized capital after enhancement (In Rs)	Cumulative Capital as appearing in the Balance Sheet	
				Equity shares of Rs.10/- each	Preference of Rs.10/- each
On incorporation	0	5,00,000	500,000	50,000	Nil
08/10/07	5,00,000	20,00,000	20,00,000	2,00,000	Nil
20/11/07	20,00,000	1,50,00,000	1,50,00,000	15,00,000	
03/01/08 ¹	Nil	Nil	1,50,00,000	2,50,000	12,50,000
18/01/08 ²	1,50,00,000	1,70,00,000	1,70,00,000	2,50,000	14,50,000

¹ The change is on account of reclassification of 12,50,000 Equity shares of Rs.10/- each to 12,50,000 preference shares of Rs.10/- each

² The change is on account of increase in the preference share capital of RFL

- K. The paid up capital of PFFPL as on the date of the PA is Rs. 158.87 lacs, comprising 1,88,685 equity shares of Rs 10/- each and 40% 14,00,000 Compulsorily Redeemable Non-Cumulative Preference shares (CRPS) of Rs. 10/- each. The additional equity shares and CRPS have been issued at a premium of Rs. 45 per share and Rs. 40 per share respectively. The CRPS are redeemable after a period of five years from the date of their allotment.
- L. The shareholding of PFFPL as on the date of the PA is as follows:

Name of the shareholder	Type of shares	No of shares
Promoter: Shri Samyak Veera	Equity	188,684 *
Others: Shri Mitesh Shah M/s Maruti Finvest and Service Private Ltd	Equity CRPS	1 14,00,000
Public		0

* The parties have submitted the necessary forms to the authorized dealer (s) in relation to the transfer of 9999 Equity shares included above as to comply with the provisions of FEMA in this behalf. The build up of the current paid up capital and reserves and surplus is as follows:

Date	Type of shares	No. of Shares	Cumulative Share Capital (including preference capital) (In Rs.)	Reserves & Surplus (only on account of share premium) (In Rs.)	**Cumulative Reserves & Surplus (only on account of share premium) (In Rs.)
On incorporation	Equity	10,000	1,00,000	Nil	
05/11/2007	Equity	1,78,685	18,86,850	80,40,825	80,40,825
04/01/2008	CRPS	12,50,000	1,43,86,850	5,00,00,000	5,80,40,825
04/02/2008	CRPS	1,50,000	1,58,86,850	60,00,000	6,40,40,825

** Their are accumulated losses of Rs. 3,23,911 as on 14th February, 2008.

M. The details of the Board of Directors of PFFPL as on February 23, 2008, the date of the PA:

Name	Qualification	Experience	Residential Address	Designation	Date of appointment
Shri Sathyesh Simha Kajoor Venkatramana	B.Sc. & LLB	14 years experience as an Advocate & Legal Consultant	No, J – 35, Pipeline, Malleshwaram, Bangalore – 560 003	Director	24/09/2007
Shri Samyak Veera (NRI)	Graduate with a degree in applied mathematics from Harvard University	11 years experience in investment advisory & other financial services	202 Horizon Villas, P O Box 2014, Frigate Bay, St Kitts, St. Christopher & Nevis	Promoter Director	13/11/2007

There has been no change in the Board of PFFPL since the date of the PA

N. There is no person acting in concert with the Acquirer.

O. Shri. Pradeep Mehta, partner of Mehta Kothari & Associates, Chartered Accountants, having their office at 134, Great Western Building, Nagindas Master Road Ext., Fort, Mumbai – 400023 (Membership No.35447), Tel No:22873102, Fax No:56333374, email id – pmmka@yahoo.co.in has certified vide certificate dated February 21, 2008 that the net worth of PFFPL is Rs. 7,96,03,764 (Seven Crores Ninety Six Lakhs Three Thousand Seven Hundred and Sixty Four) on 14.02.2008 and that they have sufficient resources to fulfill the obligation under this Open Offer. The Acquirer has deposited Rs.290 Lacs in Escrow Account, which is more than 100 % of the amount required for this open offer.

P. The Board of Directors of PFFPL have vide Resolution adopted on February 19, 2008 authorized either of the directors, i.e., Shri Sathyesh Simha Kajoor Venkatramana or Shri Samyak Veera, severally to sign the Letter of Offer, on behalf of the acquirer.

Q. The Acquirer has complied with the provision of Regulation 7 (1) of Chapter II of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 at the time of acquisition of its present holdings, though with a marginal delay. The details of the acquisition and the delay in compliance with respect to the acquisitions are as detailed below:

Shares Acquired	% to total capital	Date of Acquisition	Date of Compliance	Delay in compliance
4,00,000	4%	26/10/2007	Not applicable	Not applicable
2,55,000	6.55%	22/11/2007	27/11/2007	1 day
3,70,000	10.25%	14/12/2007	17/12/2007	NA

SEBI may initiate action against the acquirer for the aforesaid delay.

R. Brief Audited Financial data of the Acquirer for the last three years are given hereunder:

(Rs. in lacs)

Profit & Loss Statement	For the Period ended 14/02/2008 #	2006- 07	2005-06	2004-05
Income from Sales	0	0	0	2.76
Other Income	0	0	0	0
Total Income	0	0	0	2.76
Total Expenditure	2.30	0.05	0.06	2.66
Interest & Bank Charges	0	0	0	0
Depreciation	0	0	0	0.39
Profit/ (Loss) Before Tax before Extraordinary/Exceptional items	(2.30)	(0.05)	(0.06)	0
Profit/ (Loss) before Tax after Extraordinary income/Extraordinary exp/Exceptional items	(2.30)	(0.05)	(0.06)	(0.29)
Provision for Taxes	0	0	0	0
Profit After Tax/(Loss) Before Extraordinary Income/Exp.	(2.30)	(0.05)	(0.06)	(0.29)
Extraordinary Item: Loss on sale of assets	0	0	(0.37)	0
Profit After Tax /(Loss) after Extraordinary Income	(2.30)	(0.05)	(0.43)	(0.29)
Transfer from Reserves & Surplus	0	0	0	0
(Loss) Brought Forward	(0.94)	(0.89)	(0.46)	(0.17)
Net Profit/ (Net Loss)	(3.24)	(0.94)	(0.89)	(0.46)

(Rs. in lacs)

Balance Sheet Statement	As at 14/2/2008	2006- 07	2005-06	2004-05
Sources of funds				
Paid up Equity Share Capital	18.87	1.00	1.00	1.00
Reserves and Surplus				
On Equity 80.41				
On Preference 560.00	640.41	0	0	0
Accumulated. Losses (including Misc Expenditure not written off)	(3.24)	(0.98)	(0.97)	(0.59)
40% Compulsorily Redeemable Non-Cumulative Preference shares	140.00	0	0	0
Net Worth	796.04	0.02	0.03	0.41
Unsecured Loans	0.07	0	0	1.80
Total Source of funds	796.11	0.02	0.03	2.21
Uses of funds				
Net Fixed Assets	0	0	0	2.16
Investments	486.67	0	0	0
Net Current Assets	309.44	0.02	0.03	0.05
Total	796.11	0.02	0.03	2.21
Other Financial Data				
Dividend (%)	0	0	0	0
Earnings per Share(Rs.) (Fully diluted), (Profit after Tax /No of subscribed shares)	0	0	0	0
Return on Net Worth (%) (Profit after Tax X100/Net Worth)	0	0	0	0
Book Value Per Equity Share## (Rs.) (Net Worth/ Paid up Equity capital)	50.90	0.02	0.03	0.41

Audited by Chartered Accountant for period ended on February 14, 2008

Since the Preference shares are redeemable at premium after a period of five years, the premium received on the allotment of these shares and the preference capital has not been taken into account while computing the book value of Equity share.

Significant Accounting policies

1. The Company adopts accrual system of accounting.
2. The accounts have been prepared under historical cost convention.
3. Preliminary expenditure have been amortized in accordance with Section 35- D of the Income Tax Act, 1961.
4. No provision is made for contingent liabilities as none exist.
5. Accounting Standard 22 issued by the ICAI on accounting for taxes on income became mandatory effective from April 1, 2002. PFFPL has not recognized the deferred tax asset in the books of account as same is negligible.

Notes forming part of accounts

1. Figures have been regrouped, reclassified and rearranged wherever necessary to make them comparable with that of the current year.
2. Some of the expenses incurred are not supported by third party evidence such as bills/vouchers.
3. Balance of Sundry Debtors, Sundry Creditors and loans and Advances are subject to confirmation / reconciliation.

Notes:

1. 40% Compulsorily Redeemable Non-Cumulative Preference Shares are redeemable after a period of five years from the date of their allotment at a premium of Rs. 41/- per share.
2. Investments comprise Fixed Deposit amounting to Rs.400 lakhs and Rs.86.67 lakhs invested for acquisition of shares of RFL, the target company.
3. There has been no significant business in PFFPL in the last three years.
4. There are no contingent liabilities.
5. Statement of profit or loss discloses both the profit and loss arrived at before considering extraordinary items and after considering the profit or loss from extraordinary items.
6. There is no change in Accounting Policies during the last three years.
7. PFFPL had sold its entire fixed assets during the financial year ended 31.03.2006, because, the restaurant business carried on by the erstwhile promoters was not profitable and hence they did not wish to continue with the unprofitable business.

4.2 Brief particulars of the listed companies promoted by acquirer:

The Acquirer has neither promoted any listed company nor has control over any listed company. The Directors / promoters of the acquirer also are not on Board of any listed company and have not promoted any listed company.

4.3 Brief details of other ventures /unlisted companies promoted by the acquirer

There are no other ventures/unlisted companies promoted by the acquirer.

4.4 Disclosure in terms of Regulation 16(ix)

The acquisition being in the nature of strategic investment, future plans for diversification and growth shall be drawn up in due course. The Acquirer proposes to continue with the existing activities of the company. Changes, if any, will be subject to the approval of the members and after complying with the laws in this behalf. The Acquirer does not have any plan to dispose off or otherwise encumber any of the assets of RFL in the succeeding two years from the date of closure of the offer except in the ordinary course of business of RFL. The Acquirer will not dispose off, sell or otherwise encumber any substantial assets of RFL except with the prior approval of the shareholders.

5. OPTION IN TERMS OF 21(2)

Assuming full acceptance of the offer, the post offer voting capital with the public in the target company would not be less than 25% of the voting capital of the company and hence the option in terms of Regulation 21(2) is not applicable.

6.1 BACKGROUND OF THE TARGET COMPANY

- A. The company was incorporated under the Companies Act, 1956 as Roselabs Finance Limited on January 4, 1995 in the State of Gujarat at Ahmedabad. It received Certificate for Commencement of Business on January 5, 1995.

The registered office of the company is situated at 123/1, Sadiram Estate, Saijpur Gopalpur, Pirana Road, Ahmedabad 382405, Gujarat (Tel No. (079) 26590307, Fax No. (079) 22166730). The Corporate office of the Company is located at 284, 1st Floor, New Cloth Market, Ahmedabad 380 002.

- B. RFL was promoted by Shri Pawankumar Agrawal, Shri Sunil Shah and Smt Rosy Devi Agrawal. Shri Pawankumar Agrawal is a mechanical engineer and has experience of about 18 years in field of dyes, intermediates and pharmaceuticals. Shri Sunil Shah is a graduate in Business Administration and has about 21 years experience in Marketing. Smt Rosy Devi Agrawal is an arts graduate and has 15 years experience in general business administration.
- C. The authorized share capital of RFL as on date is Rs. 1100 lacs, comprising 110 lac equity shares of Rs. 10/- (Rupees Ten) each. The issued, subscribed and paid-up equity share capital as on date is Rs. 1000 Lacs comprising 100 Lac equity shares of Rs. 10/- (Rupees Ten). All the issued shares are listed and admitted for trading at the BSE and the ASE. None of the Shares are subject to lock in. There are no outstanding warrants, options or convertible instruments convertible into Equity Shares on a later date. There are no partly paid up shares in the company.
- D. RFL has entered into agreement with both National Securities Depository Ltd (NSDL) and Central Depository Services of India Ltd (CDSL) for offering Shares in dematerialized form. The Marketable lot for the Shares of RFL is 1(one). The ISIN Number of Equity Shares in dematerialized form is INE475C01012. The scrip code of the shares at the BSE is 531324 and at the ASE is 549756.
- E. RFL was incorporated for the purpose of providing various kinds of financial services including providing leasing finance and investment activities. It is a non deposit accepting NBFC registered with RBI (Ahmedabad). The registration number is 01.00190 and the Certificate is dated 27/03/1998.
- F. RFL has amended the main objects of the Memorandum of Association, after complying with the provisions of Section 17 and 192A of the Companies Act, 1956 and other provisions of law in this behalf. The Extraordinary General Meeting for this purpose was held on April 5, 2005 and the Company received the Certificate for Registration of special resolution on April 20, 2005. As on the date of the PA, the main objects as provided in the Memorandum of Association are:
1. To invest in, underwrite, purchase, sell, hold or otherwise acquire and dispose of and deal in shares, stocks, debenture-stock, bonds, units, securities issued or granted by any authorities whether incorporated or established in India or elsewhere and to act as broker, dealer, agents and to carry on business of share broking, money broking, exchange broking and bill broking.
 2. To carry on in India or elsewhere the business of processing, converting, producing, manufacturing, formulating, using, buying, acquiring, storing, packing, selling, marketing, transporting, importing, exporting and disposing of all types and description of drugs, drugs intermediates, synthetic drugs, medicines, vitamins, antibiotics, basis drugs, pharmaceuticals, biological products, food stuffs for human and animal use, gelatine capsules, sugar, agrochemicals, bio-chemical, pesticides, fungicides, germicides, insecticides, weedicides, dye-stuffs, intermediates, textiles auxiliary, colours, acids, varnishes, paints, pigments, synthetic resin, plasticizers, cosmetics, powders, creams, preparation for the teeth, toilet requisites, detergents, surface active agents, cleaning agents, soaps, glasses, pottery, terracotta, artificial stones, cokes, explosives, photographic materials and industrial chemicals.
 3. To carry on the business of spinners, weavers, manufacturers ginners, pressers, packers and balers of cotton, jute, hemp, silk, artificial silk, rayon, nylon, stretchlon, manmade synthetic fibres, staple fibres, wool and any other fibrous materials and the business of manufacturing, weaving, bleaching, printing and selling yarn/cloth of all types, linen and other goods and fabrics of all types whether knitted or looped and of importing, exporting, buying, selling and dealing in cotton, silk, art silk, rayon, nylon, stretchlon, man-made synthetic fibres, staples fibres, wool, hemp and other fibrous materials, yarn, cloth, linen, rayon and other goods and / or merchandise made therefrom and generally to carry on the business of spinners, weavers, processors, dyers, sizers, manufactures and/ or dealers in cotton, lines, flax, hemp, jute, silk, artificial silk, rayon, man-made synthetic fibers, staple fibers, wool, yarn and cloth merchant, cleaners, combers, spinners, weavers, bleachers, dyers, printers, sizers, importers, exporters, manufacturers, purchasers, sellers of and dealers in vitrol, bleaching, dyeing and sizing materials and to transact all manufacturing or carrying and preparing processes, (and to all business that may be, necessary or expedient for the company) and to purchase, sell import, export and deal in raw materials and manufacturing articles thereof.
 4. To carry on the business as manufacturers, manufacturers' representative, importers, exporters, dealers, traders, stockists, suppliers, consignors, consignees, factors, agents, purifiers, packers, repackers of all classes and kind of chemical, including but without limiting the generality of the foregoing, binders, pigments, pigment binders, binding, wetting and whitening agent, soda, detergents textile dyes, textile auxiliaries, intermediates, derivatives, compounds, colours, sizing and dyeing materials.

- G. RFL is currently engaged in investment and trading of shares.
- H. RFL has no Subsidiaries.
- I. RFL has not declared any dividend in the last 5 years.
- J. None of the Directors of RFL represent the Acquirer.
- K. All the shares of RFL are listed and permitted for trading on BSE and ASE. The shares of RFL are permitted for trading in T category at the BSE.
- L. The trading of the shares of RFL has never been suspended. The Company had received a show cause notice, by the ASE, Ref: ASE/Cor. gov./CL49/2006, dated June 12, 2006, for non compliance of Clause 49 of the listing agreement for the quarter ended 31/12/2005. The Company, in response thereof had stated that the Corporate Governance Report had already been submitted on January 30, 2006.
- M. RFL has delayed its compliance with Chapter II of the Regulations on various occasions. Disclosures under Regulation 6 (2) and 6(4) and annual disclosures under Regulation 8 (3) for the years ended 31.03.1998 to 31.03.2003 (both inclusive) was filed in 2007. For the years ended 31.03.2005 and 31.03.2006 the returns have been filed with delay. For the year ended 31.03.2007 the company has filed the disclosure on time. The status of disclosure for the year ended 31.03.2004 is not ascertainable. SEBI may initiate action against the Company for the delays/ non-compliances. The status of compliance with Regulation 7 (3) is not ascertainable.
- N. There has not been any merger or demerger or spin off of activity in the preceding 3 years.
- O. The provisions of Clause 49 of the listing agreement apply to RFL. RFL does not have adequate number of Independent directors. Thus, the constitution of the Board of Directors of the company is not as per Clause 49 with reference to the number independent directors. The company also does not comply with the composition requirements for the Audit committee.
- P. The Compliance Officer of the Target Company is Shri Vipul Thakkar, who will be available at the address of the Registered Office of RFL.
- Q. There are no pending litigations against RFL except as given below :

Name of Statute	Nature of dues	Forum where dispute is pending	Amount (Rs.)
Income Tax	Penalty on interest tax	Income Tax Appellate Tribunal	1.02 lacs

- R. **1. The Share Capital structure of RFL is mentioned below:**

Paid up Equity Shares of RFL	No. of Shares / Voting Rights	% of Shares w.r.t. total equity capital	%of Shares w.r.t voting capital
Fully paid equity shares	100,00,000	100%	100%
Partly paid equity shares	NIL	N.A.	N.A.
Total equity shares	100,00,000	100%	100%
Total voting shares in RFL	100,00,000	100%	100%

2. Build up of Authorized capital

(In Rs.)

Date/Year	From	To	Authorized Capital after enhancement
On Incorporation	0	3,00,00,000	3,00,00,000
25th May, 1995	3,00,00,000	11,00,00,000	11,00,00,000

3. Build Up of Current Capital

Date of allotment	No. and % of Shares Issued	Cumulative paid up capital	Mode of allotment	Identity of allottees	Status of compliance With SEBI (SAST) Regulations /other Regulations under SEBI Act 1992
January 4, 1995	700 0.007%	7000	Cash	Signatories to the Memorandum	Provisions of Companies Act, complied with. SEBI Regulations /Guidelines not applicable
March 23, 1995	13,27,000 13.27%	1,32,77,000	Cash	Promoters/ persons who are presently in control & public	Provisions of Companies Act, complied with. SEBI Regulations / Guidelines not applicable
October 14, 1995	37,72,300 37.723%	5,10,00,000	Cash	Promoters/ persons who are presently in control (Public Issue)	Provisions of Companies Act, complied with. SEBI Regulations under DIP Guidelines 2000, complied with
December 6, 1995	49,00,000 49.00%	10,00,00,000	Cash	Public	Provisions of Companies Act, complied with. SEBI Regulations under DIP Guidelines 2000, complied with
Total	1,00,00,000	10,00,00,000			

S. Change in Shareholding of promoters and position of Compliance

Details of shareholding of Promoters	Shares Acquired/ Sold		Cumulative shares		Status of Compliances
	No.	%	No.	%	
Shareholding of promoters as on 20.02.1997	42,99,700	43.00	42,99,700	43.00	Provisions of Companies Act, 1956/DIP guidelines complied with
Purchase of shares					
18.08.1997	2,70,000	2.70	45,69,700	45.697	Status of compliance with Regulation 7(1A) not ascertainable; Exceeded limits prescribed in Regulation 11, since acquisition is more than 2 %
20.08.1997	1,25,000	1.25	46,94,700	46.95	Exceeded limits prescribed in Regulation 11, since acquisition is more than 2 % during the period of 12 months stated above
20.11.1998	4,89,310	4.89	51,84,010	51.84	Status of compliance with Regulation 7(1A) not ascertainable, Exceeded limits prescribed in Regulation 11, when computed with inter-se transfer simultaneously with this acquisition.
05.07.1999	4,96,400	4.96	56,80,410	56.80	Status of compliance with Regulation 7(1A) not ascertainable, Exceeded limits prescribed in Regulation 11, when computed with inter-se transfers during the same financial year.
10.01.2001	90,000	0.90	57,70,410	57.70	Status of compliance with Regulation 7(1A) not ascertainable

23.01.2001	4,05,000	4.05	61,75,410	61.75	Status of compliance with Regulation 7(1A) not ascertainable
07.10.2002	2,02,460	2.02	6175410	61.75	Status of compliance with Regulation 7(1A) not ascertainable
Sale of shares					
18.12.2001	(2,02,460)	(2.02)	59,72,950	59.73	Status of compliance with Regulation 7(1A) not ascertainable
25.11.2003	(7,25,150)	(7.25)	54,50,260	54.50	
17.08.2004	(9,75,000)	(9.75)	44,75,260	44.75	
Shareholding of the promoters as on date		44,75,260		44,75,260	

SEBI may initiate action in terms of the Regulations and SEBI Act against the promoters of RFL for the non compliance.

- T. There have also been instances of five inter se promoter transfers on 20/11/1998, 08/07/1999, 17/08/2004, 28/03/2005 and 10/12/2007 that required compliance with Regulation 3(4) of the regulations. However, the reports under Regulation 3(4) for the first four interse promoter transfers was filed only after the public announcement and filing of the draft letter of offer with SEBI. These reports were dated 11/04/2008. The report under Regulation 3(4) for interse transfer of 10/12/2007 was filed on time although with some discrepancies which were subsequently rectified. SEBI may initiate action in terms of the Regulations and SEBI Act, 1992 against the promoters of RFL for the aforesaid delays and non compliances.
- U. There is no outstanding instrument in the nature of warrants / fully convertible debentures /partly convertible debentures, etc. convertible into equity shares on any later date.
- V. The Company also does not have any partly paid equity shares.
- W. The company has been paying the listing fees with the BSE and the ASE regularly. Shares of RFL are listed on ASE and BSE. The equity shares are traded in the 'T' category at the BSE. The acquired shares are frequently traded on BSE and not traded at the ASE. The market lot of the shares is 1(one).
- X. The company has been generally complying with the provisions of the Listing Agreement, except that 1) the company does not have a company secretary, 2) Non compliance with Clause 49 of the Listing Agreement, 3) Delays/non compliances with the Regulations. RFL has confirmed to the Manager to the Offer that the trading in the shares of the Company has never been suspended and no other punitive action has been taken against RFL by ASE or BSE or any other statutory authority.
- Y. As on the date of the PA the composition of the Board of Directors of RFL is as follows:

Name	Date of appointment	Residential Address	Designation
Shri Sunil Shah	07-03-1995	29, Naran, Kankariya, Jamalpura, Ahmedabad – 380022	Managing Director
Shri Pawankumar Agrawal	04-01-1995	B – 21, Akash Tower, Judges Bungalow Road, Vastrapur, Ahmedabad – 380 015	Chairman & Non-Executive Director
Smt. Rosy Devi Agrawal	04-01-1995	B – 21, Akash Tower, Judges Bungalow Road, Vastrapur, Ahmedabad – 380 015	Non-Executive Director
Shri Ramavtar Jangid	10-01-2002	11 – B, Rahul Flats, Nehru Park, Vastrapur, Ahmedabad – 380015	Independent Director

There is no change in the Board of Directors since the date of PA.

- Z. There has not been any change in Directors in the last three years.

AA. Experience, Qualification and date of appointment of the Board of Directors:

Name	Date of appointment	Age & Qualification	Experience in brief
Shri Pawankumar Trilokchand Agrawal	04-01-1995	Age: 44 years B.E. Mechanical	Has about 18 years experience in the field of dyes, intermediates and pharmaceuticals
Shri Sunil Hasmukh Shah	07-03-1995	Age: 47 years Bachelor of Business Administration (Finance).	Has about 21 years experience in Marketing Department.
Smt Rosydevi Pawankumar Agrawal	04-01-1995	Age: 41 years Graduate in Arts.	She has 15 years experience in general administration
Shri Ramawtar Jangid	10-01-2002	Age: 39 years Commerce Graduate	Has 15 years of experience in the field of accounts, taxation, management and financial market.

6.2 The brief audited financial details of RFL for the preceding three financial years ended 31st March 2007, 2006 & 2005 and certified accounts for the 6 months period from 1st April, 2007 upto 30th September, 2007 are mentioned below:

(Rupees in lacs)

Profit & Loss Statement	For six months ended 30.09.2007	2006-07	2005-06	2004-05
Income from main operations	1.39	51.06	193.42	91.12
Other Income	0.00	0.00	0.00	0.00
Extra ordinary Income	0.00	0.00	0.00	0.00
Total Income	13.92	51.06	193.42	91.12
Total Expenditure/excl. Extraordinary exp.	18.32	39.83	182.45	102.17
Extraordinary Expenditure	0.00	0.00	0.00	0.00
Interest & Finance charges	0.00	0.00	0.00	0.00
Depreciation	0.08	0.16	0.16	0.12
Profit/Loss Before Tax	(4.48)	11.07	10.81	(11.17)
Provision for Tax and FBT	0.00	1.19	1.19	0.00
Profit /Loss After Tax	(4.48)	9.88	9.62	(11.17)

(Rs. In Lacs)

Balance Sheet Statement	As at 30/09/2007	2006-07	2005-06	2004-05
Sources of funds				
Paid up Equity Share Capital	1000.00	1000.00	1000.00	1000.00
Reserves and Surplus (excluding Revaluation reserves, if any)	0.00	0.00	0.00	0.00
Less: Profit & loss account	128.66	124.18	134.07	143.69
Net Worth	871.34	875.82	865.93	856.31
Secured loans	0.00	0.00	0.00	0.00
Unsecured loans	0.00	0.00	0.00	0.00
Total	871.34	875.82	865.93	856.31

Uses of funds				
Net Fixed Assets	0.85	0.94	0.90	1.06
Investments	101.95	125.95	140.94	126.93
Net Current Assets	768.54	748.93	724.09	728.32
Total	871.34	875.82	865.93	856.31
Other Financial Data				
Dividend (%)	NIL	NIL	NIL	NIL
Earnings per Share(Rs.) (Profit after Tax / No. of Issued and subscribed Shares) Negative EPS in brackets	NIL	0.1	0.1	0
Return on Net Worth (%) (Profit after Tax X100/Net Worth)	NIL	1.13	1.11	0
Book Value Per Share (Rs.) (Net Worth/ No. of Issued and subscribed Equity Shares)	8.71	8.76	8.66	8.56

6.3 Reasons for fall and rise in income: RFL's main activity is sale of shares. The sale of shares has increased substantially for the year ended 31st March 2006, as compared to 31st March 2005, resulting in the rise of income from main operation. For the year ended 31st March 2007 the sale of shares has again reduced, which has resulted in fall of income from the main operations.

6.4 Pre and Post-Offer share holding pattern of RFL on the basis of issued, subscribed, paid-up and voting equity share capital as on 31st March 2008 is as follows :

Shareholders category	Shareholding & voting right prior to the acquisition and offer (A)		Shares/voting agreed to be acquired which triggered off the Regulation(B)		Shares/voting right to be acquired in open offer (Assuming full Acceptance)(C)		Shareholding / voting rights after the acquisition and offer i.e. (A)+(B)+(C)=(D)	
	No.	%	No.	%	No.	%	No.	%
(1) Promoter Group								
a. Parties to agreements:								
Roselabs Ltd	23,13,850	23.14	(23,13,850)	(23.14)	–	–	–	–
Singhal Overseas Ltd	21,58,800	21.59	(21,58,800)	(21.59)	–	–	–	–
b. Promoter other than a above								
Aabhas Agrawal	200	0.002	–	–	–	–	200	0.002
Pawankumar Agrawal	1100	0.011	–	–	–	–	1100	0.011
Suresh Desai	100	0.001	–	–	–	–	100	0.001
Madhu Devi Agrawal	100	0.001	–	–	–	–	100	0.001
Nirmala Devi Agrawal	500	0.005	–	–	–	–	500	0.005
Shiv Kumar Agrawal	510	0.005	–	–	–	–	510	0.005
Rosy Devi Agrawal	100	0.001	–	–	–	–	100	0.001
Total 1(a+b)	4475260	44.75					2610	0.03
(2) Acquirer								
a. Main Acquirer M/s. Poonam Fast Foods Private Ltd.	10,25,000	10.25	4472650	44.73	20,00,000	20.00	74,97,650	74.98
Total 2(a)	10,25,000	10.25	4472650	44.73	20,00,000	20.00	74,97,650	74.98

(3) Parties to agreement other than 1 and 2 (a)	N.A	N.A	N.A	N.A	N.A	N.A	N.A	N.A
(4) Public (other than parties to agreement Acquirer)								
a. FIS MFs/FIs/Banks:	Nil	Nil						
b. Others:								
i. Private & Corporate Bodies	13,65,201	13.65	—	—	(2000000)	(20)		
ii. NRIs/OCBs	7125	0.07						
iii. Clearing members	1,71,090	1.71						
iv. Indian Public	29,56,324	29.56						
(No. of shareholders =1233)							Refer Note Note	Refer
Total (4) (a+b)	44,99,740	44.99	—	—			24,99,740	24.99
Grand Total (1+2+3+4)	1,00,00,000	100					100,00,000	100

Note:

- The above data is based on the information as on March 31, 2008.
- After the takeover, the existing promoters will continue to hold 2610 equity shares of the Target Company. However these persons will no longer be promoters of the company and thereby their shareholding will be shifted to Public Category.
- The actual Post-Offer Shareholding of Public would depend on the response and acceptance of the present public in this Open Offer.
- The number of Shareholders under Public Category, i.e. under 4 above, is 1233.

7 OFFER PRICE AND FINANCIAL ARRANGEMENT

7.1 Justification of Offer price

- A. The equity shares of RFL are listed on the BSE and ASE. There is no trading of Equity Shares of the Company at the ASE. The Shares are not admitted as permitted security on any other Stock Exchange.
- B. The annualized trading turnover of shares of RFL, during the preceding 6 calendar months prior to the month in which Public Announcement was made, i.e. during the months August 2007 to January 2008 (both inclusive) is given below:

Name of Stock Exchange	Total No. of Shares traded during the 6 calendar months prior to the month in which PA was made	Total No. of listed Shares	Annualized Trading turnover (in terms of % to total listed shares)
BSE	41,71,638	1,00,00,000	83.43
ASE	Nil	1,00,00,000	Nil

The trading volume data in respect of BSE have been taken from the BSE's website www.bseindia.com.

- C. As the annualized trading turnover (by number of Shares) on BSE is more than 5% of the total number of listed shares of the Target Company, the shares of the Target Company are deemed to be frequently traded as per the regulation 20(5) of the Regulations.
- D. The Offer Price of Rs.12.75 per fully paid up Equity Share Offered by the Acquirer to the Shareholders of RFL under the proposed Open Offer is justified in terms of Regulation 20(4) as it is higher than:

1.	Negotiated price	Rs.8.50
2.	Highest price paid by the Acquirer or PAC for acquisition including by way of allotment in a Public or Rights issue, if any, during the twenty-six week period prior to the date of PA.	Rs.8.50
3.	Price paid by the Acquirer under a preferential allotment made to it or Persons Acting in Concert with it, at any time during the twenty six weeks prior to the date of PA.	N.A.

4.	Average of weekly high and low of the Closing Prices where the Shares are most frequently traded, during the 26 weeks preceding this PA.	Rs.11.27
5.	The average of the daily high and low prices at BSE in the 2 weeks preceding the date of the Public Announcement	Rs.12.54
6.	Highest of the above	Rs.12.54
7.	Offer price	Rs.12.75

E. Taking the infrequently traded parameters the offer price is justified as follows (certified by the Statutory Auditors of RFL)

a.	Negotiated price under the Acquisition	Rs.8.50
b.	Highest Price paid by the Acquirer for acquisition including public or right or a preferential issue during the period of 26 weeks prior to PA.	Rs.8.50
c.	Price paid under preferential allotment made to the Acquirers any time during 12 months period up to date of closure of the Offer	Not applicable
d.	The highest and the average price paid by the Acquirer for acquisition of shares of the Company during the 12 months period prior to the date of Public Announcement	Rs.8.50
e	Other parameters	
	Based on audited financials as on March 31, 2007	
1	Return on Net worth (%)	1.13%
2	Book Value (Rs)	8.76
3	Earning per share (Rs per equity share of face value of Rs.10/- each)	0.1
	Highest of the above	8.76
	Offer Price	Rs.12.75

7.2 Trading data at BSE

A. The Weekly High and Low of the quoted prices of the Equity Shares at BSE during the 26 Weeks preceding the date of the Public Announcement is as under (source: www.bseindia.com):

(Price in Rs.)

Week Nos.	Week Ended	High	Low	Average	Volume
1	22-Feb-08	12.58	10.58	11.58	12414
2	15-Feb-08	14.01	12.22	13.115	16106
3	8-Feb-08	14.74	13.01	13.875	30795
4	1-Feb-08	12.4	10.21	11.31	22388
5	25-Jan-08	12.4	10.3	11.35	18139
6	18-Jan-08	15.02	13.05	14.035	29997
7	11-Jan-08	15	14.44	14.72	76446
8	4-Jan-08	14.55	14.07	14.31	45030
9	28-Dec-07	14.9	13.92	14.41	17949
10	21-Dec-07	13.77	11.98	12.875	53391
11	14-Dec-07	13.89	12.6	13.245	858255
12	7-Dec-07	12.37	10.7	11.535	398123
13	30-Nov-07	11.76	10.57	11.165	501425
14	23-Nov-07	14.44	12.37	13.405	15734
15	16-Nov-07	14.97	13.63	14.3	294841

16	9-Nov-07	13.01	10.8	11.905	57009
17	2-Nov-07	10.75	8.93	9.84	50600
18	26-Oct-07	8.51	7.66	8.085	532124
19	19-Oct-07	8.11	7.3	7.705	5725
20	12-Oct-07	9.51	8.52	9.015	23380
21	5-Oct-07	10.27	9.33	9.8	43505
22	28-Sep-07	9.82	8.47	9.145	493485
23	21-Sep-07	10.55	9.13	9.84	126943
24	14-Sep-07	8.7	7.9	8.3	454299
25	7-Sep-07	8.1	7.22	7.66	27851
26	31-Aug-07	6.88	6.34	6.61	6401
Total				293.13	4212355
Average Price				11.2742	
Total Volume				4212355	

- B. The daily High and Low of the Prices of RFL at BSE in the two Weeks preceding the date of the Public Announcement is as under (source: www.bseindia.com):

Day	Date	High	Low	Average	Volume
Monday	11 Feb 08	15	14.01	14.505	5291
Tuesday	12 Feb 08	14	13.31	13.655	1002
Wednesday	13 Feb 08	13.89	12.65	13.27	7996
Thursday	14 Feb 08	13.8	12.55	13.175	1751
Friday	15 Feb 08	13.29	12.22	12.755	66
Monday	18 Feb 08	12.83	11.66	12.245	3161
Tuesday	19 Feb 08	13.05	11.97	12.51	5103
Wednesday	20 Feb 08	11.6	11.4	11.5	1600
Thursday	21 Feb 08	11.6	10.84	11.22	2150
Friday	22 Feb 08	10.58	10.58	10.58	400
	TOTAL	129.6	121.2	125.415	28520
	AVERAGE		12.54		

- C. **Non-compete Fee:** The Acquirer has not entered into any agreement for payment of non-compete fee and have not made payment of any non-compete fees.
- D. The Acquirer shall not acquire any shares in RFL during the Offer Period except in compliance with the Regulations and the details of such acquisitions shall be disclosed to the Stock Exchanges and to the Manager within 24 hours thereof in terms of Regulation 22(17) of the Regulations.
- E. If the Acquirer acquires shares after the original PA & upto seven working days prior to closure of the offer at a price higher than the Offer Price, then the highest price paid for such acquisitions shall be payable for all the acceptances received under the Offer. Any such revision in the Offer Price shall be notified by advertisement in the same newspapers in which the PA has appeared.

7.3 FINANCIAL ARRANGEMENT

- A. The maximum fund requirement for the Offer assuming full acceptance will be Rs.255 lacs.
- B. In accordance with Regulation 28 of the Regulations, the Acquirers have deposited Rs.290 Lacs, being over 100% of the entire amount of the consideration (assuming full acceptance by the shareholders) in an Escrow Account with Oriental Bank of Commerce, Mahatma Gandhi Seva Mandir, Trust Building, S.V Road, Opp Talao, Bandra (West), Mumbai - 50, in the form of a fixed deposit for 91 days maturing for repayment or renewal on 21/05/2008, and a lien has been marked on the said fixed deposit in favour of the Manager to the Offer.

C. The source of the funds are:

Source	Status	Amount (Rs.)
Equity Shares	Allotted to NRI promoter	98,27,675
14,00,000 Non Cumulative Compulsorily Redeemable Preference shares	Allotted to Indian private limited company	7,00,00,000
Total		798,27,675

- D. The Acquirer have duly empowered M/s Arihant Capital Markets Ltd., the Manager to the Open Offer, to realize the value of the Escrow Account, in terms of the SEBI (SAST) Regulations, 1997.
- E. Shri. Pradeep Mehta, partner of Mehta Kothari & Associates, Chartered Accountants, having their office at 134, Great Western Building, Nagindas Master Road Ext., Fort, Mumbai – 400023 (Membership No.35447), Tel No:22873102, Fax No: 56333374 , email id – pmmka@yahoo.co.in has certified vide certificate dated February 21, 2008 that the net worth of PFFPL is Rs. 7,96,03,764 (Seven Crores Ninety Six Lakhs Three Thousand Seven Hundred and Sixty Four) on 14.02.2008 and that they have sufficient resources to fulfill the obligation under this Open Offer.
- F. The acquirer has adequate and firm financial resources to fulfil the obligations of the open offer. The Acquirer, in compliance of Regulation 22(11) of the Regulations has made firm financial arrangements to fulfill the obligations under the Offer.
- G. The Manager to the Offer is satisfied about the ability of the Acquirer to implement the Offer in accordance with the Regulations and confirms that firm arrangements for funds and money for payment through verifiable means are already in place to fulfill the Offer obligations.

8. TERMS AND CONDITIONS OF THE OFFER

8.1 Operational terms and conditions:

- A. The Offer is being made in compliance with the provisions of Regulations 10 and 12 and other applicable provisions of the Regulations for the purpose of substantial acquisition of equity shares accompanied with change in control and Management of RFL.
- B. The acceptance of the Offer is entirely at the discretion of the equity shareholders of RFL and each shareholder (except Acquirer and Sellers) of RFL holding fully paid-up equity shares to whom this Offer is being made is free to offer his shareholding in RFL, in whole or in part while accepting the Offer.
- C. Accidental omission to despatch this Letter of Offer or any further communication to any person to whom this Offer is made or the non-receipt of this Letter of Offer by any such person shall not invalidate the Offer in any way.
- D. The instructions, authorizations and provisions contained in the Form of Acceptance and Form of Withdrawal constitute an integral part of the terms of this Offer.
- E. The acceptance of the Offer must be unconditional and should be sent in the attached Form of Acceptance alongwith the other documents duly filled in and signed by the applicant shareholder(s) which should be received by the Registrar to the Offer at the collection centres mentioned in para 9.1 under "Procedure for Acceptance and Settlement" on or before Wednesday, July 2, 2008. If any change or modification is made in the Form of Acceptance, the same is liable to be rejected.
- F. The Offer is not subject to any minimum level of acceptance. The Acquirer will acquire all the equity shares of RFL that are validly tendered and accepted in terms of this Offer upto 20 lac equity shares of Rs.10 each representing 20% of the paid up and voting share capital of the Company.
- G. All shares tendered under this Offer should be free from any charge, lien or encumbrances of any kind whatsoever.
- H. The Acquirer will not be responsible in any manner for any loss of equity share certificate(s) and Offer acceptance documents during transit. The equity shareholders of RFL are advised to adequately safeguard their interest in this regard.
- I. 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.
- J. If the aggregate of the valid responses to the Offer exceeds 20% of the paid up and voting equity share capital of RFL, then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with Regulation 21 (6) of the Regulations.
- K. The Acquirer reserves the right to withdraw the Offer pursuant to Regulation 27 of the Regulations. Any such withdrawal will be notified in the form of an Announcement in the same newspapers in which the Public Announcement had appeared.

8.2 Locked in Shares: There are no Shares, which are subject to lock in as per SEBI guidelines.

8.3 Eligibility for accepting the Offer

- A. The Letter of Offer shall be mailed to all Equity Shareholders/ Beneficial Owners holding Shares in dematerialized form (except the parties to the agreement and the Acquirer) whose names appear in the Register of Members of Target Company/records of the beneficiary as on Friday, March 14, 2008, the Specified Date.
- B. This Offer is also open to persons who own Equity Shares in RFL but are not registered Shareholders / beneficial owners holding Shares in dematerialized form, as on the "Specified date".
- C. All Equity Shareholders/ Beneficial Owners holding Shares in dematerialized form (except the parties to the Agreement and the Acquirer) who own Equity Shares of Target Company anytime before the closure of the Offer are eligible to participate in the Offer.
- D. The Form of acceptance cum Acknowledgement and other documents required to be submitted herewith, will be accepted by the Registrar to the Offer, M/s Intime Spectrum Registry Limited, at the collection centres and in the manner mentioned in para 9.1.A below, on Mondays to Fridays between 10.00 AM and 5.00 PM and on Saturday between 10.00 AM and 1.00 PM, on or before the date of Closure of the Offer i.e. Wednesday, July 2, 2008.
- E. The Public Announcement, Copy of the Corrigendum to the Public Announcement, Letter of Offer, the Form of Acceptance and Form of Withdrawal will also be available at SEBI's website: www.sebi.gov.in. In case of non-receipt of Letter of Offer, all Shareholders including unregistered Shareholders, if they so desire, may download the Letter of Offer, the Form of Acceptance cum Acknowledgement or Form of Withdrawal from the SEBI website for applying in the Offer or to withdraw from the Offer.
- F. Unregistered Equity Shareholders who have sent the Share Certificates for transfer to RFL/its Share Transfer Agent, and not received them back or hold Shares of RFL without being submitted for transfer or those who hold in Street Name shall also be eligible to participate in this Offer.
- G. Unregistered Equity Shareholders and those who apply in plain paper will not be required to provide any Indemnity.
- H. Unregistered Shareholders may follow the same procedure mentioned above for registered Shareholders.
- I. The acceptance of this Offer by the Equity Shareholders of RFL must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
- J. The acceptance of this Offer is entirely at the discretion of the Equity Shareholders of RFL.
- K. The Acquirer, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of Equity Share Certificates, Offer Acceptance Forms etc. during transit and the Equity Shareholders of RFL are advised to adequately safeguard their interest in this regard.
- L. The acceptance of Shares tendered in the Offer will be made by the Acquirer in consultation with the Manager to the Offer.
- M. The instructions, authorizations and provisions contained in the Form of Acceptance and Form of Withdrawal constitute part of the terms of the Offer.
- N. The Manager to the Offer shall submit a final report to SEBI within 45 days of closure of the Offer in accordance with Regulation 24 (7) of the Regulations.
- O. For any assistance please contact Arihant Capital Markets Limited, Manager to the Offer or the Registrar to the Offer.

8.4 Statutory Approvals:

- A. The Offer is subject to the Acquirer obtaining the approval of RBI under the FEMA, for acquiring and transferring the equity shares of non-resident shareholders tendered in this Offer. The application to RBI would be made after closure of the Offer.
- B. In case the RBI's approval for acquisition of shares from non-resident shareholders is unduly delayed, the Acquirer reserves the right to proceed with payment to the resident shareholders whose shares have been accepted by the Acquirer in terms of this Offer, pending payment to the non-resident shareholders, subject to entire amount payable to non-resident shareholders being deposited in an Escrow Account whose value can be realized by the Manager as per the Regulations.
- C. As of the date of this Letter of Offer, there are no further statutory approvals required to implement the Offer other than those indicated above.
- D. In case of delay in receipt of any statutory approval, SEBI has the power to grant an extension of the time required for payment under the Offer provided that the Acquirer agrees to pay interest in accordance with Regulation 22(12) of the Regulations. Further, if the delay occurs due to the willful default or neglect or inaction of Acquirer in obtaining the requisite approvals, the amount lying in the Escrow Account shall be liable to be forfeited and dealt in the manner provided in Regulation 28(12) (e) of the Regulations, apart from the Acquirer being liable for penalty as provided in the Regulations.
- E. No approval is required from any bank or financial institutions for this Offer.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

9.1 ACCEPTANCE OF THE OFFER

- A. Name and Address of the persons (Registrar to the Offer) to whom the Equity Shares alongwith requisite documents should be sent including name of the contact person, telephone no., fax no. etc.

Name & Address	M/s Intime Spectrum Registry Limited C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai 400 078	M/s Intime Spectrum Registry Limited 211 Sudarshan Complex, Near Mithakhali Underbridge, Navrangpura, Ahmedabad - 380 009
Mode of Delivery	Hand Delivery & Registered Post	Hand Delivery
Contact Person	Ms. Awani Thakkar	Mr. Hitesh Patel
Phone Nos.	022 25960320	079 26465179
Fax No	022 25960329	079 26465179
E-mail	pffpl.openoffer@intimespectrum.com	pffpl.openoffer@intimespectrum.com

- B. Shareholders holding Equity Shares in physical form and wishing to tender their Equity Shares will be required to send their form of acceptance, original Share certificates and transfer deeds to the Registrar to the Offer, M/s. Intime Spectrum Registry Limited, at the collection centres as specified in para 9.1.A above, to reach them on or before the closure of the Offer, i.e. Wednesday, July 2, 2008 in accordance with the instructions specified in this Letter of Offer and in the Form of Acceptance. In case the Share Certificate(s) and Transfer Deeds are lodged with RFL/its Share Transfer Agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) The Share Transfer Deed(s) and (ii) The acknowledgement of the lodgment with, or receipt issued by RFL/its transfer agents for the Share Certificate(s) so lodged. Where the Transfer Deeds are signed by a constituted Attorney, a certified copy of the Power of Attorney shall also be lodged. In the case of body corporate/ limited Companies, certified copy of the Memorandum & Articles of Association and copy of the Board Resolution authorizing the signatory, shall also be sent along with.

- C. Beneficial owners (holders of Equity Shares in Dematerialized Form) who wish to tender their Equity Shares will be required to send their Form of Acceptance-cum-acknowledgement along with a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the Depository Participant (DP) in favor of the Special Depository Account opened by the Registrar to the Offer, in accordance with instructions specified in this Letter of Offer and in the Form of Acceptance-cum-acknowledgement. The details of the Special Depository Account is given below:

DP Name Stock Holding Corporation of India
DP ID IN 301330
Client Name **ISRL POONAM FAST FOODS OPEN OFFER.**
Client ID 20515036

For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance. Beneficial owners having their beneficiary accounts with CDSL have to use inter-depository delivery instruction slip for the purposes of crediting their Shares in favour of the special depository account with NSDL. In case of non receipt of the aforesaid documents, but receipt of the Shares in the special depository account, the Offer shall be deemed to be accepted. The Forms of Acceptance of such demat shares not credited in favor of the special depository account, before the Offer Closing Date will be rejected.

- D. The Acceptance Form alongwith Share Certificates/copy of delivery instruction to DP and other relevant documents shall be sent to the Registrars only. The same shall not be sent to the Acquirers, Target Company or Manager to the Offer.

9.2. Procedure for acceptance of the Offer by unregistered Shareholders, owners of Shares who have sent them for transfer or those who did not receive the Letter of Offer

- A. Accidental omission to dispatch the Letter of Offer to any person will not invalidate the Offer in any way.
- B. In case of non-receipt of the letter of Offer, the eligible person(s), holding Equity Shares of RFL in physical form, may send his/her/their consent on plain paper stating the name, address, number of Shares held, distinctive numbers, certificate numbers and the number of Equity Shares offered along with the Share certificates, duly signed transfer forms and other required documents to the Registrar to the Offer so as to reach them on or before the closure of the Offer.
- C. In case of non receipt of the Letter of Offer, beneficial owners holding Equity Shares in dematerialized form, may send their applications in writing to The Registrar to the Offer, on a plain paper stating the name, address, number of Shares held, number of Shares offered, DP name, DP ID, beneficiary account number and photocopy of the delivery instruction in "Off-market", or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP, in favor of the special depository account, so as to reach the Registrar to the Offer on or before the closure of the Offer. In case the Share Certificate(s) and Transfer Deeds are lodged with RFL/its Share Transfer

Agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) The Share Transfer Deed(s) and (ii) The acknowledgement of the lodgment with, or receipt issued by RFL/its Share Transfer Agent, for the Share Certificate(s) so lodged. Where the Transfer Deeds are signed by a constituted Attorney, a certified copy of the Power of Attorney shall also be lodged. In the case of body corporate/limited Companies, certified copy of Memorandum & Articles of Association shall also be sent along with.

D. Unregistered owners holding Equity Shares in physical Form should enclose

- (i) Form of Acceptance-cum-acknowledgement duly completed and signed in accordance with instructions contained therein, by all Shareholders whose names appear on the Share certificates and witnessed if possible, by the Notary Public or a Bank Manager or the Member of the stock exchange with membership number.
- (ii) Original Share Certificates.
- (iii) Original broker contract note of a registered broker of a recognized Stock Exchange
- (iv) Valid Share transfer form as received from the market. The details of the buyer should be left blank. If the details of buyer are filled in, the tender will not be valid under the Offer. All other requirements for valid transfer will be pre-conditions for acceptance.

9.3 The Acquirer shall accept all valid shares tendered (except those, which are withdrawn, within the date specified for withdrawal) upto 20 lac equity shares of RFL.

9.4 Non-Resident Shareholders:

- A. Non-Resident Shareholders may tender their Shares in accordance with the Procedure mentioned at 9.1.B or 9.1.C or 9.2 (as applicable) above. In case the RBI approvals are not submitted, the Acquirers reserve the right to reject such equity shares.
- B. Non-Resident Shareholders should also enclose a copy of any permission received from RBI in relation to the Shares held by them in RFL and No Objection Certificate (NOC) or Tax Clearance Certificate indicating the amount of tax to be deducted by the Acquirer before remitting the consideration from Income-tax authorities under the Income-tax Act, 1961. In case the aforesaid NOC or Tax clearance Certificate is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders, on the entire consideration amount payable to such shareholders. In case the RBI permission is not submitted, the Acquirer reserves the right to reject such equity shares tendered.

9.5 Where the number of shares offered for sale by the shareholders is more than 20 lac shares, for which the open offer is made, the acquirer shall accept all valid applications received from the shareholders of the company in accordance with Regulation 21(6) of the Takeover Regulations on a proportionate basis, in consultation with the Merchant banker, 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.

9.6 The market lot for RFL's Shares is 1(one only).

9.7 Consideration for Equity Shares accepted will be paid by Crossed Account Payee Cheque drawn at Mumbai and sent by Registered Post/Under Certificate of Posting.

9.8 The Equity Shares Certificate(s) and the transfer form (s) or Shares transferred to the Special Depository Account together with the Acceptance Form submitted by the acceptors of the Offer, will be held by the Registrars in trust for the acceptors of the Offer until the Acquirer pay the Offer Price.

9.9 In case of acceptance on proportionate basis/or rejection for any reason, the unaccepted Share Certificates, Transfer deeds and other documents, if any, will be returned by Registered Post at the Shareholder's / unregistered holder's sole risk as per the details furnished in the form of acceptance-cum-acknowledgement. Shares held in demat form to the extent not accepted will be returned to the beneficial owner to the credit of the beneficial owner's DP Account with the respective DP as per the details furnished by the beneficial owner in the form of acceptance cum acknowledgement.

9.10 Shareholders who are desirous of withdrawing their acceptances tendered in the Offer can do so upto three working days prior to the date of closure of the Offer.

9.11 The Withdrawal option can be exercised by submitting the Form of Withdrawal attached to the Letter of Offer duly filled in, with relevant particulars, so as to reach the Registrar to the Offer on or before Thursday, June 26, 2008.

9.12 The Withdrawal option can also be exercised by making an application on plain paper alongwith the following details:
Name, Address, Distinctive numbers, Folio nos., No. of Shares tendered/ withdrawn, if held in physical form
Name, Address, DP Name, DP ID, Beneficiary Account/Client ID No. of the Account from where Shares were tendered, photocopy of the delivery instruction in "Off Market Mode" duly acknowledged by the DP in favor of the Special Depository Account in the name of Registrar and number of Shares tendered /withdrawn.

9.13 The Shares withdrawn by Shareholders, which are in physical form, will be returned by Registered Post. Shares tendered in dematerialized form and withdrawn will be returned by credit to the beneficial owner's DP Account with the respective DP as per the details furnished by the beneficial owner in the form of acceptance cum acknowledgement.

9.14. SETTLEMENT/ PAYMENT OF CONSIDERATION

- A. Barring unforeseen circumstances and factors beyond their control, the Acquirer intends to complete all formalities pertaining to the Offer, including despatch of consideration to the shareholders who have accepted the Offer, by Thursday, July 17, 2008.

- B. Payment of consideration to those shareholders whose share certificates and other documents are found in order and accepted by Acquirer will be made by crossed account payee cheque/demand draft. Such payment will be despatched together with the intimation regarding the acquisition (in part or full) to the shareholders by Registered Post in case of consideration amount exceeding Rs. 1,500/- (Under Certificate of Posting otherwise). All cheques and demand drafts will be drawn in the name of the first holder, in case of joint registered holders. In case of unregistered shareholders, payment will be made in the name of the person stated in the contract note. It will be desirable if the shareholders provide their bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the cheque/demand draft. Tax at applicable rate(s) will be deducted, in those cases where Tax Deduction at Source (TDS) is applicable.

10. DOCUMENTS FOR INSPECTION

The following documents will be available for inspection to the shareholders of RFL at the Corporate Office of Arihant Capital Markets Limited at 3rd Floor, Krishna Bhavan, 67, Nehru Road, Vile Parle(East), Mumbai - 400 057 on all working days except Sundays and bank holidays till the Offer closing date (i.e, Wednesday, July 2, 2008). Timings for working days are, Monday to Saturday, from 10.00 a.m. to 2.00 p.m.

1. Memorandum of Understanding dated 21/02/2008 between the Acquirer and Arihant Capital Markets Ltd.
2. Copy of MOU dated 19/2/2008 addressed to the Acquirer by the Registrar to the Offer, offering their services and acknowledged by the Acquirer.
3. Share Purchase Agreement dated 19/02/2008 between the Acquirer and Sellers.
4. Certificate of Incorporation, Memorandum and Articles of Association of Roselabs Finance Limited.
5. Audited Accounts of Roselabs Finance Limited for the financial years ended 31st March 2005, 31st March 2006 and 31st March 2007 and certified financials for the period ended 30th September, 2007.
6. A copy of the resolution adopted by Board of Directors of Poonam Fast Foods Private Limited, in their meeting held on 19/02/2008, regarding the Offer and also authorizing either one of the directors thereof, Shri Sathyesh Simha or Shri Samyak Veera, severally, to sign the Letter of Offer on its behalf.
7. Audited Accounts for the years ended 31st March 2005, 31st March 2006 and 31st March 2007 and for period ended 14th February 2008 of Poonam Fast Foods Private Limited.
8. Certificate dated 21/02/2008 from Shri Pradeep Mehta, Chartered Accountant (Membership No. 35447), Partner of M/s. Mehta Kothari & Associates, Chartered Accountants, having office at 134, Great Western Building, Nagindas Master Road Ext., Fort, Mumbai - 400023 (Tel. No.: 022- 22873102; fax no: 56333374) certifying the Net worth and certifying access to liquid funds and adequacy of financial resources of M/s Poonam Fast Foods Private Limited to fulfill the Open Offer obligations.
9. Copy of the Fixed Deposit Receipt dated February 20, 2008.
10. Undertakings and certificates dated February 22, 2008 received from the Acquirer regarding the open offer.
11. Certificate certifying that there are no outstanding litigations against the Acquirer.
12. Share price quotations and volume data downloaded from BSE's website (www.bseindia.com)
13. A copy of the Public Announcement published on 23/02/2008.
14. Copy of the Corrigendum to the Public Announcement published on 05/06/2008.
15. A copy letter CFD/DCR/TO/SS/127292/2008 dated May 30, 2008 received from SEBI in terms of Provisions of Regulation 18(2).

11. DECLARATION BY THE ACQUIRER:

- A. In terms of Regulation 22(6) of the Regulations, the Acquirer and the directors of the Acquirer accept full responsibility for the information contained in the Letter of Offer, Form of Acceptance and Form of Withdrawal and also for the respective obligations of Acquirer as laid down in the Regulations.
- B. Acquirer is responsible for ensuring compliance with the Regulations. All information contained in this document is as on date of the Public Announcement, unless stated otherwise.
- C. The Manager to the Offer hereby states that the persons signing this Letter of Offer is the Acquirer.

Signed:

For Poonam Fast Foods Pvt. Ltd.

Director

Place: Mumbai

Date: June 2, 2008

Attached:

- i) Form of Acceptance-cum-Acknowledgement
- ii) Form of Withdrawal
- iii) Share Transfer Deeds

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrar to the Offer)

From:

Folio No./DP ID No. _____ Client ID No. _____

Name: _____

Address: _____

Tel No: _____ Fax No: _____ Email: _____

Unique identification No. under MAPIN, if applicable _____

OFFER SCHEDULE	
Offer Opens on	: Friday, June 13, 2008
Offer Closes On	: Wednesday, July 2, 2008

To,
Intime Spectrum Registry Limited
 C-13 Pannalal Silk Mills Compound,
 LBS Marg, Bhandup West, Mumbai 400 078,
 Tel No. 022 25960320; Fax No. 022 25960329
 Mail: pffpl.openoffer@intimespectrum.com, Contact Person: Ms. Awani Thakkar

Dear Sir,

Sub: Open Offer to purchase upto 20,00,000 Equity Shares of Roselabs Finance Limited representing 20.00 % of the paid up and voting share capital by M/s Poonam Fast Foods Private Limited

I/We refer to the Letter of Offer dated June 2, 2008 for acquiring the Equity Shares held by me/us in Roselabs Finance 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, hold Shares in the physical form, accept the offer and enclose the original Share certificate(s) and duly signed transfer deed(s) in respect of my/our Shares as detailed below:

I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein. I/We, hold Equity Shares of Roselabs Finance Ltd in physical form, accept the offer and enclose the original Share certificate(s) and duly signed transfer deed(s) in respect of my/our Shares as detailed below:

(In the case of Shares in Physical Form)

Sl. No.	Ledger Folio No.	No. of Shares	Share Certificate No(s).	No. of Share Certificates	Distinctive No(s)	
					From	To

(In case of insufficient space, please attach a separate sheet.)

I/We confirm that the Equity Shares of Roselabs Finance Limited which are being tendered herewith by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We note and understand that the original Share certificate(s) and valid Share transfer deed will be held in trust for me/us by the Registrars to the Offer until the time the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the consideration only after verification of the documents and signatures.

I/We hold the following Equity Shares of Roselabs Finance Ltd in Dematerialized Form and accept the Offer and enclose a photocopy of the Depository Delivery instruction(s) duly acknowledged by the DP in respect of my/our Equity Shares, details of which are given below:

Sl. No.	DP Name	DP ID	Client ID	Beneficiary Name	No. of Shares

I/We have done an off market transaction for crediting the Shares to the Special Depository Account noted below:

DP Name	Stock Holding Corporation of India
DP ID	IN 301330
Client Name	ISRL POONAM FAST FOODS OPEN OFFER.
Client ID	20515036

----- TEAR ALONG THIS LINE -----

Acknowledgement Slip

Received from Mr./Ms./M/s _____

Form of acceptance cum acknowledgement in connection with open offer to Shareholders of Roselabs Finance Limited.

Ledger Folio No. _____ No. of Share Certificates /Copy of Delivery instructions to DP for _____ Shares of Roselabs Finance Limited

Stamp of Registrar	In case of physical Shares, verify the number of Share certificates / number of Shares
	In case of dematerialized Shares, ensure that copy of the delivery instruction to the DP and duly acknowledged by the DP is submitted with the tender / offer form.

I/We note and understand that the Shares transferred to the above Special Depository Account, will be held in trust for me/us by the Registrars to the Offer until the time the Acquirer makes payment of the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirer will pay the consideration only after verification of the documents and signatures.

I/We confirm that the Equity Shares of Roselabs Finance Limited which are transferred by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirer to accept the Shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirer to return to me/us, Equity Share certificate(s) in respect of which the offer is not found valid /not accepted, specifying the reasons thereof. I/We authorize the Acquirer or the Manager to the Offer or the Registrars to the Offer to send by registered post/under certificate of posting, the Cheque, in settlement of the amount to the sole/first holder at the address mentioned below:

The permanent Account No. (PAN/GIR No.) Allotted under the Income Tax Act 1961 is as under

	PAN / GIR No.
1st Shareholder	
2nd Shareholder	
3rd Shareholder	
4th Shareholder	

Yours faithfully

Signed and delivered

	Full Name	Holder's Signature
Sole / First Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		
Joint Holder 4		

Place: _____

Date: _____

So as to avoid fraudulent encashment in transit, the applicants are requested to provide details of Bank account of the sole/first Shareholder and the consideration Cheque will be drawn accordingly.

Name of the Bank	
Full address of the Branch	
Nature of Account	
Account Number	

----- TEAR ALONG THIS LINE -----

Note : All future correspondence, if any, should be addressed to the Registrars to the Offer, at the following address:

Intime Spectrum Registry Limited
 C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West,
 Mumbai 400 078
 Tel No. 022 25960320; Fax No. 022 25960329
 E Mail: pffpl.openoffer@intimespectrum.com
 Contact Person: Ms. Awani Thakkar

FORM OF WITHDRAWAL

OFFER SCHEDULE	
Offer Opens on	: Friday, June 13, 2008
Offer Closes On	: Wednesday, July 2, 2008

From:
 Folio No./DP ID No. _____ Client ID No. _____
 Name: _____
 Address: _____

 Tel No: _____ Fax No: _____ Email: _____
 Unique identification No. under MAPIN, if applicable _____

To,
Intime Spectrum Registry Limited
 C-13 Pannalal Silk Mills Compound,
 LBS Marg, Bhandup West, Mumbai 400 078,
 Tel No. 022 25960320; Fax No. 022 25960329
 E Mail: pffpl.openoffer@intimespectrum.com, Contact Person: Ms. Awani Thakkar

Dear Sir,

Sub: Open Offer to purchase upto 20,00,000 Equity Shares of Roselabs Finance Limited representing 20.00% of the paid up and voting share capital by M/s Poonam Fast Foods Private Limited

I/We refer to the Letter of Offer dated June 2, 2008 for acquiring the Equity Shares held by me/us in Roselabs Finance Limited.

I/We, hereby consent to unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/We further authorize the Acquirer to return to me/us, the tendered Equity Shares at my/our sole risk.

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

I/We note that the Acquirer/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay /loss in transit of the Share Certificate(s) due to incomplete or inaccurate particulars.

I/We also note and understand that the Acquirer will return the original Share Certificate(s), Share Transfer Deed(s) or credit back the Shares to my/our Beneficiary Account for Shares held in dematerialized form, only on completion of verification of the documents.

The particulars of Share Certificate(s) tendered and duly signed Transfer Deeds which are wished to be withdrawn from the Offer are as given below:

(In the case of Shares in Physical Form)

Sl. No.	Ledger Folio No.	No. of Shares	Share Certificate No(s).	No. of Share Certificates	Distinctive No(s)	
					From	To

The particulars of Shares held in Dematerialized Form, which were transferred to Special Depository account noted below

DP Name	Stock Holding Corporation of India
DP ID	IN 301330
Client Name	ISRL POONAM FAST FOODS OPEN OFFER.
Client ID	20515036

The Shares proposed to be withdrawn are as follows. I wish to withdraw the under noted Shares so transferred.

Sl. No.	DP Name	DP ID	Client ID	Beneficiary Name	No. of Shares

(In case of insufficient space, please attach a separate sheet.)

----- TEAR ALONG THIS LINE -----

Acknowledgement Slip

Received from Mr./Ms./M/s _____

Form of withdrawal. Ledger Folio No. _____ No. of Share Certificates /photocopy of delivery instructions to DP for _____ Shares of Roselabs Finance Limited

Stamp of Registrar	In case of physical Shares, verify the number of Share certificates / number of Shares
	In case of dematerialized Shares, ensure that copy of the delivery instruction to the DP is submitted with the withdrawal form

I/We confirm that the Equity Shares of Roselabs Finance Limited, which were tendered by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.

Please find a photocopy of the Delivery instructions duly acknowledged by the DP.

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

Yours faithfully,

Signed and delivered

	Full Name	Holder's Signature
Sole / First Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		
Joint Holder 4		

Place: _____

Date: _____

----- TEAR ALONG THIS LINE -----

Note : All future correspondence, if any, should be addressed to the Registrars to the Offer, at the following address:

Intime Spectrum Registry Limited
C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West,
Mumbai 400 078
Tel No. 022 25960320; Fax No. 022 25960329
E Mail: pffpl.openoffer@intimespectrum.com
Contact Person: Ms. Awani Thakkar