LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer constitutes an "offer" and not an "invitation to offer". This Letter of Offer is sent to you as equity shareholder(s) of Saraswati Commercial India Limited ("Saraswati" or "Target Company"). If you require any clarifications about the action to be taken, you may consult your stockbroker or investment consultant or the Manager/Registrar to the Offer. In case you have sold your shares in the Target Company, please hand over this Letter of Offer and the accompanying Form of Acceptance-cum-Acknowledgment, Form of Withdrawal and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

CASH OFFER

To acquire upto 96,070 fully Paid-up Equity Shares of face value Rs. 10/- each, representing 15.01% of the equity voting capital ("Offer")

OF

Saraswati Commercial (India) Limited ("Saraswati" / "Target Company")

Registered Office: 15, Chittaranjan Avenue, 4th Floor, Kolkata – 700 072. Tel: + 91 33 2237 7323 Fax: +91 33 2237 5528

BY

Winro Commercial (India) Limited ("Winro"/ "Acquirer"),

Registered Office: 15, Chittaranjan Avenue, 4th Floor, Kolkata – 700 072. Tel: + 91 33 2237 7323 Fax: +91 33 2237 5528

ALONG WITH

Four Dimensions Commodities Private Limited ("FDCPL")

"Person Acting in Concert"

Registered Office: K.K. Chambers, 4th Floor, Sir Purushottamdas Thakurdas Road, Fort, Mumbai – 400 001

Four Dimensions Securities (India) Limited ("FDSIL")

"Person Acting in Concert"

Registered Office: K.K. Chambers, 4th Floor, Sir Purushottamdas Thakurdas Road, Fort, Mumbai – 400 001

Windsor Trading and Finance Private Limited ("Windsor")

"Person Acting in Concert"

Registered Office: K.K. Chambers, 4th Floor, Sir Purushottamdas Thakurdas Road, Fort, Mumbai – 400 001

and

Sam Jag Deep Investments Private Limited ("Sam Jag Deep")

"Person Acting in Concert"

Registered Office: 10 ,GCIL Block, Chemical Staff Colony, Birlagram, Nagda 456331, Madhya Pradesh

at Rs. 80.70 per Share comprising of Rs. 47 per Share (the "Offer Price"), with accrued interest thereon of Rs. 33.70 per Share calculated at the rate of 15% p.a. from February 5, 2001 till November 10, 2005, i.e. the scheduled date of payment of consideration (the interest amount is subject to change depending upon the actual date of payment of the consideration).

The Offer is being made pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof to rectify the violations made by the Acquirer Group (as defined hereinbelow) in terms of certain acquisitions in Saraswati leading to "Consolidation of Holdings" in terms of Regulation 11(2) and *inter-se* transfers amongst the Acquirer Group which were either made without making a public announcement or not reported for exemption as per the requirements of the Regulations.

The Offer is not subject to a minimum level of acceptance by the Shareholders of Saraswati.

As of the date of the Public Announcement, to the best of the knowledge of the Acquirer, there are no statutory approvals required to implement the Offer. If however, any statutory or other approval becomes applicable, the Offer would be subject to such approval. As per Regulation 27, the Acquirer will not proceed with the Offer in the event of any statutory approval not being obtained and the same would be notified by way of a public announcement in the same newspapers where the Public Announcement appeared. In case of delay in receipt of any statutory approval, if required, SEBI has the power to grant an extension of the time required for payment of the consideration under the Offer provided that the Acquirer agrees to pay interest in accordance with Regulation 22(12). Further, if the delay occurs due to willful default of the Acquirer in obtaining the requisite approvals, Regulation 22(13) will become applicable.

Shareholders who accept the Offer by tendering the requisite documents, in terms of the Public Announcement/ Letter of Offer, can withdraw the same up to 3 (three) working days prior to the date of closure of the Offer, in terms of Regulations 22 (5A) of the SEBI (SAST) Regulations. (i.e. till Friday, October 21, 2005).

The Acquirer can revise the Offer Price upwards up to 7 (seven) working days prior to the date of closure of the Offer (i.e. Monday, October 17, 2005). If there is any upward revision in the Offer Price by the Acquirer till the last date for revising the Offer Price (i.e. Monday, October 17, 2005), or if the Offer is withdrawn, the same would be communicated by a public announcement in the same newspapers in which the Public Announcement appeared. The Acquirer would pay such revised Offer Price for all the equity shares validly tendered any time during the Offer and accepted under the Offer.

In case of resident Shareholders tendering their shares under the Offer, the Acquirer will deduct tax on the interest component of the consideration payable to such Shareholders exceeding Rs. 5,000 per Shareholder at applicable rates and such Shareholders would be required to give their PAN number for Income Tax purposes. For further details, please refer to para 10.16 of this Letter of Offer.

If there is a competitive bid(s):

- **The public offers under all the subsisting bids shall close on the same date;**
- **As the Offer Price cannot be revised during 7 (seven) working days prior to the closing date of the offers/ bids, it would, therefore, be in the interest of Shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.**

There was no competitive bid received for this Offer.

A copy of the Public Announcement and the Letter of Offer (including Form of Acceptance and Form of Withdrawal) is also available on SEBI's website (www.sebi.gov.in) and may be downloaded therefrom.

Manager to the Offer	Registrar to the Offer
JM Morgan Stanley Private Limited 141, Maker Chambers III, Nariman Point, Mumbai – 400 021 Tel: + 91 22 5630 3030, Fax: + 91 22 22047185 E-mail: kushal.doshi@jmmorganstanley.com Contact Person: Mr. Kushal Doshi	**Tata Share Registry Limited** Army & Navy Building, 148 M G Road, Fort, Mumbai 400001 Tel: +91 22 56568484, Fax: +91 22 56568496 E-mail: clc@tatashare.com Contact Person: Ms S.R.Billimoria
Offer Opens on: October 7, 2005	**Offer Closes on: October 26, 2005**

The table below summarizes the schedule of activities:

Activity	Day	Date
Specified date (for the purpose of determining the names of Shareholders to whom the Letter of Offer would be sent)	Friday	August 19, 2005
Last Date for receiving competitive bid	Wednesday	September 07, 2005
Date by which Letter of Offer will be posted to the Shareholders	Saturday	October 01, 2005
Date of opening of the Offer	Friday	October 07, 2005
Last date for revising the Offer Price/number of shares	Monday	October 17, 2005
Date of withdrawal of acceptance of Offer	Friday	October 21, 2005
Date of closure of the Offer	Wednesday	October 26, 2005
Date by which acceptance/rejection under the Offer would be intimated and the corresponding payment for the acquired shares and/or the unaccepted shares/share certificates will be dispatched/credited	Thursday	November 10, 2005

END OF COVER PAGE

RISK FACTORS

Given below are the risks related to the transaction, the Offer and getting associated with the Acquirer:

1. In the event of statutory approvals as may be required, if any, not being received in a timely manner or litigation leading to stay on the Offer, or SEBI instructing that the Offer should not proceed, the Offer process may be delayed beyond the Schedule of Major Activities indicated in this Letter of Offer.

2. The Acquirer makes no assurance with respect to the market price of the Equity Shares during/after the Offer.

3. The Offer to the Shareholders of Saraswati is for substantial acquisition of Equity Shares and Regulation 11(2) of the SEBI (SAST) Regulations. There is no assurance with respect to the continuation of the past trend in the financial performance of Saraswati.

4. The Shares tendered in the Offer will be held in trust by the Registrar to the Offer till the completion of the Offer formalities, and the Shareholders will not be able to trade such Shares. During such period there may be fluctuations in the market price of the Shares of Saraswati. Accordingly, the Acquirer and the PACs make no assurance with respect to the market price of the Shares both during the Offer period and upon the completion of the Offer, and disclaim any responsibility with respect to any decision by any Shareholder of Saraswati on whether to participate or not to participate in the Offer.

5. The consideration of Rs.80.70 per Share comprises of the Offer Price of Rs. 47.00 per Share, with accrued interest thereon of Rs. 33.70 per Share calculated at the rate of 15% p.a. from February 5, 2001 till November 10, 2005, i.e. the scheduled date of payment of consideration. The interest amount is subject to change depending upon the actual date of payment of the consideration.

6. Litigation, regulatory measures and similar claims could affect the Offer.

The Risk Factors set forth above pertain to the Offer and do not relate to the present or future business or operations of Saraswati or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a Shareholder in the Offer. The Shareholders of Saraswati are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the Offer.

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DEFINITIONS/ ABBREVIATIONS

Terms	Definitions
Acquirer Group	The Acquirer Group for the purposes of this Offer, comprising the Acquirer and the PACs, being Mr. Ashwin Kumar Kothari, Mr. Rohit Kothari, Ms. Savita Kothari, Ms. Meena Kothari, Ashwin Kumar Kothari (S) (HUF), PC Kothari (HUF), FDCPL, FDSIL, Windsor and Sam Jag Deep
Acquirer or Winro	Winro Commercial (India) Limited
BSE	Bombay Stock Exchange Limited
Closing Date	Date of closing of the Open Offer
Companies Act	The Companies Act, 1956
CSE	Calcutta Stock Exchange Association Limited
Date of Public Announcement	August 17, 2005
Depository	National Securities Depository Limited
Depository Bank	HDFC Bank Limited
Depository Escrow Account	The depository escrow account opened by the Registrar with the Depository Bank styled "TSRL Escrow Account - SCIL Open Offer"
Disclosures	Disclosures regarding the changes in the shareholding/voting rights of the Acquirer Group required to be made by Saraswati under Regulations 6(4) and 8(3) (from FY1997 to FY 2002 under the SEBI Regularization Scheme, 2002 and yearly disclosures from FY 2003 to FY 2005)
DP	Depository Participant
Shareholder(s)	All owners (registered or unregistered) of Equity Shares of Saraswati (other than Acquirer and PACs) whose names appear in the Register of Members of Saraswati at the close of business hours on the Specified Date and also the persons who own the Equity Shares at anytime before the Closure of the Offer, but may not be included in the Register of Members
Equity Shares	Fully paid-up equity shares of Rs. 10/-each of Saraswati
Escrow Bank	HDFC Bank Limited
FDCPL	Four Dimensions Commodities Private Limited
FDSIL	Four Dimensions Securities (India) Limited
Form of Acceptance	Form of Acceptance-cum-Acknowledgment enclosed with this Letter of Offer
INR or Rupees or Rs.	Indian National Rupees
JMMS/ Manager to the Offer	JM Morgan Stanley Private Limited
Letter of Offer	This Letter of Offer dated September 27, 2005
NSDL	National Securities Depository Limited
Offer or Open Offer	Cash offer for acquisition of upto 96,070 Equity Shares representing 15.01% of the voting share capital of Saraswati at a price of Rs. 47 plus interest of Rs. 33.70 per Equity Share being made in terms of this Letter of Offer
Offer Price	Rs. 47 per Equity Share
Opening Date	Date of opening of the Open Offer, being October 7, 2005
PAC(s)	Persons Acting in Concert with the Acquirer
Promoters	Promoters of Saraswati, being Mr. Ashwin Kumar Kothari, Mr. Rohit Kothari, Ms.

Terms	Definitions
	Savita Kothari, Ms. Meena Kothari, Ashwin Kumar Kothari (S) (HUF) Ashwin Kumar Kothari (HUF) and P C Kothari (HUF)
Public Announcement or PA	The Public Announcement relating to the Offer as appeared in the newspapers on August 17, 2005
RBI	Reserve Bank of India
Registrars to the Offer	Tata Share Registry Limited
Regulation(s) or SEBI (SAST) Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof as applicable on Trigger Dates, unless specified otherwise
Sam Jag Deep	Sam Jag Deep Investments Private Limited
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
Specified Date	Date specified in the Public Announcement for the purpose of determining the names of the shareholders to whom the Letter of Offer is to be sent being August 19, 2005
Stock Exchanges	BSE and CSE
Target Company or Saraswati	Saraswati Commercial (India) Limited
Trigger Dates	The dates on which Equity Shares were either acquired by or transferred *inter-se* amongst the Acquirer Group in violation of Regulation 11(2), such dates being, March 5, 1997, March 26, 1999, October 9, 2000, March 12, 2001 and September 3, 2001 and on which dates, SEBI (SAST) Regulations as existing on such dates are applicable, unless specified otherwise
Valuation Reports	Valuation Reports dated August 8, 2005 of M/s. Chaturvedi and Shah, Chartered Accountants
Windsor	Windsor Trading and Finance Private Limited

1. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI (SAST) REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE EQUITY SHAREHOLDERS OF SARASWATI COMMERCIAL (INDIA) LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE TARGET COMPANY WHOSE 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 THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES HIS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MANAGER – JM MORGAN STANLEY PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED AUGUST 30, 2005 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS 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. BACKGROUND TO THE OFFER

2.1 This Offer is for substantial acquisition of upto 96,070 equity shares of Rs. 10/- each ("**Equity Shares**") of the Target Company pursuant to Regulation 11(2) and other applicable provisions of SEBI (SAST) Regulations, 1997 and subsequent amendments thereto consequent to the circumstances enumerated hereunder:

2.2 The Acquirer is a company registered and incorporated under the Companies Act, 1956 with its registered office at 15, Chittaranjan Avenue, 4th Floor, Kolkata – 700 072.

2.3 The Promoters of Saraswati, the Acquirer and the persons acting in concert ("PACs") with the Promoters and the Acquirer within the meaning of Regulation 2(1)(e) (collectively referred to as the "**Acquirer Group**") are holding 543,930 Equity Shares representing 84.99% of the total equity share capital of Saraswati as on date. The details of such shareholding are as under –

(a) The Promoters being, Mr. Ashwin Kumar Kothari, Mr. Rohit Kothari, Ms. Savita Kothari, Ms. Meena Kothari, Ashwin Kumar Kothari (S) HUF, Ashwin Kumar Kothari (HUF), P. C. Kothari (HUF) are collectively holding 308,680 Equity Shares representing 48.23% of the total shareholding/voting rights of Saraswati.

(b) The PACs are Four Dimensions Commodities Private Limited ("**FDCPL**"), Four Dimensions Securities (India) Limited ("**FDSIL**"), Windsor Trading and Finance Private Limited ("**Windsor**") and Sam Jag Deep Investments Private Limited ("**Sam Jag Deep**"). The PACs together with the Acquirer are collectively holding 235,250 Equity Shares representing 36.76% of the total shareholding/voting rights of Saraswati.

2.4 The members of the Acquirer Group have disclosed their shareholding/voting rights to Saraswati as required in terms of Regulations 6 and 8 for the period from 1997 to 2005. However, no disclosures have been made by the members of the Acquirer Group to Saraswati and to the stock exchanges under Regulation 7.

Saraswati has disclosed the changes in the shareholding/voting rights of the Acquirer Group to the stock exchanges as per the disclosures required under Regulations 6(4) and 8(3) (from 1997 to 2002 under the SEBI Regularization Scheme, 2002 and yearly disclosures from 2003-2005) ("**Disclosures**").

2.5 The instances of violations/non-compliances of the Regulations in relation to the changes in shareholding/voting rights of the Acquirer Group (in aggregate and/or *inter-se*) in Saraswati after the Regulations came into effect on February 20, 1997 are as below.

(a) On February 20, 1997, the aggregate shareholding of the Acquirer Group was 470,930 Equity Shares representing 73.58% of shareholding/voting rights to the total paid-up equity capital of Saraswati.

(b) On March 5, 1997, there was an *inter-se* transfer of 10,000 Equity Shares from the Acquirer to Mr. Rohit Kothari.

(c) On May 6, 1997, Mr. Ashwin Kumar Kothari, P C Kothari (HUF) and the Acquirer bought 7,000, 20,000 and 31,000 Equity Shares respectively and accordingly the aggregate shareholding of the Acquirer Group increased to 528,930 Equity Shares representing 82.65% of shareholding/ voting rights to the total paid-up equity capital.

(d) As per the Disclosures for the year ending March 31, 1999, the aggregate shareholding of the Acquirer Group increased by 3,000 Equity Shares to 531,930 Equity Shares representing 83.11% of shareholding/voting rights to the total paid-up equity capital. This was pursuant to purchase of 3,000 Equity Shares by Jacqart Chemical Industries Limited ("Jacqart') on June 16, 1995 but lodged for transfer only in October, 1998.

(e) On March 26, 1999, the aggregate shareholding of the Acquirer Group increased to 543,930 Equity Shares representing 84.99% of the Equity Shares due to purchase of 12,000 Equity Shares by Windsor. However, such Equity Shares were lodged for transfer by Windsor only in June 1999, as a result of which the same was disclosed in the Disclosures for the year ending March 31, 2000.

(f) On October 9, 2000, there was an *inter-se* transfer of 25,900 Equity Shares by Jacqart to Mrs. Meena Kothari and subsequently Mrs. Meena Kothari sold such Equity Shares to the Acquirer on November 2, 2000. Also, there was another *inter-se* transfer of 15,400 Equity Shares by Mrs. Meena Kothari to the Acquirer on March 12, 2001. It must be noted that such 25,900 Equity Shares acquired by Mrs. Meena Kothari from Jacqart were not lodged with Saraswati for transfer and the same were lodged for transfer only upon acquisition by the Acquirer.

(g) On September 3, 2001, there were *inter-se* transfers of 30,000 Equity Shares and 1,000 Equity Shares from Purlieu Investments and Finance Private Limited to Ashwin Kumar Kothari (HUF) and Mrs. Meena Kothari respectively. Also on the same date, there were *inter-se* transfers of 30,000 Equity Shares and 1,000 Equity Shares from Genial Finance and Investments Private Limited to Ashwin Kumar Kothari (S) (HUF) and Mrs. Meena Kothari respectively.

(h) As per the Disclosures for years ending on March 31, 2003, March 31, 2004 and March 31, 2005, the shareholding of the Acquire Group has been at 543,930 Equity Shares representing 84.99% of the shareholding/ voting rights of the total equity capital of Saraswati. Furthermore, there have been no *inter-se* transfers amongst the Acquirer Group during this period.

(i) The dates mentioned above under para (b),(c),(e),(f) and (g) above are the Trigger Dates (herein after refer to us "Trigger Dates") under the Regulations.

2.6 The violations/ non-compliances of the Regulations due to the acquisitions by and *inter-se* transfers of Equity Shares amongst the Acquirer Group on the Trigger Dates mentioned in paragraph 2.5 above were unintentional in nature and no open offer in terms of Regulation 11(2) was made by the Acquirer Group, save and except as mentioned in paragraph 2.7 below. However, it may be mentioned that in respect thereof, there have been no shareholders' complaints nor any action has been initiated by any regulator.

Therefore, the Offer is being made to rectify the violations made by the Acquirer Group in terms of certain creeping acquisitions made by them without making a public announcement or *inter-se* transfers amongst themselves without reporting the same for exemption as per the requirements of the Regulations.

2.7 *Vide* an application dated April 15, 2003, FDCPL (formerly Nageshwar Trading and Finance Private Limited), submitted a proposal to SEBI to make an open offer to acquire the entire non-promoter shareholding comprising 96,070 Equity Shares representing 15.01% of the total paid-up equity share capital of Saraswati and to delist the Equity Shares. In this regard, FDCPL sought exemptions under Regulation 3(1)(l) from following certain procedural requirements of making an open offer. In response thereto, SEBI *vide* its letter dated May 14, 2003 advised FDCPL to follow SEBI (Delisting of Securities) Guidelines, 2003 and consequently no open offer has been made by FDCPL till the date of this Offer.

2.8 As a remedy for not meeting the compliance requirements under Regulation 11(2), the Acquirer *vide* this Letter of Offer is making an Offer to acquire the balance 96,070 Equity Shares representing 15.01% of shareholding/ voting rights to the total paid-up equity capital. Post this Offer, the Acquirer shall divest its shareholding/ voting rights in Saraswati in the manner as described in paragraph 7 below.

3. DETAILS OF THE OFFER

3.1 The Acquirer is making this Open Offer to acquire upto maximum of 96,070 equity shares of Rs. 10/- each ("Equity Shares") representing 15.01% of the fully paid-up equity share capital of Saraswati at a price of Rs. 47/- per Equity Share ("Offer Price") plus interest of Rs. 33.70 per Equity Share, calculated at the rate of 15% per annum from February 5, 2001 till November 10, 2005 i.e. the scheduled date of the payment of consideration (the interest amount being subject to change depending upon the actual date of dispatch of such consideration).

3.2 The Offer Price and Interest shall be payable in cash, subject to the terms and conditions mentioned in the Public Announcement dated August 17, 2005.

3.3 At present, the Acquirer Group holds 543,930 Equity Shares representing 84.99% of the fully paid-up equity share capital of Saraswati.

3.4 Of the above, the Acquirer holds 168,900 Equity Shares representing 26.39% of the paid-up capital of Saraswati.

3.5 Neither the Promoters, the Acquirer, the PACs nor any of their directors have acquired any Equity Shares in Saraswati during the 12 months period prior to the date of the Public Announcement.

3.6 None of the directors of the Acquirer hold any Equity Shares in Saraswati.

3.7 Neither the Promoters, the Acquirer nor the PACs have been prohibited by SEBI from dealing in securities under directions issued by SEBI pursuant to section 11B of the SEBI Act.

3.8 The Equity Shares are listed on the Bombay Stock Exchange Limited ("BSE") and the Calcutta Stock Exchange Association Limited ("CSE"). With October 9, 2000 as the reference date, the Equity Shares of Saraswati are infrequently traded on both the stock exchanges in terms of Regulation 20(5). (Source: http://www.bseindia.com)

3.9 This Offer is not subject to any minimum level of acceptance.

3.10 The Offer is being made in order to remedy the violation of the Regulation 11(2) caused by the Acquirer Group and is not being made pursuant to any proposed acquisition of Equity Shares in Saraswati being made either by way of an agreement or market purchases by any entity.

3.11 All Equity Shares tendered pursuant to this Offer, will be acquired by the Acquirer subject to terms and conditions set out in the Public Announcement and this Letter of Offer.

3.12 The Public Announcement for this Offer appeared in the following newspapers on August 17, 2005, in accordance with Regulation 15.

Newspapers	Language	Editions
Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Kalantar	Bengali	Kolkata Edition

A copy of the Public Announcement is also available on SEBI's website at http://www.sebi.gov.in**.**

Further terms and conditions of the Offer are set out in Paragraph 9 of this Letter of Offer and the procedure for acceptance and settlement is set out in Paragraph 10 of this Letter of Offer.

4. OBJECT AND PURPOSE OF THE OFFER

4.1 The Offer is being made pursuant to SEBI (SAST) Regulations to rectify the violations made by the Acquirer Group in terms of certain acquisitions in Saraswati leading to "Consolidation of Holdings" in terms of Regulation 11(2) and *inter-se* transfers amongst the Acquirer Group which were either made without making a public announcement or not reported for exemption as per the requirements of the Regulations.

4.2 As required under Regulation 16 (ix) (as applicable on October 9, 2000), the Acquirer Group does not intend to dispose of or otherwise encumber any assets of Saraswati in the succeeding two years except in the ordinary course of the business of Saraswati and in any event, shall not do so except with the prior approval of the shareholders of the Saraswati.

5. DETAILS OF THE ACQUIRER AND THE PERSONS ACTING IN CONCERT

5.1 DETAILS OF THE ACQUIRER

5.1.1 The Acquirer was incorporated under the name and style of "Winro Commercial (India) Limited" as a limited company on January 15, 1983 *vide* Certificate of Registration No. 35688 of 1983 issued by the Registrar of Companies, West Bengal with its registered office at 15, Chittaranjan Avenue, 4th Floor, Kolkata – 700 072. The Acquirer was issued a Certificate for Commencement of Business pursuant to section 149(3) of the Act on January 24, 1983 by the Registrar of Companies, West Bengal.

5.1.2 The Acquirer is engaged in investment, trading and finance activities.

5.1.3 The Acquirer is a listed company and its equity shares are listed on the BSE and CSE.

5.1.4 The details of the promoters and the persons in control over the Acquirer and their shareholding on March 31, 2005 as per the disclosures filed by the Acquirer in terms of Regulation 8(3) of the Regulations on April 15, 2005 are as under –

(a) The Promoters being, Mr. Ashwin Kumar Kothari, Mrs. Meena Kothari, Mr. Rohit Kothari, Mrs. Savita Kothari, Ashwin Kumar Kothari (HUF), Ashwin Kumar Kothari (S) (HUF) and P C Kothari (HUF) are collectively holding 280,430 Equity Shares representing 22.39% of the total shareholding/voting rights of the Acquirer; and

(b) The PACs being, Mahotsav Trading and Finance Private Limited, Sareshwar Trading and Finance Private Limited, Four Dimensions Securities (India) Limited, Jacqart, Saraswati and Sam Jag Deep are collectively holding 345,600 Equity Shares representing 27.59% of the total shareholding/voting rights of the Acquirer.

5.1.5 The details of the share capital of the Acquirer as on the date of the PA are as under –

(a) The authorised capital is Rs. 1,50,00,000 divided into 15,00,000 Equity Shares of Rs. 10/- each.

(b) The issued, subscribed and paid-up capital is Rs. 1,25,25,360 divided into 12,52,536 Equity Shares of Rs. 10/- each.

5.1.6 The Board of Directors of the Acquirer as on the date of the PA comprises –

Name	Designation	Residential Address	Date of appointment	Experience
Mr. V. V. Sureshkumar	Director	601 Bharat Kunj Plot No 21, Sion (West) Mumbai 400 022	July 25, 1997	Mr. Sureshkumar is a commerce graduate and is an experienced professional in the field of trading and marketing. He has over 20 years of experience in these fields. Except the Acquirer, he is also a director in the following companies – 1. Arcies Laboratories Limited 2. Mahotsav Trading and Finance Private Limited 3. Sareshwar Trading and Finance Private Limited 4. Jacqart Chemical Industries Limited
Mr. Jagdish J Jhan	Director	76 Jodhpur Park, Kolkata – 700 068	April 10, 1994	Mr. Jhan is a commerce graduate and also has an M.B.A. degree. He has a varied experience of 20 years in the field of investment, trading and finance. Except the Acquirer, he is also a director in the following companies – 1. GTZ (Bombay) Private Limited
Mr. A. N. Nair	Director	Kores Tower, 903 Neha Vartak Nagar, Thane(West) Thane 400606	February 14, 2000	Mr. Nair is an intermediate in commerce. He has a varied experience of 25 years in the field of trading and marketing. Except the Acquirer, he is also a director in the following companies – 1. Mahakaya Trading and Finance Private Limited 2. Vishist Trading and Finance Private

Name	Designation	Residential Address	Date of appointment	Experience
				Limited
Mr. Narendra Kumar Jain	Director	401 Mamta Towers 1/1 Manorama Ganj Indore 452001 Madhya Pradesh	March 7, 2005	Mr. Jain is a commerce graduate. He has a varied experience of 15 years in the field of investment, trading and finance. Except the acquirer, he is not a director in any other company

Neither the Acquirer nor any of the directors of the Acquirer have acquired any Equity Shares of Saraswati during 12 months preceding the date of the PA.

5.1.7 None of the Directors of the Acquirer is on the Board of Directors of the Target Company.

5.1.8 The Acquirer is holding 168,900 Equity Shares representing 26.39% of the total paid-up equity share capital of Saraswati as on the date of this Letter of Offer.

5.1.9 The promoters and persons in control of the Acquirer (as mentioned at paragraph 5.1.4) have disclosed their shareholding/voting rights to the Acquirer as required in terms of Regulations 6 and 8 for the period from 1997 to 2005. However, no disclosures have been made by the promoters and persons in control of the Acquirer as required under Regulation 7.

The Acquirer has disclosed the shareholding/voting rights of its promoters and persons in control to the stock exchanges as per the disclosures required under Regulations 6(4) and 8(3) (from 1997 to 2002 under the SEBI Regularization Scheme, 2002 and yearly disclosures from 2003-2005).

5.1.10 At any stage, the Acquirer has not made the disclosures in respect of its shareholding/voting rights in Saraswati as required under Regulation 7 of Chapter II of the Regulations, either to Saraswati or to the stock exchanges. Hence, the Acquirer is not in compliance with Chapter II of the SEBI (SAST) Regulations.

The brief financials of the Acquirer (audited for the years ended March 31, 2003, March 31, 2004 and March 31, 2005) are as under:

Profit and Loss Statement **(in Lacs)**

For the year ended March 31	2003	2004	2005
Income from operations	6985.54	25658.86	20729.51
Other Income	0.77	0	0
Total Income	6986.31	25658.86	20729.51
Total Expenditure.	6738.54	24020.95	19832.96
Profit Before Depreciation Interest and Tax	247.77	1637.91	896.55
Depreciation	1.62	1.22	0.92
Interest	79.62	84.57	31.46
Profit Before Tax	166.53	1552.12	864.17
Provision for Tax	14.21	171.99	216.05
Profit After Tax	152.32	1380.13	648.12

Balance Sheet **(in Lacs)**

As on March 31	2003	2004	2005
Sources of funds			
Paid up share capital	125.25	125.25	125.25
Reserves and Surplus (excluding revaluation reserves)	1646.04	3026.12	3674
Net worth	1771.29	3151.37	3799.25
Secured loans	0	262.76	501.43

As on March 31	2003	2004	2005
Unsecured loans	692.59	509.86	191.03
Total	2463.88	3923.99	4491.71
Uses of funds			
Net fixed assets	6.18	4.96	4.06
Investments	387.65	477.36	996.76
Net current assets	2068.53	3440.84	3490.6
Total miscellaneous expenditure not written off	1.52	0.83	0.29
Total	2463.88	3923.99	4491.71

Other Financial Data

As on March 31	2003	2004	2005
Dividend (%)	Nil	Nil	Nil
Earnings per share	12.16	110.19	51.75
Return on Net Worth (%)	8.60	43.79	17.06
Book Value per Share	141.30	251.54	303.31

5.1.11 As on March 31, 2005, the Acquirer does not have any contingent liabilities.

5.1.12 Reasons for the fall in the total income and profit after tax:

In comparison to previous year, during the year ended on March 31,2005 the Acquirer has earned less income on the trading of shares and units and investments

5.1.13 Please refer to paragraphs from 2.4 to 2.8 under “Background of the Offer” for details of earlier acquisitions made in Saraswati by the Acquirer Group and change in shareholding pursuant to the said acquisitions/ offers and compliance with SEBI (SAST) Regulations/ other applicable regulations under the SEBI Act 1992.

5.1.14 Significant accounting policies of the Acquirer as stated in the annual report for the year ended March 31, 2005 are given below:-

a) Basis of Accounting:

- Financial statements are prepared under historical cost convention on accrual basis in accordance with the requirements of the Companies Act, 1956.
- The Company generally follows mercantile system of accounting and recognises significant items income and expenditure on accrual basis.

b) Fixed Assets and Depreciation:

Fixed assets are stated at cost of acquisition less accumulated Depreciation. Depreciation has been provided on written down value method at the rates and the manner prescribed in scheduled XV of the Companies Act, 1956. Depreciation on additions/deletions during the year in provided on prorata basis.

c) Investments:

Long Term Investments are stated at cost. Provision for diminution in the Market Value/Break-up value is made only if; such a decline is other than temporary in the opinion of Management.

During the year Company has transferred securities from stock to Investment on account of reclassifying it as being an investment of long term in nature to be held for a period of 1 to 3 years from the date of acquisition .The said transfer has been done at lower of cost and closing market price on the date of transfer stated in AS-13 regarding Accounting for Investments & the same is valued at transfer price.

d) Stock in Trade:

Stocks of shares are valued at Lower of cost or market value.

e) Retirement Benefits:

As informed to us provisions of payment of Gratuity Act, 1972 and Employees Provident Funds and Miscellaneous Provisions Act, 1952 are not applicable to the company for the year under review.

f) Miscellaneous Expenditure:

Miscellaneous Expenditure is written off over a period of ten years.

g) Taxation

- Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the provisions of the Income-Tax Act 1961.

- Deferred tax for timing differences between tax profits and book profits is accounted by using the tax rates and laws that have been enacted or substantial enacted as of the balance sheet date. Deferred tax assets in respect of unabsorbed losses are recognised to the extent there is reasonable certainty that these assets can be realised in future.

h) Future / Option Contracts:-

In respect of future/option contracts income/loss is booked on the date of settlement of Contracts. However, in respect of outstanding contracts as at the Balance Sheet date keeping in view the consideration of produce, loss is booked but income is not recognised.

i) Contingent liabilities:-

These are disclosed by way of notes on the Balance sheet. Provision is made in the accounts in respect of those contingencies which are likely to materialize into liabilities after the year end, till the finalization of accounts and have material effect on the position stated in the Balance sheet.

5.1.15 The status of Corporate Governance in the Acquirer is as below -

Particulars	Listing Agreement Clause
Board or Directors	49 I
Audit Committee	49 II
Shareholders / Investors Grievance Committee	49 VI(C)
Remuneration Committee	49 III
Board Procedures	49 IV
Management	49 V
Shareholders	49 VII
Report on Corporate Governance	49 VII

The Acquirer has complied with all of the above clauses of the listing agreement relating to the corporate governance requirements.

5.1.16 The name and details of the Compliance Officer of the Acquirer is as below –
Name: Mr. Suhas Sawant

Address: K.K. Chambers, 4th Floor,
Sir Purushottamdas Thakurdas Road,
Fort, Mumbai – 400 001
Tel No.: +91 22 5638 8600
Fax No: +91 22 5638 8610
Email: sawant@fdcml.com

5.1.17 The shareholding pattern of the Acquirer as on June 30, 2005 is as below –

S. No.	Names of the Shareholders	No. of Shares	%age of shareholding/ voting rights
A.	**Promoters**		
1	**Indian Promoters**		
	Rohit Kothari	60,280	4.81
	Meena Kothari	57,000	4.55
	P C Kothari (HUF)	56,250	4.49
	Ashwin Kumar Kothari (HUF)	36,200	2.89
	Ashwin Kumar Kothari	30,200	2.41
	Ashwin Kumar Kothari (S) HUF	22,200	1.77
	Savita Kothari	18,300	1.46
	Jacqart Chemical Industries Limited	136,150	10.87
	Saraswati Commercial (India) Limited	100,150	8.00
	Mahotsav Trading and Finance Private Limited	37,000	2.95
	Sareshwar Trading and Finance Private Limited	36,000	2.87
	Four Dimensions Securities (India) Limited	34,850	2.78
	Sam Jag Deep Investments Private Limited	1,450	0.12
	Total	**626,030**	**49.98**
2	**Foreign Promoters**	**Nil**	**Nil**
B.	**Non Promoters**		
3	**Institutional Investors**		
	a) Mutual Funds and UTI	Nil	Nil
	b) Banks, FIs, Insurance Companies, Institutions	Nil	Nil
	c) FIIS	Nil	Nil
4	**Others**		
	a) Private Corporate Bodies	546,456	43.63
	b) Indian Public		
	➢ Holding more than 1%	72,900	5.82
	➢ Others	7150	0.57
	c) NRIs/ OCBs	Nil	Nil
	d) Any Other	Nil	Nil
	Total	**626,506**	**50.02**
	Grand Total	**1,252,536**	**100.00**

5.1.18 The details of the shareholding/voting rights of the Acquirer Group in Saraswati as on the date of the Public Announcement is the same as provided in Column A of the table provided in paragraph 6.9 of this Letter of Offer.

5.2 DETAILS OF THE PERSONS ACTING IN CONCERT

The details of the PACs are as follows –

(a) **Four Dimensions Commodities Private Limited**, a private limited company with its registered office at K.K. Chambers, 4th Floor, Sir Purushottamdas Thakurdas Road, Fort, Mumbai – 400 001.

The company was incorporated on February 1, 1996 and currently having an authorized share capital of Rs.25,00,000 divided into 2,45,000 equity shares of Rs.10/- each and 5000 Preference shares of Rs 10/ - each. The issued and paid up capital of the company is Rs.24,20,000/- comprising of

2,42,000 equity shares of Rs.10/- each. The company is a corporate member of Multi Commodity Exchange Ltd, Mumbai and NCDEX, Mumbai and is engaged in the business of trading in commodities futures on the said exchanges. As on March 31, 2005, 100% of the share capital is owned by Mr. Ashwin Kumar Kothari alongwith relatives & group entities.

The details of Board of Directors of FDCPL are as follows:

Name	Designation	Residential Address	Date of appointment	Experience
Mr. Anilkumar Rajan	Director	G – 001, Madura Apartments, Panchjanya CHS, Ramchandra Nagar, Dombivili (East), Thane – 421 201	July 20, 2002	Mr. Anilkumar Rajan is a postgraduate in commerce and is an experienced professional in the field of trading and marketing. He has over 10 years of experience in these fields. Except FDCPL, he is also a director in the following companies – 1. GTZ (Bombay) Private Limited 2. Windsor Trading and Finance Private Limited 3. Urudavan Investment and Trading Private Limited
Mr. Rajesh Bhavsar	Director	A – 205, Siddhivinayak Plaza, Chikuwadi, Shimpoli Village, Borivali(west) Mumbai – 400 092	December 20, 2003	Mr. Rajesh Bhavsar is a commerce graduate. He has a varied experience of 15 years in the field of share trading and investments. Except FDCPL, he is also a director in the following companies – 1. Sareshwar Trading and Finance Private Limited; 2. Jacqart Chemical Industries Limited
Mr. Hetal Khalpada	Director	7, Namdev Kene Chawl, Ayre Road, Nr. Sudam Wadi, Dombivili (East), Thane – 421 201	June 30, 2005	Mr. Khalpada is a chartered accountant and has a varied experience of 4 years in the field of taxation and accounts. Except FDCPL, he is not a director in any other company.

The brief financials of FDCPL (audited for the years ended March 31, 2003, March 31, 2004 and March 31, 2005) are as under:

Profit and Loss Statement **(Rs. in Lacs)**

For the year ended March 31	**2003**	**2004**	**2005**
Income from operations	1.72	3.24	5.45
Other Income	0.00	0.00	0.00
Total Income	1.72	3.24	5.45
Total Expenditure.	0.89	0.52	5.39
Profit Before Depreciation Interest and Tax	0.83	2.72	0.06
Depreciation	0.00	0.00	0.03
Interest	0.00	0.00	0.00

Profit Before Tax	0.83	2.72	0.03
Provision for Tax	0.14	0.99	0.01
Profit After Tax	0.69	1.73	0.02

Balance Sheet **(in Lacs)**

As on March 31	**2003**	**2004**	**2005**
Sources of funds			
Paid up share capital	24.27	24.20	24.20
Reserves and Surplus (excluding revaluation reserves)	69.75	71.48	71.51
Net worth	94.02	95.68	95.71
Secured loans	0.00	0.00	0.00
Unsecured loans	0.89	0.00	0.00
Total	94.91	95.68	95.71
Uses of funds			
Net fixed assets	0.00	0.00	0.55
Investments	70.77	35.77	35.77
Net current assets	24.09	59.88	59.39
Total miscellaneous expenditure not written off	0.05	0.03	0.00
Total	94.91	95.68	95.71

Other Financial Data

As on March 31	**2003**	**2004**	**2005**
Dividend (%)	Nil	Nil	Nil
Earnings per share	0.28	0.71	0.01
Return on Net Worth (%)	0.73	1.81	0.02
Book Value per Share	38.72	39.52	39.55

- As on March 31, 2005, FDCPL does not have any contingent liabilities

- Reasons for the fall in the total income and profit after tax:

  In comparison to previous year, during the year ended on March 31,2005 the company has taken the trading cum clearing membership of Multi Commodity Exchange Ltd, Mumbai and incurred the expenditures like membership fees and other related expenses for starting the business of trading in commodities futures on it.

- Please refer to paragraphs from 2.4 to 2.8 under "Background of the Offer" for details of earlier acquisitions made in Saraswati by the Acquirer Group and change in shareholding pursuant to the said acquisitions/ offers and compliance with SEBI (SAST) Regulations/ other applicable regulations under the SEBI Act 1992.

- Significant accounting policies of FDCPL as stated in the annual report for the year ended March 31, 2005 are given below:

  a. Basis of Accounting:

     Financial statements are prepared under historical cost convention on accrual basis in accordance with the requirements of the Companies Act, 1956.

  b. Investments:

     Long Term Investments are carried at cost including related expenses and provisions if necessary being made for decline other than temporary in their value.

c. Preliminary Expenses:

Preliminary Expenses are amortized over a period of Ten Years.

d. Taxation:

Current tax is determined on the amount of tax payable to the taxation authorities in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence, on timing difference being differences between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is a virtual certainty that sufficient taxable profits will be available against which such deferred assets can be realized.

(b) **Four Dimensions Securities (India) Limited**, a public limited company with its registered office at K.K. Chambers, 4th Floor, Sir Purushottamdas Thakurdas Road, Fort, Mumbai – 400 001.

The company was incorporated on January 5, 1985 and currently having an authorized equity share capital of Rs.5,00,00,000/- divided into 50,00,000 equity shares of Rs.10 each. The issued and paid up equity share capital of the Company is Rs.4,59,00,000/- comprising of 45,90,000 equity shares of Rs.10 each.The Equity Shares of FDSIL were listed on the BSE, however, FDSIL was delisted from BSE with effect from March 18, 2002.The Company is engaged in the business of share broking and making long term investments in shares and securities. It is a Corporate Member of the National Stock Exchange of India Limited, Mumbai.

The details of Board of Directors of FDSIL are as follows:

Name	Designation	Residential Address	Date of appointment	Experience
Mr. Sandeep Kejariwal	Director	604, Gypsy Rose, Shastri Nagar, Lokhandwala, Andheri (West), Mumbai – 400 053	February 7, 1997	Mr. Kejariwal is a chartered accountant by profession and has a varied experience of 15 years in taxation, accounts and corporate laws. Except FDSIL, he is also a director in the following companies – 1. GTZ (Bombay) Private Limited 2. Sam Jag Deep Investments Private Limited 3. Windsor Trading and Finance Private Limited 4. Mahotsav Trading and Finance Private Limited 5. Four Dimensions Capital Markets Private Limited
Mr. Harisingh Shyamsukha	Director	Flat No 2A & B Naples 9, Sobani Road Cuff Parade Mumbai 400005	February 7, 1997	Mr. Shyamsukha has a B.E. degree in Chemical Engineering and he has over 20 years of experience in manufacturing, investment and trading fields. Except FDSIL, he is also a director in the following companies – 1. Saraswati Commercial (India) Limited 2. Elrose Mercantile Private Limited

Name	Designation	Residential Address	Date of appointment	Experience
				3. Gwalior Chemical Industries Limited 4. Kurmaraj Investment and Trading Company Private Limited
Mr. Ashwin Kumar Kothari	Director	4 Gold Cornet, 1st Floor 11 Navrojee Gamadia Road, , Mumbai – 400 026	January 5, 1995	Mr. Ashwin Kumar Kothari is a graduate of Chemical Engineering from Massachusetts Institute of Technology, USA. He has a varied experience of over 25 years in the field of investment trading, finance and manufacturing. He is a director of several investment and trading companies. Except FDSIL, he is also a director in the following companies – 1. Sam Jag Deep Investments Private Limited 2. Jacqart Chemical Industries Limited 3. Gwalior Chemical Industries Limited 4. Five Star Trading and Investment Co. Limited 5. Rajashree Holding Limited 6. Park Avenue Engineering Limited 7. Meenakshi Steel Industries Limited 8. Jatayu Textile and Industries Limited 9. Sunayana Traders and Investments Company Limited 10. Essel Mining and Industries Limited 11. Aditya Birla Health Services Limited 12. Sambhav Finance and Trading Co. Limited 13. Precision Wires India Limited 14. Mahavir Box Manufacturing Private Limited 15. Aroni Chemical Industries Limited 16. Four Dimensions Capital Markets Private Limited

The brief financials of FDSIL (audited for the years ended March 31, 2003, March 31, 2004 and March 31, 2005) are as under:

Profit and Loss Statement **(in Lacs)**

For the year ended March 31	2003	2004	2005
Income from operations	270.95	488.27	1062.24
Other Income	140.46	676.81	73.21
Total Income	411.41	1165.08	1135.45
Total Expenditure.	144.44	202.65	490.36
Profit Before Depreciation Interest and Tax	266.97	962.43	645.09
Depreciation	7.10	8.64	10.89
Interest	75.48	81.00	51.20
Profit Before Tax	184.39	872.79	583.00
Provision for Tax	35.94	83.37	249.96
Profit After Tax	148.45	789.42	333.04

Balance Sheet **(in Lacs)**

As on March 31	2003	2004	2005
Sources of funds			
Paid up share capital	384.00	459.00	459.00
Reserves and Surplus (excluding revaluation reserves)	373.03	1387.45	1720.49
Net worth	757.03	1846.45	2179.49
Secured loans	0.00	602.75	475.77
Unsecured loans	652.14	0.00	982.93
Total	1409.17	2449.20	3638.19
Uses of funds			
Net fixed assets	14.84	31.34	29.34
Investments	6.26	6.26	6.26
Net current assets	1387.99	2411.57	3602.59
Total miscellaneous expenditure not written off	0.08	0.03	0.00
Total	1409.17	2449.20	3638.19

Other Financial Data

As on March 31	2003	2004	2005
Dividend (%)	11.00%	Nil	Nil
Earnings per share	3.87	17.20	7.26
Return on Net Worth (%)	19.61	42.75	15.28
Book Value per Share	19.71	40.23	47.48

- FDSIL has following Contingent liabilities as on March 31, 2005.

  Contingent liabilities not provided in respect of demand of Rs.19,25,.012/- and Rs.9,94,484/- under Income Tad Act for disallowances made in the assessments against which appeals are filed with Commissioner of Income Tax (Appeals) and Income Tax Appellate Tribunal respectively..

- Reasons for the fall in the total income and profit after tax:

  In comparison to previous year, during the year ended on March 31, 2005 the company has earned less income as brokerage and earned lower income on its trading of shares and units.

- Please refer to paragraphs from 2.4 to 2.8 under "Background of the Offer" for details of earlier acquisitions made in Saraswati by the Acquirer Group and change in shareholding pursuant to the said acquisitions/ offers and compliance with SEBI (SAST) Regulations/ other applicable regulations under the SEBI Act 1992.

- Significant accounting policies of FDSIL as stated in the annual report for the year ended March 31, 2005 are given below:-

  a. Accounting Concept

     The Company follows mercantile system of accounting recognising income and expenses on accrual basis. The accounts are prepared on historical cost basis and as a going concern. Accounting Policies not referred to specifically otherwise, are consistent with generally accepted accounting principles.

  b. Fixed Assets

     Fixed Assets are stated at their cost of acquisition less accumulated depreciation.

  c. Depreciation

     Depreciation on fixed assets has been provided on Written Down Value Method as provided in Section 205 (2) (b) of the Companies Act, 1956 read with Schedule XIV of the Act on pro-rata basis.

  d. Investment

     Investment held by the company are of long term nature and are stated at cost.

  e. Inventories

     Inventory has been valued at lower of cost or market price .

  f. Retirement Benefits

     The Company has policy of recognizing liability of Gratuity on actual basis.

  g. Taxation

     Current tax is determined as the amount of tax payable to the taxation authorities in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence, on timing difference being differences between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is a virtual certainty that sufficient taxable profits will be available against which such deferred assets can be realized.

(c) **Windsor Trading and Finance Private Limited**, a private limited company with its registered office at K.K. Chambers, 4th Floor, Sir Purushottamdas Thakurdas Road, Fort, Mumbai – 400 001.

The company was incorporated on February 1,1996 and currently having an Authorized Share Capital of Rs.25,00,000/- divided into 245,000 equity shares of Rs.10/- each and 5000 preference shares of Rs 10/- each. The issued and paid up capital of the company is Rs.6,02,000/- comprising of 60,200 equity shares of Rs.10/- each. The Company is engaged in the business of Trading in shares and securities, making long term investments in shares and securities and in financing body corporates. As on March 31, 2005, 100% of the share capital is owned by Mr. Ashwin Kumar Kothari alongwith relatives & group entities.

The details of Board of Directors of Windsor are as follows:

Name	Designation	Residential Address	Date of appointment	Experience
Mr. Sandeep Kejariwal	Director	604, Gypsy Rose, Shastri Nagar, Lokhandwala, Andheri (West), Mumbai – 400 053	February 1, 1996	Mr. Kejariwal is a chartered accountant by profession and has a varied experience of 15 years in taxation, accounts and corporate laws. Except Windsor, he is also a director in the following companies –

Name	Designation	Residential Address	Date of appointment	Experience
				1. GTZ (Bombay) Private Limited 2. Sam Jag Deep Investments Private Limited 3. Four Dimensions Securities (India) Limited 4. Mahotsav Trading and Finance Private Limited 5. Four Dimensions Capital Markets Private Limited
Mr. Anilkumar Rajan	Director	G – 001, Madura Apartments, Panchjanya CHS, Ramchandra Nagar, Dombivili (East), Thane – 421 201	November 11, 2002	Mr. Anilkumar Rajan is a postgraduate in commerce and is an experienced professional in the field of trading and marketing. He has over 10 years of experience in these fields. Except Windsor, he is also a director in the following companies – 1. GTZ (Bombay) Private Limited 2. Four Dimensions Commodities Private Limited 3. Urudavan Investment and Trading Private Limited

The brief financials of Windsor (audited for the years ended March 31, 2003, March 31, 2004 and March 31, 2005) are as under:

Profit and Loss Statement **(in Lacs)**

For the year ended March 31	**2003**	**2004**	**2005**
Income from operations	0.38	0.04	0.04
Other Income	0.00	0.00	0.00
Total Income	0.38	0.04	0.04
Total Expenditure.	0.28	0.08	0.07
Profit Before Depreciation Interest and Tax	0.10	(0.04)	(0.03)
Depreciation	0.00	0.00	0.00
Interest	0.01	0.00	0.00
Profit Before Tax	0.09	(0.04)	(0.03)
Provision for Tax	0.01	(0.01)	0.00
Profit After Tax	0.08	(0.03)	(0.03)

Balance Sheet **(in Lacs)**

As on March 31	**2003**	**2004**	**2005**
Sources of funds			
Paid up share capital	5.74	6.02	6.02
Reserves and Surplus (excluding revaluation reserves)	0.08	0.05	0.01

Net worth	5.82	6.07	6.03
Secured loans	0.00	0.00	0.00
Unsecured loans	0.00	0.00	0.00
Total	5.82	6.07	6.03
Uses of funds			
Net fixed assets	0.00	0.00	0.00
Investments	4.68	5.88	5.92
Net current assets	1.09	0.16	0.11
Total miscellaneous expenditure not written off	0.05	0.03	0.00
Total	5.82	6.07	6.03

Other Financial Data

As on March 31	**2003**	**2004**	**2005**
Dividend (%)	Nil	Nil	Nil
Earnings per share	0.14	(0.05)	(0.05)
Return on Net Worth (%)	1.39	(0.50)	(0.50)
Book Value per Share	10.05	10.03	10.02

- As on March 31, 2005, Windsor does not have any contingent liabilities

- Reasons for the fall/ rise in the total income and profit after tax:

  There is no major rise and fall in total income and profit after tax during the year ended on March 31,2005 in comparison to previous year. Please refer to paragraphs from 2.4 to 2.8 under "Background of the Offer" for details of earlier acquisitions made in Saraswati by the Acquirer Group and change in shareholding pursuant to the said acquisitions/ offers and compliance with SEBI (SAST) Regulations/ other applicable regulations under the SEBI Act 1992.

- Significant accounting policies of Windsor as stated in the annual report for the year ended March 31,2005 are given below:-

  a. Basis of Accounting:

     Financial statements are prepared under historical cost convention on accrual basis in accordance with the requirements of the Companies Act, 1956.

  b. Investments:

     Long Term Investments are carried at cost including related expenses and provisions if necessary being made for decline other than temporary in their value.

  c. Preliminary Expenses:

     Preliminary Expenses are amortized over a period of Ten Years.

  d. Taxation:

     Current tax is determined on the amount of tax payable to the taxation authorities in respect of taxable income for the period. Deferred tax is recognised, subject to the consideration of prudence, on timing difference being differences between taxable income and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are not recognised on unabsorbed depreciation and carry forward of losses unless there is a virtual certainty that sufficient taxable profits will be available against which such deferred assets can be realized.

(d) **Sam Jag Deep Investments Private Limited**, a private limited company with its registered office at 10 GCIL Block, Chemical Staff Colony, Birlagram, Nagda 456331, Madhya Pradesh.

The company was incorporated on 28th June, 1982 and currently having an authorized equity share capital of Rs.10,00,000/- divided into 10,000 equity shares of Rs.100/- each. The issued and paid up capital of the company is Rs.10,00,000/- comprising of 10,000 equity shares of Rs.100/- each. The company is engaged mainly in investing in real estate. As on March 31, 2005, 100% of the share capital is owned by Mr. Ashwin Kumar Kothari alongwith relatives & group entities.

The details of Board of Directors of Sam Jag Deep are as follows:

Name	Designation	Residential Address	Date of appointment	Experience
Mr. Sandeep Kejariwal	Director	604, Gypsy Rose, Shastri Nagar, Lokhandwala, Andheri (West), Mumbai – 400 053	March 1, 1997	Mr. Kejariwal is a chartered accountant by profession and has a varied experience of 15 years in taxation, accounts and corporate laws. Except Sam Jag Deep, he is also a director in the following companies – 1. GTZ (Bombay) Private Limited 2. Windsor Trading and Finance Private Limited 3. Four Dimensions Securities (India) Limited 4. Mahotsav Trading and Finance Private Limited 5. Four Dimensions Capital Markets Private Limited
Mr. Ashwin Kumar Kothari	Director	4 Gold Cornet, 1st Floor 11 NavrojeeGamadia Road, , Mumbai – 400 026	March 1, 1997	Mr. Ashwin Kumar Kothari is a graduate of Chemical Engineering from Massachusetts Institute of Technology, USA. He has a varied experience of over 25 years in the field of investment trading, finance and manufacturing. He is a director of several investment and trading companies. Except Sam Jag Deep, he is also a director in the following companies – 1. Four Dimensions Securities (India) Limited 2. Jacqart Chemical Industries Limited 3. Gwalior Chemical Industries Limited 4. Five Star Trading and Investment Co. Limited 5. Rajashree Holding Limited 6. Park Avenue Engineering Limited 7. Meenakshi Steel Industries Limited 8. Jatayu Textile and Industries Limited 9. Sunayana Traders and Investments

Name	Designation	Residential Address	Date of appointment	Experience
				Company Limited 10. Essel Mining and Industries Limited 11. Aditya Birla Health Services Limited 12. Sambhav Finance and Trading Co. Limited 13. Precision Wires India Limited 14. Mahavir Box Manufacturing Private Limited 15. Aroni Chemical Industries Limited 16. Four Dimensions Capital Markets Private Limited
Mr. Vallabh Prasad Biyani	Director	2, GCIL Executive Block, Chemical Staff Colony, Birlagram, Nagda – 456 331	January 10, 1994	Mr. Biyani is a chartered accountant by profession and has a varied experience of 25 years in the field of managing chemical manufacturing unit. Except Sam Jag Deep, he is also a director in Gwalior Chemical Industries Limited.

The brief financials of Sam Jag Deep (audited for the years ended March 31, 2003, March 31, 2004 and March 31, 2005) are as under:

Profit and Loss Statement **(in Lacs)**

For the year ended March 31	**2003**	**2004**	**2005**
Income from operations	0.07	0.00	0.90
Other Income	0.00	0.00	0.00
Total Income	0.07	0.00	0.90
Total Expenditure.	2.93	2.43	2.94
Profit Before Depreciation Interest and Tax	(2.86)	(2.43)	(2.04)
Depreciation	0.36	0.46	0.47
Interest	0.21	0.56	0.76
Profit Before Tax	(3.43)	(3.45)	(3.27)
Provision for Tax	0.00	0.00	0.00
Profit After Tax	(3.43)	(3.45)	(3.27)

Balance Sheet **(in Lacs)**

As on March 31	**2003**	**2004**	**2005**
Sources of funds			
Paid up share capital	10.00	10.00	10.00
Reserves and Surplus (excluding revaluation reserves)	(7.65)	(11.11)	(14.38)
Net worth	2.35	(1.11)	(4.38)
Secured loans	0.00	0.00	0.00
Unsecured loans	6.83	9.30	11.98

As on March 31	2003	2004	2005
Total	9.18	8.19	7.60
Uses of funds			
Net fixed assets	7.84	7.38	6.92
Investments	0.24	0.24	0.24
Net current assets	1.09	0.57	0.44
Total miscellaneous expenditure not written off	0.01	0.00	0.00
Total	9.18	8.19	7.60

Other Financial Data

As on December 31	2003	2004	2005
Dividend (%)	0.00	0.00	0.00
Earnings per share	(3.43)	(3.45)	(3.27)
Return on Net Worth (%)	(145.96)	(310.81)	(74.66)
Book Value per Share	2.34	(1.11)	(4.38)

- As on March 31, 2005, Sam Jag Deep does not have any contingent liabilities.

- Reasons for the rise in the total income and profit after tax:

  During the year ended on March 31,2005 company has earned income on account of consultancy rendered to companies in comparison to previous year.

- Please refer to paragraphs from 2.4 to 2.8 under "Background of the Offer" for details of earlier acquisitions made in Saraswati by the Acquirer Group and change in shareholding pursuant to the said acquisitions/ offers and compliance with SEBI (SAST) Regulations/ other applicable regulations under the SEBI Act 1992.

- Significant accounting policies of Sam Jag Deep as stated in the annual report for the year ended March 31, 2005 are given below:-

  a. Basis of Accounting:

  Financial statements are prepared under historical cost under historical cost convention on accrual basis in accordance with the requirements of the Companies Act, 1956.

  b. Fixed Assets and Depreciation:

  Fixed Assets are stated at cost of acquisition less accumulated Depreciation. Depreciation has been provided on the Written Down Value Method at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956.

  c. Investments :

  Investments are stated at Cost.

6. DETAILS OF THE TARGET COMPANY

6.1 The Target Company was incorporated under the name and style of "Saraswati Commercial (India) Limited" as a public limited company on January 24, 1983 *vide* Certificate of Registration No. 35720 of 1983 issued by the Registrar of Companies, West Bengal with its registered office at 15, Chittaranjan Avenue, 4^{th} Floor, Kolkata – 700 072, Tel No. + 91 33 2237 7323. The Target Company was issued a Certificate for Commencement of Business pursuant to section 149(3) of the Act on January 31, 1983 by the Registrar of Companies, West Bengal.

6.2 The Target Company is engaged in investment, trading and finance activities.

6.3 The details of share capital of Target Company are as under –

The authorised capital is Rs. 75,00,000 divided into 7,50,000 Equity Shares of face value of Rs. 10/- each.

S. No.	Description of Shares	No. of Shares / Voting Rights (Face Value of Rs. 10/- each)	%
1.	Fully Paid-up Equity Shares	6,40,000	100%
2.	Partly Paid-up Equity Shares	0	-
3.	Total Paid-up Equity Shares	6,40,000	100%
3.	Total voting rights in the Target Company	6,40,000	100%

6.4 The details of the Registered Office and the Corporate Office of the Target Company are as below –

Address of the Registered Office:

Saraswati Commercial (India) Limited
15, Chittaranjan Avenue,
4th Floor,
Kolkata – 700 072,
Tel No.: +91 33 2237 7323

Address of the Corporate Office:

Saraswati Commercial (India) Limited
K.K. Chambers,4th Floor,
Sir Purushottamdas Thakurdas Road,
Fort, Mumbai – 400 001,
Tel No.: +91 22 5638 8600
Fax No: +91 22 5638 8610

The Target Company does not have any location, branches or manufacturing facilities except its Registered Office and Corporate Office.

6.5 There have been no mergers/ de-mergers/ spin-offs in respect of the Target Company in the last 3 years.

6.6 The Equity Shares are listed on the Bombay Stock Exchange Limited ("BSE") and the Calcutta Stock Exchange Association Limited ("CSE"). With October 9, 2000 as the reference date, the Equity Shares of the Target Company are infrequently traded on both the stock exchanges in terms of Regulation 20(5). (Source: http://www.bseindia.com)

6.7 The details of the built up of the current capital structure of the Target Company since inception and the disclosure status of compliance with applicable provisions of SEBI (SAST) Regulations/ other applicable regulations under the SEBI Act and other statutory requirements are as under -

Date of Allotment	No. of Shares issued	%age of Shares issued	Cumulative Paid-up Capital	Face Value (in Rs.)	Issue Price (In Rs.)	Reason for Allotment	Identity of Allottees	Compliance
Date of Incorporation	70	0.01	70	10	10	Subscription to MoA	Promoters	Yes
June 6, 1983	89,930	14.05	90,000	10	10	Private Placement	Promoters	Yes
September 20, 1983	150,000	23.44	240,000	10	10	Public Issue	Public	Yes
November 23, 1994	200,000	31.25	440,000	10	10	Amalgamation(1)	Issued to shareholders of Black Diamond Trexim Private Limited and Corpus Vyapaar Private Limited	Yes

Date of Allotment	No. of Shares issued	%age of Shares issued	Cumulative Paid-up Capital	Face Value (in Rs.)	Issue Price (In Rs.)	Reason for Allotment	Identity of Allottees	Compliance
February 8, 1996	200,000	31.25	640,000	10	10	Amalgamation[(2)]	Issued to shareholders of Anandmangal Commodeal Private Limited	Yes

(1) Issued to shareholders of Black Diamond Trexim Private Limited and Corpus Vyapaar Private Limited pursuant to Scheme of Amalgamation sanctioned by Calcutta High Court on September 5, 1994.

(2) Issued to shareholders of Anandmangal Commodeal Private Limited pursuant to Scheme of Amalgamation sanctioned by Calcutta High Court on December 12, 1995.

6.8 There are no outstanding convertible instruments (warrants, fully convertible debentures, partly convertible debentures) of the Target Company as on the date of this Letter of Offer.

6.9 The Pre and Post Offer shareholding pattern of Saraswati (assuming full acceptance in the Offer) is as follows –

S. No.	Shareholders' Category	Shareholding/Voting rights prior to Open Offer (A)		Shares/ Voting rights to be acquired in the Open Offer (assuming full acceptances) (B)		Shareholding/ Voting rights post open offer (A) + (B)	
		No.	%	No.	%	No.	%
1	**Promoters/ Acquirer Group**						
	Acquirer						
	Winro	168,900	26.39	96,070	15.01	264,970	41.40
	PACs						
	Ashwin Kumar Kothari	38,000	5.94				
	Meena Kothari	20,500	3.20	Nil	Nil	20,500	3.20
	Rohit Kothari	44,630	6.97	Nil	Nil	44,630	6.97
	Savita Kothari	26,500	4.14	Nil	Nil	26,500	4.14
	Ashwin Kumar Kothari (HUF)	63,000	9.84	Nil	Nil	63,000	9.84
	Ashwin Kumar Kothari (S) HUF	63,000	9.84	Nil	Nil	63,000	9.84
	P C Kothari (HUF)	53,050	8.29	Nil	Nil	53,050	8.29
	FDSIL	21,900	3.42	Nil	Nil	21,900	3.42
	FDCPL	31,000	4.84	Nil	Nil	31,000	4.84
	Windsor	12,000	1.88	Nil	Nil	12,000	1.88
	Sam Jag Deep	1,450	0.23	Nil	Nil	1,450	0.23
	Total	**543,930**	**84.99**	**96,070**	**15.01**	**640,000**	**100.00**
2	**Public Shareholders**	**96,070**	**15.01**	**(96,070)**	**(15.01)**	**0**	**0.00**
	Grand Total	**640,000**	**100.00**			**640,000**	**100.00**

The total number of public shareholders of the Target Company as on the date of the PA are 19.

6.10 The Board of Directors of the Target Company on the date of the PA comprises –

Name	Designation	Residential Address	Date of appointment	Experience
Mr. Harisingh Shyamsukha	Director	Flat No 2A & B Naples 9, Sobani Road Cuff Parade Mumbai 400005	August 28, 1984	Mr. Shyamsukha has a B.E. degree in Chemical Engineering and he has over 20 years of experience in manufacturing, investment and trading fields. Except the Target Company, he is also a director in the following companies – 1. Four Dimensions Securities (India) Limited 2. Elrose Mercantile Private Limited 3. Gwalior Chemical Industries Limited 4. Kurmaraj Investment and Trading Company Private Limited
Mr. Jaysukhlal N Shah	Director	105, Suvadhi Apartments, Sarvodaya Parshavnath Nagar, Nehur Road, Mulund (West), Mumbai – 400 080.	July 8, 1991	Mr. Shah has an intermediate degree in commerce. He is an experienced professional in the field of finance, trading and investment and has an experience of over 30 years in these fields. Except the Target Company, he is also a director in 1. Arcies Laboratories Limited 2. Aroni Chemical Industries Limited
Mr. Parag J Shah	Director	Anugrah, 25/27 Dr Wilson Street, Mumbai 400004	September 29, 1993	He is has a graduate degree in Commerce. He is an experience professional in the filed of finance, trading and investment and has an experience of over 15 years in these fields. Except the Target Company, he is also a director in the following companies – 1. Sovereign Global Finance Private Limited; 2. Raksha Holding Private Limited; and 3. Stock Guardian (India) Private Limited.

6.11 Summarized financial statements of the Target Company

The brief financials of the Target Company (audited for the years ended March 31, 2003, March 31, 2004 and March 31, 2005) are as under:

Profit and Loss Statement **(in Lacs)**

For the year ended March 31	**2003**	**2004**	**2005**
Income from operations	3.02	20.83	5.02
Other Income	0.00	0.00	0.00
Total Income	3.02	20.83	5.02
Total Expenditure.	8.32	8.92	4.87

Profit Before Depreciation Interest and Tax	(5.30)	11.91	0.15
Depreciation	0.08	0.05	0.03
Interest	0.01	0.00	0.00
Profit Before Tax	(5.39)	11.86	0.12
Provision for Tax	0.00	1.00	(0.00)
Profit After Tax	(5.39)	10.86	0.12

Balance Sheet **(in Lacs)**

As on March 31	**2003**	**2004**	**2005**
Sources of funds			
Paid up share capital	64.00	64.00	64.00
Reserves and Surplus (excluding revaluation reserves)	474.80	485.65	485.77
Net worth	538.80	549.65	549.77
Secured loans	0.00	0.00	0.00
Unsecured loans	0.87	0.75	0.75
Total	539.67	550.40	550.52
Uses of funds			
Net fixed assets	0.12	0.07	0.05
Investments	55.96	355.80	355.80
Net current assets	483.50	194.52	194.67
Total miscellaneous expenditure not written off	0.09	0.01	0.00
Total	539.67	550.40	550.52

Other Financial Data

As on December 31	**2003**	**2004**	**2005**
Dividend (%)	Nil	Nil	Nil
Earnings per share	(0.84)	1.70	0.02
Return on Net Worth (%)	(1.00)	1.98	0.02
Book Value per Share	84.17	85.88	85.90

- As on March 31, 2005, the Target Company has following contingent liabilities :-

  Contingent liabilities not provided for in respect of corporate guarantees given by Saraswati is Rs.14.00 Crores

- Reasons for the fall in the total income and profit after tax:

  On account of lower interest income and lower Income on shares trading company 's profit fall during the year ended on March 31,2005 in comparison to previous year

- Please refer to paragraphs from 2.4 to 2.8 under "Background of the Offer" for details of earlier acquisitions made in Saraswati by the Acquirer Group and change in shareholding pursuant to the said acquisitions/ offers and compliance with SEBI (SAST) Regulations/ other applicable regulations under the SEBI Act 1992.

- Significant accounting policies of Saraswati as stated in the annual report for the year ended March 31, 2005 are given below:-

  a. Basis of Accounting:

    - Financial statements are prepared under historical cost convention on accrual basis in accordance with the requirements of the Companies Act, 1956.

    - The Company generally follows mercantile system of accounting and recognises significant items income and expenditure on accrual basis.

b. Fixed Assets and Depreciation:

Fixed assets are stated at cost of acquisition less accumulated Depreciation. Depreciation has been provided on written down value method at the rates and the manner prescribed in scheduled XIV of the Companies Act, 1956. Depreciation on additions/deletions during the year is provided on pro-rata basis.

c. Investments:

Long Term Investments are stated at cost. Provision for diminution in the Market Value/Break-up Value is made only if; such a decline is other than temporary in the opinion of Management.

d. Stock in Trade:

Stocks of shares are valued at Cost.

e. Retirement Benefits:

As informed to us provisions of payment of Gratuity Act, 1972 are not applicable to the company for the year under review.

f. Miscellaneous Expenditure:

Miscellaneous Expenditure is written off over a period of ten years.

g. Taxation:

- Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act 1961.
- Deferred tax for timing differences between tax profits & book profits is accounted by using the tax rates & laws that have been enacted or substantially enacted as of the Balance Sheet date. Deferred tax assets in respect of unabsorbed Losses are recognised to the extent there is reasonable certainty that these assets can be realised in future.

h. Contingent liabilities:-

These are disclosed by way of notes on the Balance sheet. Provision is made in the accounts in respect of those contingencies which are likely to materialise into liabilities after the year end, till the finalisation of accounts and have material effect on the position stated in the Balance sheet.

6.12 Summarized audited financial statements of the Target Company for the years ended March 31, 1998, March 31, 1999 and March 31, 2000 considering October 2000 as the Reference Date

Profit and Loss Statement

(in Lacs)

For the year ended March 31	**1998**	**1999**	**2000**
Income from operations	138.55	317.05	85.62
Other Income	0.00	0.23	0.00
Total Income	138.55	317.28	85.62
Total Expenditure.	121.60	259.51	11.77
Profit Before Depreciation Interest and Tax	16.95	57.77	73.85
Depreciation	0.00	0.04	0.04
Interest	3.45	0.83	1.03
Profit Before Tax	13.50	56.90	72.78
Provision for Tax	3.00	18.00	29.87
Profit After Tax	10.50	38.90	42.91

Balance Sheet **(in Lacs)**

As on March 31	1998	1999	2000
Sources of funds			
Paid up share capital	64.00	64.00	64.00
Reserves and Surplus (excluding revaluation reserves)	375.93	414.73	457.64
Net worth	439.93	478.73	521.64
Secured loans	0.00	0.00	0.00
Unsecured loans	20.78	1.92	34.29
Total	460.71	480.65	555.93
Uses of funds			
Net fixed assets	0.00	0.00	0.00
Investments	61.11	62.62	62.43
Net current assets	399.08	417.59	493.15
Total miscellaneous expenditure not written off	0.52	0.44	0.35
Total	460.71	480.65	555.93

Other Financial Data

As on December 31	1998	1999	2000
Dividend (%)	Nil-	Nil-	Nil-
Earnings per share	1.64	6.08	6.70
Return on Net Worth (%)	2.39	8.13	8.23
Book Value per Share	68.66	74.73	81.45

6.13 The status of Corporate Governance in the Saraswati is as below -

As the issued and paid-up share capital of the Target Company is below Rs. 3 crores and its net worth is below Rs 25 Crores, clause 49 of Listing Agreement is not applicable to it.

6.14 There are no material litigations pending against the Target Company other than claims classified as contingent liabilities that have been disclosed in paragraph 6.11 above. The name and details of the Compliance Officer of the Target Company are as under -

Name: Mr. Chetan Dharod

Address: K.K. Chambers, 4th Floor,
Sir Purushottamdas Thakurdas Road,
Fort, Mumbai – 400 001
Tel No.: +91 22 5638 8600
Fax No: +91 22 5638 8610
Email: chetan@fdcml.com

6.15 There has been no punitive action taken against the Target Company by the Stock Exchanges.

6.16 As mentioned, in paragraph 2.4 above, the Target Company has taken steps to regularize the reporting requirements under Chapter II of the Regulations (for the period from 1997 to 2002 as per the SEBI Regularization Scheme, 2002 and yearly reporting from 2003-2005.

6.17 Though the Target Company is not in compliance with the listing agreement as on the date of this Letter of Offer, however, no punitive action has been initiated against the Target Company by the Stock Exchanges.

6.18 None of the Directors of the Target Company have been prohibited from dealing in securities in terms of section 11B of the SEBI Act or under any of the regulations made under the SEBI Act.

6.19 The details of the changes in the shareholding/voting rights of the Acquirer Group in the Target Company is as provided in paragraph 2.5 of this Letter of Offer.

7. UNDERTAKING BY THE ACQUIRER AS PUBLIC SHAREHOLDING WILL REDUCE BELOW THE LIMIT SPECIFIED IN THE LISTING AGREEMENT

7.1 As the Offer would result in public shareholding being reduced to 10% or less of the voting capital of the Target Company, the Acquirer undertakes to disinvest through sale of such number of Equity Shares within a period of 6 months from the date of closure of the Offer, so as to satisfy the requirements of the listing agreement entered into with the stock exchanges.

8. JUSTIFICATION OF OFFER PRICE AND FINANCIAL ARRANGEMENTS

8.1 JUSTIFICATION OF OFFER PRICE

8.1.1 The Equity Shares are listed on the BSE and CSE. With reference to the Trigger dates, there is no trading in Shares of Saraswati on the Stock Exchanges and thus the Equity Shares of Saraswati are infrequently traded on the Stock Exchanges in terms of Regulation 20(3) (applicable as on October 9, 2000).

8.1.2 As mentioned in paragraph 2.5(f) above, on October 9, 2000, there was an *inter-se* transfer of 25,900 Equity Shares by Jacqart to Mrs. Meena Kothari, both belonging of the Acquirer Group, at a price of Rs.47 per Equity Share. Apart from this, all other changes in shareholding or *inter-se* transfers amongst the Acquirer Group as described above in paragraph 2.5 of this Letter of Offer have been made at prices below Rs. 47 per Equity Share as disclosed in the table under para 8.1.4 below. Interest @ 15% *per annum* has been calculated from the date 120 days after this date i.e., February 5, 2001 upto November 10, 2005 (scheduled date of dispatch of consideration to the Shareholders in terms of this Offer) which is Rs. 33.70 per Equity Share making the total consideration payable under the Offer Rs. 80.70 per Equity Share.

8.1.3 Since the Equity Shares of Saraswati are infrequently traded on the abovementioned stock exchanges with reference to the Trigger Dates, valuation of Saraswati has been done by an independent valuer, M/s. Chaturvedi & Shah, Chartered Accountants in accordance with Regulation 20(3) (applicable as on October 9, 2000) with respect to each Trigger Date when an open offer should have been made, based on the audited accounts of Saraswati for FY 1996, FY 1998, FY 2000 and FY 2001.

The fair value of Equity Shares of Saraswati has been arrived at by M/s Chaturvedi & Shah, Chartered Accountants (situated at A-3, Laxmi Towers, First Floor, Bandra Kurla Complex, Bandra (E), Mumbai - 400051, India, Telephone: +91 22 30616100 Fax: +91 22 30616125), vide their valuation certificates dated August 8, 2005 considering the financial parameters of Saraswati with reference date to respective Trigger Dates considering the financial parameters of Saraswati as mentioned in the table under para 8.1.4 below and by placing reliance on the Supreme Court judgement in the case of *Hindustan Lever Employee Union* v. *Hindustan Lever Limited and others*, (1995) 83 Com Case 30. Considering this judgement, weighted average has been taken by applying higher weight of 2 to the value per Equity Share under earnings capitalization method and market value method (using market price of the Shares as quoted on Stock Exchanges) and lower weight of 1 to the value per share under net assets method to arrive at Fair value per Equity Share of Saraswati. An illustration of calculation with reference to Trigger Date October 9, 2000 is given below:-

Method	Value per share (Rs.) (X)	Weights (Y)	Weighted Amount (X * Y)
Net Assets Method	94.88	1	94.88
Earning Capitalization Method	11.47	2	22.94
Imputed Market Value Method	4.5	2	9.00
Total		5	126.81
Fair Value per Equity Share (Rs.)			**25.36**
		rounded off	26.00

8.1.4 The details of Trigger Dates, acquisition prices, fair value per share and other financial parameters of Saraswati are given in table below:-

	Trigger Dates						
	5-Mar-97	6-May-97	26-Mar-99	**9-Oct-00**	2-Nov-00	12-Mar-01	3-Sep-01
i) 52 weeks average price[1]	Infrequently Traded	Infreque-ntly Traded	Infrequently Traded	**Infreque-ntly Traded**	Infrequently Traded	Infrequently Traded	Infrequently Traded
ii) 2 weeks average price	N.A.	N.A.	N.A.	**N.A.**	N.A.	N.A.	N.A.
iii)Preferential allotment in last one year before Trigger Date	N.A.	N.A.	N.A.	**N.A.**	N.A.	N.A.	N.A.
iv) Highest price paid by Acquirer Group for acquisition of Shares [2] (Rs. Per Share)	4.65	10.60	10.80	**47.00**	4.25	4.50	11.00
Negotiated price paid under any agreement	N.A.	N.A.	N.A.	**N.A.**	N.A.	N.A.	N.A.
v) Fair Value per share as per valuation reports (Rs. per share)	17.00		20.00	26.00			26.00
vi) Earning Per Share (Rs.)	0.07		1.64	6.70			(0.13)
P/E ratio ▪ Industry [3] ▪ Offer Price to Earnings	3.15 124.30		2.10 28.65	2.40 7.01			2.50 Not Meaningful
RONW of Target Company (%)	0.11	0.11	2.39	**8.23**	8.23	8.23	(0.16)
Book Value Per Share	66.59	66.59	68.66	81.45	81.45	81.45	85.90
Highest price per share of (I) to (vi) above (Rs.)	17.00	17.00	20.00	**47.00**	26.00	26.00	26.00
Interest per share @15% from the date 120 days from the Trigger Dates upto November 10, 2005	21.33	20.90	18.92	**33.70**	18.32	16.94	15.07
Consideration (Price plus interest) per share (Rs.)	38.33	37.90	38.92	**80.70**	44.32	42.94	41.07

(1) There is no trading in Equity Shares of Saraswati on the Stock Exchanges during the period under consideration and thus Equity Shares of Saraswati are infrequently traded on the Stock Exchanges in terms of Regulation 20(3) (applicable as on October 9, 2000) with reference to Trigger Dates.

(2) These are the highest prices paid by Acquirer Group for acquisition of Equity Shares during the period of 26 weeks prior to respective Trigger Dates.

(3) Source: Capital Markets, Capitaline

As per the table above, the maximum price per Equity Share is Rs.47.00 and maximum consideration (Price + Interest) per share is Rs.80.70 per Equity Share. Hence, Rs.47 per Equity Share has been determined as the Offer Price.

8.1.5 In view of the information mentioned above, in terms of Regulation 20(3) (as applicable on the Trigger Dates), the Offer Price of Rs.47 per Equity Share is justified as follows:

- There was no preferential allotment of equity shares of Saraswati made during the 12 months prior to the Trigger Dates, to the Acquirer Group.

- As mentioned in para 8.1.2 above, Rs. 47 per Equity Share was the highest price paid by the Acquirer Group to acquire shares of Saraswati. Except as mentioned in the table above, Acquirer Group has not acquired any equity shares of Saraswati including by way of allotment in a public or rights issue during the 26 week period prior to the Trigger Dates.

- The Acquirer Group has not acquired any equity shares of Saraswati under any agreement referred to in Regulation 14(1).
- As per the four Valuation Reports prepared on the basis of audited accounts of Saraswati for FY 1996, FY 1998, FY 2000 and FY 2001, the highest fair value is Rs.26 per Equity Share.

8.2 FINANCIAL ARRANGEMENTS

8.2.1 The maximum purchase consideration as per the Offer Price including the interest payable by the Acquirer, assuming full acceptance of the Offer, would be Rs.77.53 lakhs. The interest @ 15% per annum from February 5, 2001 to November 10, 2005 being the scheduled date of dispatch of consideration to those Shareholders who have tendered their Equity Shares in the Offer, assuming full acceptance would be Rs.32.38 Lakhs.

8.2.2 In accordance with the provisions of Regulation 28 of the Regulations, the Acquirer has established a bank guarantee in favour of the Manager to the Offer for Rs.20.50 lakhs (being not less than 25% of the total consideration payable) through HDFC Bank Limited, Sandoz House, Dr. Annie Besant Road, Worli, Mumbai 400 018 (hereinafter referred to as the "Escrow Bank") and has also deposited with the Bank a sum of Rs.0.85 Lakhs (being not less than 1% of the total consideration payable), as and by way of security for fulfillment of the obligations under the Regulations. This bank guarantee shall be valid till January 31, 2006. The Acquirer has empowered the Manager to the Offer to realize the value of the Escrow Account under the Regulations.

8.2.3 The Acquirer's statutory auditors M/s. Ajmera Ajmera & Associates has confirmed vide its Certificate dated August 10, 2005 that the Acquirer has sufficient resources to fulfill its obligations in full under the Offer. On the basis of the above, the Manager to the Offer has satisfied itself that the Acquirer has the ability to implement the Offer in accordance with the Regulations.

8.2.4 The Acquirer has empowered the Manager to the Offer to realize the value of the bank guarantee as mentioned in paragraph 8.2.2 above.

9. TERMS AND CONDITIONS OF THE OFFER

Shareholders who wish to accept the Offer should tender their Shares and should submit documents in accordance with the procedure specified in paragraph 11 of this Letter of Offer and in the Form of Acceptance.

9.1 The Letter of Offer together with the Form of Acceptance and Form of Withdrawal is being mailed to the all the Shareholders of Saraswati (except the Acquirer Group) whose names appear on the Register of Members of Saraswati and to the beneficial owners of the Equity Shares of Saraswati whose names appear on the beneficial records of the respective depositories at the close of business on August 19, 2005 (the "Specified Date").

9.2 All Shares tendered and accepted under the Offer, will be acquired by the Acquirer, subject to the terms and conditions set out in this Letter of Offer. All necessary requirements for the valid transfer of the Shares to the Acquirer will be pre-conditions for acceptance of the tendered Shares. Saraswati does not have any Shares that are subject to lock-in.

9.3 All equity shareholders of Saraswati (except the Acquirer Group), whose names appear in the register of members of Saraswati as of August 19, 2005 and also persons (except the Acquirer Group), who acquire any Shares of Saraswati at any time prior to the closure of the Offer, whether or not they are registered Shareholders, are eligible to participate in the Offer anytime before the closure of the Offer.

9.4 The acceptance of the Offer made by Acquirer is entirely at the discretion of the Shareholders of Saraswati and each Shareholder of Saraswati to whom this Offer is being made, is free to offer his shareholding in Saraswati, in whole or in part while accepting the Offer.

9.5 Accidental omission to dispatch this Letter of Offer, non-receipt or delayed receipt of this Letter of Offer will not invalidate the Offer in any way.

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

9.7 The Acquirer will not be responsible in any manner for any loss of Equity Share certificate(s) and offer acceptance documents during transit and the Shareholders of Saraswati are advised to adequately safeguard their interest in this regard.

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

9.9 The Acquirer is permitted to revise the Offer Price upward any time up to seven working days prior to the date of the closure of the Offer (i.e. Monday October 17, 2005). If there is any upward revision in the Offer Price before the last date of revision (i.e. Monday October 17, 2005) or withdrawal of the Offer, the same would be informed by way of Public Announcement in the same newspapers where the original Public Announcement has appeared. Such revised Offer Price would be payable by the Acquirer to all Shareholders who tender their equity shares at any time during the Offer and which are accepted under the Offer. However, the Acquirer does not intend to revise the Offer Price.

9.10 As of the date of the Public Announcement, to the best of the knowledge of the Acquirer, there are no statutory approvals required to implement the Offer. If however, any statutory or other approval becomes applicable, the Offer would be subject to such approval. As per Regulation 27, the Acquirer will not proceed with the Offer in the event of any statutory approval not being obtained and the same would be notified by way of a public announcement in the same newspapers where the Public Announcement appeared.

9.11 Subject to the receipt of statutory approvals, if required, the Acquirer shall complete all procedures relating to the Offer including payment of consideration within a period of 15 days from the Offer Closing Date to those Shareholders whose share certificates and/or other documents are found valid and in order and are approved for acquisition by the Acquirer. In case of delay due to the non-receipt of statutory approvals, if any, as per Regulation 22(12), SEBI may, if satisfied that the non-receipt of approvals was not due to the willful default or negligence of the Acquirer, grant an extension for the purpose of the completion of the Offer, subject to the Acquirer paying to the Shareholders interest as may be specified by SEBI for the delay beyond 15 days.

9.12 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.

9.13 Barring unforeseen circumstances and factors beyond their control, the Acquirer intends to complete all formalities pertaining to the purchase of the shares, including dispatch of payment of consideration to the Shareholders who have accepted the Offer, by Thursday, November 10, 2005

9.14 This document has not been filed, registered or approved in any jurisdiction outside India. Recipients of this document resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements.

10. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

10.1 Shareholders who hold shares in physical form and wish to tender their shares will be required to send the Form of Acceptance, original share certificate(s) accompanied with blank transfer deed(s) duly signed to the Registrar to the Offer, Tata Share Registry Limited, Mumbai (hereinafter referred to as the “Registrar”) at their office at Army and Navy Building, 148 MG Road, Fort, Mumbai 400 001 either by hand delivery during normal business hours or by Registered Post on or before Closure of the Offer, i.e., October 26, 2005 in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance.

10.2 The Registrar has opened a special depositary account with **HDFC Bank Limited**. Beneficial owners and Shareholders holding shares in dematerialized form, will be required to send their Form of Acceptance to the Registrar by hand delivery during normal business hours or by Registered Post on or before the close of the Offer, i.e., October 26, 2005, alongwith a photocopy of the delivery instructions in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the Depositary Participant (“DP”), if favor of “**TSRL Escrow Account – SCIL Open Offer**” (“Depository Escrow Account”) filled in as per the instructions given below:

Depository	**National Securities Depository Limited**
Depository Participant	**HDFC Bank Limited**
Depository Escrow Account	**TSRL Escrow Account – SCIL Open Offer**
DP ID Number	**IN 301549**
Account No	**19083578**

For shares which are tendered in electronic form, the bank account as obtained from the beneficiary provided by the Depositary will be considered and the warrants will be issued with the said bank particulars.

10.3 Shareholders are advised to ensure that the Form of Acceptance and other documents are complete in all respects, otherwise the same is liable to be rejected. In case of dematerialized Equity Shares, the Shareholders are advised to ensure that their Equity Shares are credited in favour of the Depository Escrow Account before the Closure of the Offer. The Form of Acceptance of such dematerialized Equity Shares, not credited in favour of the Depository Escrow Account before the Closure of the Offer, will be rejected.

I. For Equity shares held in physical form:

Registered Shareholders shall enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by all Shareholders whose names appear on the share certificates.
- Original Share Certificate(s).
- Valid Share Transfer form(s) duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with “Saraswati” and duly witnessed at the appropriate place. A blank Share Transfer Form is enclosed along with this Letter of Offer.

Unregistered owners should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein.
- Original Share Certificate(s).
- Original broker contract note.
- Valid Share Transfer form(s) as received from the market.

The details of buyer should be left blank failing which the same will be invalid under the Offer. The details of the buyer will be filled upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be preconditions for valid acceptance.

II. For Equity Shares held in dematerialized form:

Beneficial owners should enclose:

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein, as per the records of the Depository Participant (DP).
- Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP.
- For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance.

10.4 In addition to the address mentioned in paragraph 10.1, the Shareholders of Saraswati, who wish to avail and accept the Offer can deliver the Form of Acceptance alongwith all the relevant documents at any of the collection centers below.

Name and Address of the Collection Centre	Tel No.	Fax No.	Contact Person	Mode of Delivery
Tata Share Registry Limited Army & Navy Building, 148 M G Road, Fort Mumbai 400001	022-5656 8484	022-5656 8496	Ms. S R Billimoria Senior Manager	By Registered Post or By Hand Delivery
Tata Share Registry Limited Tata Centre, 1st Floor, 43, Jawaharlal Nehru Road, Kolkata 700071	033-2288 3087	033-2288 3062	Mr. Rijit Mukherjee	By Registered Post or By Hand Delivery

Business Hours: Mondays to Fridays between 10:00 A.M. to 3.30 P.M.;
Saturdays: between 10:00 A.M. to 1.00 P.M

Holidays: Sundays and Bank Holidays

10.5 The share certificate(s), share transfer form(s) and the Form of Acceptance should be sent only to the Registrar of Offer and not to the Manager to the Offer, the Acquirer or the Target Company.

10.6 All owners of shares, registered or unregistered, who own the shares at any time prior to the closure of the Offer are eligible to participate in the Offer. Unregistered owners and Shareholders who do not receive a copy of the Letter of Offer can send their application in writing to the Registrar, on a plain paper stating their Name, Address, Number of shares held, Number of shares offered, Distinctive Numbers, Folio No. together with the original share certificate(s), valid transfer deed(s) and a copy of the contract note issued by the broker through whom they acquired their shares. No indemnity is required from the unregistered owners.

10.7 In case of non-receipt of the Letter of Offer, eligible persons may send their acceptance to the Registrar, on a plain paper stating their Name, Address, Number of shares held, Number of shares offered, alongwith documents as mentioned above, so as to reach the Registrar on or before the close of the Offer, i.e., October 26, 2005. Unregistered owners should not sign the Transfer Deed and the Transfer Deed should be valid for transfer.

10.8 The Registrar will hold in trust the shares/share certificates tendered in physical form and shares lying in credit of the special depositary account, Form of Acceptance, if any, and the transfer form(s) on behalf of the Shareholders of Saraswati who have accepted the Offer, until the cheques/drafts for the consideration and/or the unaccepted shares/share certificates are dispatched/returned.

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

10.10 Shareholders who have sent their shares for dematerialization need to ensure that the process of getting shares dematerialized is completed well in time so that the credit in the Registrar's special depository account should be received on or before the date of closure of the offer, i.e. October 26, 2005, else the application would be rejected.

10.11 Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post at the Shareholders'/unregistered owners' sole risk to the sole/first Shareholder. Shares held in dematerialized form to the extent not accepted will be credited back to the same depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance.

10.12 In case of delay in receipt of statutory approvals, interest will be payable for the delayed period in terms of Regulation 22(12). Further, if the delay occurs on account of willful default by the Acquirer in obtaining the requisite approvals, Regulation 22(13) will also become applicable.

10.13 Payment of consideration will be made by crossed account payee cheque/demand draft and sent by registered post and /or courier in case of consideration amount exceeding Rs. 1,500/- (under Certificate of Posting otherwise), to those Shareholders/unregistered owners and at their own risk, whose shares/ share certificates and other documents are found in order and accepted by the

Acquirers. In case of joint registered holders, cheques/demand drafts will be drawn in the name of the sole/first named holder/unregistered owner and will be sent to him. **It is desirable that Shareholders provide bank details in the Form of Acceptance, so that the same can be incorporated in the cheque / demand draft.**

10.14 In terms of Regulation 22 (5A) of the SEBI (SAST) Regulations, Shareholders desirous of withdrawing their acceptance tendered by them in the Offer, may do so up to three working days prior to the date of closure of the Offer. The withdrawal option can be exercised by submitting the documents only to the Registrar to the Offer as per the instructions below, so as to reach the Registrar to the Offer at any of the collection centers mentioned above as per the mode of delivery indicated therein on or before October 21, 2005:

I. For Equity shares held in demat form:
Beneficial Shareholders shall enclose:

- Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
- Acknowledgement slip in original/ Copy of the submitted Form of Acceptance in case delivered by Registered A.D.
- Photocopy of the delivery instruction in “Off-Market” mode or counterfoil of the delivery instruction in “Off-Market” mode, duly acknowledged by the DP.

II. For Equity shares held in physical form:
Registered Shareholders shall enclose:

- Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
- Acknowledgement slip in original/ Copy of the submitted Form of Acceptance in case delivered by Registered A.D.
- In case of partial withdrawal, valid Share Transfer Form(s) duly signed by transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Saraswati and dully witnessed at appropriate place.

Unregistered Shareholders shall enclose:

- Duly signed and completed Form of Withdrawal (enclosed with the Letter of Offer).
- Acknowledgement slip in original/ Copy of the submitted Form of Acceptance in case delivered by Registered A.D.

In case of non-receipt of Form of Withdrawal, the withdrawal option can be exercised by making a plain paper application along with the following details.

- In case of physical shares: Name; Address; Distinctive Numbers; Folio Number; Number of Shares tendered and
- In case of dematerialised shares: Name; Address; Number of Shares offered; DP name; DP ID; Beneficiary Account Number and a photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP, in favour of the special depository account.

III. The withdrawal of Shares will be available only for the Share certificates/ Shares that have been received by the Registrar to the Offer/ Special Depository Escrow Account.

IV. The intimation of returned shares to the Shareholders will be at the address through Registered post as per the records of Saraswati/Depository as the case may be.

V. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from Saraswati.

VI. Partial withdrawal of tendered shares can be done only by the Registered Shareholders/Beneficial owners. In case of partial withdrawal, the earlier Form of Acceptance will stand revised to that effect.

VII. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

10.15 There are no non-resident Shareholders in Saraswati. However, in case of purchase of shares by a non-resident Shareholders before closure of the Offer, such non-resident Shareholders, while tendering shares under the Offer, will be required to submit the previous RBI approvals (specific or general) obtained by them for acquiring the shares of Saraswati, and a No Objection Certificate/ Tax Clearance Certificate from the Income Tax authorities under the Income Tax Act, 1961, indicating the rate at which the tax is to be deducted by the Acquirer before remitting the consideration. In case such RBI approvals are not submitted, the Acquirer reserves the right to reject the tendered shares. In case the aforesaid No Objection Certificate/ Tax Clearance Certificate is not submitted, the Acquirer will deduct tax at the currently prevailing rate of 41.820% in case of a non-resident corporate Shareholder, 33.66% in case of non-resident partnership firms and 30.6% in case of non-resident individual Shareholders or trusts on the entire consideration amount (offer price as well as interest thereon) if the amount paid is upto Rs.1,000,000 and at the rate of 33.66% if the amount paid exceeds Rs.1,000,000.

10.16 In case of resident Shareholders tendering their shares under the Offer, the Acquirer will deduct tax on the interest component of the consideration payable to such Shareholders exceeding Rs. 5,000 per Shareholder at the rate of 22.44% in case of resident corporate Shareholders, at the rate of 11.22% in case of resident partnership firms and at the rate of 10.2% in case of resident individual Shareholders, trusts, association of persons or body of individuals if the amount paid is upto Rs.1,000,000 and at the rate of 11.22% if the amount paid exceeds Rs.1,000,000. As per the provision of the Income-tax Act, 1961, if the resident Shareholder requires that no tax be deducted or tax be deducted at a rate lower than the prescribed rate, then in such an event the resident Shareholder will be required to submit No Objection Certificate from the Income-Tax authorities or a self-declaration in Form 15G, as may be applicable, indicating the rate at which the tax is to be deducted by the Acquirer before remitting the consideration. All the Shareholders eligible to receive an interest component of the consideration payable exceeding Rs. 5,000 per Shareholder, would be required to give their PAN number for Income Tax purposes.

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

- duly attested death certificate and succession certificate/ probate/ letter of administration (in case of single Shareholder) if the original Shareholder is deceased;
- duly attested Power of Attorney if any person apart from the Shareholder has signed the application form and/or transfer deed(s);
- no objection certificates from the chargeholder/ lender, if the shares in respect of which the application is sent, are under any charge, lien or encumbrance;
- in case of companies, the necessary corporate authorisation (including Board Resolutions);
- any other relevant documentation.

11. DOCUMENTS FOR INSPECTION

The following material documents are available for inspection at the corporate office of the Acquirer at K.K. Chambers, 4th Floor, Sir Purushottamdas Thakurdas Road, Fort, Mumbai – 400 001 from 10.30 a.m. to 1.00 p.m. on any day, except Saturdays, Sundays and Holidays, until the Offer closes:

11.1 Certificate of Incorporation, Memorandum and Articles of Association of the Acquirer.

11.2 Memorandum and Articles of Association of the Target Company.

11.3 Annual reports containing audited financial results of the Acquirer for the years ending March 31, 2003, March 31, 2004 and March 31, 2005.

11.4 Annual reports containing audited financial results of the PACs for the years ending March 31, 2003, March 31, 2004 and March 31, 2005.

11.5 Annual reports containing audited financial results of the Target Company for the years ending March 31, 2003, March 31, 2004 and March 31, 2005.

11.6 Copy of the Valuation Reports dated August 8, 2005 and for the years ended on March 31,1996, March 31,1998, March 31,2000 and March 31,2001 respectively of M/s. Chaturvedi & Shah, Chartered Accountants for valuation of the Equity Shares of the Target Company in terms of Regulation 20(5) of the SEBI (SAST) Regulations.

11.7 Certificate dated August 10, 2005 of M/s. Ajmera Ajmera and Associates, the statutory auditors of the Acquirer regarding the adequacy of financial resources with the Acquirer.

11.8 Letter dated August 10, 2005 issued by the Registrar to the Offer confirming the opening of the Depository Escrow Account with HDFC Bank Limited as the Depository Participant for the purpose of the Offer.

11.9 Copy of the Escrow Agreement dated August 10, 2005 between the Acquirer, Manager to the Offer and HDFC Bank Limited alongwith a copy Bank Guarantee dated August 13, 2005 for Rs. 20.50 Lacs issued by HDFC Bank Limited, Sandoz House, Dr. Annie Besant Road, Worli, Mumbai 400 018 favoring the Manager to the Offer and Deposit Confirmation Certificate from HDFC Bank Limited dated August 29, 2005 regarding deposit of Rs. 85,000/- with the Bank made on August 12, 2005.

11.10 Published copy of the Public Announcement dated August 17, 2005.

11.11 Copy of letter received from SEBI, Ref. No. CFD/DCR/RC/TO/50003/05 dated September 21, 2005 in terms of proviso to Regulation 18(2) of the SEBI (SAST) Regulations.

12. DECLARATION BY THE ACQUIRER AND PERSONS ACTING IN CONCERT

12.1 The Acquirer and the PACs accept joint and several responsibility for the information contained in this Draft Letter of Offer, Form of Acceptance and Form of Withdrawal. The Acquirer and the PACs are jointly and severally liable for ensuring compliance with, and fulfillment of their obligations under the SEBI (SAST) Regulations. All information contained in this document is as of the date of the Public Announcement, unless stated otherwise.

This Letter of Offer has been signed by the persons duly and legally authorised by the Acquirer and the PACs.

for Winro Commercial (India) Limited	**for Four Dimensions Commodities Private Limited**	**for Windsor Trading and Finance Private Limited**
Sd/-	**Sd/-**	**Sd/-**
A.N. Nair, Director	**Rajesh Bhavsar, Director**	**Sandeep Kejariwal, Director**
for Four Dimensions Securities (India) Limited	**for Sam Jag Deep Investments Private Limited**	
Sd/-	**Sd/-**	
Sandeep Kejariwal, Director	**Sandeep Kejariwal, Director**	

Place: Mumbai
Date: September 27, 2005

Enclosed:
I. Form of Acceptance
II. Form of Withdrawal
III. **Transfer Deed for shares held in physical form**

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION
(Please send this Form with enclosures to the Registrars to the Offer at their address given overleaf)
FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

OFFER SCHEDULE	
OPENS ON:	Friday, October 7, 2005
CLOSES ON:	Wednesday, October 26, 2005

From:
Folio No./DP ID No./Client ID No.:

Name:

Full Address:

Status: Resident/ Non-Resident

Tel No: Fax No: E-mail:

To,
Tata Share Registry Limited
Army & Navy Building
148, M.G. Road
Fort, Mumbai – 400 001

Re. : Open Offer by Winro Commercial India Limited ("Acquirer") to acquire 96,070 Equity Shares of Saraswati Commercial (India) Limited ("Saraswati"/ "Target Company") in terms of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997

Dear Sir**,**
I/We refer to the Letter of Offer dated September 27, 2005 constituting an offer to acquire the equity shares held by me / us in Saraswati Commercial (India) Limited. I/We the undersigned, have read the Letter of Offer and accept unconditionally its contents including the terms and conditions as mentioned therein.

For Equity Shares held In Physical Form:
I/We, accept the Offer and enclose the original share certificate(s) and duly signed valid Transfer Deed(s) in respect of my/our shares as detailed below:

Sr. No.	**Certificate No.**	**Distinctive Nos**		**No. of Equity Shares**
		From	To	
1				
2				
3				
4				
5				
(In case the space provided is inadequate, please attach a separate sheet with details and authenticate the same.) **Total No. of Equity Shares**				

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

I/We have enclosed the following herewith:
- ☐ No Objection Certificate / Tax Clearance Certificate from Income Tax Authorities
- ☐ Self-declaration in Form 15G

For Equity Shares held in Demat Form

I/We hold equity shares in demat form, accept the Offer and enclose a photocopy of the Delivery Instruction Slip duly acknowledged by the DP in respect of my/our equity shares as detailed below:

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

I/We have done an off market transaction for crediting the equity shares to the Escrow Account named "TSRL Escrow a/c – SCIL Open Offer" (the "Special Depository Account") with the following particulars:

Depository Participant Name: HDFC Bank Limited

DP ID No.: IN 301549	**Client ID No.: 19083578**

Shareholders having their beneficiary Account in CDSL have to use an inter–depository delivery instruction slip for the purpose of crediting their equity shares in favour of the Special Depositary Account with NSDL.

In case of non-receipt of the aforesaid documents, but receipt of the shares in the Special Depository Escrow Account, the Acquirer may deem the Offer to have been accepted by me/us.

I/We note and understand that the equity shares would lie in the Special Depository Account until the time the Acquirer makes payment of the purchase consideration (including interest) as mentioned in the Letter of Offer.

For NRIs/OCBs/FIIs/Foreign Shareholders:

I/we have enclosed the following documents:

☐No Objection Certificate / Tax Clearance Certificate from Income Tax Authorities.

☐Previous RBI approvals for holding the shares of Saraswati Commercial (India) Limited hereby tendered in the Offer.

For FII Shareholders : I/We confirm that the equity shares of Saraswati Commercial (India) Limited are held by me/us on ☐ Investment/Capital Account OR ☐ Trade Account. (☑ whichever is applicable in your case)

For NRIs/OCBs Shareholders :

(1) I/We confirm that the equity shares of Saraswati Commercial (India) Limited are held by me/us on ☐ Investment/Capital Account OR ☐ Trade Account.

(2) I/We confirm that the equity shares of Saraswati Commercial (India) Limited are held by me/us as ☐ Long Term Capital Asset OR ☐ Short Term Capital Asset. (☑ whichever is applicable in your case)

I/We confirm that the equity shares of Saraswati Commercial (India) 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 also note and understand that the Acquirer will pay the purchase consideration (including interest) only after verification of the documents and signatures, and obtaining necessary approvals, including approvals from the FIPB and the RBI.

I/We authorise the Acquirer to accept the shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and to the extent that the equity shares tendered by me/us are not acquired (in terms of and subject to the Letter of Offer), I/We further authorise the Acquirer to return to me/us, equity shares/share certificate(s) and in the case of dematerialised equity shares, to credit such equity shares to my/our depository account, in each case at my/our sole risk and without specifying the reasons thereof.

I/We authorise the Acquirer or the Manager to the Offer or the Registrar to the Offer to send by registered post, the draft / cheque in settlement of the amount, to the sole / first holder at the address mentioned below.

Yours faithfully,
Signed and Delivered:

	FULL NAMES	SIGNATURE(S)	PAN No.
First/Sole Shareholder			
Second Shareholder			
Third Shareholder			
Fourth Shareholder			

Address of First/Sole Shareholder

____

____

Place: Date :

Note: In case of joint holdings, all shareholders must sign. A body corporate must affix its company stamp.
So as to avoid fraudulent encashment in transit, the shareholder(s) holding shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For equity shares that are tendered in electronic form, the bank account as obtained from the beneficiary position provided by the Depository will be considered and the warrants/ bank drafts will be issued with the said bank particulars

Name of the Bank ____ Branch ____________________________

Account Number _________________________Savings/Current/Others (please specify) ______________________

---Tear along this line---

Folio No. : **Sr. No.** **Acknowledgement Slip for the Acquirer**

Winro Commercial (India) Limited

15, Chittaranjan Avenue, 4th Floor, Kolkata – 700 072

Received from Mr./Ms ....

Address ....

Form of Acceptance-cum-Acknowledgement, # ___________ Number of S

Certificates for______________shares

Copy of Delivery instruction to (DP) for _____________ shares

(Delete whatsoever is not applicable)

Signature of official and Date of Receipt	Stamp Of Collection Centre

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

Tata Share Registry Limited
Army & Navy Building, 148 M G Road, Fort, Mumbai 400001

Phone : +91 22 56568484 Fax : +91 22 5656 8496
E-mail: clc@tatashare.com; Contact Person: Ms S.R.Billimoria

Details of Collection Centres:

Name and Address of the Collection Centre	Tel No.	Fax No.	Contact Person	Mode of Delivery
Tata Share Registry Limited Army & Navy Building, 148 M G Road, Fort Mumbai 400001	022-5656 8484	022-5656 8496	Ms. S R Billimoria Senior Manager	By Registered Post or By Hand Delivery
Tata Share Registry Limited Tata Centre, 1st Floor, 43, Jawaharlal Nehru Road, Kolkata 700071	033-2288 3087	033-2288 3062	Mr. Rijit Mukherjee	By Registered Post or By Hand Delivery

Business Hours : **Monday to Friday : 10.00 a.m. to 3.00 p.m.**
Saturday : 10.00 a.m. to 1.00 p.m.

Holidays : **Sundays and Bank Holidays**

--TEAR ALONG THIS LINE---

Note : All future correspondence, if any, should be addressed to the Registrar to the Offer at the following address:
Tata Share Registry Limited
Army & Navy Building, 148 M G Road, Fort, Mumbai 400001
Phone : +91 22 56568484 Fax : +91 22 5656 8496
E-mail: clc@tatashare.com; Contact Person: Ms S.R.Billimoria

FORM OF WITHDRAWAL

OFFER SCHEDULE
OPENS ON: Friday, October 7, 2005 **CLOSES ON: Wednesday, October 26, 2005**
LAST DATE OF WITHDRAWAL: Friday, October 21, 2005

To
Winro Commercial (India) Limited
15, Chittaranjan Avenue,
4th Floor,
Kolkata – 700 072

Dear Sir,

Sub **Open Offer by Winro Commercial India Limited ("Acquirer") to acquire 96,070 Equity Shares of Saraswati Commercial (India) Limited ("Saraswati"/ "Target Company") in terms of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997**

I/We refer to the Letter of Offer dated September 27, 2005 for acquiring the equity shares held by me/us in **Saraswati Commercial (India) Limited. I/We the undersigned have read the Letter of Offer and accept unconditionally its contents including the terms and conditions and procedures as mentioned therein.**

I/We have read the procedure for withdrawal of equity shares tendered by me/us in the Offer as mentioned in para 10.14 of the Letter of Offer and unconditionally agree to the terms and conditions mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our equity shares from the Offer and I/We further authorise the Acquirers to return to me/us, the tendered equity share certificate(s)/ share(s) at my/our sole risk.

I/We note that upon withdrawal of my/our equity 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 this Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or below as per the mode of delivery indicated therein on or before the last date of withdrawal.

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 equity shares held in physical form and also for the non receipt of equity shares held in the dematerialised form in the DP account due to inaccurate/incomplete particulars/instructions.

I/ We also note and understand that the Acquirer will return Original Share Certificate(s), Share Transfer Deed(s) and equity shares only on completion of verification of the documents, signatures carried out by Saraswati Commercial (India) Limited and/ or their R & T Agents and beneficiary position data as available from the Depository from time to time, respectively.

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

Ledger Folio No._________No. of Share Certificate(s) ___________ No. of Equity Shares _____________

	Sr. No	Certificate No.	Distinctive Nos. From	To	No. of Equity Shares
		Tendered			
	1				
	2				
	3				
		Withdrawn			
	1				
	2				
	3				
	Total				

(In case of insufficient space, please use an additional sheet and authenticate the same)

I/We hold the following equity shares in dematerialised form and tendered the equity shares in the Offer and had done an off-market transaction for crediting the Shares to the "TSRL Escrow a/c – SCIL Open Offer" (Special Depositary Escrow Account) as per the following particulars: -

Depository Participant Name: HDFC Bank Limited

DP ID No.: IN 301549	**Client ID No.: 19083578**

Please find enclosed a photocopy of the Depository Delivery Instruction(s) duly acknowledged by DP.

The particulars of the account from which my/our equity shares have been tendered are as detailed below

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

I/We note that the equity shares will be credited back only to that Depository Account, from which the equity shares have been tendered and necessary standing instructions have been issued in this regard.

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

In case of dematerialised equity shares, I/We confirm that the signatures of the beneficiary holders have been verified by the DP as per the records maintained at their end and the same have also been duly attested by them under their seal.

Yours faithfully,

Signed and delivered	FULL NAME(S)	SIGNATURE(S)	Verified and Attested by us. Please affix the stamp of DP (in case of demat Shares) /Bank (in case of physical Shares)
1st Shareholder			
2nd Shareholder			
3rd Shareholder			

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

Place: Date :

--Tear along this line --

Acknowledgement Slip

Folio No. **Sr. No.**

Winro Commercial (India) Limited

15, Chittaranjan Avenue, 4th Floor, Kolkata – 700 072

Received from Mr./Ms./M/s. .... Form of Withdrawal #.......... Number of Share Certificates for.................Equity Shares/ # Copy of the Delivery Instruction to (DP) for.....................Equity Shares # Delete whichever is not applicable	Signature of official and date of Receipt	Stamp of collection centre

INSTRUCTIONS

1. **The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or below as per the mode of delivery indicated therein on or before the last date of withdrawal.**
2. Shareholders should enclose the following:-
   i. For Equity Shares held in demat form:

   Beneficial owners should enclose

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

   ii. For Equity Shares held in physical form:

   Registered Shareholders should enclose

   - Duly signed and completed Form of Withdrawal
   - Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip
   - In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with R&T Department of ONIL and duly witnessed at the appropriate place.

   iii Unregistered owners should enclose:

   - Duly signed and completed Form of Withdrawal
   - Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip
3. The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer/ Special Depository Escrow Account.
4. The intimation of returned shares to the Shareholders will be at the address as per the records of the Target Company/ Depository as the case may be.
5. The Form of Withdrawal alongwith enclosure should be sent only to the Registrar to the Offer.
6. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target. The facility of partial withdrawal is available only on to Registered shareholders.
7. **Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.**

Details of Collection Centres:

Name and Address of the Collection Centre	Tel No.	Fax No.	Contact Person	Mode of Delivery
Tata Share Registry Limited Army & Navy Building, 148 M G Road, Fort Mumbai 400001	022-5656 8484	022-5656 8496	Ms. S R Billimoria Senior Manager	By Registered Post or By Hand Delivery
Tata Share Registry Limited Tata Centre, 1st Floor, 43, Jawaharlal Nehru Road, Kolkata 700071	033-2288 3087	033-2288 3062	Mr. Rijit Mukherjee	By Registered Post or By Hand Delivery

Business Hours : Monday to Friday: 10.00 a.m. to 3.00 p.m.
Saturday : 10.00 a.m. to 1.00 p.m.

Holidays : Sundays and Bank Holidays

--TEAR ALONG THIS LINE---

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

Tata Share Registry Limited
Army & Navy Building, 148 M G Road, Fort, Mumbai 400001
Phone : +91 22 56568484 Fax : +91 22 5656 8496
E-mail: clc@tatashare.com; Contact Person: Ms S.R.Billimoria