LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer (LOO) is sent to you as equity shareholder(s) of Satguru Agro Industries Limited. If you require any clarifications about the action to be taken, you may consult your stock broker or investment consultant or Keynote Corporate Services Ltd. (Manager to the Offer) or Bigshare Services Pvt. Limited (Registrar to the Offer). In case you have sold your shares in the Company, please hand over this LOO and the accompanying Form of Acceptance cum acknowledgment and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

CASH OFFER AT A PRICE OF RS. 1.40 (RUPEE ONE AND PAISE FORTY ONLY) PER EQUITY SHARE

[Pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto]

TO ACQUIRE

from existing equity shareholders upto 8,99,000 equity shares of Rs. 10/- each forming 20% of the paid-up equity share capital of the company at a price of Rs. 1.40 per share of

SATGURU AGRO INDUSTRIES LIMITED

having its registered office at A2 & A3, M.I.D.C., Chincholi, Dist. Solapur, Maharashtra - 413 255.
Tel: (0217) 3091179, 2357126 Fax: (0217) 2357125

By

SHRI BHARATBHAI V. CHANGELA

residing at Om Sai building, 2nd floor, Near St. Xavier High School, Kolhapur
Tel: (02346) 228996/7/8 Fax: (02346) 226782

ALONGWITH

MR. ATULKUMAR M. PATEL, MR. BHAGWANJIBHAI B. PATEL, MR. VALLABHBHAI J. PATEL, MR. DINESHBHAI M. KALAVADIA, MR. PRAFFULKUMAR G. KALAVADIA, MR. SURESHBHAI B. VAMJA, MR. VINUBHAI B. CHANGELA
('PERSONS ACTING IN CONCERT'/'PACS')

As on date no approvals, statutory or otherwise, are required under the Companies Act 1956, Monopolies and Restrictive Trade Practices Act, 1969, the Foreign Exchange Management Act. 1999 and /or any other applicable laws and from any bank and/ or financial institutions for the said acquisition.

The shareholder(s) shall have the option to withdraw acceptance tendered by him/them upto three working days prior to the date of closure of the offer i.e. upto 04/05/2005.

In case of any upward revision/withdrawal of the offer, the Public Announcement for the same would be made in the same newspapers where the original Public Announcement has appeared. The last date for such upward revision, if any, is 28/04/2005. Acquirers will pay the same price for all fully paid-up equity shares tendered during the offer period.

Equity Shareholders may note that if there is a competitive bid,

- **The public offers under all the subsisting bids shall close on the same date.**
- **As the offer price cannot be revised during 7 working days prior to the closing date of the 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.**

A copy of the Public Announcement and Letter of Offer (including form of acceptance cum acknowledgement and form of withdrawal) is also available at the website of SEBI **www.sebi.gov.in**

MANAGER TO THE OFFER

KEYNOTE
CORPORATE SERVICES LIMITED
307, Regent Chambers,
Nariman Point, Mumbai - 400 021
Tel. : (022) 2202 5230 Fax : (022) 2283 5467
e-mail: mbd@keynoteindia.net
SEBI Regn. No.: INM 000003606
AMBI Regn No: AMBI/040
Contact Person : Mr. Satish Mangutkar

REGISTRAR TO THE ISSUE

BIGSHARE SERVICES PVT. LTD.
E/2, Ansa Industrial Estate,
Saki Vihar Road, Sakinaka, Andheri(E),
Mumbai – 400 072.
Tel.: (022) 2847 3474 / 0652
e-mail: bigshare@bom7.vsnl.net.in
Fax: (022) 2847 5207
SEBI Regn. No.: INR000001385
Contact Person: Mr. Mahendra

Activity	Original		Revised	
	Date	Day	Date	Day
Public Announcement	20/12/2004	Monday	20/12/2004	Monday
Last date for a competitive bid	10/01/2005	Monday	10/01/2005	Monday
Specified Date	17/01/2005	Monday	17/01/2005	Monday
Date by which the Letter of Offer will be despatched to shareholders	01/02/2005	Tuesday	15/04/2005	Friday
Date of opening of the Offer	11/02/2005	Friday	20/04/2005	Wednesday
Last date for revising the offer price/ number of shares	18/02/2005	Friday	28/04/2005	Thursday
Last date for withdrawal of acceptance by the shareholders	24/02/2005	Thursday	04/05/2005	Wednesday
Date of closing of the Offer	02/03/2005	Wednesday	09/05/2005	Monday
Date of communication of rejection/acceptance payment of consideration for applications accepted	16/03/2005	Wednesday	23/05/2005	Monday

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DEFINITIONS

Acquirer	:	Shri Bharatbhai V. Changela
Persons Acting in Concert (PACs)		Mr. Atulkumar M. Patel, Mr. Bhagwanjibhai B. Patel, Mr. Vallabhbhai J. Patel, Mr. Dineshbhai M. Kalavadia, Mr. Praffulkumar G. Kalavadia, Mr. Sureshbhai B. Vamja, Mr. Vinubhai B. Changela
Date of Public Announcement	:	Monday, 20/12/2004
Letter of Offer/LOO	:	This Letter of Offer dated 11/04/2005.
Persons Eligible to participate in the Offer	:	Equity shareholders of Satguru Agro Industries Limited (other than Sellers) whose names appear on the Register of the Members of Satguru Agro Industries Limited at the close of business hours on 17/01/2005 (the **"Specified Date"**) and also those persons who own the shares at any time prior to the closure of the offer, but are not the registered equity shareholders.
SEBI	:	Securities and Exchange Board of India
Specified Date	:	Monday, 17/01/2005
The Regulations / SEBI (SAST) Regulations 1997	:	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and subsequent amendments thereof.
Target Company or SAL	:	Satguru Agro Industries Limited
Manager to the Offer/ Merchant Banker	:	Keynote Corporate Services Ltd.

RISK FACTORS

In Associating with the Acquirers

- The Acquirers alongwith the PACs are also engaged in the business of oil and de-oiled cakes. To that extent there would be a conflict of interest between the other ventures of the Acquirers and Satguru Agro Industries Ltd.
- Bana Refinery Pvt. Ltd. one of the ventures of the Acquirer has incurred a loss of Rs. 16.99 lacs for six months period ended 30/09/2004.
- Shri Mahalaxmi Extraction Pvt. Ltd. one of the ventures of the Acquirers has reported a loss of Rs. 30.77 lacs for the six months period ended 30/09/2004.

1. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE EQUITY SHAREHOLDERS OF SATGURU AGRO INDUSTRIES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR THE 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 MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER KEYNOTE CORPORATE SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 03/01/2005 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

2. DETAILS OF THE OFFER

2.1 Background of the offer

a) Mr. Bharatbhai V. Changela ('Acquirer'), residing at Om Sai building, 2nd floor, Near St. Xavier High School, Kolhapur, along with Mr. Atulkumar M. Patel, Mr. Bhagwanjibhai B. Patel, Mr. Vallabhbhai J. Patel, Mr. Dineshbhai M. Kalavadia, Mr. Praffulkumar G. Kalavadia, Mr. Sureshbhai B. Vamja, Mr. Vinubhai B. Changela ('Person Acting in Concert'/'PACs') (hereinafter collectively referred to as **" Acquirers"**) have under an agreement dated 17/12/2004 (**"The Agreement"**) agreed to acquire a total of 22,05,600 Equity Shares of Rs.10/- each representing in aggregate 49.07% of the paid up equity capital of Satguru Agro Industries Limited (**'SAL'** or **'Target Company'**), at a price of Re.1/- (Rupee One only) per equity share payable in cash (**"The Acquisition"**) from persons belonging to promoter group of SAL(**"The Sellers"**). Details of the equity shares proposed to be acquired are as follows:-

Name and Address of the Sellers	No. of Shares	% of paid up capital	Name and Address of the Acquirer/PAC	No. of Shares
Anuj Khetan 78, Khetan Bhavan, JB Nagar, Andheri Kurla Road, Mumbai - 400 059.	1,35,500	3.01	**Bharatbhai Changela** 2nd floor, Near St. Xavier High School, Kolhapur	1,35,500
Anupama Khetan 78, Khetan Bhavan, JB Nagar, Andheri Kurla Road, Mumbai - 400 059.	1,20,000	2.67	**Bhagwanjibhai Patel** A-3, Manusmurti Co-op Soc., 1184, Rajaram Road, Takala, Kolhapur	1,20,000
Anushree Khetan 78, Khetan Bhavan, JB Nagar, Andheri Kurla Road, Mumbai - 400 059.	1,46,500	3.26	**Bhagwanjibhai Patel** A-3, Manusmurti Co-op Soc., 1184, Rajaram Road, Takala, Kolhapur	1,34,136
			Dineshkumar Kalavadia Sakuntal Apt., 3rd Floor, Porbandar Road, Upleta, Gujarat	12,364
Kamal Khetan 78, Khetan Bhavan, JB Nagar, Andheri Kurla Road, Mumbai - 400 059.	17,600	0.39	**Dineshkumar Kalavadia** Sakuntal Apt., 3rd Floor, Porbandar Road, Upleta, Gujarat	17,600
Kamal Khetan (HUF) 78, Khetan Bhavan, JB Nagar, Andheri Kurla Road, Mumbai - 400 059.	75,000	1.67	**Bharatbhai Changela** 2nd floor, Near St. Xavier High School, Kolhapur	53,322
			Dineshkumar Kalavadia Sakuntal Apt., 3rd Floor, Porbandar Road, Upleta, Gujarat	21,678
Manisha Khetan 78, Khetan Bhavan, JB Nagar, Andheri Kurla Road, Mumbai - 400 059.	1,00,000	2.22	**Dineshkumar Kalavadia** Sakuntal Apt., 3rd Floor, Porbandar Road, Upleta, Gujarat	1,00,000
Mayflower Holdings (P) Ltd. 9 A, 2nd Fanas Wadi, Kalbadevi Road, Mumbai - 400 002.	4,600	0.10	**Bharatbhai Chanegela** 2nd floor, Near St. Xavier High School, Kolhapur	4,600
Meena Khetan 78, Khetan Bhavan, JB Nagar, Andheri Kurla Road, Mumbai - 400 059.	1,07,400	2.39	**Bhagwanjibhai Patel** A-3, Manusmurti Co-op Soc., 1184, Rajaram Road, Takala, Kolhapur	1,07,400
Panki Investments Ltd. 508, Gundecha Chambers, Nagindas Master Road, Fort, Mumbai 400 023.	1,77,300	3.95	**Bharatbhai Changela** 2nd floor, Near St. Xavier High School, Kolhapur	1,77,300
Satguru Securities India Ltd. C-4, Mukund Nagar Complex, Andheri Kurla Road, Andheri East, Mumbai 400 059.	2,50,000	5.56	**Atulkumar M. Patel** 13, Rajratna Apartment, 1183, Rajaram Road, Takala, Kolhapur	64,972
			Praffulkumar Kalavadia A-7, Manusmurti Co-op Soc., 1184, Rajaram Road, Takala, Kolhapur	1,85,028

Name and Address of the Sellers	No. of Shares	% of paid up capital	Name and Address of the Acquirer/PAC	No. of Shares
Shantidevi Khetan 78, Khetan Bhavan, JB Nagar, Andheri Kurla Road, Mumbai - 400 059.	1,22,000	2.72	**Dineshkumar Kalavadia** Sakuntal Appt., 3rd Floor, Porbandar Road, Upleta, Gujarat	1,22,000
Shrigopal Khetan 78, Khetan Bhavan, JB Nagar, Andheri Kurla Road, Mumbai - 400 059.	7,86,600	17.50	**Vinubhai Changela** 3rd Floor, Porbandar Road, Upleta, Gujarat	1,12,980
			Praffulkumar Kalavadia A-7, Manusmurti Co-op Soc., 1184, Rajaram Road, Takala, Kolhapur	40,932
			Sureshkumar Vamja A/2, Mahalaxmi Co-op Hdg. Society, 1142 E ward, Sykes Extension, Kolhapur - 416 001	3,38,940
			Vallabhbhai Patel "Mayur", Rajarampuri, 5th lane, Kolhapur	2,93,748
Vijay Khetan 78, Khetan Bhavan, JB Nagar, Andheri Kurla Road, Mumbai - 400 059.	100	0.00	**Bharatbhai Changela** 2nd floor, Near St. Xavier High School, Kolhapur	100
Vijay Khetan (HUF) 78, Khetan Bhavan, JB Nagar, Andheri Kurla Road, Mumbai - 400 059.	1,63,000	3.63	**Bharatbhai Changela** 2nd floor, Near St. Xavier High School, Kolhapur	2012
			Atulkumar Patel 13, Rajratna Apartment, 1183, Rajaram Road, Takala, Kolhapur	1,60,988
TOTAL	**22,05,600**	**49.07**		**22,05,600**

b) Pursuant to the aforesaid Agreement provisions of Regulation 10 read with Regulation 12 of SEBI (Substantial Acquisition of Shares and Takeovers), Regulations 1997 and subsequent amendments thereto (hereinafter referred to as 'Regulations') have been attracted. The Acquirers announced an offer under the Regulations, to acquire by tender upto 8,99,000 fully paid-up equity shares of Rs.10/- each of SAL representing 20% of its paid up equity share capital from the remaining shareholders of SAL (other than "Sellers") on the terms and subject to the conditions set out below, at a price of Rs.1.40 (Rupee One and Paise Forty Only)per equity share (the "Offer Price") payable in cash (the "Offer").

c) The offer is not subject to any minimum level of acceptance.

d) Acquirers/Sellers/SAL/persons in control of SAL are not included in the list of persons/entities debarred from accessing the capital market under Section 11 B of the SEBI Act, 1992 and there has been no action taken by SEBI under Section 11(B) of the SEBI Act, 1992.

e) The Acquirers will induct persons representing them on the Board of SAL after completion of the offer formalities.

2.2 Details Of The Proposed Offer

a) The Acquirers have made a Public Announcement for the Offer to the existing equity shareholders of SAL which was published on Monday, 20/12/2004 in compliance with Regulation 15 of the Regulations in all editions of 'Financial Express' being English National Daily, 'Jansatta' being Hindi National Daily, and 'Tarun Bharat' (Marathi) being regional daily at the place of the stock exchange where the equity shares of the company are most frequently traded and at a place where registered office of the target company is located. A copy of the Public Announcement is also available on the SEBI website at www.sebi.gov.in.

b) The Acquirers have announced an open offer under Regulation 10 read with Regulation 12 of the Regulations, to acquire by tender offer upto 8,99,000 fully paid-up equity shares of Rs.10/- each of SAL representing 20% of the paid-up equity share capital from the equity shareholders of SAL (other than the 'Sellers') on the terms and subject to the conditions set out in this Letter of Offer, at a price of Rs. 1.40 (Rupee One and Paise Forty Only) per fully paid-up equity share payable in cash.

c) The equity shares of SAL are listed on the stock exchanges at Mumbai (BSE), Ahmedabad (ASE) and Delhi (DSE). The equity shares of the company are not traded on these exchanges for the past six months. Thus the equity shares of SAL are termed as infrequently traded in terms of explanation (i) to Regulation 20(5) of the Regulations. The equity shares of SAL are included by BSE in the 'Z' category due to failure in signing agreement with both National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd. (CDSL) and establishing connectivity with both the depositories. Trading in the equity shares of SAL has been suspended by BSE w.e.f. 07/01/2002 for non-payment of listing fees for the year 2001-2002. The Company has not taken any steps for regularizing/resuming the trading on BSE.

d) The equity shares of SAL to be acquired, pursuant to the Offer, shall be free from all lien, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends or other distributions hereinafter declared, made or paid.

e) As on date Acquirers do not hold any equity shares of SAL other than those proposed to be acquired under the Agreement dated 17/12/2004.

3. RATIONALE FOR THE OFFER

a) Acquirers have been in the business of oil and de-oiled cakes and have vast experience in the same. SAL was established with the main objects as production and trading in edible oils & non edible oils. However the company has been incurring losses for many years. Acquirers propose to acquire the control of the company from its present promoters and revive the operations in the company using the experience gained in the business of manufacturing & trading in edible & non edible oils over the years. The Acquirers are confident that they will turn around the company.

b) The Acquirers have agreed to acquire 49.07% of the paid-up equity capital of SAL being the entire promoter holding in the company with the perspective of acquiring management control in the company. As a result of the Agreement the provisions of Regulation 10 read with Regulation 12 of the Regulations have been attracted. The present offer to the shareholders is pursuant to the Regulations.

c) Acquirers do not have any plans to dispose off or otherwise encumber any of the assets of SAL in the next two years except in the ordinary course of business of SAL. The Acquirers have undertaken not to sell, dispose off or otherwise encumber any substantial assets of SAL except with the prior approval of the shareholders.

4. BACKGROUND OF ACQUIRER

4.1 Acquirer:
Shri Bharatbhai V. Changela

i. Shri Bharatbhai V. Changela, aged 47 years, residing at Om Sai building, 2nd floor, Near St. Xavier High School, Kolhapur is a commerce graduate.

ii. He has 29 years of experience in various business activities. Under his leadership Shri Mahalaxmi Extraction Pvt. Ltd. and Bana Refinery Pvt. Ltd. are well established in Sangli and Kolhapur districts of Maharashtra in the business of oils and de-oiled cakes.

iii. M/s S.P. Marakatti & Co., Chartered Accountants, having their office at 260 'E', Prithvi Apartments, Block No. A-2, Ground Floor, Tarabai Park, Kolhapur - 416 003 (Membership No. 32738, Tel.: (0231) 2650312/2660036) vide their certificate dated 14/09/2004 have certified that the networth of Shri Bharatbhai V. Changela is Rs. 985.21 lacs as on 31/03/2004 and he has immediate access to liquid assets amounting to atleast a sum of Rs. 8.68 lacs.

iv. Shri Bharatbhai Changela has agreed to acquire 3,72,834 equity shares of SAL under the Agreement dated 17/12/2004. He proposes to acquire upto 1,93,285 equity shares out of the equity shares received under the open offer assuming full acceptance in the offer.

4.2 Persons Acting in Concert (PAC's)

a) Shri Atulkumar M. Patel

i. Shri Atulkumar M. Patel, aged 40 years, residing at 13, Rajratna Apartment, 1183, Rajaram Road, Takala, Kolhapur is Science graduate and M.B.A.

ii. He is the Managing Director of Bana Refinery Pvt. Ltd. and also a director in Mahalaxmi Extraction Pvt. Ltd. engaged in the business of oils and de-oiled cakes.

iii. M/s S.P. Marakatti & Co., Chartered Accountants, having their office at 260 'E', Prithvi Apartments, Block No. A-2, Ground Floor, Tarabai Park, Kolhapur - 416 003 (Membership No. 32738, Tel.: (0231) 2650312/2660036) vide their certificate dated 14/09/2004 have certified that the networth of Shri Atulkumar M. Patel is Rs. 6.50 lacs as on 31/03/2004 and he has immediate access to liquid assets amounting to atleast a sum of Rs. 5.25 lacs.

iv. Shri Atulkumar M. Patel has agreed to acquire 2,25,960 equity shares of SAL under the Agreement dated 17/12/2004. He proposes to acquire upto 89,900 equity shares out of the equity shares received under the open offer assuming full acceptance in the offer.

b) Shri Bhagwanjibhai B. Patel

i. Shri Bhagwanjibhai B. Patel, aged 58 years, residing at A-3, Manusmurti Co-op Soc., 1184, Rajaram Road, Takala, Kolhapur is engaged in various activities related to oil and de-oiled cake industries in Maharashtra.

ii. He is partner in M/s Bharat Trading Co., Kolhapur and Shri Mahalaxmi Oil Industries, Kolhapur. He is also a Director in Shri Mahalaxmi Extraction Pvt. Ltd. engaged in the business of oil and de-oiled cakes.

iii. M/s Abhyankar & Co., Chartered Accountants, having their office at 33, Shivaji Nagar, Opp. Congress Bhavan, Sangali - 416 416 (Membership No. 40934, Tel.: (0233) 2373420) vide their certificate dated 15/09/2004 have certified that the networth of Shri Bhagwanjibhai B. Patel is Rs. 26.81 lacs as on 31/03/2004 and he has immediate access to liquid assets amounting to atleast a sum of Rs. 8.41 lacs.

iv. Shri Bhagwanjibhai B. Patel has agreed to acquire 3,61,536 equity shares of SAL under the Agreement dated 17/12/2004. He proposes to acquire upto 1,43,840 equity shares out of the equity shares received under the open offer assuming full acceptance in the offer.

c) Shri Dineshbhai M. Kalavadia

i. Shri Dineshbhai M. Kalavadia, aged 44 years, residing at Sakuntal Apt., 3rd Floor, Porbandar Road, Upleta, Gujarat is a Science graduate.

ii. He has experience of 21 years in various activities related to oil and de-oiled cake industries in Maharashtra. He is partner in M/s Natraj Khandasari Ind., Gujarat and also a director in Shri Mahalaxmi Extraction Pvt. Ltd. and Bana Refinery Pvt. Ltd. engaged in the business of oil and de-oiled cakes.

iii. M/s Praful Patel & Co., Chartered Accountants, having their office at F-19, Manik Chambers, Sykes Extension, Kolhapur - 416001. (Membership No. 106274, Tel.: (0231) 5682622/3104294) vide their certificate dated 27/09/2004 have certified that the networth of Shri Dineshbhai M. Kalavadia is Rs. 12.06 lacs as on 31/03/2004 and he has immediate access to liquid assets amounting to atleast a sum of Rs. 7.63 lacs.

iv. Shri Dineshbhai M. Kalavadia has agreed to acquire 2,73,642 equity shares of SAL under the Agreement dated 17/12/2004. He proposes to acquire upto 1,30,355 equity shares out of the equity shares received under the open offer assuming full acceptance in the offer.

d) Shri Praffulkumar G. Kalavadia

i. Shri Praffulkumar G. Kalavadia, aged 49 years, residing at A-7, Manusmurti Co-op Soc., 1184, Rajaram Road, Takala, Kolhapur is a commerce graduate.

ii. He is engaged in various activities related to oil industries since last 23 years. He is a Director in Bana Refinery Pvt. Ltd. and Shri Mahalaxmi Extraction Pvt. Ltd.

iii. M/s Praful Patel & Co., Chartered Accountants, having their office at F-19, Manik Chambers, Sykes Extension, Kolhapur - 416001. (Membership No. 106274, Tel.: (0231) 5682622/3104294) vide their certificate dated 16/09/2004 have certified that the networth of Shri Praffulkumar G. Kalavadia is Rs. 2.61 lacs as on 31/03/2004 and he has immediate access to liquid assets amounting to atleast a sum of Rs. 2.11 lacs.

iv. Shri Praffulkumar G. Kalavadia has agreed to acquire 2,25,960 equity shares of SAL under the Agreement dated 17/12/2004. He proposes to acquire upto 89,900 equity shares out of the equity shares received under the open offer assuming full acceptance in the offer.

e) Shri Sureshbhai B. Vamja

i. Shri Sureshbhai B. Vamja, aged 46 years, residing at A/2, Mahalaxmi Co-op Hdg. Society, 1142 E ward, Sykes Extension, Kolhapur - 416 001 is a Science graduate.

ii. He has 25 years experience in various activities related to oil and de-oiled cake industries in Maharashtra. He is a partner in Shri Mahalaxmi Oil Industries, Kolhapur. He is a Director in Shri Mahalaxmi Extraction Pvt. Ltd. engaged in the business of oil and de-oiled cakes.

iii. M/s Praful Patel & Co., Chartered Accountants, having their office at F-19, Manik Chambers, Sykes Extension, Kolhapur - 416 001 (Membership No. 106274, Tel.: (0231) 5682622) vide their certificate dated 16/09/2004 have certified that the networth of Shri Sureshbhai B. Patel is Rs. 16.88 lacs as on 31/03/2004 and he has immediate access to liquid assets amounting to atleast a sum of Rs.7.89 lacs.

iv. Shri Sureshbhai B. Vamja has agreed to acquire 3,38,940 equity shares of SAL under the Agreement dated 17/12/2004. He proposes to acquire upto 1,34,850 equity shares out of the equity shares received under the open offer assuming full acceptance in the offer.

f) Shri Vallabhbhai J. Patel

i. Shri Vallabhbhai J. Patel, aged 45 years, residing at "Mayur", Rajarampuri, 5th lane, Kolhapur is a commerce graduate.

ii. He is a partner in Shri Mahalaxmi Oil Industries, Kolhapur. He is a Director in Shri Mahalaxmi Extraction Pvt. Ltd. engaged in the business of oil and de-oiled cakes. He has 21 years experience in the field of manufacturing and trading of edible oil.

iii. M/s. Abhyankar & Co., Chartered Accountants, having their office at 33, Shivaji Nagar, Opp. Congress Bhavan, Sangali - 416 416 (Membership No. 40934, Tel.: (0233) 2373420) vide their certificate dated 15/09/2004 have certified that the networth of Shri Vallabhbhai J. Patel is Rs.25.63 lacs as on 31/03/2004 and he has immediate access to liquid assets amounting to atleast a sum of Rs.6.83 lacs.

iv. Shri Vallabhbhai J. Patel has agreed to acquire 2,93,748 equity shares of SAL under the Agreement dated 17/12/2004. He proposes to acquire upto 1,16,870 equity shares out of the equity shares received under the open offer assuming full acceptance in the offer.

g) Shri Vinubhai B. Changela

i. Shri Vinubhai B. Patel, aged 72 years, residing at Sakuntal Appt., 3rd Floor, Porbandar Road, Upleta, Gujarat is a farmer and has an experience of trading in agricultural products.

ii. Shri Vinubhai B. Patel has agreed to acquire 1,12,980 equity shares of SAL under the Agreement dated 17/12/2004. Shri Vinubhai Patel will not be acquiring any shares received under the open offer.

The nature of relationship existing between the Acquirer/PACs is detailed below:

Name of the Acquirer/PAC	Relationship, if any with any other Acquirer/PAC
Atulkumar Mohanlal Patel	Not related to any other Acquirer/PACs
Bhagwanjibhai B. Patel	Related to Sureshbhai B. Vamja
Bharatbhai V. Changela	Son of Vinubhai B. Changela
Dineshkumar M. Kalavadia	Not related to any other Acquirer/PACs
Praffulbhai G. Kalavadia	Not related to any other Acquirer/PACs
Vallabhbhai J. Patel	Not related to any other Acquirer/PACs
Vinubhai B. Changela	Father of Bharatbhai V. Changela.
Sureshbhai Vamja	Related to Bhagwanjibhai B. Patel

4.3 The acquirers have neither promoted any listed company, nor have any controlling stake in any listed company.

4.4 None of the Acquirers and PACs are on the Board of Directors of SAL

4.5 Brief details of other ventures promoted by the Acquirers are given below:-

a) SHRI MAHALAXMI OIL INDUSTRIES

Name of the partnership firm	Shri Mahalaxmi Oil Industries
Date of Incorporation	1990
Name of the partners	Shri Vallabhbhai Patel, Shri Sureshkumar Becharbhai Patel, Shri Sandeepkumar Patel and Shri Manjulaben Patel
Nature of activities	Processing of groundnuts and groundnut seeds

Brief financials based on audited accounts are given below:

(Rs. in lacs)

Particulars	31/03/2002	31/03/2003	31/03/2004	Six months ended 30/09/2004
Partner's capital	17.42	17.45	20.76	22.76
Total Income	90.37	112.75	98.24	52.04
Profit/(Loss) before Interest Depreciation and Tax	6.84	3.69	5.60	3.22
Interest	5.30	2.13	4.51	2.68
Depreciation	1.17	0.95	0.78	–
Tax	–	–	–	–
Profit After Tax	0.37	0.61	0.31	0.54

b) SHRI MAHALAXMI EXTRACTION PVT. LTD.

Name of the Company	Shri Mahalaxmi Extraction Pvt. Ltd.
Date of Incorporation	06/12/2001
Name of the Directors	Shri Bharatbhai V. Changela, Shri Dineshbhai M. Kalavadia, Shri Praffulbhai G. Kalavadia, Shri Kirtikumar V. Kalavadia, Shri Atulkumar M. Patel, Shri Bhagwanjibhai B. Patel, Shri Sureshbhai B. Vamja, Shri Vallabhbhai J. Patel, Shri Nilesh B. Patel and Shri Manav V. Changela
Nature of activities	Solvent extract process of soyabean seed, rape seed cake,sunflower cake and refining of said cakes.

Brief financials based on audited accounts are given below:

(Rs. in lacs)

Particulars	31/03/2002	31/03/2003	31/03/2004	Six months ended 30/09/2004
Paid up equity capital	46.00	46.00	46.00	46.00
Reserves & Surplus	–	11.93	25.83	N.A.
Total Income	–	1334.80	2767.65	1222.60
Profit/(Loss) before Interest, Depreciation and Tax	–	57.65	89.63	(26.15)
Interest	–	17.79	44.54	4.62
Depreciation	–	21.16	22.26	–
Profit Before Tax	–	18.70	22.83	(30.77)
Tax	–	2.50	6.00	–
Profit After Tax	–	16.20	16.83	(30.77)
EPS (Rs.)	–	35.21	36.59	(66.89)
Book Value (Face Value = Rs. 100/- per share)	100.00	123.00	153.54	N.A.

N.A. = Not Available

The Company is not a Sick Industrial Company within the meaning of Clause (O) of Sub-Section (1) of Sec. 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

c) BANA REFINERY PVT. LTD.

Name of the Company	Bana Refinery Pvt. Ltd.
Date of Incorporation	19/12/1996
Name of the Directors	Shri Bharatbhai V. Changela, Shri Dineshbhai M. Kalavadia, Shri Praffulbhai G. Kalavadia, Shri Kirtikumar V. Kalavadia and Shri Atulkumar M. Patel,
Nature of activities	Refining of all types of edible crude oils viz. soyabean, cottonseed, rapeseed, sunflower etc.

Brief financials based on audited accounts for the last three years are given below

(Rs. in lacs)

Particulars	31/03/2002	31/03/2003	31/03/2004	Six months ended 30/09/2004
Paid up equity capital	37.28	37.28	37.28	37.28
Reserves & Surplus	–	2.29	–	–
Total Income	853.89	777.78	301.48	93.42
Profit/(Loss) before Interest, Depreciation and Tax	14.60	14.63	4.61	(11.20)
Interest	4.82	5.12	5.82	3.92
Depreciation	5.33	4.79	4.35	1.87
Profit Before Tax	4.45	4.72	(5.56)	(16.99)
Tax	0.39	0.39	–	–
Profit After Tax	4.06	4.33	(5.56)	(16.99)
EPS (Rs.)	1.09	1.16	(1.49)	(4.56)
Book Value (Face Value = Rs. 10/- per share)	9.46	10.61	9.12	N.A.

N.A. = Not Available

The Company is not a Sick Industrial Company within the meaning of Clause (O) of Sub-Section (1) of Sec. 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

5. BACKGROUND OF THE TARGET COMPANY/SAL

a) Satguru Agro Industries Ltd. was incorporated as Public Ltd. company on 15/11/1991 under the Companies Act, 1956 with the main object of the company being production and trading of agricultural products such as edible oils and non-edible oils etc. The registered office of the company and factory is located at A2 & A3, MIDC Industrial Area, Chincholi, Dist. Solapur - 413255 (Tel No. (0217) 3091179/2357126;Fax(0217) 2357125)

b) The company made its first issue of equity shares to the public through a prospectus dated 09/03/1992. The equity shares of the company were listed on the stock exchanges at Mumbai, Ahmedabad and Delhi. The paid up equity share capital of the Company comprises of 44,95,000 equity shares of Rs.10/- each aggregating to Rs. 449.50 lacs. There are no partly paid up shares in the Company. The details of the share capital structure of the company is as follows

Paid-up Equity Shares	No. of shares/voting rights	% of paid up capital
Fully paid up equity shares	44,95,000	100
Partly paid up equity shares	–	–
Total paid up equity shares	44,95,000	100
Total voting rights in the company	44,95,000	100

c) Details of the share capital history of the company are as follows:

Sr. No.	No. & % of shares issued	Cumulative paid up capital	Mode of allotment	Identification of the allottees	Status of compliance
1.	700 (0.02)	700	Pre-Issue allotment to Promoters	Promoters	Capital issued before the public issue
2.	37,94,300 (84.41)	37,95,000	Public Issue	Promoters and Public	Issue of shares in terms of Prospectus in 1992
3.	7,00,000 (15.57)	44,95,000	Preferential Allotment	Promoters	The Company has allotted 7,00,000 equity shares on a preferential basis to Shri Gopal Khetan (4,70,000 shares) and Panki Investments Ltd (2,30,000 shares) in terms of a special resolution u/s 81 of the Companies Act 1956 in the Annual General Meeting held on 17/09/1994. However, these shares are not listed on the BSE. The Company under the new management will comply with all the formalities to list the said shares.
Total	**44,95,000 (100%)**	**44,95,000**			

d) The company has been incurring losses since the past many years. The Company has a negative EPS, RONW and Book Value. During this period the networth of the company was eroded and the company became a sick industrial unit and defaulted on some statutory dues.

A demand of Rs. 1,65,044/- has been raised by Sub. Regional Commissioner of Employee's Provident Fund Organisation which is disputed. The Company has the liability of Provident Fund of Rs. 14,077/-, which has not yet been paid. The company has liability of Rs. 24,515/- of Income Tax, which is under dispute.

The company has approached the Board for Industrial & Financial Reconstruction (BIFR) for a rehabilitation package under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985 vide their reference dated 18/06/2001 and has received confirmation from Govt. of India, Ministry of Finance, Dept. of Economic Affair, Board of Industrial & Financial Reconstruction, Jawahar Vyapar Bhawan, New Delhi vide their letter No. 3 (9S-49)BC/2001 dated 29/06/2001. The case No. registered is 257/2001.

In the meantime, the Company, in its endeavour to reduce the Secured Borrowing, paid back part of agreed amount under One Time Settlement (OTS) to the SICOM. The company has also paid all the dues to Punjab National Bank as per the OTS agreed upon.

e) The equity shares of the company are listed on the stock exchanges at Ahmedabad, Mumbai and Delhi. The equity shares are included in the 'Z'category by BSE. Trading in the equity shares is currently under suspension on the BSE on account of non payment of listing fees for the year 2001-02. The equity shares have not been traded on any of the stock exchanges where they are listed for the past many years and thus termed as infrequently traded in terms of explanation (i) to Reg. 20(5) of the Regulations.

f) The company has not paid listing fees and is not complying with the provisions of the listing agreements entered into with any of the stock exchanges. The Company has not taken any steps for regularizing/resuming the trading on BSE. There are 26 investor grievances pending against the company and SAL has received letter no. IM/PEND/11/2004 dated 20/11/2004 from SEBI in respect of these grievances. Acquirer has appointed Registrar and Share Transfer Agent (RTA), Bigshare Services Pvt. Ltd., who will look after the investor grievances. Acquirer proposes to continue with the RTA for future compliances. The Company under the new management will appoint the Compliance Officer to resolve all the pending investor grievances.

g) There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date. There are no shares under lock-in period. There has been no merger/demerger or spin off in the company during the past three years.

h) The equity shares of SAL are available only in physical form and the market lot of the shares is 100.

i) The company has not complied with provisions of Regulations 6(2), 6(4) for the year 1997 and Regulation 8(3) for the years 1998, 1999, 2000, 2001, 2002, 2003 & 2004. The company has received letter no.CFD/DCR/RC/TO/13060/04 dated 10/09/2004 from SEBI in respect of violations upto the year 2002 and the company has been asked to file the consent for paying penalty amounting to Rs.1.75 lacs. The company has vide its letter dated 15/10/2004 consented to pay the requisite penalty.

j) The details of the Board of Directors of SAL are as follows:

Name, Designation, & Address	Experience (years)	Qualification	Date of Appointment
Shri Shrigopal Khetan Chairman 78, JB Nagar, Khetan Bhavan, Andheri Kurla Road, Andheri (East), Mumbai - 400 0059	12	S.S.C.	15/11/1991
Shri Vijay Khetan Director 78, JB Nagar, Khetan Bhavan, Andheri Kurla Road, Andheri (East), Mumbai - 400 0059	12	B.Com	15/11/1991
Shri Kamal Khetan Director 78, JB Nagar, Khetan Bhavan, Andheri Kurla Road, Andheri (East), Mumbai - 400 0059	12	B.E. (Electronics)	15/11/1991

There are no directors representing the Acquirers on the Board of the Company.

k) Brief audited financial details of SAL for the last 3 financial years and certified financials for the six month period ended 30/09/2004 are as follows :

(Rs. in lacs)

PROFIT & LOSS STATEMENT FOR THE PERIOD ENDED MARCH 31	2002	2003	2004	Six Months period ended 30/09/2004
Income from operations	20.82	13.54	3.21	10.28
Increase/(Decrease) in Stock	(27.36)	(2.53)	(0.52)	(18.76)
Sundry Credit Balance Written Back	–	–	1.02	–
Other Income	0.18	–	–	195.60*
Total Income	(6.36)	11.01	3.71	187.12
Total Expenditure	41.64	36.79	31.68	3.94
Profit Before Depreciation, Interest and Tax	(48.00)	(25.78)	(27.97)	183.18
Depreciation	29.69	33.80	33.03	15.91
Interest	43.72	152.60	0.01	–
Profit Before Tax	(121.41)	(212.18)	(61.01)	167.27
Less: Non operational income (Adjustment)	–	–	–	195.60*
Profit After Tax	**(121.41)**	**(212.18)**	**(61.01)**	**(28.33)**

SAL witnessed a decline in its operative income in the FY 2003 and FY 2004 because the company could not run its plant on account of poor market demand. Due to depreciation and overhead expenses, the company has incurred losses.

*The Company had made One Time Settlement (OTS) in respect of its outstanding dues to SICOM & Punjab National Bank. Accordingly payment have been made to these entities. The figure of Rs. 195.60 lacs represents the set off of the principal amount available to the Company on account of OTS with them. The same is a non-cash extra-ordinary adjustment which has been reduced, as the same is non-operational in nature.

(Rs. in lacs)

BALANCE SHEET STATEMENT AS ON MARCH 31	2002	2003	2004
Sources of funds			
Paid up share capital	449.50	449.50	449.50
Profit and Loss A/c	(589.11)	(794.29)	(855.29)
Miscellaneous Expenditure	(3.78)	(1.16)	–
Networth	**(143.39)**	**(345.95)**	**(405.79)**
Secured Loans	621.42	775.90	755.89
Unsecured Loans	–	–	–
Total	**478.03**	**429.95**	**350.11**
Uses of funds			
Net fixed assets	399.50	360.71	327.68
Investments	–	–	–
Net Current Assets	78.53	69.24	22.43
Total	**478.03**	**429.95**	**350.11**

Other Financial Data	2002	2003	2004	Six Months period ended 30/09/2004
Dividend (%)	–	–	–	–
Earning Per Share (Rs.)	2.70	4.72	(1.36)	(0.63)
Return on Networth (%)	Negative	Negative	Negative	(11.88)
Book Value Per Share (Face Value= Rs. 10/-) (Rs.)	(3.19)	(7.70)	(9.03)	(5.29)

l) Pre and Post- Offer equity shareholding pattern of the Target Company is as follows:

Shareholders Category	Shareholding & voting rights prior to the offer (A)		Shares / voting rights agreed to be acquired which triggered off the Regulations (B)		Shares/Voting rights to be acquired in open offer (Assuming full acceptances) (C)		Share holding / voting rights after the acquisition and offer (D)	
	No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
1. Promoter Group								
(a) Sellers	22,05,600	49.07	–	–	–	–	–	–
(b) Persons Acting in Concert	–	–	–	–	–	–	–	–
Sub Total 1 (a+b)	22,05,600	49.07	–	–	–	–	–	–
2. a) Acquirer Shri Bharatbhai Changela	–	–	3,72,834	8.29	1,93,285	4.30	5,66,119	12.59
2 b) PACs i) Shri Atulkumar Patel	–	–	2,25,960	5.03	89,900	2.00	3,15,860	7.03
ii) Shri Bhagwanjibhai Patel	–	–	3,61,536	8.04	1,43,840	3.20	5,05,376	11.24
iii) Shri Dinesh Kalavadia	–	–	2,73,642	6.09	1,30,355	2.90	4,03,997	8.99
iv) Shri Praffulkumar Kalavadia	–	–	2,25,960	5.03	89,900	2.00	3,15,860	7.03
v) Shri Sureshbhai Vamja	–	–	3,38,940	7.54	1,34,850	3.00	4,73,790	10.54
vi) Shri Vallabhbhai Patel	–	–	2,93,748	6.54	1,16,870	2.60	4,10,618	9.14
vii) Shri Vinubhai Changela	–	–	1,12,980	2.51	–	0.00	1,12,980	2.51
Sub Total 2	–	–	22,05,600	49.07	8,99,000	20.00	31,04,600	69.07

Shareholders Category	Shareholding & voting rights prior to the offer (A)		Shares / voting rights agreed to be acquired which triggered off the Regulations (B)		Shares/Voting rights to be acquired in open offer (Assuming full acceptances) (C)		Share holding / voting rights after the acquisition and offer (D)	
	No.	%	No.	%	No.	%	No.	%
3. Parties to agreement	–	–	–	–	–	–	–	–
other than (1) (a) & (2)								
4. Public (other than Acquirer, Parties	–	–	–	–	–	–	13,90,400	30.93
to the Agreement and persons								
in promoter group)								
a) FIs/MFs/FIIs/Banks, SFIs	–	–	–	–	–	–		
b) Others (No. of shareholders = 16,304)	22,89,400	50.93	–	–	–	–		
Sub-total 4 (a + b)								
Total (1+2+3+4)	44,95,000	100.00	22,05,600	49.07	8,99,000	20.00	44,95,000	100.00

m) The Company has not been following the provisions of clause 49A of the Listing Agreement entered with the Stock Exchange.

n) The Company does not have a compliance officer.

6. OFFER PRICE

Justification of Offer Price:

The equity shares of SAL are listed on The Stock Exchange, Mumbai (BSE), Ahmedabad(ASE) and Delhi (DSE) The equity shares of the Company have not been traded on these stock exchanges for the past six months.

Name of stock exchange	Total Shares traded during the 6 calendar months prior to the month in which the public announcement was made	Total no. of listed Shares	Annualized Trading turnover (in terms of % to total listed shares)
BSE	Not Traded	37,95,000	–
ASE	Not Traded	37,95,000	–
DSE	Not Traded	37,95,000	–

Thus the equity shares of SAL are infrequently traded on these exchanges in terms of Explanation (i) to Regulation 20(5) of the Regulations. The offer price of Rs. 1.40 per share, has been determined as per Regulation 20(5) of the Regulations taking into account the following factors:

a) Negotiated price under the agreement	Re. 1.00	
b) Highest price paid by the Acquirer for acquisition including by way of allotment in a public or rights issue, if any during the twenty six weeks prior to the date of Public Announcement	Not Applicable	
c) Other Parameters	**Based on audited accounts ended 31/03/2004**	**Based on figures for Six months ended 30/09/2004 (certified)**
Return on Networth(%)	(15.03)	(11.88)
Book Value(Rs.)	(9.03)	(5.29)
Earning Per Share (EPS)(Rs.)	(1.36)	(0.63)

As per audited accounts for the year ended 31/03/2004 the company has posted a loss of Rs. 61.01 lacs. The company has a negative networth and a negative book value as on 31/03/2004.

The equity shares of SAL have been included in 'Z' category by BSE and are under suspension. The offer price of Rs. 1.40 per share is more than the acquisition price i.e Re. 1/- paid by the Acquirers for acquisition of 49.07% stake through the Agreement mentioned at clause(a) above.

Acquirers have not entered into any non compete agreement.

In view of the above factors the offer price of Rs. 1.40 per share is justified.

7. FINANCIAL ARRANGEMENT

a) The total funds required to implement the offer are Rs. 12.59 Lacs (Rupees Twelve Lacs Fifty Nine Thousand Only). The Acquirers have deposited Rs. 12.60 Lacs being entire amount of the consideration in an Escrow Account in terms of Regulation 28 with the State Bank of India, Nariman Point Branch, Mumbai in the form of Fixed Deposit. Acquirers have duly authorized the Manager to the Offer to realise the value of the Escrow Account in terms of the Regulations.

b) The financial obligations under the offer will be fulfilled through internal resources of the Acquirers and not from banks, financial institutions or foreign sources i.e. from Non Resident Indians or otherwise.

c) The Manager to the Offer is satisfied about the ability of the Acquirers to implement the offer as firm financial arrangement through verifiable means are in place to fulfill the offer obligations.

8. TERMS AND CONDITIONS OF THE OFFER

a) There are no equity shares of SAL under lock-in.

b) The equity shares of SAL are only available in physical form and not in dematerialised form.

c) **Eligibility for accepting the Offer:** The offer is being made to the equity shareholders of SAL (other than Sellers) whose names appear on the Register of the Members of SAL at the close of business hours on 17/01/2005 (the **"Specified Date"**) and also to those persons who own the equity shares at any time prior to the closure of the offer, but are not the registered equity shareholders.

d) **Statutory Approvals:** As on date no approvals, statutory or otherwise, are required under the Companies Act 1956, Monopolies and Restrictive Trade Practices Act, 1969, the Foreign Exchange Management Act. 1999 and /or any other applicable laws and from any bank and/ or financial institutions for the said acquisition.

e) Subject to the conditions governing this Offer as mentioned herein, the acceptance of this offer by the equity shareholders of SAL must be absolute and unqualified. Any acceptance to this offer which is conditional and incomplete in any respect will be rejected without assigning any reason whatsoever.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT.

9.1 Procedure for accepting the offer by eligible persons

The equity shareholders of SAL who qualify and who wish to avail of this Offer (hereinafter referred to as "Acceptor") will have to deliver the relevant documents as mentioned at point (a) and (b) below as applicable to the Registrar to the Offer M/s Bigshare Services Pvt. Ltd., (SEBI Regn. No.: INR000001385) at the address mentioned on the cover page of this Letter of Offer by hand delivery or Registered Post between 10.30 am. to 4.30 pm on all working days i.e. other than Sundays and public holidays.

a) Registered equity shareholders should enclose:

i. Form of Acceptance cum acknowledgement duly completed and signed in accordance with the instructions contained therein, by all equity shareholders whose name appears on the share certificates.
ii. Original share certificate(s)
iii. Valid share transfer form(s) duly signed as transferors by all registered equity shareholders (in case of joint holdings), in the same order and as per the specimen signatures registered with and duly witnessed at the appropriate place.

b) Unregistered owners of equity shares should enclose:

i. Form of acceptance cum acknowledgement duly completed and signed in accordance with the instructions contained therein.
ii. Original share certificate(s)
iii. Original broker contract note of a registered broker of a recognized stock exchange.
iv. Valid share transfer form(s) as received from the market. The details of the buyer should be left blank. If the details of the buyer are filled in, the tender will not be valid under the offer. Acquirer's name will be subsequently filled in upon verifying the validity of the share transfer form.
v. No indemnity is needed from unregistered equity shareholders.

NO DOCUMENT SHOULD BE SENT TO THE ACQUIRER/PACs OR TO SAL (THE COMPANY)

9.2 OFFER PERIOD

a) Offer period is the period between the date of Public announcement and the date of completion of offer formalities relating to the offer.
b) This Offer will remain open on all working days (i.e. excluding Sunday and Public Holidays) between 20/04/2005 to 09/05/2005 (both days inclusive). The equity shareholders of SAL who wish to avail of this offer shall be required to send their acceptance in the manner stated above so as to reach the Registrar to the Offer on or before 09/05/2005.
c) The form of acceptance along with the Share Certificate(s) and other documents delivered shall become acceptance on the part of the shareholder, but will become a fully valid and binding contract between shareholder and Acquirers only upon the fulfillment of all conditions mentioned herein.
d) On fulfillment of the conditions herein mentioned, the Acquirers will pay the Offer price by crossed Account Payee Pay Orders/ Demand Drafts which will be sent by Registered Post to the equity shareholders of SAL, whose acceptance to the offer are accepted by the Acquirers, at the address registered with the Company. The Pay Orders/ Demand Drafts will be drawn in the name of first named shareholder in case of joint shareholding. In case of unregistered owners of the shares, payment will be made as per mandate given by such owner. The unregistered owner may give a mandate for drawing the pay order / demand draft in the name of the person whose bank details may be furnished by him in the Form of Acceptance for incorporating in the Pay Order / Demand Draft.
e) In case the aggregate of the valid responses to the offer exceeds offer size, then the Acquirers shall accept the valid applications received on a proportionate basis in accordance with Regulation 21 (6) of the Regulations. The market lot of the shares is 100.

9.3 WITHDRAWAL OPTION

a) The equity shareholders, who are desirous of withdrawing their acceptances tendered in the offer, can do so upto three working days prior to the date of the closure of the offer i.e. on or before 04/05/2005. The withdrawal option can be exercised by submitting the 'Form of Withdrawal' (separately enclosed with Letter of Offer) to the Registrar to the Offer, Bigshare Services Pvt. Ltd., so as to reach them on or before 04/05/2005.
b) In case of non-receipt of 'Form of withdrawal', the withdrawal option can be exercised by making an application on plain paper mentioning Name, Address, distinctive numbers, folio nos., number of shares tendered/withdrawn, and
c) The form of Withdrawal can also be downloaded from SEBI's website www.sebi.gov.in or obtained from the Manager/ Registrar to the Offer.

9.4 Procedure for acceptance of the offer by the equity shareholders who do not receive the Letter of Offer and procedure for settlement

In case of non-receipt of the offer document, the unregistered equity shareholders who wish to accept the offer should communicate their acceptance in writing on a plain paper stating the name, address, no. of shares held, distinctive numbers, folio number, no. of shares offered, to the Registrar to the Offer together with relevant share certificate(s), the transfer deed(s) and the original contract note issued by share broker of a recognized stock exchange through whom they acquired the equity shares before the close of the Offer, i.e.09/05/2005. Such equity shareholders may also download a copy of the form of acceptance cum acknowledgement from SEBI's website at www.sebi.gov.in and use the same.

10. GENERAL

a) Acquirers can revise the price upwards upto seven working days prior to closure of the offer and revision if any in the offer price would appear in the same newspapers where the Public Announcement has appeared. The same price would be paid to all shareholders who tender their shares in the offer.

b) Shareholders may note that if there is a competitive bid, the public offers under all the subsisting bids shall close on the same date. As the offer price can not be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.

c) For any queries regarding the Offer the shareholders / applicants may contact the Registrar to the Offer at the address mentioned in this Letter of Offer.

d) The share certificates will be held in trust by the Registrar to the Offer till the acquirers complete the offer obligations in terms of the Regulations.

e) Acquirers shall acquire the equity shares from the shareholders of the Company who have validly tendered the equity shares under the Offer (i.e. equity shares and other documents are in order in accordance with the terms of the Offer) and remit the consideration in respect thereof on or before 23/05/2005 in cash by Account Payee Pay Order / Demand Draft. Any delay will attract interest in terms of Regulation 22(12) of SEBI (SAST) Regulations 1997. The information as to whether the equity shares tendered by them have been accepted (in full or in part) or rejected and consideration payable would be sent by Registered Post.

f) The unaccepted shares/documents will be returned to the shareholders by Registered Post.

g) Pursuant to the Regulation 13, the Acquirer has appointed Keynote Corporate Services Ltd. as the Manager to the Offer.

h) Keynote Corporate Services Limited, the Manager to the Offer, does not hold any equity shares of SAL. Further, they have undertaken not to deal in the equity shares of SAL upto a period of fifteen days after closure of the offer.

i) Acquirers accept full responsibility for the information contained in this Letter of Offer and also for the obligations of Acquirers as laid down in the Regulations.

11. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of Acquirer to the Offer mentioned on cover page of this document from 11.00 a.m. to 3.00 p.m. on any working day until the Offer closes.

1. Copy of Agreement dated 17/12/2004 between Acquirers and the Sellers in respect of the proposed acquisition
2. Copy of MOU dated 17/12/2004 between Keynote Corporate Services Ltd., Manager to the Offer and Acquirers.
3. Copy of MOU dated 17/12/2004 between Bigshare Services Pvt. Ltd, Registrar to the Offer and Acquirers.
4. Memorandum and Articles of Association of SAL.
5. Copies of Annual Report of SAL for the financial years 2001-02, 2002-03 and 2003-04 and certified financials for the six months ended 30/09/2004
6. Details of Board of Directors of SAL
7. Copy of prospectus dated 09/03/1992 in respect of the public issue of SAL.
8. Copy of letter no.CFD/DCR/RC/TO/13060/04 dated 10/09/2004 received from SEBI in respect of violation of takeover regulations 6(2) and 6(4) for 1997 and 8(3) for 1998, 1999, 2000, 2001 and 2002.
9. Copy of certificate dated 27/09/2004 received from Praful Patel & Co., Chartered Accountants, regarding the ability of Mr. Dineshkumar Maganlal Kalavadia to complete the formalities under the Regulations.
10. Copy of certificate dated 16/09/2004 received from Praful Patel & Co., Chartered Accountants, regarding the ability of Mr. Praffulkumar Govindbhai Kalavadia to complete the formalities under the Regulations.
11. Copy of certificate dated 14/09/2004 received from S.P. Marakatti & Co., Chartered Accountants, regarding the ability of Mr. Bhartbhai Vinubhai Changela to complete the formalities under the Regulations.
12. Copy of certificate dated 15/09/2004 received from Abhyankar & Co., Chartered Accountants, regarding the ability of Mr. Bhagwanjibhai Bhovanbhai Patel to complete the formalities under the Regulations.
13. Copy of certificate dated 16/09/2004 received from S.P. Marakatti & Co., Chartered Accountants, regarding the ability of Mr. Atulkumar Mohanbhail Patel to complete the formalities under the Regulations.
14. Copy of certificate dated 15/09/2004 received from Abhyankar & Co., Chartered Accountants, regarding the ability of Mr. Vallabhbhai Jairambhai Patel to complete the formalities under the Regulations.
15. Copy of certificate dated 16/09/2004 received from Praful Patel & Co., Chartered Accountants, regarding the ability of Mr. Sureshbhai Becharbhai Vamja to complete the formalities under the Regulations.
16. Copies of the Profit and Loss A/c and Balance Sheet of the following ventures of the Acquirers

    Shri Mahalaxmi Oil Industries

    Shri Mahalaxmi Oil Extraction Pvt. Ltd.

    Bana Refinery Pvt. Ltd.
17. Copy of Letter No. 3(S-49) BC/2001 dated 29/06/2001 received from Govt. of India, Ministry of Finance, Dept. of Economic Affair, Board for Industrial & Financial Reconstruction, New Delhi.
18. Copies of undertaking from Acquirers & Target Company.
19. Copy of Public Announcement as published in the newspaper on 02/10/2004.
20. Copy of Fixed Deposit Receipt issued by State Bank of India, Nariman Point Branch, Mumbai, in terms of the Escrow requirements.
21. Copy of letter No. CFD/DCR/NM/TO/37777/05 dated 06/04/2005 received from Securities and Exchange Board of India in terms of provisions of Regulation 18(2) of the Regulations.

12. DECLARATION BY THE ACQUIRERS

The Acquirer/PACs accept full responsibility for the information contained in the Public Announcement and Letter of Offer and will be jointly and severally responsible for ensuring compliance with the obligations of Acquirer/PACs as laid down in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto.

Sd/-
Bharatbhai Changela
(On behalf of the Persons Acting in Concert)

Place: Mumbai
Date: 11/04/2005

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)
FORM OF ACCEPTANCE - CUM – ACKNOWLEDGEMENT

OFFER
OPENS ON : WEDNESDAY APRIL 20, 2005
CLOSES ON : MONDAY, MAY 09, 2005

From:

Tel No. Fax No.: E-mail:

To,
Bigshare Services Pvt. Ltd.
Unit: **Satguru Agro Industries Ltd.**
E/2, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (E), Mumbai - 400 072

Sub : Open offer to acquire upto 8,99,000 equity shares of Rs. 10/- each representing 20% of the paid up capital of Satguru Agro Industries Limited (SAL) by Bharatbhai V. Changela('Acquirer') alongwith PACs in terms of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

Dear Sir,

I/We refer to the Letter of Offer dated 11/04/2005 for acquiring the equity shares held by me/us in Satguru Agro Industries Limited.

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

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

Sr. No.	Certificate No.	Distinctive No(s)		No. of Shares
		From	To	
(In case the space provided is inadequate, please attach a separate sheet with the details)			**Total number of equity shares**	

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

I/We authorise the Acquirers 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

I/We authorise the Acquirers or the Manager 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 :

	FULL NAME(S)	SIGNATURE(S)
First/Sole Shareholder		
Second Shareholder		
Third Shareholder		

Address of First/Sole Shareholder ____

____

Note: Incase of joint holdings, all holders must sign. A corporation must affix its common seal.
So as to avoid fraudulent encashment in transit, the shareholder(s) may provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Name of the Bank ______________________________ Branch______________________

Account Number ______________ Savings/Current/Others (please specify) ______________________

Yours faithfully,

Signed and Delivered:

Place:
Date:

---TEAR HERE---

Folio No.: Sr. No.:

(Acknowledgement Slip)

Bigshare Services Pvt. Ltd.
Unit: **Satguru Agro Industries Ltd.**
E/2, Ansa Industrial Estate, Saki Naka, Andheri Mumbai - 400 072

Received from Mr./Ms. ______________________________________

Address ______________________________________

Form of acceptance cum acknowledgement, ______________ Number of Share Certificates

for ____________ shares.

Signature of Official and Date of Receipt	Stamp of Collection center

FORM OF WITHDRAWAL
PLEASE USE THIS FORM ONLY IF YOU HAVE TENDERED THE SHARES AND WISH TO WITHDRAW YOUR APPLICATION

You have an 'OPTION TO WITHDRAW' the acceptance tendered in response to the offer any time upto three working days prior to the date of closure of offer i.e. on or before Wednesday, 04/05/2005. In case you wish to withdraw your acceptance please use this form.	**OFFER**	
	OPENS ON	**: WEDNESDAY APRIL 20, 2005**
	CLOSES ON	**: MONDAY, MAY 09, 2005**

From:

Tel No. Fax No.: E-mail:

To,
Bigshare Services Pvt. Ltd.
Unit: **Satguru Agro Industries Ltd.**
E/2, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (E), Mumbai - 400 072

Sub : Open offer to acquire upto 8,99,000 equity shares of Rs. 10/- each representing 20% of the paid up capital of Satguru Agro Industries Limited (SAL) by Bharatbhai V. Changela ('Acquirer') alongwith PACs in terms of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

Dear Sir,

I/We refer to the Letter of Offer dated 11/04/2005 for acquiring the equity shares held by me/us in Satguru Agro Industries Limited.

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

I/We wish to withdraw our acceptance tendered in response to the said offer. We had deposited/sent our 'Form of Acceptance' to you on __________ along with original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below: **(Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance')**

Sr. No.	Certificate No.	Distinctive No(s)		No. of Shares
		From	To	
(In case the space provided is inadequate, please attach a separate sheet with the details)			**Total number of equity shares**	

I/We note and understand the terms of withdrawal of acceptance and request you to return the original share certificate(s) and valid share transfer deed and **authorize you not to remit** the consideration as mentioned in the Letter of Offer.

I/We authorise the Acquirers to reject the shares so offered which it may decide in consultation with Manager to the Offer and in terms of the Letter of Offer and,

I/We authorise the Acquirers or the Registrar to the Offer to send by registered post the original share certificate(s), transfer deed(s) and other documents tendered by me/us to the sole/first holder at the address mentioned below:

	FULL NAME(S)	SIGNATURE(S)
First/Sole Shareholder		
Second Shareholder		
ThirdShareholder		

Address of First/Sole Shareholder

____

____

Yours faithfully,

Signed

Place:
Date:
Note: Incase of joint holdings, all holders must sign. A corporation must affix its common seal.

--TEAR HERE--

Folio No.: Sr. No.:

Bigshare Services Pvt. Ltd.
Unit: **Satguru Agro Industries Ltd.**
E/2, Ansa Industrial Estate, Saki Naka, Andheri Mumbai - 400 072

(Acknowledgement Slip)

Received from Mr./Ms. ____

Address ____

Form of withdrawal in respect of ____________________________________ Number of Share Certificates

for ______________ shares.

Signature of Official and Date of Receipt	Stamp of Collection center