LETTER OF OFFER

"This Document is important and requires your immediate attention"

This Letter of Offer is sent to you as a shareholder(s) of Southern Fuel Limited. If you require any clarifications about the action to be taken, you may consult your Stock Broker or Investment Consultant or Manager/Registrar to the Offer. In case you have recently sold your shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement and Transfer Deed to the Member of Stock Exchange through whom the said sale was effected.

OPEN OFFER

By

MR. RAMESH KUMAR SHARMA & MRS. KAUSHAL SHARMA

(hereinafter collectively referred to as "**the Acquirers**")

both residing at 762, Sector 5, Sathwara Colony, Gandhidham – 370201

Ph: (02836) 226233, Fax No. (02836) 229119

E-mail: rameshsharma1@mobileemail.vodafone.in

To the shareholders of

SOUTHERN FUEL LIMITED ("SFL" or the "**Target Company**")

having its registered office at 187A, Mettupalayam Road, Kavundampalayam, Coimbatore – 641 030

Ph No: (0422) 244 3370; Fax No: (0422) 244 0074; E-mail: info@southernfuel.net

For the acquisition of 3,24,850 (Three Lacs Twenty Four Thousand Eight Hundred Fifty Only) fully paid-up equity shares of Rs.10/- each, representing 9.40 % of the paid up equity and voting share capital at a price of Rs. 3/- (Rupees Three Only) per equity share ("**Offer Price**") payable in cash ("**Offer**" or "**Open Offer**").

Please Note:

1. This Offer is being made by the Acquirers pursuant to regulation 3(1) & (4) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**SEBI (SAST) Regulations**") for substantial acquisition of shares/ voting rights accompanied with change in control and management of the Target Company.

2. There are no statutory approvals required to acquire equity shares that are tendered pursuant to this Offer. However, the Offer would be subject to all-statutory approvals as may be required and/or may subsequently become necessary to acquire at any later date.

3. If there is any upward revision in the Offer Price/Size at any time up to three (3) working days prior to commencement of the tendering period viz 22.04.2013 in terms of the SEBI (SAST) Regulations, the same would also be informed by way of a Public Announcement in the same newspapers where the original Detailed Public Statement dated 23.11.2012 had appeared. Such revised Offer Price would be payable for all the shares tendered any time during the Offer & accepted under the Offer or if the Offer is withdrawn pursuant to Regulation 23, the same would be communicated within two (2) working days by an Announcement in the same newspapers in which the Detailed Public Statement was appeared.

4. **There is no Competitive Bid.**

5. Shareholders, who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement/ Detailed Public Statement/ Letter of Offer, shall not be entitled to withdraw such acceptance during the tendering period.

6. The Offer is not subject to a minimum level of acceptance by the shareholders of SFL.

7. The Procedure for acceptance is set out in Para 7 of this LOF. A Form of Acceptance is enclosed with this Letter of Offer

8. The Public Announcement, Detailed Public Statement and Letter of Offer (including Form of Acceptance cum Acknowledgement) would also be available at SEBI website www.sebi.gov.in.

	MANAGER TO THE OFFER:		**REGISTRAR TO THE OFFER:**
	VC CORPORATE ADVISORS PVT. LTD. SEBI REGN NO: INM000011096 (Contact Person: Mr. Anup Kumar Sharma) 31 Ganesh Chandra Avenue, 2nd Floor, Suite No –2C, Kolkata-700 013. Phone No : (033) 2225-3940 / 3941 Fax : (033) 2225-3941 Email: mail@vccorporate.com		**S.K.D.C CONSULTANTS LIMITED** SEBI REGN. NO. INR000000775 (Contact Person: Jayakumar K) Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy Coimbatore - 641006 Phone No: (422) 6549995/ 2539835/ 836 Fax: (422) 2539837 E-mail: info@skdc-consultants.com
	OFFER OPENS ON: APRIL 29, 2013		**OFFER CLOSES ON: MAY 13, 2013**

A SCHEDULE OF SOME OF THE MAJOR ACTIVITIES RELATING TO THE OFFER IS GIVEN BELOW:

Particulars	Original Date	Original Day	Revised Date	Revised Day
Date of the PA	November 16, 2012	Friday	November 16, 2012	Friday
Publication of Detailed Public Statement in newspapers	November 23, 2012	Friday	November 23, 2012	Friday
Last date of a Competing Offer	December 17, 2012	Monday	December 17, 2012	Monday
Identified Date*	December 27, 2012	Thursday	April 10, 2013	Wednesday
Date by which the Letter of Offer will be dispatched to the shareholders	January 03, 2013	Thursday	April 18, 2013	Thursday
Last date by which Board of the Target Company shall give its recommendation	January 08, 2013	Tuesday	April 25, 2013	Thursday
Advertisement of Schedule of Activities for Open Offer, status of statutory and other approvals in newspapers and sending the same to SEBI, Stock Exchanges and Target Company	January 09, 2013	Wednesday	April 26, 2013	Friday
Date of commencement of tendering period	January 10, 2013	Thursday	April 29, 2013	Monday
Date of closing of tendering period	January 23, 2013	Wednesday	May 13, 2013	Monday
Date by which communicating rejection/ acceptance and payment of consideration for applications accepted	February 07, 2013	Thursday	May 27, 2013	Monday

*Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of equity shares of the Target Company (except the Acquirers and the parties to the SPA) are eligible to participate in the Offer any time before the Closure of the Offer.

Risk Factors relating to the transaction, the proposed offer and probable risks involved in associating with the Acquirers: -

1. In the event that either (a) a regulatory approval is not received in a timely manner, (b) there is any litigation leading to stay on the Offer, or (c) SEBI instructs the Acquirers not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of SFL whose shares have been accepted in the Offer as well as the return of Shares not accepted by the Acquirers may be delayed. In case of the delay, due to non-receipt of statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to willful default or negligence or failure to diligently pursue such approvals on the part of the Acquirers, grant an extension for the purpose of completion of the Offer subject to the Acquirers paying interest to the shareholders for the delay, as may be specified by SEBI.

2. Shareholders should note that shareholders who have tendered shares in acceptance of the Open Offer shall not be entitled to withdraw such acceptance during the tendering period even if the acceptance of Shares under the Offer and dispatch of consideration gets delayed. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.

3. The Offer is subject to the receipt of statutory and regulatory approvals by the Acquirers under the Offer. The Acquirers may not be able to proceed with the Offer in the event the approvals are not received in terms of the regulation 23 of the SEBI (SAST) Regulations. Delay, if any, in the receipt of these approvals may delay completion of the Offer.

4. **Risks involved in associating with the Acquirers:**

   The Acquirers intend to acquire 3,24,850 (Three Lacs Twenty Four Thousand Eight Hundred Fifty Only) fully paid-up equity shares of Rs.10/- each, representing 9.40 % of the paid up equity and voting share capital at a price of Rs. 3/- (Rupees Three Only) per equity share, payable in cash under the SEBI (SAST) Regulations. SFL does not have any partly paid up equity shares as on the date of PA. The equity shares and documents tendered in the Offer will be held in trust by the Registrar to the Offer until the completion of the Offer formalities, and the shareholders will not be able to trade such equity shares. Post this Offer, the Acquirers will have significant equity ownership & effective management control over the Target Company pursuant to regulation 3(1) & 4 of the SEBI (SAST) Regulations.

   The Acquirers make no assurance with respect to the market price of the shares during the Offer period and upon the completion of the Offer and disclaim any responsibility with respect to any decision by the shareholders on whether or not to participate in the Offer. The Acquirers make no assurance with respect to the financial performance of the Target Company.

5. The acquisition of 9.40% of the fully paid-up equity and voting share capital of SFL, as eligible pursuant to SEBI (SAST) Regulations, under the offer, together with the equity shares being acquired under the SPA, will result in the public shareholding in SFL falling below the level required for continued listing. To the extent the post offer holding of the Acquirers in SFL exceeds the maximum permissible non public shareholding under Securities Contract (Regulation) Rules, 1957 as amended ("SCRR") the Acquirers undertakes to reduce its shareholding to the level stipulated in the SCRR within the time specified in the SCRR and the Listing Agreement.

6. The Acquirers and the Manager to the Offer accept no responsibility for the statements made otherwise than in the Public Announcement, Detailed Public Statement or this Letter of Offer or in the advertisement or any materials issued by or at the instance of the Acquirers and the Manager to the Offer, and any person placing reliance on any other source of information would be doing so at its own risk.

7. The risk factor set forth above pertains to the acquisition and the Offer and not in relation to the present or future business operations of the Target Company or other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a shareholder in the Offer. Shareholders of the Target Company are advised to consult their stockbroker or investment consultant, if any, for further risk with respect to their respective participation in the Offer.

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DEFINITIONS/ABBREVIATIONS

Acquirers	Mr. Ramesh Kumar Sharma & Mrs. Kaushal Sharma
Board	The Board of Directors of the Target Company
BgSE	Bangalore Stock Exchange Limited
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
CSE	The Calcutta Stock Exchange Limited
DPS	Detailed Public Statement dated 23.11.2012
ECS	Electronic Clearing Service
Equity and voting share capital	Rs. 345.5 Lacs divided into 34,55,000 equity shares of Rs.10/- each
FOA or Form of Acceptance	Form of Acceptance – cum – Acknowledgment accompanying this Letter of Offer
Identified Date	Date for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of equity shares of the Target Company (except the Acquirers and the parties to the SPA) are eligible to participate in the Offer any time before the Closure of the Offer
LOF	Letter of Offer
Manager to the Offer	VC Corporate Advisors Private Limited
NRI(s)	Non- Resident Indians
NSDL	National Securities Depository Limited
Offer Period	16.11.2012 to 27.05.2013
Offer Price	Rs.3/- (Rupees Three Only) per equity share payable in cash
Offer/Open Offer	Cash Offer being made by the Acquirers to acquire 3,24,850 equity shares of Rs.10/- each, representing 9.40 % of the paid up equity and voting share capital at a price of Rs.3/- (Rupees Three Only) per equity share
PA	Public Announcement dated 16.11.2012
Persons eligible to participate in the Offer	All owners (registered and unregistered) of shares of SFL except the Acquirers and parties to the Share Purchase Agreement
RBI	Reserve Bank of India
Registrar to the Offer	S.K.D.C Consultants Limited
Sale Shares	31,30,150 equity shares of Rs. 10/- each at a price of Rs. 2/- per equity share forming part of the SPA
SEBI	Securities & Exchange Board of India
SEBI (SAST) Regulations/ Regulations	Securities & Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof
Sellers or Present Promoters	Shivamani & Company Pvt. Ltd. (Formerly Shivamani & Co. Pvt. Ltd.), Mr. K. Vijay Anandh, Mr. C. V. Kaleesswaran.
SPA or Agreement	Share Purchase Agreement dated 16.11.2012 entered into between the Acquirers and the Sellers
Target Company / SFL	Southern Fuel Limited

1. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LOF WITH SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LOF HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE EQUITY SHAREHOLDERS OF SFL TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS OR FOR 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 ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER VC CORPORATE ADVISORS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 01.12.2012 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LOF DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED OFFER."

2. DETAILS OF THE OFFER:

2.1 Background of the Offer:

2.1.1 This Offer is being made by Mr. Ramesh Kumar Sharma & Mrs. Kaushal Sharma, both residing at 762, Sector 5, Sathwara Colony, Gandhidham – 370201, Dist. Kutch in compliance with regulation 3(1) & 4 of the SEBI (SAST) Regulations, to the shareholders of Southern Fuel Limited. The prime object of the Offer is to acquire substantial acquisition of shares/voting rights accompanied with the change in control and management of the Target Company.

2.1.2 There is no person acting in concert ("**PAC**") with the Acquirers.

2.1.3 The Acquirers have entered into the Share Purchase Agreement dated 16.11.2012 with the present Promoters of the Target Company viz, Shivamani & Company Private Limited, Mr. Mr. K. Vijay Anandh and Mr. C. V. Kaleesswaran (hereinafter collectively referred to as the "Sellers") to acquire from them in aggregate 31,30,150 (Thirty One Lacs Thirty Thousand One Hundred Fifty Only) equity shares of Rs. 10/- each representing 90.60% of the fully paid-up equity and voting share capital of the Target Company at a price of Rs. 2/- per fully paid-up equity share payable in cash ("**Negotiated Price**") for a total consideration of Rs. 62,60,300/- (Rupees Sixty Two Lacs Sixty Thousand Three Hundred Only). Pursuant to the execution of the SPA, this mandatory Open Offer is being made by the Acquirers in compliance with the regulation 3(1) & 4 of the SEBI (SAST) Regulations. The detail of the Sellers are as under:

Sl. No.	Name	Address	Tel. no.	No. of Shares Sold	% of Equity/ voting share capital of SFL
1.	M/s. Shivamani & Company Pvt. Ltd. (Formerly Shivamani & Co. Pvt. Ltd.)	187 A, Mettupalayam Road, Kavundampalayam, Coimbatore-641030	(0422) 2443370	31,00,000	89.73%
2.	Mr. K. Vijay Anandh	99, Bhasyakaralu Street, R. S. Puram, Coimbatore-641002	(0422) 2443370	14,850	0.43%
3.	Mr. C. V. Kaleesswaran	99, Bhasyakaralu Street, R. S. Puram, Coimbatore-641002	(0422) 2443370	15,300	0.44%
			TOTAL	**31,30,150**	**90.60%**

2.1.4 Apart from 31,30,150 (Thirty One Lacs Thirty Thousand One Hundred Fifty Only) equity shares which the Acquirers intend to acquire through Share Purchase Agreement ("SPA") dated 16.11.2012, the Acquirers do not hold any equity shares/ voting rights of SFL as on date of this LOF.

2.1.5 The Acquirers have not acquired any equity shares of the Target Company during the fifty-two weeks period prior to the date of the PA i.e., 16th November 2012 apart from the shares acquired pursuant to the SPA.

2.1.6 The Manager to the Offer, VC Corporate Advisors Private Limited, does not hold any equity shares in the Target Company as on the date of this LOF. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the equity shares of the Target Company during the Offer Period.

2.1.7 This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of shares of the Target Company.

2.1.8 The Salient features of the Share Purchase Agreement are as follows:

a. The Sellers hold 31,30,150 equity shares of the Target Company aggregating to 90.60% of the present equity and voting share capital of the Target Company.

b. The Sellers have agreed to sell and the Acquirers has agreed to acquire in aggregate 31,30,150 fully paid up equity shares of Rs.10/- each ("**Sale shares"**) representing 90.60% of the present paid up equity and voting share capital of the Target Company at a price of Rs. 2/- per share for cash aggregating to Rs. 1,35,38,360/- ("Purchase Price").

c. The Sale Shares are free from all charges, encumbrances or liens and are not subjects to any lock in period.

d. The Acquirers shall pay an amount not less than 10% of the Purchase Price to the Sellers on the date of signing of the SPA and shall pay the balance consideration within one month of the date of signing of the SPA.

e. As a pre condition to the transfer of Sale Shares and Control of the Target Company in favour of the Acquirers, the Parties to the agreement hereby agrees that the existing liabilities of approx Rs. 4.49 Lacs of the Target Company as on the date of this Agreement toward its Banker viz, Axis Bank Limited is to be settled by the Acquirers or their associates by way of infusing funds into the Target Company in the form of unsecured loans/advances on or before 31st December, 2012 or such other period as may be mutually agreed upon between the Parties.

f. Upon settlement of the Bank Liabilities by the Acquirers as stated in Para 2.4 above, the Sellers shall be responsible for obtaining immediately a No Objection Certificate from the Banker, for transfer of Sale Shares and Management Control of the Target Company in favour of the Acquirers. It is however, hereby expressly clarified that the transfer of Sale Shares and Management Control of the Target Company is not subject to the receipt of any approvals from any banks, financial institutions or any other statutory authorities.

g. That in case of non-compliance of any provisions of the SEBI (SAST) Regulations, the Agreement for such sale shall not be acted upon by the Sellers or the Acquirers.

2.1.9 The Acquirers have not been prohibited by SEBI from dealing in the securities, in terms of direction issued under Section 11B of SEBI Act 1992 as amended or under any other Regulations made under the SEBI Act.

2.1.10 Subject to satisfaction of the provisions under the Companies Act, 1956 and/ or any other Regulation(s), the Acquirers intends to make changes in the management of SFL. The Acquirers intends to control over the Target Company & make changes in the Board of Directors of the Target Company subsequent to the completion of this Open Offer in accordance hereof. The Acquirers proposes to appoint their representatives on the Board of the Target Company after the completion of all formalities relating to Open Offer under SEBI (SAST) Regulations, 2011 as they may deem fit.

2.1.11 The acquisition of 9.40% of the fully paid-up equity and voting share capital of SFL, as eligible pursuant to SEBI (SAST) Regulations, under the offer, together with the equity shares being acquired under the SPA, will result in the public shareholding in SFL falling below the level required for continued listing. To the extent the post offer holding of the Acquirers in SFL exceeds the maximum permissible non public shareholding under Securities Contract (Regulation) Rules, 1957 as amended ("**SCRR**") the Acquirers undertakes to reduce its shareholding to the level stipulated in the SCRR within the time specified in the SCRR and the Listing Agreement i.e., through Offer for Sale through Secondary Market, Rights Issue, Issuance of shares to public through Prospectus of any other mode with prior approval of SEBI.

2.1.12 As per regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the Board of the Target Company is required to constitute a committee of Independent Directors who would provide its written reasoned recommendation on the Offer to the Shareholders of the Target Company and such recommendations shall be published at least two working days before the commencement of the Tendering Period in the same newspaper where the DPS of the Offer was published.

2.2 Details of the proposed Offer:

2.2.1. The Acquirers have made a Detailed Public Statement pursuant to Public Announcement on November 23, 2012 in Business Standard English Daily all edition and Business Standard Hindi Daily all editions. The Publication of the DPS in Malayalam Monorama Coimbatore Daily i.e., the regional language daily at the place where the registered office of the target company is situated was made on November 24, 2012.

2.2.2. This Open Offer is being made to all the equity shareholders of the Target Company as on 10.04.2013 ("Identified Date"), other than parties to the SPA.

2.2.3. The Target Company doesn't have any partly paid up shares.

2.2.4. The Acquirers will accept all the equity shares of SFL those that are tendered in valid form in terms of this Open Offer upto a maximum of 3,24,850 fully paid-up equity shares of Rs. 10/- each representing 9.40% of the paid up equity and voting share capital of the Target Company.

2.2.5. Since the date of the PA to the date of this LOF, the Acquirers have not acquired any equity shares of SFL.

2.2.6. This Offer is not conditional upon any minimum level of acceptance in terms of the regulation 19(1) of the SEBI (SAST) Regulations and not a Competitive Bid in terms of the Regulation 20 the SEBI (SAST) Regulations.

2.2.7. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of shares of the Target Company.

2.3 Object of the Offer:

2.3.1 The prime object of the Offer is to acquire substantial acquisition of shares/voting rights accompanied with the change in control and management of the Target Company.

2.3.2 The Acquirers intend to make changes in the management of SFL in accordance with the SEBI (SAST) Regulations.

2.3.3 The Acquirers proposes to continue and expand the existing business of the Target Company. The main purpose of the above mentioned acquisitions is to acquire substantial equity shares and control over the Target Company. Through this acquisition, the Acquirers also intend to reap the benefits available to a company listed on the Stock Exchange having pan India presence.

2.3.4 The Acquirers do not have any plans to dispose off or otherwise encumber any significant assets of the target Company or its subsidiary in the succeeding two years from the date of closure of the Open Offer, except in the ordinary course of business of the Target Company. In the event any substantial asset of the Target Company is to be sold, disposed off or otherwise encumbered other than in the ordinary course of business, the Acquirers undertake that it shall do so only upon the receipt of the prior approval of the shareholders of the Target Company through special resolution in terms of regulation 25(2) of SEBI (SAST) Regulations and subject to the provisions of applicable law as may be required.

3. BACKGROUND OF THE ACQUIRERS:

3.1 Shri Ramesh Kumar Sharma, son of Late Mangilal Sharma, aged about 58 years, resides at 762, Sector 5, Sathwara Colony, Gandhidham – 370201, Dist. Kutch. Shri Ramesh Kumar Sharma is a B.Com graduate and has an experience of over 35 years in the field of Coke Manufacturing and trading activities. His Net Worth as on 31.03.2012 is Rs. 131.68 Lacs as certified by Mr. Mavjibhai B. Sorathia, Proprietor of M/s. M.B. Sorathia & Co, Chartered Accountants (Firm Registration No. 110420W & Membership No. 36992), having office at 21, Ajanta Commercial Centre, Zaveri Bazar, Plot. No. 277, Ward 12-B, Near Bhai Pratap Circle, Gandhidham, Kutch – 370 201 vide their certificate dated 30th November, 2012.

3.2 Smt. Kaushal Sharma, wife of Shri Ramesh Kumar Sharma, aged about 58 years, resides at 762, Sector 5, Sathwara Colony, Gandhidham – 370201, Dist. Kutch. Smt. Sharma is a under graduate. Her Net Worth as on 31.03.2012 is Rs. 44.93 Lacs as certified by Mr. Mavjibhai B. Sorathia, Proprietor of M/s. M.B. Sorathia & Co, Chartered Accountants (Firm Registration No. 110420W & Membership No. 36992), having office at 21, Ajanta Commercial Centre, Zaveri Bazar, Plot. No. 277, Ward 12-B, Near Bhai Pratap Circle, Gandhidham, Kutch – 370 201 vide their certificate dated 30th November, 2012.

3.3 There is no Person Acting in Concert ("PAC") along with the Acquirers.

3.4 As on the date of this LOF, the Acquirers do not hold any equity shares in the Target Company except as those agreed and proposed to be acquired through SPA. The Acquirers have till date complied with the relevant provisions of Chapter V of the SEBI (SAST) Regulations, wherever applicable. Further, the Acquirers have undertaken to comply with the Regulations and complete the Offer formalities irrespective of the compliance or fulfillment or outcome of the Agreement and its related conditions.

3.5 The Acquirers do not hold any position on the Board of Directors of any listed company.

3.6 There are no persons on the Board of the Target Company, representing the Acquirers.

3.7 The Acquirers i.e. Mr. Ramesh Kumar Sharma & Mrs. Kaushal Sharma are husband & wife.

3.8 The Acquirers doesn't have any relationship &/or interest in the Target Company including with its Directors, Promoters & key employees.

3.9 None of the Acquirers have been prohibited by SEBI from dealing in the securities, in terms of direction issued under Section 11B of SEBI Act 1992 as amended or under any other Regulations made under the SEBI Act.

4. BACKGROUND OF SOUTHERN FUEL LIMITED ("SFL" or "TARGET COMPANY")

(The disclosure mentioned under this section has been sourced from information published by the Target Company or provided by the Target Company or publicly available sources)

4.1 Southern Fuel Limited ("SFL") was originally incorporated under the provisions of the Companies Act, 1956 on 23.04.1993 as a Private Limited Company under the name and style "Southern Fuels Private Limited" with the Registrar of Companies, Karnataka. The CIN of the SFL is L02310TZ1993PLC012154. Presently the registered office of the Target Company is situated at 187A, Mettupalayam Road, Kavundampalayam, Coimbatore – 641 030, Tel. No: (0422) 2443370, Fax No: (0422) 2440074 and E-mail Id: info@southernfuel.net.

4.2 SFL is engaged in the business of manufacturing LAM COKE from Coking coal. The manufacturing plant of SFL is located at A-82, SIPCOT Industrial Complex, Melur Post, Tuticorin – 628 002. The manufacturing operations of the Target Company have been suspended from November 2011.

4.3 The Authorised Share Capital of SFL is Rs. 4,00,00,000 comprising of 40,00,000 Equity Shares of Rs.10/- each. The Issued, Subscribed & Paid-up Capital of the SFL is Rs. 3,45,50,000/- comprising of 34,55,000 fully paid-up equity shares of Rs. 10/- each. SFL has already established its connectivity with both the National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL). The ISIN of SFL is INE261K01019.

4.4 As on date the Target Company does not have partly paid-up equity shares. There are no outstanding warrants or option or similar instrument, convertible into equity shares at a later stage. No shares are subject to any lock in obligations.

4.5 The Share Capital of the Target Company is as follows:

Paid up Equity Shares of Target Company	No. of Shares / Voting Rights	% of Shares / Voting Rights
Fully Paid-up Equity Shares	34,55,000	100.00%
Partly Paid-up Equity Shares	Nil	Nil
Total Paid-up Equity Shares	34,55,000	100.00%
Total voting rights in the Target Company	34,55,000	100.00%

4.6 The equity shares of SFL are listed at BSE Limited ("BSE"), The Calcutta Stock Exchange Limited ("CSE") and Bangalore Stock Exchange Limited ("BgSE"). As per available information, the trading in the equity shares of SFL are presently suspended on BSE and CSE.

4.7 As on the date of this LOF, the Board of Directors of SFL is as follows:

Names of Directors	Designation	Din No.	Date of Appointment
Mr. K. Vijay Anandh	Chairman cum Managing Director	00011989	08.10.2004
Mr. C. V. Kaleesswaran	Joint Managing Director	00317931	25.12.2003
Mr. Parthiban Palaniappan	Director	02858402	04.03.2005
Mr. Mariappan Karuppasamy	Director	03184932	01.03.2010

Note: As on the date of the LOF, there are no persons on the Board of Directors of the Target Company, representing the Acquirers.

4.8 There has been no merger / demerger or spin off involving SFL during the last 3 years.

4.9 Status Of Compliance With The Provisions Of Chapter II Of The Takeover Regualtions 1997 And Chapter V Of The Takeover Regulations 2011.

By Promoters/ Promoters Group/Major Shareholders (as may be applicable) - Since 1997

Sl. No.	Regulation / Sub-regulation	Due Date for Compliance	Actual date of compliance	Delay, if any (in no. of days)	Status of compliance with Takeover Regulations	Remarks
1	2	3	4	5	6	7
(i)	6(1)	20/04/1997	Not Complied	Not Complied	Not Complied	Note i
(ii)	6(3)	20/04/1997	Not Complied	Not Complied	Not Complied	Note i
(iii)	8(1)	21/04/1998	Not Complied	Not Complied	Not Complied	Note i
(iv)	8(2)	21/04/1998	Not Complied	Not Complied	Not Complied	Note i
(v)	8(1)	21/04/1999	Not Complied	Not Complied	Not Complied	Note i
(vi)	8(2)	21/04/1999	Not Complied	Not Complied	Not Complied	Note i
(vii)	8(1)	21/04/2000	Not Complied	Not Complied	Not Complied	Note i
(viii)	8(2)	21/04/2000	Not Complied	Not Complied	Not Complied	Note i
(ix)	8(1)	21/04/2001	Not Complied	Not Complied	Not Complied	Note i
(x)	8(2)	21/04/2001	Not Complied	Not Complied	Not Complied	Note i
(xi)	8(1)	21/04/2002	Not Complied	Not Complied	Not Complied	Note i
(xii)	8(2)	21/04/2002	Not Complied	Not Complied	Not Complied	Note i
(xiii)	8(1)	21/04/2003	Not Complied	Not Complied	Not Complied	Note i
(xiv)	8(2)	21/04/2003	Not Complied	Not Complied	Not Complied	Note i
(xv)	8(1)	21/04/2004	Not Complied	Not Complied	Not Complied	Note i
(xvi)	8(2)	21/04/2004	Not Complied	Not Complied	Not Complied	Note i
(xvii)	8(1)	21/04/2005	Not Complied	Not Complied	Not Complied	Note i
(xviii)	8(2)	21/04/2005	Not Complied	Not Complied	Not Complied	Note i
(xix)	8(1)	21/04/2006	Not Complied	Not Complied	Not Complied	Note i
(xx)	8(2)	21/04/2006	Not Complied	Not Complied	Not Complied	Note i
(xxi)	8(1)	21/04/2007	Not Complied	Not Complied	Not Complied	Note i
(xxii)	8(2)	21/04/2007	Not Complied	Not Complied	Not Complied	Note i
(xxiii)	8(1)	21/04/2008	Not Complied	Not Complied	Not Complied	Note i
(xxiv)	8(2)	21/04/2008	Not Complied	Not Complied	Not Complied	Note i
(xxv)	8(1)	21/04/2009	Not Complied	Not Complied	Not Complied	Note i
(xxvi)	8(2)	21/04/2009	Not Complied	Not Complied	Not Complied	Note i
(xxvii)	8(1)	21/04/2010	Not Complied	Not Complied	Not Complied	Note i
(xxviii)	8(2)	21/04/2010	Not Complied	Not Complied	Not Complied	Note i
(xxix)	8(1)	21/04/2011	Not Complied	Not Complied	Not Complied	Note i
(xxx)	8(2)	21/04/2011	Not Complied	Not Complied	Not Complied	Note i
(xxxi)	30(1) & (2)	12/04/2012	Not Complied	Not Complied	Not Complied	Note i
(xxxii)	29(2)	20/11/2012	20/11/2012	Nil	Complied	Nil

Note:

i) Since we have not been provided with any documentary evidences of the compliances made by the Promoters/ Promoter Group/ Major Shareholders of the Target Company in respect of compliances done under Chapter II of the Takeover Regulations, 1997/ 2011, we have presumed the same as not complied with. SEBI may take suitable action against the aforementioned entities.

By Southern Fuel Limited (Target Company) (as may be applicable) - Since 1997

Sl. No.	Regulation/ Sub-Regulation	Due Date for Compliance as mentioned in the regulation	Actual date of compliance	Delay, if any (in no. of days)	Status of compliance with Takeover Regulations	Remarks
1	2	3	4	5	6	7
(i)	6(2)	20.05.1997	Not Complied	Not Complied	Not Complied	Note i
(ii)	6(4)	20.05.1997	Not Complied	Not Complied	Not Complied	Note i
(iii)	8(3)	30.04.1998	Not Complied	Not Complied	Not Complied	Note i
(iv)	8(3)	30.04.1999	Not Complied	Not Complied	Not Complied	Note i
(v)	8(3)	30.04.2000	Not Complied	Not Complied	Not Complied	Note i
(vi)	8(3)	30.04.2001	Not Complied	Not Complied	Not Complied	Note i
(vii)	8(3)	30.04.2002	Not Complied	Not Complied	Not Complied	Note i
(viii)	8(3)	30.04.2003	Not Complied	Not Complied	Not Complied	Note i
(ix)	8(3)	30.04.2004	Not Complied	Not Complied	Not Complied	Note i
(x)	8(3)	30.04.2005	Not Complied	Not Complied	Not Complied	Note i
(xi)	8(3)	30.04.2006	Not Complied	Not Complied	Not Complied	Note i
(xii)	8(3)	30.04.2007	Not Complied	Not Complied	Not Complied	Note i
(xiii)	8(3)	30.04.2008	13.05.2008	13	Not Complied	Note b
(xiv)	8(3)	30.04.2009	09.02.2010	285	Complied	Nil
(xv)	8(3)	30.04.2010	Letter dated 20.04.2010 but no dispatch proof has been provided.	Not Complied	Not Complied	Note b
(xvi)	8(3)	30.04.2011	Letter dated 13.10.2011 but no dispatch proof has been provided.	Not Complied	Not Complied	Note b

Notes:

i) Since we have not been provided with any documentary evidences for the compliances made by the Target Company in respect of compliances done under Chapter II of the Takeover Regulations, 1997 from the year 1997 to the year 2007, we have presumed the same as not complied with. SEBI may take suitable action against the Target Company.

ii) Since the compliances were not done in format prescribed by SEBI, we presumed the same as non-compliance.

4.10 As per information provided by the Target Company and our verification, the trading in the shares of the Target Company was suspended from Bombay Stock Exchange and Calcutta Stock Exchange during the period when rehabilitation process was taken up by BIFR. After the rehabilitation scheme was framed by BIFR, the Target Company had applied vide their application No. SFL/SE/214/09-10 dated 19.04.2010 for revocation of suspension in trading in its shares and complied with the entire pending listing requirement except for clause 40A i.e., requirement of maintaining minimum percentage of public shareholding and requested the exchange vide its letter dated 16th May 2011 to grant revocation of suspension to enable the Target Company to dilute the promoter shareholding through Secondary Market. However since then no reply had been received from the Bombay Stock Exchange. Further as mentioned in the Directors Report of the Annual Report of the Target Company for the financial year ended 31.03.2012, the Target Company has not paid the listing fees for the financial year 2012-13.

4.11 Financial Information:

Brief audited Financial Information of SFL as per the audited accounts for the financial year ended 31.03.2010, 31.03.2011 and 31.03.2012 are as follows:

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

For the Year Ended	31st March, 2010 (Audited)	31st March, 2011 (Audited)	31st March, 2012 (Audited)
Income from Operations	2509.31	2951.35	3673.44
Other Income	28.21	6.19	49.53
Total Income	2537.52	2957.54	3722.97
Total Expenditure	2416.36	2771.51	3978.83
Profit/ (Loss) before Interest, Depreciation and Tax	121.16	186.03	(255.86)
Depreciation	36.37	32.16	30.46
Interest	16.46	56.69	128.92
Profit/ (Loss) Before Tax	68.33	97.18	(415.24)
Provision for Tax (including Deferred Tax Assets)	47.19	14.44	1.87
Profit/ (Loss) After tax	21.14	82.74	(413.36)

Balance Sheet **(Rs. in Lacs)**

As on	31st March, 2010 (Audited)	31st March, 2011 (Audited)	31st March, 2012 (Audited)
Sources of funds			
Paid up share capital	345.50	345.50	345.50
Reserves & Surplus (excluding revaluation reserves)	20.00	100.84	(312.53)
Less:- P/L "Debit Balance"	1.90	-	-
Net Worth	363.6	446.34	32.97
Secured loans	461.67	465.94	426.31
Unsecured loans	-	48.00	48.00
Deferred Tax Liabilities (Net)	36.61	33.04	31.17
Total	861.88	993.32	538.48
Uses of funds			
Net Fixed Assets	279.69	273.18	283.95
Investments	0.02	-	-
Net Current Assets	582.17	720.14	254.50
Total	861.88	993.32	538.45

Other Financial Data

For the Year Ended	31st March, 2010 (Audited)	31st March, 2011 (Audited)	31st March, 2012 (Audited)
Dividend (%)	-	-	-
Earning Per Share (Rs.)	NIL	NIL	NIL
Return on Net worth (%)	0.61	2.39	(11.96)
Book Value Per Share (Rs.)	5.81	18.53	(1253.75)

Note:

(i) EPS = Profit after tax / number of outstanding equity shares at the close of the year/ period.
(ii) Return on Net Worth = Profit after Tax / Net Worth
(iii) Book Value per Share = Net Worth / No. of equity shares
(iv) Source: Audited Annual Reports.

Brief unaudited Financial Results of SFL for the six months period ended 30.09.2012 as per clause 41 of the Listing Agreement are as follows:

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

	Particulars	Unaudited Certified Financial result for period ended 30.09.2012
1.	(a) Income from Operations	664.77
	(b) Other operating Income	8.29
	Total Income	**673.06**
2.	**Expenditure**	
	(a) Increase/Decrease in stock in trade and WIP	106.89
	(b) Consumption of raw Materials	6.74
	(c) Purchase of traded goods	494.25
	(d) Employee cost	3.06
	(e) Depreciation	14.00
	(f) Other Expenditure	73.00
	Total	**697.94**

	Particulars	Unaudited Certified Financial result for period ended 30.09.2012
3.	Profit from operation before other Income, Interest and exceptional items	(24.88)
4.	Other Income	-
5.	Profit before Interest and Exceptional Items	(24.88)
6.	Interest	26.03
7.	Profit after Interest but before Exceptional item	(50.91)
8.	Exceptional Item	-
9.	Profit & Loss from Ordinary Activities before tax	(50.91)
10.	Tax Expenses	-
11.	Net Profit/Loss from ordinary activities after tax	(50.91)
12.	Extraordinary items (net of tax expanses)	-
13.	Net Profit/Loss	(50.91)

Balance Sheet **(Rs. in Lacs)**

Statement of Assets & Liabilities	**As at 30.09.2012**
Shareholder's funds	
(a) share capital	345.50
(b) Reserves & Surplus	(363.45)
Loan Funds	
(a) Secured Loan	398.16
(b) Unsecured loans	48.00
(c) Deferred Tax	31.17
Total	459.38
Fixed Assets	277.38
Investments	0.02
Current Assets, Loans & Advances	
(a) Inventory	62.16
(b) Sundry debtor	266.79
(c) Cash & Bank Balances	12.53
(d) Other current assets	-
(e) Loans & advances	56.75
Total	398.23
Less: Current Liabilities & Provision	
(a) Liabilities	216.25
(b) Provision	
Total	181.98
Miscellaneous Expenditure (Not written off or adjusted)	-
Profit & Loss Account	459.38

Note:

(i) Source: www.bseindia.com

4.12 Pre and Post-Offer Shareholding Pattern of SFL (based on Issued, Subscribed & Paid-up Equity and Voting Share Capital) is as under:

Shareholders' Category	Share holding/ voting rights Prior to the SPA/ acquisition and Offer		Shares/voting rights agreed to be acquired which triggered off the SEBI (SAST) Regulations		Shares/voting rights to be acquired in Open Offer (assuming full acceptances)		Share holding /voting rights after Acquisition and Offer (A+B+C)	
	(A)		(B)		(C)		(D)	
	No. of shares	**%**	**No. of shares**	**%**	**No. of shares**	**%**	**No. of shares**	**%**
1. Promoter Group:								
(a) Parties to Agreement: - CV Kaleesswaran - K. Vijay Anandh - Shivamani & Company Private Limited	15,300 14,850 31,00,000	0.44% 0.43% 89.73%	(31,30,150)	(90.60%)	-	-	-	-
(b) Promoters other than (a) above	-	-	-	-	-	-	-	-
TOTAL 1 (a+b)	31,30,150	90.60%	(31,30,150)	(90.60%)	-	-	-	-
2. Acquirers:								
- Mr. Ramesh Kumar sharma	-	-	15,65,075	45.30%	3,24,850	9.40%	34,55,000	100.00%
- Mrs. Kaushal Sharma	-	-	15,65,075	45.30%				
TOTAL 2	-	-	31,30,150	90.60%	3,24,850	9.40%	34,55,000	100.00%
3. Parties to Agreement other than 1(a) & 2	-	-	-	-	-	-	-	-
4. Public (other than Parties to Agreement and Acquirers)								
a) FIs/MFs/FIIs/ Banks/MF's	29,240	0.85%	-	-	(3,24,850)	(9.40%)		
b) Others	2,95,610	8.55%	-	-				
Total 4 (a+b)			-	-				
GRANDTOTAL (1+2+3+4)	**34,55,000**	**100.00%**	-	-	-	-	**34,55,000**	**100.00%**

The total number of shareholders in Public Category is 6383.

5. OFFER PRICE & FINANCIAL ARRANGEMENTS:

5.1 Justification of Offer Price:

5.1.1 The equity shares of SFL are listed at BSE, CSE and BgSE. As per available information, the trading in the equity shares of SFL are presently suspended on BSE and CSE. The marketable lot for equity shares is 1 (One) equity shares. This acquisition of shares is direct acquisition as per the regulation 3(1) & 4 of the SEBI (SAST) Regulations, 2011.

5.1.2 Since there has been no trading in the equity shares of the Target Company for the last 1-2 years, the equity shares are deemed to be infrequently traded within the meaning of explanation provided in terms of regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011 and therefore the Offer Price has been determined taking into account the parameters as set out under regulation 8(2) of the SEBI (SAST) Regulations, 2011, as under:

Sr. No.	Particulars	Price (In Rs. per share)
1.	Negotiated Price under the SPA	Rs. 2/- per equity share
2.	The Volume- Weighted Average Price paid or payable for acquisitions by the Acquirers during 52 weeks immediately preceding the date of PA	Not Applicable
3.	Highest price paid or payable for acquisitions by the Acquirers during 26 weeks immediately preceding the date of PA	Not Applicable
4.	The Volume-Weighted Average Market Price of shares for a period of sixty trading days immediately preceding the date of the PA as traded on the Stock Exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period	Not Applicable

5.	**Other Financial Parameters as at 31st March 2012:**	
	(a) Return on Net Worth (%)	(1258.95%)
	(b) Book Value Per Share	0.95
	(c) Earnings Per Share	(11.96)

In view of the parameters considered and presented in the table above, in the opinion of the Acquirers and Manager to the Offer, the Offer Price of Rs. 3/- (Rupees Three Only) per equity share is justified in terms of regulation 8 (2) of the SEBI (SAST) Regulations.

5.1.3 There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.

5.1.4 As on date there is no revision in Open Offer price or Open Offer size. In case of any revision in the Open Offer price or Offer Size, the Acquirers shall comply with regulation 18 of the SEBI (SAST) Regulations and all other applicable provisions of the SEBI (SAST) Regulations.

5.1.5 If there is any revision in the Offer Price on account of future purchases / competing offers, it will be done only up to the period prior to three (3) working days before the date of commencement of the tendering period and would be notified to shareholders.

5.2 Financial arrangements:

5.2.1 The Acquirers have adequate financial resources and have made firm financial arrangements for the implementation of the Offer in full out of its own sources/ net worth and no borrowings from any Bank and/ or Financial Institutions are envisaged. Mr. Dilip Saboo, Proprietor of M/s. Saboo & Associates (Firm Registration No. 129814W & Membership No. 132257), Chartered Accountants, having office at Shop no. 8, Sonali Owners Association Building, plot no. 317, ward 12/B, near LIC Office, Gandhidham, Kutch – 370 201 has certified vide certificate dated 21.11.2012 that sufficient resources are available with the Acquirers for fulfilling the obligations under this "Offer" in full.

5.2.2 The maximum consideration payable by the Acquirers assuming full acceptance of the Offer would be Rs. 9,74,550/- (Rupees Nine Lacs Seventy Four Thousand Five Hundred Fifty Only). In accordance with regulation 17 of the SEBI (SAST) Regulations, the Acquirers have opened an Escrow Account under the name and style of "SFL OPEN OFFER ESCROW ACCOUNT" with HDFC Bank Limited, Central Plaza, 2/6, Sarat Bose Road, Kolkata-700 020 ("Escrow Banker") and made therein a cash deposit of Rs. 10,00,000/- (Rupees Ten Lacs Only) being more than 100% of the total consideration payable in the Open Offer, assuming full acceptance. The Funds have been arranged out of own funds / the net worth of the Acquires.

5.2.3 The Manager to the Offer is authorized to operate the above mentioned Escrow Account to the exclusion of all others and been duly empowered to realize the value of the Escrow Accounts in terms of the SEBI (SAST) Regulations.

5.2.4 Based on the aforesaid financial arrangements and on the confirmations received from the Escrow Banker and the Chartered Accountant, the Manager to the Offer is satisfied about the ability of the Acquirers to implement the Offer in accordance with the SEBI (SAST) Regulations. The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

6. TERMS AND CONDITIONS OF THE OFFER:

6.1 The Letter of Offer along with Form of Acceptance cum Acknowledgement will be mailed to all those shareholders of SFL (except the Acquirers and the parties to the SPA) whose name appear on the Register of Members and to the beneficial owners of the shares of the SFL whose names appear on the beneficial records of the Depository Participant, at the close of business hours on 10th April, 2013 ("Identified Date").

6.2 All owners of the shares, Registered or Unregistered (except the Acquirers and the parties to the SPA) who own the shares any time prior to the Closing of the Offer are eligible to participate in the Offer as per the procedure set out in Para 7 below. Eligible persons can participate in the Offer by offering their shareholding in whole or in part. No indemnity is required from the unregistered owners.

6.3 Accidental omission to dispatch this LO or the non-receipt or delayed receipt of this LOF will not invalidate the Offer in anyway.

6.4 Subject to the conditions governing this Offer, as mentioned in the LOF, the acceptance of this Offer by the shareholder(s) must be absolute and unqualified. Any acceptance to the Offer, which is conditional or incomplete, is liable to be rejected without assigning any reason whatsoever.

6.5 Locked-in Shares:

There are no locked-in shares in SFL.

6.6 Eligibility for accepting the Offer:

The Offer is made to all the public shareholders (except the Acquirers and parties to the SPA) whose names appeared in the register of shareholders on 10th April, 2013 and also to the beneficial owners ("Demat Holders") of the equity shares of SFL, whose names appeared as beneficiaries on the records of the respective Depository Participants ("DP") at the close of the business hours on 10th April, 2013 and also to those persons who own shares any time prior to the closure of the Offer, but are not registered shareholders(s).

6.7 Statutory Approvals and conditions of the Offer:

6.7.1 The Offer is subject to receiving the necessary approval(s), if any, from Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring equity shares tendered by non-resident shareholders, if any.

6.7.2 As on the date of this LOF, there are no other statutory approvals and/ or consents required. However, the Offer would be subject to all-statutory approvals as may be required and / or may subsequently become necessary to acquire at any later date.

6.7.3 The Acquirers, in terms of regulation 23 of the SEBI (SAST) Regulations, will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a public announcement will be made within 2 working days of such withdrawal, in the same newspapers in which this DPS has appeared.

6.7.4 In case of delay in receipt of any statutory approval, the SEBI may, if satisfied that delay receipt of the requisite approvals was not due to any willful default or neglect of the Acquirers or failure of the Acquirers to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders as directed by the SEBI, in terms of regulation 18(11) of the SEBI (SAST) Regulations. Further, if delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture.

6.7.5 No approval is required from any bank or financial institutions for this Offer.

6.7.6 The instructions and provisions contained in Form of Acceptance constitute an integral part of the terms of this Offer.

7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT:

7.1 The Shareholder(s) of SFL who qualify and who wish to avail of this Offer will have to send their shares to the Registrar to the Offer as mentioned in the Form of Acceptance cum Acknowledgement at the following address:

S.K.D.C CONSULTANTS LIMITED
(Contact Person : Mr. Jayakumar K)
Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641006
Phone No: (422) 6549995/ 2539835/ 836
Fax: (422) 2539837
E-mail: info@skdc-consultants.com

Acceptances may be sent by Registered Post or by hand so as to reach the Registrar to the Offer on or before the Closing of the Offer, i.e. 13.05.2013. Shareholders may send their acceptances by hand accordingly:

Working Days	Timings	Mode of Delivery
Monday – Friday	10.00 a.m.to 5:00 p.m.	Hand Delivery
Saturday	10.00 a.m.to 2:00 p.m.	Hand Delivery

Delivery made by Registered Post would be received on all working days except Sunday & Public Holidays.

7.2 Shareholders who wish to tender their shares under this Offer should enclose the following documents duly completed. 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.

For Equity Shares held in physical form:

(i) Registered shareholders should enclose:

- Form of Acceptance cum Acknowledgement duly completed & signed in accordance with the instructions contained therein, by all shareholders whose names appear in the share certificate(s);
- Original Share Certificates;
- 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 SFL and duly witnessed at the appropriate place. A blank share transfer form is enclosed along with this LOF.

(ii) Unregistered owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed & signed in accordance with the instructions contained therein.
- Original Share Certificate(s)
- Broker contract note.
- Valid share transfer form(s) as received from the market. The details of the buyer should be left blank failing which; the same will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed. All

other requirements for valid transfer will be preconditioned for acceptance. No indemnity is required from unregistered shareholders.

For equity shares held in Demat Form:

Beneficial owners should enclose:

- Form of Acceptance cum Acknowledgement duly completed & signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depositories.
- Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off- market" mode, duly acknowledged by DP in favour of the Special Depository Account (please see below) before the close of the business hours on 13.05.2013.

7.3 The Registrar to the Offer viz, S.K.D.C. Consultants Limited has opened a Special Depository Account with Stock Holding Corporation Of India Ltd. (Registered with NSDL). The details of the Special Depository Account are as follows.

DP Name	STOCK HOLDING CORPORATION OF INDIA LTD.
DP ID	IN301080
Client ID	22825410
Account name	SKDC SOUTHERN FUEL LTD OPEN OFFER ESCROW A/C
Depository	NATIONAL SECURITIES DEPOSITORY LIMITED ("NSDL")

Shareholders having their beneficiary account in the Central Depository Services (India) Limited (CDSL") have to use inter depository delivery instruction for the purpose of crediting their equity shares in favour of the Special Depository Account with NSDL.

7.4 For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance cum Acknowledgement. In the case of Demat shares, the shareholders are advised to ensure that their shares are credited in favour of special depository account, before the closure of the Offer. The Form of Acceptance cum Acknowledgement of such Demat Shares not credited in favour of the Special Depository Account before the closure of the offer is liable to be rejected.

7.5 The Share Certificate(s), Share Transfer Form, Form of Acceptance cum Acknowledgement and other documents, if any should be sent only to the Registrar to the Offer, as mentioned above. They should not be sent to the Manager to the Offer or the Acquirers or the Target Company.

7.6 In case of non-receipt of the Letter of Offer, the eligible persons may obtain a copy of the same from Registrar to the Offer or Manager to the Offer on providing suitable documentary evidence of acquisition of shares of SFL. The Public Announcement, Detailed Public Statement, Draft LOF, LOF, Form of Acceptance Cum Acknowledgement will be available on SEBI website at ***www.sebi.gov.in***, from the Offer opening date. The eligible persons can download these documents from the SEBI's website & apply using the same. Alternatively, they may send their consent to participate in the Offer, to the Registrar to the Offer, on a plain paper stating the name & address of the first holder, name(s) & address(s) of joint holders, if any, registered folio no, share certificate no., distinctive nos., no. of the shares held, no. of the shares offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before closure to the Offer i.e. 13.05.2013. Unregistered owners should not sign the transfer deeds & the transfer deed should be valid. In case of Beneficial Owners, they may send their applications in writing to the Registrar to the Offer, on a plain paper stating their name, address, no. of shares held, no. of shares offered, DP name, DP ID No., beneficiary account number and a photocopy of the delivery instructions in "Off-market" mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by DP in favour of special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer, i.e.13.05.2013.

7.7 Applications in respect of equity shares of the Target Company that are subject matter of litigation wherein the shareholders of the Target Company may be prohibited from transferring the equity shares during the pendency of the said litigation are liable to be rejected if the directions/ orders regarding these equity shares are not received together with the equity shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.

7.8 While tendering the equity shares under the Offer, NRIs / foreign shareholders will be required to submit the previous RBI Approvals (specific or general) that they would have been required to submit to acquire the equity shares of the Target Company. In case the previous RBI approvals are not submitted, Acquirers reserve the right to reject such equity shares tendered. While tendering shares under the Offer, NRI / foreign shareholders will be required to submit a Tax Clearance Certificate from the Income Tax authorities, indicating the amount of tax to be deducted by the Acquirers under the Income Tax Act, 1961 ('Income Tax Act'), before remitting the consideration. In case the aforesaid Tax Clearance certificate is not submitted, Acquirers will arrange to deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.

7.9 As per the provisions of Section 196D (2) of the Income Tax Act, no deduction of tax at source shall be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act payable to a Foreign Institutional Investor ('FII') as defined in Section 115AD of the Income Tax Act.

7.10 No indemnity is needed from the unregistered shareholders.

7.11 The Acquirers shall complete all procedures relating to the Offer including payment of consideration to the shareholders by 27.05.2013. In case of delay in receipt of any statutory approval, SEBI may, if satisfied that delay receipt of the requisite approvals was not due to any willful default or neglect of the Acquirers or failure of the Acquirers to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders as directed by SEBI, in terms of regulation 18 (11) of the SEBI (SAST) Regulations.

7.12 Payment of consideration will be made by crossed account payee cheques /demand drafts / pay orders / through ECS mode of payment and will be sent by registered post, to those shareholders / unregistered owners & at their sole risk, whose shares/ share certificates & other documents are found in order & accepted by Acquirers in part or in full except in case of joint holders, cheques / demand drafts/ pay orders/ECS Credit, in the name of first holder. It is advised that shareholders provide bank details in the Form of Acceptance cum Acknowledgement, so that same can be incorporated in the cheques/ demand drafts/ pay orders. In order to get payment through ECS mode shareholders are requested to provide their Bank Details like Account Number, Name of the Bank and its address, IFSC Code of Bank etc.

7.13 In case the shares tendered in the Offer by the shareholders are more than the shares to be acquired under the Offer, the acquisition of shares from each shareholder will be on proportionate basis which would be determined in consultant with the Manager to the Offer so as to ensure that the basis of acceptance is decided in a fair and equitable manner. Provided that the acquisition of the equity shares from the shareholders of SFL shall not be less than the minimum marketable lot. The marketable lot for equity shares of SFL is 1 (one) equity share. The rejected Applications/ Documents will be sent by Registered Post.

7.14 Unaccepted share certificates, transfer forms & 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 Demat Form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective DP as per the details furnished by the beneficial owners.

7.15 The Registrar to the Offer will hold in trust the Share Certificates, shares lying in credit of the Special Depository Account, Form of Acceptance cum Acknowledgement, if any, and the Transfer Form/s on behalf of the shareholders of SFL who have accepted the Offer, till the Cheques/Drafts/ECS credit for the consideration and/or the unaccepted shares/share certificates are despatched/returned/credited.

7.16 In case any person has lodged shares of SFL for transfer & such transfer has not yet been effected, the concerned person may apply as per the instructions in Para 7.6 above together with the acknowledgement of lodgment shares for transfer. Such persons should also instruct SFL to send the transferred share certificate(s) directly to the Registrar to the Offer. The applicant should ensure that the certificate(s) reached the Registrar to the Offer on or before the Offer closing date.

7.17 In case any person has tendered his physical shares in SFL for dematerialization and such dematerialization has not yet been effected, the concerned shareholder may apply in the Offer as per instructions mentioned above together with a photocopy of the completed dematerialization request form acknowledged by shareholders DP. Such shareholders should ensure the credit of the shares to the Special Depository Account on or before the Offer closing date.

7.18 In case the shareholder has already sold his Shares, he may kindly forward this Offer document to the transferee or to the broker through whom the shares were sold. In case the shares were sold directly ("Off-market"), this document may be forwarded to the purchaser of the shares.

8. DOCUMENTS FOR INSPECTION:

Copies of the following documents will be available for inspection at the Registered office of the Manager to the Offer, M/s. VC Corporate Advisors Private Limited at 31, Ganesh Chandra Avenue, 2nd Floor, Suite No –2C, Kolkata-700 013 on any working day between 10.00 a.m. and 2.00 p.m. during the period the Offer is open i.e., from 29th April, 2013 to 13th May, 2013.

i) Memorandum & Articles of Association of Southern Fuel Limited along with the Certificate of Incorporation.

ii) Certificate from Mr. Dilip Saboo, (Firm Registration No. 129814W & Membership No. 132257), Proprietor of M/s. Saboo & Associates, Chartered Accountants, having office at Shop no. 8, Sonali Owners Association Building, plot no. 317, ward 12/B, near LIC Office, Gandhidham, Kutch – 370 201, E-mail:saboo_dilip@icai.org certifying the net worth of the Acquirers as on 21ST November, 2012.

iii) Certificate dated 21ST November, 2012 from Mr. Dilip Saboo, (Firm Registration No. 129814W & Membership No. 132257), Proprietor of M/s. Saboo & Associates, Chartered Accountants, having office at Shop no. 8, Sonali Owners Association Building, plot no. 317, ward 12/B, near LIC Office, Gandhidham, Kutch – 370 201, E-mail:saboo_dilip@icai.org certifying that the sufficient resources are available with the Acquirers for fulfilling the obligations under this "Offer" in full.

iv) Audited Financial Information of SFL as per the audited accounts for the year ended 31.03.2010, 31.03.2011 and 31.03.2012 and un-audited financial information for the nine month period ended 30.09.2012 of Southern Fuel Limited.

v) Copy of the letter received from HDFC Bank Limited confirming the required amount kept in the escrow account and marked lien in favour of Manager to Offer.

vi) The copy of Share Purchase Agreement dated 16th November, 2012 between the Sellers and the Acquirers, which triggered the Open Offer.

vii) Copy of the Public Announcement dated 16th November, 2012 and published copy of the Detailed Public Statement dated 23rd November, 2012.

viii) Copy of the recommendations made by the Committee of Independent Directors of the Target Company.

ix) Copy of SEBI Observation letter no. CFD/DCR/TO/DV/OW/8355/2013 dated 08th April, 2013.

x) Copy of the Memorandum of Understanding between the Acquirers & the Manager to the Offer, dated 16th November, 2012.

9. DECLARATION BY THE ACQUIRERS:

The Acquirers, Mr. Ramesh Kumar Sharma & Mrs. Kaushal Sharma, accept full responsibility for the information contained in the LOF and also for the obligations of the Acquirers laid down in the SEBI (SAST) Regulations and subsequent amendments made thereof and the Acquirers would be responsible for ensuring compliance with the SEBI (SAST) Regulations.

Sd/-

(Mr. Ramesh Kumar Sharma)

Sd/-

(Mrs. Kaushal Sharma)

Place: Kolkata
Date: 15.04.2013

Attached: Form of Acceptance cum Acknowledgement

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

To,
S.K.D.C Consultants Limited
Kanapathy Towers, 3rd Floor,
1391/A-1, Sathy Road, Ganapathy
Coimbatore - 641006

Date:

OFFER	
Opens on	April 29, 2013
Closes on	May 13, 2013

Dear Sir,

Subject: Open Offer by Mr. Ramesh Kumar Sharma and Mrs. Kaushal Sharma, both residing at 762, Sector 5, Sathwara Colony, Gandhidham – 370201, Dist. Kutch, (hereinafter collectively referred to as the "Acquirers") to the shareholders of Southern Fuel Limited ("Target Company" or "SFL") to acquire from them upto 3,24,850 equity shares of Rs. 10/- each representing 9.40% of the equity and voting share capital of SFL @ Rs. 3/- per fully paid-up equity share.

I/We refer to the Letter of Offer dated 15.04.2013 for acquiring the equity shares held by us in Southern Fuel Limited.
I/We, the undersigned have read the Letter of Offer, understood 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 transfer deed(s) in respect of my/our Shares as detailed below.

Sr. No.	**Ledger Folio No.**	**Certificate No(s).**	**Distinctive No(s).**		**No. of shares**
			From	To	
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 gives 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.

FOR EQUITY SHARES IN DEMATERIALISED FORM

I/We holding the shares in the dematerialized form, accept the offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode, duly acknowledged by the Depository Participants "DP" in respect of my/our shares as detailed below:

DP Name	**DP ID**	**Client ID**	**ISIN NO.**	**Beneficiary Name**	**No. of Shares**
Total number of shares					

I/We have done an off market transaction for crediting the Shares to the Special Depository Account opened for the purposes of the Offer, for which necessary instructions have been given to my/our DP.
I/We note and understand that the Shares would reside in the Special Depository Account opened for the purpose of this Offer until the time the Acquirers accept the Shares and makes the payment of purchase consideration as mentioned in the LOF.
I/We confirm that the equity shares of Southern Fuel 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 authorize the Acquirers to accept the shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirers to return to me/us, equity share certificate(s) in respect of which the offer is not found valid/not accepted.

I/We authorise the Acquirers and the Registrar to the Offer and the Manager to the Offer to send by Registered Post as may be applicable at my/our risk, the draft /cheque/ warrant, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below.
I/We authorize the Acquirers to accept the Shares so offered or such lesser number of Shares that they may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirers to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirers are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,

Signed and Delivered

	Full Names (s) of the holders	**Address & Telephone No.**	**Signature**
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

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

Bank Details
So as to avoid fraudulent encashment in transit, and also to enable payment through ECS the shareholder(s) may, at their option, provide details of bank account of the first / sole shareholder and the consideration cheque or demand draft will be drawn accordingly.
I / We permit the Acquirers or the Manager to the Offer to make the payment of Consideration through Electronic Clearance Service (ECS) of the Reserve Bank of India based on the Bank Account Details provided below and a photo copy of cheque is enclosed.
Savings/Current/(Others; please specify) : ______________________________________
Name of the Bank Branch: ____
Account Number: ______________________ IFSC Code of Bank___________________________________
The Permanent Account Number (PAN No.) allotted under Income Tax Act, 1961 is as below:

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

---**Tear along this line** ---

Acknowledgement slip

Ledger Folio No. ____________ DP ID ___________________ Client ID _____________________ Received from ______________________________ ___________an application for sale of __________Equity Share(s) of Southern Fuel Limited together with ________share certificate(s) bearing Certificate Numbers _________________________ and _______transfer deed(s)/ photocopy of "Off-market" delivery instruction duly acknowledged by the DP.

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

Date of receipt **Signature of the official**

INSTRUCTIONS

i. Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance cum Acknowledgement.

ii. The Form of Acceptance cum Acknowledgement should be filled-up in English only.

iii. Signature(s) other than in English, Hindi, and thumb impressions must be attested by a Notary Public under his Official Seal.

iv. Mode of tendering the Equity Shares Pursuant to the Offer:

(i) The acceptance of the Offer made by the Acquirers are entirely at the discretion of the equity shareholder of SFL.

(ii) Shareholders of SFL to whom this Offer is being made, are free to Offer his / her / their shareholding in SFL for sale to the Acquirers, in whole or part, while tendering his / her / their equity shares in the Offer.