LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

*This Letter of Offer is sent to you as shareholder(s) of **Soma Textiles & Industries Ltd.** If you require any clarification about the action to be taken, you may please consult your stockbroker or investment consultant or the Manager to the Offer or the Registrar to the Offer. In case you have recently sold your equity shares in Soma Textiles & Industries Ltd., please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal cum Acknowledgement and Transfer Deed(s) to the Member of Stock Exchange through whom the said sale was effected.*

OPEN OFFER BY

KRISHNAA GLASS PRIVATE LIMITED Registered Office: S.V. Road, Post Box No. 16, Kapurbawadi, Thane, Maharashtra - 400020 Tel No. 022 22826076; Fax No. 022 22851173

Alongwith Persons Acting in Concert (PACs)

Mr. Arvind Somany, Mr. Surendra Kumar Somany, Mrs. Prasann Somany, Mrs. Nandita Patodia, Mrs. Anupama Agarwal, Mrs. Nalini Somany, Ms. Nitya Somany, M/s Simplex Trading & Agencies Limited, M/s Sarvopari Investment Pvt. Ltd

To acquire upto 66,06,600 equity shares of Rs. 10/- each representing 20% of the total equity/voting share capital of Target Company at a price of Rs. 32.00 (Rupees Thirty Two Only) per fully paid equity share payable in Cash.

of

SOMA TEXTILES & INDUSTRIES LIMITED

Registered Office: 2, Red Cross Place, Kolkata – 700 001

Tel No. 033–22487406-07 Fax: 033–22487045.

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

ATTENTION:

1. The offer is not a conditional offer.
2. Approval for transfer of shares of a Company registered in India by a Non Resident to a person resident in India is required. The Acquirer shall apply for approval (if any) from RBI for transfer of shares in their name in due course after successful completion of this Offer.
3. As on the date of Public Announcement, to the best of the Acquirer's knowledge, no other statutory approvals are required to be obtained for the purpose of this Offer.
4. Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the date of closure of the offer i.e. upto Thursday, November 29, 2007.
5. If there is any upward revision in the Offer Price by the Acquirer upto seven working days prior to the date of closure i.e. upto Friday, November 23, 2007 the same would be informed by way of a Public Announcement in the same newspapers where the original Public Announcement had appeared. Such revision in the Offer Price would be payable for all the equity shares tendered anytime during the Offer Period.
6. **If there is a Competitive Bid:**
   - **6.1 The Public Offers under all the subsisting bids shall close on the same date.**
   - **6.2 As the Offer Price can not be revised during 7 working days prior to the closing date of the offers / 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.**
7. **A copy of Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal are also available on SEBI's web-site: www.sebi.gov.in**

FOR PROCEDURE FOR ACCEPTANCE OF THIS OPEN OFFER PLEASE REFER SECTION 9 "PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER" (PAGE NOS. 37 TO 39)
FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT AND FORM OF WITHDRAWAL ARE ENCLOSED WITH THIS LETTER OF OFFER.

All future correspondence, if any, should be addressed to the Manager / Registrar to the Offer at the following addresses:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
Chartered Capital And Investment Ltd. 711, Mahakant, Opp. V S Hospital, Ellisbridge, Ahmedabad – 380006 Tel: +91-79-2657 7571/2657 5337 Fax: +91-79-2657 5731 Email: info@charteredcapital.net Website: www.charteredcapital.net Contact person: Mr. Manoj Kumar Ramrakhyani	**M/s Pinnacle Shares Registry Private Limited** Near Asoka Mills, Naroda Road, Ahmedabad.-380025 Ph No: +91-79-22204226, 22200338 Fax: +91-79-22202963, Email: soma.offer@psrpl.com Contact person: Mr. Paresh Dave

OFFER OPENS ON: NOVEMBER15, 2007, THURSDAY | **OFFER CLOSES ON: DECEMBER 4, 2007, TUESDAY**

Sr. No	Activity	Original Schedule Day and Date	Revised Schedule Day and Date
1	**Date of Public Announcement (PA)**	February 21 , 2007, Wednesday	February 21, 2007, Wednesday
2	Specified Date (For the purpose of determining the names of shareholders to whom letter of offer would send)	March 16, 2007, Friday	March 16, 2007, Friday
3	Last Date for a Competitive Bid	March 14, 2007, Wednesday	March 14, 2007, Wednesday
4	Date by which Letter of Offer will be dispatched to the Shareholders	April 5, 2007, Thursday	November 8, 2007, Thursday
5	**Offer Opening Date**	**April 13, 2007, Friday**	**November 15, 2007, Thursday**
6	Last date for revising the offer price/number of shares	April 20, 2007 , Friday	November 23, 2007, Friday
7	Last date for withdrawal by Shareholders	April 26, 2007, Thursday	November 29, 2007, Thursday
8	**Offer Closing Date**	**May 2, 2007, Wednesday**	**December 4, 2007, Tuesday**
9	Date by which the acceptance/rejection would be intimated and the corresponding payment for the acquired shares and /or the share certificate for the rejected shares will be dispatched	May 17, 2007, Thursday	December 19, 2007, Wednesday

RISK FACTORS

i. In the event that either (a) the regulatory approvals are not received in timely manner (b) there is any litigation to stay the offer, or (c) SEBI instructs the Acquirer not to proceed with the offer, then the offer proceeds may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the public shareholders of STIL, whose shares have been accepted in the offer as well as the return of shares not accepted by the Acquirer may be delayed.

ii. The shares tendered in the offer will lie to the credit of a designated escrow account/ held in trust by the Registrar, till the completion of the offer formalities. Accordingly, the acquirer make no assurance with respect to any decision by the shareholders on whether or not to participate in the offer.

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

iv. Association of the Company with the Acquirer does not warrant any assurance with respect to the future financial performance of the Company.

v. The Acquirer makes no assurance of market price of shares of the Target Company during or after the offer.

The risk factors set forth above, pertain to the offer and not in relation to the present or future business or operations of STIL or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risk involved in participation or otherwise by a shareholder in the offer. Shareholders of STIL are advised to consult their stockbrokers or investment consultants, if any, for further risk with respect to their participation in the offer.

TABLE OF CONTENTS

1. DEFINITIONS

1.	Acquirer or The Acquirer or KGPL	***KRISHNAA GLASS PRIVATE LIMITED***
2.	BSE	Bombay Stock Exchange Limited, Mumbai
3.	CSE	Calcutta Stock Exchange Association Limited, Kolkatta
4.	Book Value per share	Net worth / Number of equity shares issued
5.	NSE	The National Stock Exchange of India Limited, Mumbai
6.	EPS	Profit after tax / Number of equity shares issued
7.	Form of Acceptance	Form of Acceptance cum Acknowledgement
8.	Form of Withdrawal	Form of Withdrawal cum Acknowledgement
9.	LOO or Letter of Offer	Offer Document
10.	Manager to the Offer or Merchant Banker	Chartered Capital And Investment Limited
11.	N.A.	Not Available
12.	Offer or The Offer	Open Offer for acquisition of **66,06,600** equity shares of Rs. 10/- each representing 20% of the total voting capital of Target Company at a price of Rs. 32.00 (Rupees Thirty Two Only) per fully paid equity share, payable in Cash.
13.	Offer Price	Rs. 32.00 (Rupees Thirty Two Only) per share for fully paid equity shares of Rs. 10/- each, payable in Cash.
14.	PACs	Mr. Arvind Somany, Mr. Surendra Kumar Somany, Mrs. Prasann Somany, Mrs. Nandita Patodia, Mrs. Anupama Agarwal, Mrs. Nalini Somany, Ms. Nitya Somany, M/s Simplex Trading & Agencies Limited & M/s Sarvopari Investment Pvt. Ltd
15.	Persons eligible to participate in the Offer	Registered shareholders of SOMA TEXTILES & INDUSTRIES LIMITED, and unregistered shareholders who own the equity shares of SOMA TEXTILES & INDUSTRIES LIMITED any time prior to the Offer closure other than the Acquirer and PACs

16.	paid up share capital/ paid up equity share capital/ voting	3,30,33,000 fully paid equity shares of Rs. 10/- each of the Target Company
17.	Public Announcement or **"PA"**	Announcement of the Open Offer by The Acquirer, which appeared in the newspapers on February 21, 2007
18.	RBI	Reserve Bank of India
19.	Registrar or Registrar to the Offer	**M/s PINNACLE SHARES REGISTRY PVT LTD.**
20.	Return on Net Worth	(Profit After Tax/Net Worth) *100
21.	SEBI	Securities and Exchange Board of India
22.	SEBI (SAST) Regulations,	Securities and Exchange Board of India (Substantial Acquisition of Shares
	1997 or Regulations	and Takeovers) Regulations, 1997 and subsequent amendments thereto
23.	SEBI DIP Guidelines	SEBI (Disclosure & Investor Protection) Guidelines, 2000 and subsequent amendments thereto
24.	SEBI Act	Securities and Exchange Board of India Act, 1992
25.	Target Company or STIL	**SOMA TEXTILES & INDUSTRIES LIMITED**

2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF SOMA TEXTILES & INDUSTRIES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER, OR THE COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGE ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, CHARTERED CAPITAL AND INVESTMENT LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED 05.03.2007 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDEMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

3 DETAILS OF THE OFFER

3.1 Background of the Offer

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

3.1.2 This Open Offer (the **"Open Offer"** or **"Offer"**) is being made by Krishnaa Glass Pvt. Ltd.(hereinafter referred to as the '**Acquirer**') along with Mr. Arvind Somany, Mr. Surendra Kumar Somany, Mrs. Prasann Somany, Mrs. Nandita Patodia, Mrs. Anupama Agarwal, Mrs. Nalini Somany, Ms. Nitya Somany, M/s Simplex Trading & Agencies Limited, M/s Sarvopari Investment Pvt. Ltd. (hereinafter referred to as the "Persons Acting in Concert"/ PACs".

3.1.3 The Acquirer has acquired through market purchases on the recognized stock exchange on **February 19 2007**, 3700100 (Thirty Seven Lacs One Hundred Only) fully paid up equity shares of Rs.10/- each representing 11.20% of the total paid up and voting rights (18,16,214 equity shares were purchased on BSE through Bulk Deals and 18,83,886 equity shares were purchased on NSE through Bulk Deals) of M/s Soma Textiles & Industries Limited, at an average price of Rs.28.06 (Rupees Twenty Eight and Paise Six only) per fully paid up equity share payable in cash (Highest Price Rs. 28.18 per share). This transaction resulted in acquisition of more than 5% in one financial year by the promoter group triggering Regulation 11(1) of SEBI (SAST) Regulations 1997. The total consideration for the shares acquired as mentioned above is Rs.10,41,55,745/- (Rupees Ten Crores Forty One Lacs Fifty Five Thousand Seven Hundred Forty Five Only).

3.1.4 The Acquirer had already acquired 11,00,000 equity shares at an average price of Rs.27.03 (Highest Price Rs. 32/- per share) through market purchase on January 5, 2007 representing 3.33%of the paid up capital for a total consideration of Rs. 2,99,43,480/-. (Rupees Two Crore Ninety Nine Lacs Forty Three Thousand Four Hundred Eighty Only) Both the acquisitions combined together account for 14.53 % of the total paid up capital of the Company and that resulted the triggering of SEBI(SAST) Regulation 1997 . The Offer is not as a result of global acquisition resulting in indirect acquisition of the target company.

By the above acquisition, the holding of Promoters Group has increased from 63,21,366 equity shares (including 1,12,784 Equity Share purchased by Mr. Surendra Kumar Somany, one of PAC, at an average price of Rs. 28.19 per share during the period 1st April 2006 to 31st December 2006 [Highest Price Rs. 30.88 per share]) representing 19.14% of total paid up share capital/voting share capital as on December 31, 2006 of STIL to 1,11,21,466 equity shares representing 33.67% of total equity share capital/voting share capital of STIL and that resulted the triggering of SEBI (SAST) Regulations, 1997.

3.1.5 Neither the Acquirer nor the Target Company have been prohibited by SEBI from dealing in securities, in terms of directions under Section 11B of the SEBI Act or under any of the Regulations made under the SEBI Act 1992.

3.1.6 There may be a change in the composition of the Board of Directors of the Target Company in course of normal business. However, there is no proposal to this effect as of today.

3.2 The Offer

3.2.1 The Acquirer has made a Public Announcement which was published on February 21, 2007 in the following newspapers in accordance with the Regulation 15 and pursuant to Regulation 11(1) of SEBI (SAST) Regulations, 1997.

Publication	Editions
Business Standard (English)	All Editions
Prathakaal (Hindi)	All Editions
Nav Shakti (Marathi)	Mumbai
Dainiklipi(Bengali)	Kolkatta

This Public Announcement is also available on the SEBI website at www.sebi.gov.in

3.2.2. The Acquirer is making this Open Offer under the SEBI (SAST) Regulations, 1997 to acquire 66,06,600 equity shares of Rs. 10/- each representing 20% of the total share capital/voting rights of STIL at a price of Rs. 32.00 (Rupees Thirty Two Only) per fully paid-up equity share ("Offer Price") payable in cash subject to terms and conditions mentioned hereinafter.

3.2.3 There are no partly paid-up shares in the Target Company. Further, there is no outstanding convertible debenture in the Target Company.

3.2.4 The Offer is not a competitive bid.

3.2.5 The Offer is not subject to any minimum level of acceptances from the shareholders i.e. it is not a conditional offer. The Acquirer will accept the equity shares of STIL those are tendered in valid form in terms of this offer up to maximum of 66,06,600 equity shares.

3.2.6 Acquirer and PACs have not acquired any shares of the Target Company after the date of Public Announcement till the date of Letter of Offer.

3.3 Objects of the Offer

3.3.1 As the result of the market purchase through stock exchanges 1100000 and 3700100 shares by the acquirer, the holding of the Promoters group has increased and is at 33.67% of total paid up equity share capital of the company as compared to 19.14% of total paid up equity share capital of the company before such acquisition and therefore this offer is as a result of consolidation of holdings by the Promoters exceeding 5% in a financial year. The Offer is not due to any global acquisition resulting in indirect acquisition.

3.3.2 The Offer to the shareholders of STIL is being made in accordance with Regulation 11(1) of the SEBI (SAST) Regulations, 1997.

4. BACKGROUND OF THE ACQUIRER AND PACs

4.1 KRISHNAA GLASS PRIVATE LIMITED (Acquirer)

Krishnaa Glass Private Limited is a private limited Company incorporated with the Registrar of Companies Maharashtra, Thane vide its certificate of incorporation dated June 23 1969 having registration no. 14312 under the

Companies Act, 1956. At present the Registered Office of the Company is situated at S.V. Road, Post Box No. 16, Kapurbawadi, Thane, Maharashtra - 400020. Phone No. 022 22826076, Fax No. 022 22851173.

4.1.1 Currently KGPL is engaged in the business of Trading of Textiles Products, Investments and financing activities.

4.1.2 The current Promoters of KGPL are Mr. Arvind Somany and Mr. Surendra Kumar Somany.

4.1.3 The compliances under chapter II of SEBI (SAST) Regulations, 1997 were not applicable to the Acquirer prior to the January, 2007 as the acquirer was not holding any share in the target company. On January 5, 2007, the acquirer acquired 11,00,000 equity shares of the target company and chapter II of SEBI (SAST) Regulations, 1997 become applicable to the acquirer. The acquirer has made timely disclosures under chapter II of SEBI (SAST) Regulations, 1997 to the Target Company and also to the Stock Exchanges except a delay of 3 days in making disclosure under regulation 7(1A) wherein disclosure which was due on January 7, 2007 was made on January 10, 2007.

4.1.4 The Authorised share capital of the KGPL as on the date of PA consists of Rs 300.00 lacs divided in to 27,50,000 equity shares of Rs 10/- each and 2,50,000 Preference Shares of Rs. 10/- each. The Issued, Subscribed and Paid up share capital of the KGPL constitutes of 22,13,700 fully paid up equity shares of Rs. 10/- each aggregating Rs. 221.37 lacs and 206250 fully paid up Preference Shares of Rs. 10/- each aggregating Rs. 20.62 lacs.

4.1.5 The shareholding pattern of Krishnaa Glass Private Limited as on the date of public announcement are as under:

Sr. No.	Category	No. of Shares Held	% of Shareholding
1.	Promoters and Persons Acting In Concert		
	Smt Nalini Somany	400000	18.07
	Smt. Prasann Somany	300000	13.55
	Arvind Kr. Somany	198900	8.98
	Devpriya Kanoria	100	0.01
	Nitya Somany	305100	13.78
	Anuja Somany	303000	13.69
	S K Somany (HUF)	322000	14.54
	Surendra Kumar Somany	76000	3.43
	Sub-Total	**1905100**	**86.05**
2.	Non Resident Investments NRI Other	 - 308600	 13.95
3.	Public and Others	-	-
	Total	**2213700**	**100.00**

4.1.6 The Board of Directors of Krishnaa Glass Private Limited as on P.A. date consists of following members:-

Name of the Director	Designation	Qualification and Experience in No. of years and filed of experience	Residential Address	Date of Appointment
Mr. Arvind Somany	Director	B.Sc. MIMA Industrialist 20 yrs experience in Textile industry	Soma House', Nr. Samartheshwar Mahadev, Ellisbridge, Ahmedabad – 380 006	30.03.1985
Mr. Devpriya Kanoria	Director	B.com Industrialist since last 20 years in textiles industry	C/o Aditya Mills Ltd. Stadium House, Veer Nariman Road, Mumbai – 400 023	30.03.1985
Mr. Hurkat Nandkishore	Director	B.com Businessman since last 30 years in ceramics tiles and sanitary items	Adarsh lok, B – 305, Sidharth Nagar, Road No. 17, Goregaon (W), Mumbai – 400 062	07.09.1988

Shri Arvind Kumar Somany is the managing Director of the Target Company M/s. Soma Textiles & Industries Ltd. As per Regulation 22(9) of SEBI (SAST) Regulations, 1997, they shall recuse themselves and not participate in any matter(s) concerning or “relating” to the offer including any preparatory steps leading to the offer. There is no other Director of Acquirer Company in the Board of the Target Company.

4.1.7 The Shares of the KGPL are not listed on any stock exchange.

4.1.8 The brief audited financials of KGPL are as under:-

(Rs. In Lacs)

Profit & Loss Statement	Year Ended 31.03.2004 (Audited)	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)	For the Period Ended 15.02.2007 (Audited)
Income from Operations	25	-	14	183
Other Income	781	215	104	149
Total Income	806	215	118	332
Total Expenditure	669	48	30	197
Profit before Depreciation, Interest and Tax	137	167	88	135
Depreciation	41	1	-	-
Interest	11	-	-	-
Extra ordinary Items	-	-	-	-
Profit before Tax	85	166	88	135
Provision for Tax	6	9	6	15
Profit after Tax	79	157	82	120

(Rs. In Lacs)

Balance Sheet Statement	Year Ended 31.03.2004 (Audited)	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)	For the Period Ended 15.02.2007 (Audited)
Sources of Funds				
Paid up Share Capital	191	191	191	242
Reserves & Surplus (Excluding Revaluation Reserve)	951	1016	1099	3226
Secured Loan	57	57	-	-
Unsecured Loan	-	-	-	-
Current Liabilities	45	18	31	190
Deferred Tax Liability	-	-	-	-
Total	**1244**	**1282**	**1321**	**3658**
Uses of Funds				
Net Fixed Assets	153	-	-	-
Investments	-	511	761	1628
Current Assets	1091	771	560	2030
Miscellaneous Expenses not written off	-	-	-	-
Total	**1244**	**1282**	**1321**	**3658**

Other Financial Data	Year Ended 31.03.2004 (Audited)	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)	For the Period Ended 15.02.2007 (Audited)
Net Worth (Rs. in Lacs)	1142	1207	1290	3468
Dividend (%)	Nil	Nil	Nil	Nil
Earning Per Share (Rs.)	4.15	8.24	4.30	5.42
Return on Net worth (%)	6.92%	13.00%	6.36%	3.46%
Book Value Per Share	59.95	63.36	67.71	156.64

Formula: - Return on Net Worth=(profit after tax/net worth) *100; Book value of shares=net worth divided by number of equity shares issued; EPS= profit after tax /number of equity shares issued.

The KGPL is not a Sick industrial undertaking

4.1.9 There are no contingent liabilities in the company as per Annual Report 2005-2006.

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

During the year ended 31st March, 2005 the Company's net profit was Rs.156.99 lacs as against the Profit of Rs.79.25 lacs in the corresponding previous year ended 31st March, 2004 mainly due to receipt of one time income on account of transfer of development right of the land situated at Kapurbawdi, Thane (W), Dist.: Thane, Maharashtra., Dividend and interest income.

During the year ended 31st March 2006 the Company's net profit was Rs.82.33 lacs as against the profit of Rs.156.99 lacs in the corresponding previous year ended 31st March 2005. Profit is less compared to previous year as in the previous year one time income was from the transfer of development right of the land.

During the period ended 15/02/2007 company has received bulk orders for the supply of Textiles Fabrics & Yarn and the company executed these orders. In addition to this, during the period the company also had "other income" which include dividend, interest on loan given and profit on sale of Mutual fund units & shares. Due to this the Company achieved a total income of Rs.332.32 lacs as against Rs.118.37 lacs during the previous year ended 31st march 2006 which resulted in net profit of Rs.119.61 lacs as against the net profit of Rs.82.33 lacs during the year ended 31st March, 2006. Reserves & surplus as on 15/02/2007 increased to Rs.3226.03 lacs as against reserve & surplus of Rs.1098.51 lacs as on 31/03/2006 due to the profit earned for this period and issue of 206250 Preference Shares of Rs.10/- at a premium of Rs.390/- per shares.

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

The Balance Sheet and Profit & Loss Account have been drawn up in accordance with generally accepted accounting principles and as per the provisions of Companies Act, 1956 & Accounting standards issued by the ICAI.

a) System of Accounting

The Company adopts the accrual system of accounting.

b) Fixed Assets

Company do not have any Fixed Assets.

c) Investments and Securities held as stock-in-trade

Securities and other financial assets acquired and held for earning income by way of dividend and interest and for the purpose of capital appreciation are classified as long term investments/short term investments.

Long Term Investments are stated at cost. Decline in their value, if any, other than temporary is provided.

Short Term Investments are stated at cost or market values whichever is less.

In respect of investments and securities, brokerage, stamp duty and securities transaction tax wherever applicable are considered to arrive at the cost.

d) Transactions in Futures

Initial Margin payable at the time of entering into futures contract /sale of option is done through cash margin provided.

The difference in the settlement price or exchange closing price of the previous day and exchange closing price of the subsequent day, paid to or received from the exchange is treated as Mark to Market Margin. The balance in the Mark to Market Margin Account represent the net amount paid or received on the basis or movement in the prices of open interest in futures contracts till the balance sheet date. Net Debit balance in Market-to-Market Margin is shown in Balance Sheet under Loans and Advance schedule and provision created against that for anticipated losses is shown as deducted there from.

Net credit balance in the said account is shown in current liabilities.

4.1.15 Krishnaa Glass Private Limited has not promoted any Company since inception.

4.1.16 The Acquirer at present have no intention to sell, dispose of or otherwise encumber any significant assets of STIL in the succeeding two years, except in the ordinary course of business of STIL with the prior approval of the shareholders. STIL's future policy for disposal of its assets, if any, will be decided by its Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders at a General Body Meeting of STIL.

4.1.17 The Acquirer does not intend to make any changes in the Board of Directors of the Target Company.

4.1.18 The Acquirer has acquired 11,00,000 Shares/ voting rights of the Target Company during the 12 months period prior to the date of Public Announcement.

4.2 BACKGROUND OF PACs

4.2.1 Arvind Somany

Mr. Arvind Somany is a part of the existing Promoter Group of the Target Company. He is son of Surendra Kumar Somany, aged 52 years, a Indian Citizen residing at Soma House', Nr. Samartheshwar Mahadev, Ellisbridge, Ahmedabad – 380 006. Tel No: 079 2656 8140, Fax: 079 2656 1365.

Mr. Arvind Somany, is a Science Graduate. He has an experience of about 20 years in Textile industry. He was the Chairman of Ahmedabad Mill Owners' Association for 2003-2004 and has been a member of The Indian Cotton Mills' Federation and several other committees constituted by governmental bodies.

Mr. Padam Chand Jain, Chartered Accountants (Membership No.34966) partner of M/s. Padam Chand Jain & Associates having office at M V House, Opp. Hajipura Garden, Shahibag, Ahmedabad-380004, Tel No.: 079-25624369 has certified that the Net Worth of Mr. Arvind Somany as on 31.01.2007 is Rs. 122.88 Lacs.

The compliances under chapter II of SEBI (SAST) Regulations, 1997 are applicable to the PAC and it has timely made disclosures to the Target Company and to the Stock Exchanges.

Mr. Arvind Somany holds the position of Directorship in the following companies :

Name of the Company	Designation/ Status (whether director/ whole time director/ M.D.)	Listed At
Soma Textiles and Industries Limited	Managing Director	BSE / NSE/CSE
Krishnaa Glass Pvt Ltd.	Director	N.A
Pudumjee Agro Ind. Ltd.	Director	N.A

Mr. Arvind Somany is Promoter Director of KGPL.

Mr. Arvind Somany holds 850639 Equity shares of Target Company as on the date of Public Announcement. Mr. Arvind Somany has not made any acquisition earlier in the target Company through Open Offer(s).

4.2.2 Mr. Surendra Kumar Somany

Mr. Surendra Kumar Somany is a part of the existing Promoter Group of the Target Company. He is son of. Late Shree Murlidhar Somany, aged 74 years, a Indian Citizen residing at 81, Las Palmas 20 Little Gibbs Road, Mumbai-400006 Tel No: 022 22836519 , Fax: 022 22851173.

Mr. Surendra Kumar Somany, has more than five decades experience in administration and management in Textile and other Industries.

Mr.Padam Chand Jain, Chartered Accountants (Membership No.34966) partner of M/s. Padam Chand Jain & Associates having office at M V House, Opp Hajipura Garden, Shahibag, Ahmedabad-380004, Tel No.: 079-25624369 has certified that the Net Worth of Mr. Surendra Kumar Somany as on 31.01.2007 is Rs. 634.10 Lacs.

The compliances under chapter II of SEBI (SAST) Regulations, 1997 are applicable to the PAC and it has timely made disclosures to the Target Company and to the Stock Exchanges.

Mr. Surendra Kumar Somany holds the position of Directorship in the following companies::

Name of the Company	Designation/ Status (whether director/ whole time director/ M.D)	Listed At
Soma Textiles & Industries Limited	Non Executive Director	BSE, NSE & CSE
Simplex Trading & Agencies Ltd.	Non Executive Director	BSE
Somany Evergreen Knits Limited	Non Executive Director	Not Listed
Simplex Reality Co. Ltd.	Non Executive Director	BSE
Nav Bharat Refrigeration and Ind. Ltd.	Non Executive Director	Not Listed
Shreelekha Global Finance Ltd.	Non Executive Director	Not Listed
Jamshri Ranjitsighji Spg. & Wvg. Mills Co. Ltd.	Non Executive Director	BSE

Mr. Surendra Kumar Somany is Promoter of KGPL

Mr. Surendra Kumar Somany holds 618001 Equity shares of Target Company as on the date of Public Announcement out of which he had purchased 1,12,784 Equity Share at an average price of Rs. 28.19 per share during the period 1st April 2006 to 31st December 2006 [Highest Price Rs. 30.88 per share]). Mr. Surendra Kumar Somany has not made any acquisition earlier in the target Company through Open Offer(s).

4.2.3 **Mrs Prasann Somany**

Mrs. Prasann Somany is a part of the existing Promoter Group of the Target Company. She is wife of Mr Arvind Somany, aged 47 years, a Indian Citizen residing at Soma House', Nr. Samartheshwar Mahadev, Ellisbridge, Ahmedabad – 380 006. Tel No: 079 2656 8140, Fax: 079 2656 1365.

Mr. Padam Chand Jain, Chartered Accountants (Membership No.34966) partner of M/s. Padam Chand Jain & Associates having office at M V House, Opp. Hajipura Garden, Shahibag, Ahmedabad-380004, Tel No.: 079-25624369 has certified that the Net Worth of Mrs. Prasann Somany as on 31.01.2007 is Rs. 58.37 Lacs.

She is a Commerce Graduate having experience of about 15 years in the field of management.

The compliances under chapter II of SEBI (SAST) Regulations, 1997 are applicable to the PAC and it has timely made disclosures to the Target Company and to the Stock Exchanges.

She holds the position of Directorship in the following companies:

Name of the Company	Designation/Status (whether director/whole time director/ M.D)	Listed At
Simplex Trading & Agencies Limited	Director	BSE
New Textiles Ltd.	Director	NIL

Mrs. Prasann Somany holds 2330 Equity shares of Target Company as on the date of Public Announcement. Mrs. Prasann Somany has not made any acquisition earlier in the target Company through Open Offer(s).

She is wife of Mr. Arvind Somany and shareholder of KGPL.

4.2.4 **Mrs. Nandita Patodia**

Mrs. Nandita Patodia is a part of the existing Promoter Group of the Target Company. She is daughter of Mr Surendra Kumar Somany, aged 43 years, a Indian Citizen residing at 61, Mount Unique, 8 Floor, 62 A, Pedder Road, Mumbai-400026 Tel No: 09821540700, Fax: 022 22851173.

Mr. Padam Chand Jain, Chartered Accountants (Membership No.34966) partner of M/s. Padam Chand Jain & Associates having office at M V House, Opp. Hajipura Garden, Shahibag, Ahmedabad-380004, Tel No.: 079-25624369 has certified that the Net Worth of Mrs. Nandita Patodia as on 31.01.2007 is Rs. 302.32 Lacs .

She is a Commerce Graduate and a housewife. She is daughter of Mr. Surendra Kumar Somany.

The compliances under chapter II of SEBI (SAST) Regulations, 1997 are applicable to the PAC and it has timely made disclosures to the Target Company and to the Stock Exchanges.

She does not hold Directorship in any company.

Mrs. Nandita Patodia holds 75000 Equity shares of Target Company as on the date of Public Announcement. Mrs.Nandita Patodia has not made any acquisition earlier in the target Company through Open Offer(s).

4.2.5 **Mrs. Anupama Agarwal**

Mrs. Anupama Agarwal is a part of the existing Promoter Group of the Target Company. She is daughter of Mr Surendra Kumar Somany, aged 40 years, a Indian Citizen residing at 81, Las Palmas, 20 Little Gibbs Road, Mumbai-400006 Tel No: 022 22826076

Mr. Padam Chand Jain, Chartered Accountants (Membership No.34966) partner of M/s. Padam Chand Jain & Associates having office at M V House, Opp. Hajipura Garden, Shahibag, Ahmedabad-380004, Tel No.: 079-25624369 has certified that the Net Worth of Mrs. Anupama Agarwal as on 31.01.2007 is Rs. 1097.93 Lacs.

She is a Commerce Graduate and a housewife. She is daughter of Mr. Surendra Kumar Somany.

The compliances under chapter II of SEBI (SAST) Regulations, 1997 are applicable to the PAC and it has timely made disclosures to the Target Company and to the Stock Exchanges.

She does not hold Directorship in any company.

Mrs. Anupma Agarwal holds 76000 Equity shares of Target Company as on the date of Public Announcement. Mrs. Anupma Agarwal has not made any acquisition earlier in the target Company through Open Offer(s).

4.2.6 Mrs. Nalini Somany

Mrs. Nalini Somany is a part of the existing Promoter Group of the Target Company. She is wife of Mr Surendra Kumar Somany, aged 66 years, a Indian Citizen residing at 81, Las Palmas, 20 Little Gibbs Road, Mumbai-400006 Tel No: 022 22826076.

Mr. Padam Chand Jain, Chartered Accountants (Membership No.34966) partner of M/s. Padam Chand Jain & Associates having office at M V House, Opp. Hajipura Garden, Shahibag, Ahmedabad-380004, Tel No.: 079-25624369 has certified that the Net Worth of Mrs. Nalini Somany as on 31.01.2007 is Rs. 102.16 Lacs.

She is a housewife. She is wife of Mr. Surendra Kumar Somany and shareholder of KGPL.

The compliances under chapter II of SEBI (SAST) Regulations, 1997 are applicable to the PAC and it has timely made disclosures to the Target Company and to the Stock Exchanges.

She does not hold Directorship in any company.

Mrs. Nalini Somany holds 300000 Equity shares of Target Company as on the date of Public Announcement. Mrs. Nalini Somany has not made any acquisition earlier in the target Company through Open Offer(s).

4.2.7 Ms. Nitya Somany

Ms. Nitya Somany is a part of the existing Promoter Group of the Target Company. She is daughter of Mr Arvind Somany, aged 23 years, a Indian Citizen residing at ‘Soma House’, Nr. Samartheshwar Mahadev, Ellisbridge, Ahmedabad – 380 006. Tel No: 079 2656 8140, Fax: 079 2656 1365.

Mr. Padam Chand Jain, Chartered Accountants (Membership No.34966) partner of M/s. Padam Chand Jain & Associates having office at M V House, Opp. Hajipura Garden, Shahibag, Ahmedabad-380004, Tel No.: 079-25624369 has certified that the Net Worth of Ms. Nitya Somany as on 31.01.2007 is Rs. 103.74 Lacs.

She is a student. She is daughter of Mr. Arvind Somany and shareholder of KGPL.

The compliances under chapter II of SEBI (SAST) Regulations, 1997 are applicable to the PAC and it has timely made disclosures to the Target Company and to the Stock Exchanges.

She does not hold Directorship in any company.

Ms. Nitya Somany holds 1879 Equity shares of Target Company as on the date of Public Announcement. Ms. Nitya Somany has not made any acquisition earlier in the target Company through Open Offer(s).

4.2.8 M/s Simplex Trading & Agencies Limited

M/s Simplex Trading & Agencies Limited was incorporated on 9th July 1981with Registrar of Companies Maharashtra having registration no. 11-024768 of 1981. The registered Office of the Company is situated at 81, Las Palmas, 20 Little Gibbs Road, Mumbai –400006. Tel : 022 22836519, Fax: 022 22851173

The Current Promoters of the Company are Mrs Prasann Somany, Mr. Surendra Kumar Somany, Mrs. Nalini Somany, Mr. Arvind Kumar Somany.

Currently Simplex Trading & Agencies Limited is engaged in the business of Finance and Investment Activities. It is registered with RBI as NBFC Company.

The compliances under chapter II of SEBI (SAST) Regulations, 1997 are applicable to the PAC and it has not timely made disclosures to the Target Company and but not to the Stock Exchanges.

The Authorised share capital of the M/s Simplex Trading & Agencies Limited consists of Rs 60.00 lacs divided in to 6,00,000 equity shares of Rs 10/- each. The Issued, Subscribed and Paid up share capital constitutes of 5,00,000 fully paid up equity shares of Rs. 10/- each aggregating Rs. 50.00 lacs.

The shareholding pattern as on PA date is as under:

Name of the Shareholder	No. of Shares held	Percentage of Shareholding
Shri Surendra Kumar Somany	236000	47.20
Smt Nalini Somany	208010	41.60
Shri Arvind Kumar Somany	10000	2.00
Shri Prasann Somany	17630	3.53
Indian Public	28360	5.67
TOTAL	500000	100.00

The Board of Directors of Simplex Trading & Agencies Limited as on P.A. date consists of following members:-

Sr. No	Name of the Director	Designation	Qualification and Experience in No. of years and filed of experience	Residential Address	Date of Appointment
1	Shri R.S. Sharma	Director	-B.Com. LLB -35 years -Finance, Accounts and Company law matter	128, Mahatma Gandhi Road, Kolkata-700 001	23/09/1998
2	Shri Surendra Kumar Somany	Non Executive Director	-B.Com -Industrialist -Five decades of experience in Textile Industry	81, Las Palmas, Little Gibbs Road Mumbai – 400 006	23/09/1992
3	Smt.Prasann Somany	Director	-B.Com -Industrialist -15 Yrs of experience in the field of Textile Industry	'Soma House', Nr. Samartheshwar Mahadev, Ellisbridge, Ahmedabad – 380 006	23/09/1998
4	Shri O.D.Purohit	Director	-5 decades experience in Secretarial & Company Law Matters	Flat No.5, 2nd Floor, Plot No.49, Venus Co-Op.Hsg.Soc.Ltd. Worli Sea Face, (South), Mumbai – 400 018.	05/05/1982

The Shares of the M/s Simplex Trading & Agencies Limited are listed on BSE.

The brief financials of M/s Simplex Trading & Agencies Limited are as under**:-**

(Rs. In Lacs)

Profit & Loss Statement	**Year Ended 31.03.2004 (Audited)**	**Year Ended 31.03.2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**	**For the period Ended 31.12.2006 (Audited)**
Income from Operations	51.66	92.62	311.97	19.29
Other Income	0.00	0.00	0.00	0.00
Total Income	51.66	92.62	311.97	19.29
Total Expenditure	61.99	1.47	16.55	0.66
Profit before Depreciation, Interest and Tax	(10.32)	91.15	295.42	18.63
Depreciation	0.00	0.00	0.00	0.00
Interest	0.00	0.00	0.00	0.00
Extra ordinary Items	0.00	0.00	0.00	0.00
Profit before Tax	(10.32)	91.15	295.42	18.63
Provision for Tax	14.69	8.62	38.95	5.45
Profit after Tax	(25.01)	82.53	256.47	13.18

(Rs. In Lacs)

Balance Sheet Statement	**Year Ended 31.03.2004 (Audited)**	**Year Ended 31.03.2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**	**For the period Ended 31.12.2006 (Audited)**
Sources of Funds				
Paid up Share Capital	50.00	50.00	50.00	50.00
Reserves & Surplus (Excluding Revaluation Reserve)	213.73	292.84	543.61	556.79
Secured Loan	0.00	0.00	0.00	0.00
Unsecured Loan	62.08	0.00	0.00	0.00
Current Liabilities	6.36	9.23	18.18	17.93
Deferred Tax Liability	0.00	0.00	0.00	0.00
Total	**332.16**	**352.07**	**611.79**	**624.72**
Uses of Funds				
Net Fixed Assets	0.00	0.00	0.00	0.00
Investments	287.62	217.56	389.00	127.78
Deferred Tax Asset	37.25	32.35	0.00	0.00
Current Assets	7.30	102.16	222.79	496.94
Miscellaneous Expenses not written off	0.00	0.00	0.00	0.00
Total	**332.16**	**352.07**	**611.79**	**624.72**

Other Financial Data	**Year Ended 31.03.2004 (Audited)**	**Year Ended 31.03.2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**	**For the period Ended 31.12.2006 (Audited)**
Net Worth (Rs.in Lacs)	263.73	342.84	593.61	606.79
Dividend (%)	6%	6%	10%	0.00
Earning Per Share	(5.00)	16.51	51.29	2.64
Return on Networth (%)	(9.36%)	24.02%	43.20%	2.17%
Book Value Per Share	52.75	68.57	118.72	121.36

Formula: - Return on Net Worth=(profit after tax/net worth) *100; Book value of shares=net worth divided by number of equity shares issued; EPS= profit after tax /number of equity shares issued.

Contingent liabilities: The Company had received a letter from Securities & Exchange Board of India (SEBI) during the previous year for consent order u/s 151 of SEBI Act payment of penalty of Rs.1,75,000/- for violations of regulations 6 and 8 SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 regarding non-filling of shareholding details And changes thereof Company has requested SEBI for reduction in penalty and for Personal hearing. Pending that Company has not made any provision for the same, as the amount is not ascertainable.

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

Companies profit is coming from dividend, interest and on sale of Investments.

The loss for the year ended 31st March, 2004 was only on account of exchange of Investments due to the family settlement arrived at based on the verdict of Honourable High Court, Kolkata and provision for Deferred Tax.

During the year ended 31st March, 2005 the Company's net profit was Rs.82.34 lacs as against the loss of Rs.24.89 lacs in the corresponding previous year ended 31st March, 2004.

During the year ended 31st March, 2006 the Company's net profit was Rs.256.47 lacs as against the profit of Rs.82.34 lacs in the corresponding previous year ended 31st March, 2005. Mainly due to the sale of majority of investments held by the Company due to favourable capital market.

Significant Accounting Policies for the year ended March 31, 2006

Basis of Accounting :-

The Accounts have been prepared on historical cost basis and accrual system of accounting unless otherwise stated.

Income Recognition: -

1.1 Interest on investments is accounted for on accrual basis.

1.2 Dividend income is accounted for on receipt basis.

1.3 Profit or loss on sale of investments is accounted for as and when the transactions are entered in to.

Expenses: -
The Company provides for all expenses on accrual basis.

Investments: -

(a) Long-term investments are valued at cost.

(b) All investments have been classified as long-term investments.

Taxation

Provision for current tax is made on the estimated taxable income at the tax rate applicable to the relevant assessment year. Deferred tax assets and deferred tax liabilities are calculated by applying the rate and tax laws that have been enacted or substantively enacted as on balance sheet date. Deferred tax assets are reviewed at each Balance sheet date.

Deferred Tax Assets arising mainly on account of brought forward losses and unabsorbed depreciation under Tax laws are recognised, only to the extent of a virtual certainty of its realisation. Deferred Tax Assets on account of other timing differences are recognised only to the extent there is a reasonable certainty of its realisation.

Other Accounting Policies

These are consistent with the generally accepted accounting policies.

M/s Simplex Trading & Agencies Limited has not promoted any Company since inception.

M/s Simplex Trading & Agencies Limited holds 390273 Equity shares of Target Company as on the date of Public Announcement. M/s Simplex Trading & Agencies Limited has not made any acquisition earlier in the target Company through Open Offer(s).

4.2.9 **M/s Sarvopari Investment Pvt. Ltd.**

M/s Sarvopari Investment Pvt. Ltd was incorporated on 17th April 1985 with Registrar of Companies West Bengal having registration no. 38802 of 1985. The registered Office of the Company is situated at 2 Red Cross Place, Kolkata – 700001. Tel : 033 22487406.

The Current Promoters and PACs are Mrs Prasann Somany, Mr. Surendra Kumar Somany, Mrs. Nalini Somany & Mr. Arvind Kumar Somany.

Currently M/s Sarvopari Investment Pvt. Ltd is engaged in the business of Finance and Investment Activities. It is registered with RBI as NBFC Company.

The compliances under chapter II of SEBI (SAST) Regulations, 1997 are applicable to the PAC and it has timely made disclosures to the Target Company and to the Stock Exchanges.

The Authorised share capital of the M/s Sarvopari Investment Pvt. Ltd consists of Rs 279.20 lacs divided in to 27,92,000 equity shares of Rs 10/- each. The Issued, Subscribed and Paid up share capital consist of 5,10,707 fully paid up equity shares of Rs. 10/- each aggregating Rs. 51.07 lacs.

The shareholding pattern as on PA date is as under:

Name of the Shareholder	No. of Shares held	Percentage of Shareholding
Smt. Nalini Somany Jt. Shri Surendra Kumar Somany	217982	42.68
Smt. Prasann Somany Jt. Shri Arvind Kumar Somany	51421	10.07
Shri Surendra Kumar Somany A/C HUF Jt. Smt. Nalini Somany	92654	18.14
Shri Surendra Kumar Somany Jt. Smt. Nalini Somany	18380	3.60
Simplex Trading & Agencies Ltd	127477	24.96
Shri Arvind Kumar Somany	10	0.00
Others	2783	0.54
Total	**510707**	**100.00**

The Board of Directors of Sarvopari Investment Pvt Limited as on P.A. date consists of following members:-

SL No	Name of the Director	Designation	Qualification and Experience in No. of years and field of experience	Residential Address	Date of Appointment
1	Shri R.S. Sharma	Director	-B.Com. LLB -35 years -Finance, Accounts and Company law matter	128, Mahatma Gandhi Road, Kolkata-700 001	01.12.2003
2	Shri Shyam Newar	Director	-Senior Cambridge -25 years -In the field of manufacturing of Spare parts for Steel Plant	227/1A, A J C Bose Road, Kolkata-700 020	01.12.2003
3	Shri Basant Kumar Periwal	Director	-B. Com. - 30 years - Deals in Textiles & Textiles products	42A, Lake Temple Road, Kolkata-700 029	01.12.2003

The Shares of the M/s Sarvopari Investment Pvt. Ltd are not listed on any stock exchange.

The brief financials of M/s Sarvopari Investment Pvt. Ltd Limited are as under**:-**

(Rs. In Lacs)

Profit & Loss Statement	**Year Ended 31.03.2004 (Audited)**	**Year Ended 31.03.2005 (Audited)**	**Year Ended 31.03.2006 (Audited)**	**For the period ended 31.01.2007 (Audited)**
Income from Operations	4.50	29.58	9.03	25.10
Other Income	116.39	67.31	53.62	3.74
Total Income	120.89	96.89	62.65	28.84
Total Expenditure	129.39	59.81	46.16	0.82
Profit before Depreciation, Interest and Tax	(8.50)	37.08	16.49	28.02
Depreciation	0.00	0.00	0.00	0
Interest	9.00	9.14	9.00	7.50
Extra ordinary Items	0.00	0.00	0.00	0
Profit before Tax	(17.50)	27.94	7.49	20.52
Provision for Tax	0.00	2.10	0.43	5.67
Profit after Tax	(17.50)	25.84	7.06	14.85

(Rs. In Lacs)

Balance Sheet Statement	Year Ended 31.03.2004 (Audited)	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)	For the period ended 31.01.2007 (Audited)
Sources of Funds				
Paid up Share Capital	51.07	51.07	51.07	51.07
Reserves & Surplus (Excluding Revaluation Reserve)	374.62	399.65	406.93	421.79
Secured Loan	90.00	90.00	90.00	90.00
Debenture Application Money	0.00	0.00	300.00	300.00
Unsecured Loan	0.00	0.00	0.00	0.00
Current Liabilities	0.00	0.00	0.00	0.00
Deferred Tax Liability	0.00	0.00	0.00	0.00
Total	**515.69**	**540.72**	**848.00**	**862.86**
Uses of Funds				
Net Fixed Assets	0.00	0.00	0.00	0.00
Investments	473.98	487.87	489.37	857.76
Net Current Assets	41.71	52.85	358.63	5.10
Miscellaneous Expenses not written off	0.00	0.00		
Total	**515.69**	**540.72**	**848.00**	**862.86**

Other Financial Data	Year Ended 31.03.2004 (Audited)	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)	For the period ended 31.01.2007 (Audited)
Net Worth (Rs.in Lacs)	425.69	450.72	458.00	472.86
Dividend (%)	Nil	Nil	Nil	Nil
Earning Per Share	(3.43)	5.06	1.38	2.91
Return on Networth (%)	(4.11)	5.73	1.54%	3.14%
Book Value Per Share	83.35	88.25	89.68	92.59

Formula: - Return on Net Worth=(profit after tax/net worth) *100; Book value of shares=net worth divided by number of equity shares issued; EPS= profit after tax /number of equity shares issued.

There are no contingent liabilities in the company as per Annual Report 2005-2006.

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

The Company has incurred a loss of Rs, 17.50 Lacs during the year ended 31.03.2004 whereas the Company has earned a profit of Rs. 27.94 Lacs before Tax as on 31.03.2005. In the year ended 31.03.2004 the Company has loss on sale of Investments of Rs. 20.98 Lacs whereas in the year ended 31.03.2005 the Company earned Profit on sale of Investments of Rs. 25.98 Lacs.

The Company has earned a profit of Rs. 7.49 Lacs before Tax as on 31.03.2006 in compare to profit of Rs. 27.94 Lacs before Tax as on 31.03.2005. In the year ended 31.03.2005 the Company has incurred Profit on sale of Investments of Rs. 25.98 Lacs whereas in the year ended 31.03.2006 the Company has incurred Profit on sale of Investments of Rs. 0.98 Lacs.

The Company's main activity is dealing in Shares/Securities hence its profitability is entirely depending upon Capital Market sentiments and Government policy.

Significant Accounting Policies for the year ended March 31, 2006

The Financial Statements of the Company have been prepared under the Historical Cost Convention in accordance with the generally accepted accounting principals and the Company generally follows mercantile system of accounting and recognizes significant items of Income & Expenditure on accrual basis.

M/s Sarvopari Investment Pvt. Ltd has not promoted any Company since inception.

M/s Sarvopari Investment Pvt. Ltd holds 4007244 Equity shares of Target Company as on the date of Public Announcement. M/s Sarvopari Investment Pvt. Ltd has not made any acquisition earlier in the target Company through Open Offer(s).

5. DELISTING OPTION, IF APPLICABLE:

Assuming full acceptances, the offer would not reduce the public shareholding below the minimum limit prescribed by SEBI. After this offer, public shareholding will be 46.33% of paid up capital of the Target Company. Hence, pursuant to this offer, the acquirers will not exercise the delisting option.

6. BACKGROUND OF THE TARGET COMPANY SOMA TEXTILES & INDUSTRIES LIMITED (STIL)

6.1 **"STIL"** was originally incorporated with the Registrar of Companies West Bengal, Kolkata vide its certificate of incorporation dated March 29, 1940 as R. B. RODDA & CO. LTD. Later on the name of the company was changed to SOMA TEXTILES & INDUSTRIES LIMITED vide certificate of incorporation dated December 19, 1991. The registered office of the Company is situated at 2, Red Cross Place, Kolkata – 700 001. Tel :033-22487406, Fax :033-22487407. The regional office is at 6, Vaswani Mansion, Dinshaw Wacha Road, Backbay Reclamation, Mumbai-400020. Mr. Surendra Kumar Somany, Mr. Arvind Somany, their relatives & associate concerns including Krishnaa Glass Private Limited and Sarvopari Investment Private Limited are the promoters of the Company.

6.2 The principal activity of Soma Textiles & Industries Ltd. (STIL) is manufacturing and sales of Spinned Cotton Yarn, Polyester Yarn, Denim (Indigo Dyed), Cotton Shirting and Ready-for-Dyeing Shirt Materials, Bottom Weights, etc. The Target Company has two units (a) A composite mill known as unit no. 1 at Rakhial road, Rakhial, Ahmedabad. (b) A Spinning Unit at Plot No. D-49, MIDC, Baramati–413133C, Dist. Pune, Maharashtra.

6.3 As on the date of PA, STIL has an authorized share capital of Rs. 5000 lacs, comprising of 5,00,00,000 equity shares of Rs 10/- each. It has an issued, subscribed and paid-up equity share capital of Rs. 3303.30 lacs, consisting of 3,30,33,000 fully paid equity shares of Rs. 10/- each.

6.4 There are no partly paid-up shares in the Target Company.

6.5 As on the date of PA, the Share Capital Structure of the target company is as given under:

Paid up Equity Shares of STIL	No. of Equity shares/ voting rights	% of Shares/voting rights
Fully paid-up equity shares	3,30,33,000	100.00
Partly paid-up equity shares	Nil	Nil
Total paid-up equity shares	3,30,33,000	100.00
Total voting rights in the Target Company	3,30,33,000	100.00

6.6 The current capital structure of the Target Company has been build up since inception as under:

Date of allotment	No of shares issued	% of shares issued	Cumulative paid up capital in Rs.	Mode of allotment	Identity of allottees (promoters/ ex-promoters/ others)	Status of compliance
29.03.1940*	17500	0.05	175000	Original Issue	Promoters/ ex-promoter	Complied with
04.03.1949	47500	0.14	650000	Rights	Promoters/ ex-promoter	Complied with
26.08.1969	130000	0.39	1950000	Rights	Promoters/ ex-promoter	Complied with
24.03.1970	65000	0.20	2600000	Preferential	Promoters/ ex-promoter	Complied with
03.03.1990	260000	0.79	5200000	Bonus	Promoters/ ex-promoter	Complied with
16.04.1991	260000	0.79	7800000	Rights	Promoters/ ex-promoter	Complied with
04.10.1991	780000	2.36	15600000	Bonus	Promoters/ ex-promoter	Complied with
11.09.1992	2145000	6.49	37050000	Bonus	Promoters/ ex-promoter	Complied with

11.09.1992	2145000	6.49	37050000	Bonus	Promoters/ ex-promoter	Complied with
18.01.1994 **	2598983	7.87	63039830	Public	Promoters/ ex-promoter & others	Complied with
01.04.1994 ***	1177667	3.57	74816500	Right & Preferential Issue	Promoters/ ex-promoter & others	Complied with
18.07.1994 **	2598983	7.87	100806330	Public	Promoters/ ex-promoter & others	Complied with
01.04.1995 ***	1177667	3.57	112583000	Right & Preferential Issue	Promoters/ ex-promoter & others	Complied with
24.01.2004	3660000	11.08	149183000	Preferential	Banks & financial Institutions	Complied with
20.10.2006	18500000 $	56.00	334183000	GDR Issue	Foreign Banks	Complied with
Less:	*385300# (1996-97)	-1.17	3853000			
TOTAL	33033000	100	330330000			

* Original Issue including Subscriber to the Memorandum.

** On Conversion of 2598983 FCDs (Part A on 18.01.1994 & Part B on 18.07.1994) of Rs. 100/- each issued and allotted on 18.01.94 under Public Offer in term of Offer Document dated 12th October, 1993.

*** On Conversion of 1177667 FCDs (Part A on 01.04.1994 & Part B on 01.04.1995) of Rs. 85/- each issued and allotted on 31.01.94 under Right and Preferential Issue in term of Offer Document dated 12th October, 1993.

\# 385300 Equity Shares of Rs. 10/- each were forfeited during the year ended 1997-98.

$ GDR issue for 18,50,000 GDRs representing 1,85,00,000 Equity Shares was made on October 20, 2006 to Deutsche Bank Trust Company, America and the authority to convert GDRs into Equity Shares was given on October 20, 2006 itself.

Shares Issued for consideration other than cash

All the shares have been allotted for cash only except the Bonus Shares issued out of Free Reserves as per the table above.

6.7 There are no preference shares or outstanding convertible instruments/warrants. However the Company has issued Non convertible debentures.

During the Year 2002-03, in terms of the restructuring of the outstanding loans and overdue, the Company has allotted 3,22,000 and 3,52,000 - 15% Optionally Fully Convertible Debentures of Rs.100 each at par to ICICI Ltd. and IDBI respectively on 7th August, 2002 by converting the portion of the Company's overdue liabilities.

The terms of conversion of 15% optionally fully convertible debentures was as under:

"The debentures are Optionally fully convertible debentures, which shall be converted in to equity shares of Rs.10 each on or before expiry of 18 months but not prior to 12 months form the date of issue of this certificate. The debenture holder shall be entitled to exercise his option of conversion of debentures within the stipulated period.

If the option is not exercised by the debenture holders, they shall stand converted into 15% Secured Redeemable Non convertible Debentures (NCD) which shall be redeemed by the company in six half yearly instalments commencing five years from the date of conversion of Loan into OFCD.

The conversion price of Optionally fully convertible debentures into Equity share is at par i.e. Rs.10/- per Share."

During the year 2003-04, the Company has issued and allotted 36,60,000 equity Shares of Rs.10/- each at par, aggregating to Rs.366 lacs to the Financial Institutions in lieu of option exercised by them to convert a portion of their holding of 15% Optionally Fully Convertible Debentures (OFCDs) of Rs.100/- each. Further, the balance OFCDs of Rs.100/- each held by them after conversion in Equity Shares, were converted into 3,08,000 - 15% Secured Redeemable Non - Convertible Debentures of Rs.100/- each, which shall be redeemed by the Company in six equal half yearly installments, commencing from August 7, 2007.

6.8 The equity shares of "STIL" are at present listed at the Bombay Stock Exchange Limited (BSE), Mumbai, the National Stock Exchange of India Limited (NSE), Mumbai and the Calcutta Stock Exchange (CSE), Kolkata. However STIL had already applied for delisting of its equity shares from CSE pursuant to special resolution passed in its Annual General Meeting held on 14th September, 2004. Further STIL has complied with the procedural formalities relating to delisting with the stock exchanges, but STIL is yet to receive any official letter confirming delisting from CSE. The shares of the Target Company have not been suspended by any stock exchange.

6.9 STIL is complying with the provisions of the listing agreement entered with BSE, NSE and CSE. Further no punitive action has been taken against the STIL by the stock exchanges.

6.10 The target company has timely complied with the provisions of Chapter II of the SEBI (SAST) Regulations, 1997.

6.11 The composition of the Board of Directors of STIL as on date of Public Announcement is as follows:-

Name of the Director	Designation	Qualification and Experience in No. of years and filed of experience	Residential Address	Date of Appointment
Shri Surendra Kumar Somany	Chairman	B.Com Industrialist Five decades of experience in management & administration in textile and other industries	81, Las Palmas Little Gibbs Road, Mumbai – 400 006	01.04.1949
Shri Arvind Somany	Managing Director	B.Sc. MIMA Industrialist 20 yrs of experience in Textile industry	"Soma" House Nr. Samartheshwar Mahadev, Nr. Law Garden, Ellisbrdige Ahmedabad – 380 006	22.01.1988 - 30.04.2009
Shri Prabir Bandyopadhyay	Executive Director	B.Sc.(Tech.)M.(Text.) (Engg.) PGIM Service 25 yrs of experience in Textile industry	A-504, Sarjan Tower Gurukul Road Memnagar Ahmedabad – 380 052	(25.01.2001-24.01.2006) (25.01.2006-24.01.2011)
Shri Ashok C Gandhi	Director	B.Com. LLB. Advocate 35 yrs of experience as an advocate	2, Prabhat Society Paldi, Ahmedabad – 380007.	24.01.2004
Shri Prafull Anubhai	Director	B.Com. B.Sc. (Econ) London Industrialist 35 yrs experience in management & administration in textile and other industries	Brij House, 1st Floor Stadium Road Ahmedabad –380009.	24.01.2004
Shri Anupam Verma	ICICI Nominee Director	B.Tech (Hons.), MBA Banker 5 yrs experience in banking sector	C-301, EL Dorado Building, Kashinath Dharu Marg, Opp. Veer Savarkar Road, Prabhadevi, Mumbai. 400025	02.08.2006

As on date of the PA, Shri Surendra Kumar Somany, Shri Arvind Somany the Directors on the Board of the Target Company are Promoters of Acquirer Company and Shri Arvind Somany is also Director of Acquirer Company.

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

6.13 The brief audited financials of STIL are as under:-

(Rs. In lacs)

Profit & Loss Statement	Year Ended 31.03.2004 (Audited)	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)	Nine-Month Ended on 31.12.2006 (Audited)
Income from Operations	16241	16746	18327	17218
Other Income	248	352	254	671
Total Income	16489	17098	18581	17888
Total Expenditure	14017	14859	15864	15112
Profit before Depreciation, Interest and Tax	2472	2239	2717	2776
Depreciation	701	788	1046	976
Interest	694	482	596	712
Extra ordinary Items	241	-	-	-
Profit before Tax with Deferred tax/asset	836	969	1075	1088
Provision for Tax	(1)	88	191	-
Profit after Tax	837	881	884	1088

(Rs. In lacs)

Balance Sheet Statement	Year Ended 31.03.2004 (Audited)	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)	Nine-Month Ended on 31.12.2006 (Audited)
Sources of Funds				
Paid up Share Capital*	1473	1473	1473	3323
Reserves & Surplus (Excluding Revaluation Reserve)	2774	3655	4540	12037
Secured Loan	5981	6575	12611	13149
Unsecured Loan	591	738	918	1165
Current Liabilities				
Deferred Tax Liability	437	460	548	548
Total	**11256**	**12901**	**20090**	**30222**
Uses of Funds				
Net Fixed Assets	7121	7611	13422	14908
Investments				
Net Current Assets	4033	5125	6458	15112
Miscellaneous Expenses not written off	102	165	210	202
Total	**11256**	**12901**	**20090**	**30222**

Other Financial Data	Year Ended 31.03.2004 (Audited)	Year Ended 31.03.2005 (Audited)	Year Ended 31.03.2006 (Audited)	Nine-Month Ended on 31.12.2006 (Audited)
Net Worth (Rs.in Lacs)	4145	4963	5803	15158
Dividend (%)	Nil	Nil	Nil	Nil
Earning Per Share	7.29	6.06	6.08	3.72
Return on Networth (%)	20.19%	17.75%	15.23%	7.18%
Book Value Per Share	28.52	34.15	39.92	45.89

Formula: - Return on Net Worth= (profit after tax/net worth) *100; Book value of shares=net worth divided by number of equity shares issued; EPS= profit after tax /number of equity shares issued.

* Paid up capital includes the balance lying in "share forfeiture account".

The Target Company is a not a Sick Industrial Company**.**

6.14 **Reasons for Fall & Rise in Income & PAT in relevant Years:**

F.Y. 2003-04

For the year ended 31st March, 2004 the total income of the Company has gone up from Rs.15065 lacs to Rs.16489 lacs compared to the financial year 2002-03. Though the fabric demand of Denim and High Value shirting remained under pressure and margins were also not favourable, the company was able to improvise its profitability. This is mainly on account of reduced price of cotton, which is the main raw material of the company.

The profitability of the company, after tax, has increased from Rs.197 lacs during 2002-03 to Rs.836 lacs during 2003-04. Another reasons for the increased profitability is due to reduction in interest cost from Rs.800 lacs during 2002-03 to Rs.694 lacs during 2003-04.

F.Y. 2004-05

The total income of the company has increased from Rs.16489 lacs during 2003-04 to Rs.16746 lacs during 2004-05. The marginal increase in the revenue is on account of changes in the product mix during the financial year 2004-05. The net profit after tax remained at Rs.880 lacs during the financial year 2004-05, as compared to Rs.830 lacs during the financial year 2003-04.

F.Y. 2005-06

During the financial year 2005-06, the total revenue has increased to Rs.18327 lacs from Rs.16746 lacs during the financial year 2004-05. The increase is mainly on account of increased in denim production from 4.7 million mtrs. during the financial year 2004-05 to 6.4 million mtrs. during the financial year 2005-06.

6.15 SIGNIFICANT ACCOUNTING POLICIES & NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006

SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING :

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and comply with the provisions of Companies Act, 1956, accounting principles generally accepted in India and Accounting Standards issued by The Institute of Chartered Accountants of India (ICAI) to the extent applicable.

REVENUE RECOGNITION :

(a) Sales including export sales and trading sales are recognized when goods are dispatched from the factory and are recorded at net of Cash Discounts, Shortages, claims settled, rate difference, rebate allowed to customers, Textile Committee Cess, fee and Excise Duty.

(b) Export Sales are booked on an average rate and the resultant gain or loss on realization or on translation is accounted as “Foreign Exchange Rate Fluctuation” and is dealt with in the statement of Profit and Loss Account.

A) FIXED ASSETS :

(a) Fixed Assets are stated at cost, net of accumulated depreciation. Fixed Assets of Baramati Unit are further reduced by the amount of Sales Tax refund due. All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustments arising from exchange rate variation related to the acquisition and installation of the respective assets are capitalized.

(b) Cost of leasehold land is not amortized over the period of lease.

(c) Amount incurred towards capital work-in-progress will be suitably apportioned to the respective Fixed Assets on commissioning of assets.

(d) Assets identified and evaluated technically as obsolete and held for disposal have been written off during the year and adjusted from profit on sale of Fixed Assets.

(e) Leasehold land of Ahmedabad factory premises, earlier not appearing in the books of Accounts of the Company, has been brought in books of accounts of the Company at a value of Rs. 108,000/- based on payment of annual lease rent, and accordingly the same has been shown in the block of Fixed Assets in this Financial Year, by making adjustment in Profit and Loss appropriation account.

B) DEPRECIATION :

(a) **Ahmedabad Unit:**

Depreciation on fixed assets is charged on Straight-Line Method, except on the fixed assets purchased during the period 1st April 1988 to 31st March 2005 on prorata basis. Depreciation on fixed assets is charged on Written Down Value Method, on the fixed assets purchased during the period 1st April 1988 to 31st March, 2005, on prorata basis.

(b) **Baramati Unit:**

Depreciation on fixed assets is charged on Straight-Line Method on pro-rata basis, by applying the rates as specified in Schedule XIV to the Companies Act, 1956. However, the Plant & Machineries have been considered as Continuous Process Plant based on technical assessment and are depreciated accordingly.

INVENTORIES :

- The cost of work-in-progress and finished goods comprises of raw material, direct labour, other direct costs and related production overheads, but excludes interest expense.
- Cost is determined on first-in first-out (FIFO) basis.
- The method of valuation of inventories are as under :

		Ahmedabad Unit	Baramati Unit
(a)	Stores & Spares	At Cost	At Cost
(b)	Raw Materials	At Cost	At Cost
(c)	Finished Goods	At the Lower of cost and Net Realisable Value	At the Lower of cost and Net Realisable Value
(d)	Cotton & Yarn in Process	At Budgeted Cost	At Cost
(e)	Cloth in Process	At Budgeted Cost	N. A.
(f)	Stock in Trade	At Cost	N. A.
(g)	Stock in Transit	At Cost	At Cost
(h)	Saleable Waste	At contracted selling price.	At contracted selling price.

Investments are valued and stated at cost.

FOREIGN EXCHANGE TRANSACTIONS :

(a) Foreign currency transactions are recorded at the exchange rates at the date of transaction.

(b) Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the Profit and Loss Account.

(c) Premium in respect of forward contracts is accounted over the period of the contract.

(d) Forward Exchange contracts entered for trading purposes are valued and marked to its current market value and the resultant gain or loss is dealt with in Profit and Loss Account.

EXCISE DUTY :

(a) **Ahmedabad Unit :**

Since the Unit has opted for exemption of excise duty w.e.f. 10th November, 2004.

(b) **Baramati Unit :**

The Unit had applied for De-Bonding of its Project, which was earlier designated as 100 % Export Oriented Unit (100% EOU). On 24th February 2006, Office of the Development Commissioner SEEPZ, Special Economic Zone Government of India, Ministry of Commerce & Industry, Andheri (E) Mumbai, has issued final De-bonding order. For the purpose of De-bonding, the Baramati Unit had paid Custom Duties and Excise Duties on the Imported and Indigenous Capital Goods, Raw Materials, Components, Consumables, Spares and Finished Goods In Stock.

Custom Duties and Excise Duties paid on the Capital goods amounting to Rs. 1.46 cores are capitalized over the value of Plant and Machinery. Depreciation of Rs. 75953.00 on the above amount is provided on pro-rata basis from the date of De-bonding order.

RETIREMENT BENEFITS :

(a) Contribution in respect of Provident Fund and Family Pension Fund whether in pursuance of any law or otherwise is accounted on accrual basis and is charged to the Profit & Loss Account.

(b) Liability towards gratuity is provided for on actuarial valuation basis.

RESEARCH AND DEVELOPMENT EXPENSES :

Research and development expenditure of revenue nature is recognised as an expense in the year in which it is incurred and the expenditure of capital nature are depreciated over the useful lives of the assets.

TREATMENT OF CONTINGENT LIABILITIES :

Contingent Liabilities not provided for are disclosed by way of Notes on Accounts.

AMORTISATION OF DEFERRED REVENUE EXPENDITURE :

- Upfront processing charges and expenses related to loans from IDBI, Dena Bank and Exim Bank are being amortised over a period of loan i.e. ten years.
- Borrowing costs are amortised over a period of ten years.
- Preliminary expenses including cost of increasing authorised capital amortised over a period of ten years.
- Upfront fees paid to IFCI on Reschedulement of loan is being amortised over a primary period of loan of three years.
- Upfront fee and loan processing charges paid to ICICI Bank Ltd. are amortised over a period of five years.
- Overhauling charges of DG Set is amortised over expected running hours of the DG Sets.

EXPORT INCENTIVES :

Following the Accrual Concept of Accountancy, the Company has taken credits as income for Rs.Nil/- (Previous Year Rs. 69,000/-) being DEPB license available to the Ahmedabad Unit at the close of the year.

TAXATION :

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

(b) Deferred tax resulting from “timing difference” between the book profits and taxable profits is accounted for using the current tax rates and laws that have been enacted or substantively enacted as on the balance sheet date.

6.16 Contingent Liability

Contingent Liabilities not Provided for in respect of -		**2006 Rupees**	2005 Rupees
(a)	Municipal Education Cess disputed by the Company	**3,860,515**	7,654,260
(b)	Sales Tax Payment disputed by the Company	**11,412**	11,412
(c)	Excise Duty demand disputed by the Company	**30,119,410**	29,474,258
(d)	Claims against the Company not Acknowledged as debts	**3,457,000**	4,158,000
(e)	Income Tax Matters	**613,938**	2,208,888
(f)	Electrical Inspection Division, Pune	**14,490,666**	14,490,666

6.17 Pre- and Post-Offer shareholding pattern of the Target Company is as per the following table:

Sr. No	Shareholder category	Shareholding & voting rights prior to the Market Purchase and Offer (A)		Shares/voting rights acquired which triggered off the Regulations (B)		Shares/Voting rights to be acquired in the open Offer (assuming full acceptance) (C)		Shareholding/voting rights after the preferential allotment and Offer i.e. (A+B+C)	
		No.	**%**	**No.**	**%**	**No.**	**%**	**No.**	**%**
1.	**Promoter Group**								
	(a.) Other than Acquirer	63,21,366	19.14	Nil	Nil	Nil	Nil	63,21,366	19.14
2.	**Acquirer**								
	Krishnaa Glass Pvt Ltd Other PACs	11,00,000 *	3.33 *	37,00,100 *	11.20 *	66,06,600 *	20 *	1,14,06,700 *	34.53 *
	Total (1(a) & 2)	**74,21,366**	**22.47**	37,00,100	11.20	66,06,600	20	**1,77,28,066**	**53.67**
3.	**Parties to agreement other than 1(a) & 2**	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
4.	**Public (other than 1 to 3)** a. FIs/MFs/FIIs/ Banks, SFIs b. Private Corporate Bodies c. Indian Public d. NRI/OCB d. Any other	2,56,11,634 #	77.53	(37,00,100) #	(11.20)	(66,06,600)	(20)	1,53,04,934	46.33
	Grand Total (1 to 4)	**3,30,33,000**	**100.00**	**Nil**	**Nil**	**Nil**	**Nil**	**3,30,33,000**	**100**

Figures in bracket indicate sale

**PACs are same as Promoter group other than the Acquirer*

 # Since the purchases have been through stock exchange the category of sellers from public cannot be identified.

6.18 Change in shareholding of Promoters of Target Company

Date	No. of Shares held by Promoters & PACs	Paid up Equity Capital of the Company (no of shares)	% of total capital	% change in shareholding of Promoters & PACs	Status of Compliance
01/04/97	4605677	10873000	42.36	-	Complied
31/03/98	4605677	10873000	42.36	-	Complied
31/03/99	4599077	10873000	42.30	-0.06	Complied
31/03/00	4888477	10873000	44.96	2.66	Complied
31/03/01	4834597	10873000	44.46	-0.50	Complied
31/03/02	4970525	10873000	45.71	1.25	Complied
31/03/03	4960757	10873000	45.62	-0.09	Complied
31/03/04	5499109	14533000	37.84	-	Complied
31/03/05	6207982	14533000	42.72	4.88	Complied
31/03/06	6208582	14533000	42.72	-	Complied
31/12/06	6321366	33033000	19.14	-	Complied

The details of promoter/promoter group's shareholding are as under:

Details of Promoters Shareholding	Mar-97	Mar-98	Mar-99	Mar-00	Mar-01	Mar-02	Mar-03	Mar-04	Mar-05	Mar-06	Dec-06
Promoters											
Sarvopari Investment Pvt. Ltd.	1787024	1787024	1787024	1787024	1787024	1787377	1787377	1824377	1824377	4007244	4007244
Teamwork Holding Pvt. Ltd.	1806267	1806267	1806267	1806267	1806267	1806267	1806267	1809267	1809267	0	0
Simplex Trading & Agencies Ltd	340721	340721	340721	630721	630721	340721	345873	945873	730873	390273	390273
Surendra Kumar Somany	1879	1879	1879	1879	2579	292579	294617	295217	394617	505217	618001
Surendra Kumar Somany	2138	2138	2038	2038	2038	2038					
Arvind Somany	14758	14758	14758	14758	14758	138758	139758	200566	563039	850639	850639
Vicky Investments Pvt Ltd							980	33600	373600	0	0
Nalini Somany							0	100000	300000	300000	300000
Anupama Agarwal							0	76000	76000	76000	76000
Nandita Patodia							0	75000	75000	75000	75000
Arvind Kumar Kanoria							0	50000	0	0	0
Rohit Leasing	120880	120880	120880	120880	67000	57000	57000	57000	57000	0	0
Vineeta Kanoria							0	28000	0	0	0
Prasann Somany	6230	6230	6230	6230	6230	6230	6230	2330	2330	2330	2330
Nitya Somany							0	1879	1879	1879	1879
H Somany	2579	2579	2579	2579	1879	1879	1879	0	0	0	0
Minal Somany	44500	44500	44500	44500	44500	44500	44500	0	0	0	0
Shrikant Somany	25831	25831	25831	25231	25231	25231	25231	0	0	0	0
Anajna Somany	122870	122870	122870	122870	122870	122870	122870	0	0	0	0
SPL Limited	323500	323500	323500	323500	323500	323500	323500	0	0	0	0
G S Mantry						21575	4675	0	0	0	0
Special Refractories Ltd.	6500	6500									
Promoters Total (No of shares)	**4605677**	**4605677**	**4599077**	**4888477**	**4834597**	**4970525**	**4960757**	**5499109**	**6207982**	**6208582**	**6321366**
Total No of shares	10873000	10873000	10873000	10873000	10873000	10873000	10873000	14533000	14533000	14533000	33033000
Promoters Total (%)	**42.36%**	**42.36%**	**42.30%**	**44.96%**	**44.46%**	**45.71%**	**45.62%**	**37.84%**	**42.72%**	**42.72%**	**19.14%**
Change in Promoters Holding (%)		**0.00%**	**-0.06%**	**2.66%**	**-0.50%**	**1.25%**	**-0.09%**	**-7.79%**	**4.88%**	**0.00%**	**-23.58%**

The Company has certified that other than the sale/purchase disclosed, there is no sale/purchase in the securities of the company by any of the promoter/promoter group which requires any compliances/disclosures under the SEBI (SAST) Regulations, 1997.

6.19 The number of shareholders in STIL as on February 19, 2007 is 11602.

6.20 The Company has complied with the conditions of Corporate Governance as envisaged under clause 49 of the listing agreement, statutory auditors of the Company have certified compliance of conditions of corporate governance; this certificate is attached with annual report of the Target Company for the year ended March 31, 2006.

6.21 As per the information received from the target company, the following litigation matters are pending by and against the Company:

A. Litigation against STIL (Ahmedabad Unit)

Sr. No	Case No.(s) Institution Date	Plaintiff / Defendants	Name of Court	Amount Involved (in Rs.)	Subject Matter and Relief sought	Status as on date
01	Appeal no 99/2003 06.01.2004	STIL v/s S. C. Tygi	Industrial Court Ahmedabad	220000	Case filed by an employee against the order of labour court for re-instatement & full back wages Relief sought: To give full back wages & re-instatement (T 381/88)	Hearing on 02.02.07
02	Appeal no 05/2002 27.02.2002	STIL v/s Harvier Shivlal	Industrial Court Ahmedabad	195000	Case filed by an employee against the order of labour court for re-instatement & full back wages. Relief sought: To give full back wages & re-instatement.-Voucherwala.T.403/88	Hearing on 12.02.07
03	Appeal no 24/2005 10.08.2005	STIL v/s Shivbahadur R.	Industrial Court Ahmedabad	120000	Case filed by an employee against the order of labour court for re-instatement & full back wages. Relief sought: To give full back wages & re-instatement.T.958/91.	Hearing on 23.09.05
04	Appeal no 57/2003 19.06.2003	STIL v/s Dalichand Ambaida	Industrial Court Ahmedabad	195000	Case filed for . To quash and set aside the order of labour court for re-instatement & 50% Back wages. Relief sought:To cancelled the order of labour court.(T. 411/88)	Court Order for reinstatement Company will proceed against the order in upper court
05	Appeal no 5/2004 15.03.2002	STIL v/s Ramesh Ramjiyava	Industrial Court Ahmedabad	125000	Case filed for--To quash and set aside the order of labour court for re-instatement & 100% back wages Relief sought:To cancelled the order of labour court (T 98/95)	Hearing on 02.02.07
06	Appeal no. 34/2005 28.07.2005	STIL v/s O.P.Somany	Industrial Court Ahmedabad	280000	Case filed for--To quash and set aside the order of labour court for re-instatement & 25% back wages. Relief sought:To cancelled the order of labour court (T 52/2001)	Hearing on 08.02.07

07	T. App. No 434/93 03.05.1993	STIL v/s Manish Ishaverlal	Labour Court Ahmedabad	135000	Case filed by an employee against the termination of his service. Relief sought:To reinstate with back - wages from 03.03.1993	Evidence on 08.02.07 from company side
08	T.App. No. 278/1992 13.08.1992	STIL v/s Rashamikant R.	Labour Court Ahmedabad	145000	Case filed by an employee against the termination of his service. Relief sought:To reinstate with back - wages from 13.05.1992	Evidence on 07.02.07 from union side
09	T.App.no. 266/1995 18.12.1995	STIL v/s B. D. Gajjar	Labour Court Ahmedabad	135000	Case filed by an employee against the termination of his service. Relief sought. To reinstate with back wages from 04.09.1995	Evidence on 08.02.07 from union side
10	T.App. No. 252/1995 06.12.1995	STIL v/s C.B. Malam	Labour Court Ahmedabad	145000	Case filed by an employee against the termination of his service. Relief sough. To reinstate with back wages from 31.08.1995	Evidence on 12.02.07 from union side
11	T.App. No. 20/1997 21.03.1997	STIL v/s Aravind Parelal	Labour Court Ahmedabad	105000	Case filed by an employee against the termination of his service. Relief sought. To reinstate with back wages from 31.10.1996	Evidence on 20.02.07 from union side
12	T. App. No. 323/1996 30.01.1997	STIL v/s Indrapal Laxminarayan	Labour Court Ahmedabad	105000	Case filed by an employee against the termination of his service. Relief sought. To reinstate with back wages from 31.10.1996.	Evidence on 29.11.07 from company side
13	T.App.no. 131/1998 20.07.1998	STIL v/s Popat Rama	Labour Court Ahmedabad	115000	Case filed by an employee against the termination of his service. Relief sought: To reinstate with back - wages from 24.09.1997.	Evidence on 06.02.07 from union side
14	T.App, no, 62/2001 14.05.2001	STIL v/s Shrikrishan D.	Labour Court Ahmedabad	80000	Case filed by an employee against the termination of his service. Relief sought. To reinstate with back wages from 14.12.2000	Evidence on 13.03.07 from union side
15	T.App.no. 63/2001 14.05.2001	STIL v/s Joginder Darusing	Labour Court Ahmedabad	80000	Case filed by an employee against the termination of his service. Relief sought. To reinstate with back wages from 23.11.2000	Evidence on 13.03.07 from union side
16	T.App.no. 67/2001 15.05.2001	STIL v/s Devada Dolatsing	Labour Court Ahmedabad	95000	Case filed by an employee against the termination of his service. Relief sought. To reinstate with back wages from 15.01.2001	Evidence on 07.02.07 from union side

17	T,App.no. 410/1999 12.11.1999	STIL v/s Dharamsinh M.	Labour Court Ahmedabad	70000	Case filed by an employee against the termination of his service. Relief sought. To reinstate with back wages from 12.10.1999.	Evidence on 07.02.07 from union side
18	App. No. 386/1998 15.01.1998	STIL v/s Gunshekher Kalidas	Labour Court Ahmedabad	85000	Case filed by an employee against the termination of his service. Relief sought. To reinstate with back wages from 15.12.1997	Evidence on 22.02.07 from union side
19	T.App.no. 863/2002 03.02.2003	STIL v/s Devmani S.+1	Labour Court Ahmedabad	105000	Case filed by an employee against the termination of his service. Relief sought. To reinstate with back wages from Dec-2002	Evidence on 07.02.07 from union side
20	T.App.no 246/1996 06.08.1996	STIL v/s Ramprakash P.-Yadav	Labour Court Ahmedabad	105000	Case filed by an employee against the termination of his service. Relief sought To reinstate with back wages from 06.07.1996	Evidence on 07.02.07 from union side
21	T.App. No. 188/1997 23.04.2003	STIL v/s Kuber Vira	Labour Court Ahmedabad	12000	Case filed by an employee against the earlier retirement. Relief sought for back wages up to retirement.	Evidence on 15.02.07 from union side
22	Recoveries & other App.	All other recoveries and applications	Labour Court Ahmedabad	240000	Cases filed by employees for claiming their dues and other damages, losses.	Evidence on 13.03.07 from union side
23	Civil App. 3652/2003 20.07.2003	STIL v/s Natwer Dahya	High court Ahmedabad	50000	Case filed by an employee against the earlier retirement. Relief sought. For back wages up to Retirement.	Hearing on 16.03.07
24	Civil App. 3692/2003 20.07.2003	STIL v/s Virchand Kachara	High court Ahmedabad	50000	Case filed by an employee against the earlier retirement. Relief sought. For back wages up to Retirement.	Hearing on 16.03.07
25	Civil App. 1264/2005 11.07.2005	STIL v/s TLA/Frame worker	High court Ahmedabad	48000	Case filed by Textile Labour Association for getting retrenchment compensation of one worker. Relief sought. For getting retrenchment compensation.	Hearing on 12.03.07
26	Civil App. 1295/2005 11.07.2005	STIL v/s TLA/Card workers	High court Ahmedabad	98000	Case filed by Textile Labour Association for getting retrenchment compensation of two workers. Relief sought :For getting retrenchment compensation.	Hearing on 15.02.07

27	Rec. no. 2887/1993 16.06.1993	Abbas Avadha v/s STIL-1	Labour court Ahmedabad	24000	Case filed by an employee for getting the amount of lay-off & previlage leave from 16.06.1992 to 31.12.1992 Relief sought: To get the above amount as a damages	Hearing on 29.01.07
28	Rec. no. 621/1997 18.08.1997	Ramprakash P v/s STIL-1	Labour court Ahmedabad	8000	Case filed by an employee for getting the amount of bonus & previlege leave Relief sought: To get the above amount as a damages	Hearing on 15.02.07
29	Rec, no. 2953/1999 21.09.1999	Dala Kala v/s STIL-1	Labour court Ahmedabad	4000	Case filed by an employee for getting the difference of retrenchment compensation Relief sought: To get the above amount of difference of R.C.(year-wise)	Hearing on 29.01.07
30	App.no. 889/1992 15.06.1992	T.L.A./Vinod Karsan v/s STIL-1	Labour court Ahmedabad	70000	Case filed by an employee for getting the wages for not providing work. Relief sought: To get the above amount as a damages	Evidence on 07.02.07 from union side
31	App.no. 354/1995 15.06.1995	T.L.A./Kanti Ishaver v/s STIL-1	Labour court Ahmedabad	8000	Case filed by an employee for getting the wages for 02.01.1995 to 10.02.1995. Relief sought: To get the above amount as damages	Evidence on 07.02.07 from union side
32	App.no. 392/1995 16.06.1995	A.Sakur A.Kadar v/s STIL-1	Labour court Ahmedabad	68800	Case filed by an employee for getting the wages for not providing work as per seniority Relief sought: To get the above amount as a damages	Evidence on 02.02.07 from union side
33	App.no. 84 to 87/ 2004 25.03.2004	Manoj Baijanath v/s STIL-1	Labour court Ahmedabad	3200	Case filed by an employee for getting the wages for the suspension period. Relief sought: To get the above amount as a damages	Evidence on 13.03.07 from union side

34	App.no. 386/1998 21.03.1998	Gunshekher K. v/s STIL-1	Labour court Ahmedabad	54000	Case filed by an employee for getting the wages for not providing work. Relief sought: To get the above amount as a damages	Evidence on 06.02.07 from union side
			Total	3378000		

Litigation against STIL (Baramati Unit)

Sr. No	Case No.(s) Institution Date	Plaintiff / Defendants	Name of Court	Amount Involved (in Rs.)	Subject Matter and Relief sought	Status as on date
1	ULP 263/99	Mr. B.N. Jarad V/S. STIL	In the First Labour Pune Court	250000	Dismissed Reinstatement	Approached to Industrial Court for setting aside the order of Labour court
2	UPL 253/97	Mr. S.B.Jagtap V/s. STIL	In the First Labour Pune Court	250000	Dismissed with Back wages	Approached to Industrial Court to challenge the order of Labour court Stay granted hearing on 14.02.07
3		Mr. Nair V/s. STIL	In the First Labour Pune Court	200000	Dismissed With Back wages	Under Documentation
			Total	700000		

B. Litigation filed by STIL (Ahmedabad Unit)

Sr. No	Case No.(s) Institution Date	Plaintiff / Defendants	Name of Court	Amount Involved (in Rs.)	Subject Matter and Relief sought	Status as on date
1.	5945 of 2000	Soma Textiles & Industries Ltd. V/s Sudhir Jhunjhunwala Prop. M/s.Jhunjhunwala International, Mumbai	City Civil Court at Ahmedabad	1993729	Case filed against Sudhir Jhunjhunwala Prop. M/s.Jhunjhunwala International, Mumbai for cost of supply of Denim Fabrics. Relief Sought – to get the principal amount with interest.	Decree passed by Hon. Court for payment for principal amount with interest @ 6%. Above decree have been got set aside by filing Misc. Civil Appln. No. 340 of 2005 and by order dt. 18.8.2005. Reply filed, hearing held on 24.01.07 order awaited
2.	5824 of 1991	Soma Textiles & Industries Ltd. V/s Gujarat Transformer Pvt. Ltd., Baroda	City Civil Court, Ahmedabad	858435	Transformer of 1500 KVA supplied by Defendant found defective during guarantee period. Claim for loss of production, repairing charges and with interest filed. Relief sought – to issue decree on Defendant	Matter to come up for hearing
			Total	2852164		

Litigation filed by STIL (Baramati Unit)

Sr. No	Case No.(s) Institution Date	Plaintiff / Defendants	Name of Court	Amount Involved (in Rs.)	Subject Matter and Relief sought	Status as on date
1	WRIT PETITION Sep. 2001	STIL V/s The State of Maharashtra	High Court Mumbai	7315881	Electricity duty on captive power generation.	Matter has not come on board and still waiting for hearings.
2	234/94 15.12.1994	STIL V/s Roofit Ind. Ltd. Ratanagiri	Civil Judge Court Baramati	1613567	Recovery of supply of defective A.C.Sheet by party. Ex prate judgment awarded in our favour. Attachment warrant submitted in mumbai High Court. Order of execution is still pending	Orders found, affixed on factory gate for attachment of property from various parties.
3	309/99 17.11.1999	STIL V/S. Mr. Shetti K.M.	Civil Court - Baramati	13350	Recovery Settled in lok adalat	Summons issued
4	310/99 17.11.1999	STIL V/S. Mr. Awaghade B.S	Civil Court – Baramati	15000	Recovery	Summons issued
			Total	8957798		

C. Tax Litigation

Sr. No	Case No.(s) Institution Date		Plaintiff / Defendants	Name of Court	Amount Involved (in Rs.)	Subject Matter and Relief sought	Status as on date
01	1) 2) 3)	V52(3-54)DA/96/00 Dt. 4.3.96 V52(3-112)DA/96/291 Dt.10.5.96 V52(3-206)DA/96/908 Dt.22.8.96	The Asst. Comm. C. Excise Division III, Ahmedabad	The Asst. Comm. C. Excise Division I, Ahmedabad	1,03,78,412 53,87,366 39,89,553	Demand of Excise Duty at every process stage for goods used captively i.e. Bleaching, Dyeing, Printing,etc. Period Aug. '95 to Jan '96. Feb. '96 to April '96 May '96 to 22.7.96	Reply filed. Personal Hearing Awaited
02	1 2 3	F.No. V 52(3-88)DA/97/138 Dt. 13.3.97 from AC F.No.ARII/Soma/STA/SCN 97-98/475 dt. 26.5.97 (AC confirmed demand on above two SCN vide OIA No.68-69 dt.22.1.98) Penalty imposed Rs.2000/- CEGAT, Mumbai	CEGAT, Mumbai and the	Hon'ble High Court of Gujarat, Ahmedabad .	17,437 7,991	MODVAT taken on HM HDPP Roll. Dispute regarding filing of declaration as description not tally with the declaration.	Personal Hearing held. Demand Confirmed vide AC Order No. 6869 dtd. 22.1.98. Appeal No. 170 AHD-1/98 paid Rs.13000/- on 6.1.99 under protest as per stay order No. 966/88 dt.23.12.98 of the Comm. Appeal, Ahmedabad. Personal Hearing fixed on 28.4.98 at 5.00 p.m. Mr. Kailash Arrawatia attended the Personal Hearing Order in Appeal No. 2246/99(490-Ahd-I) CE dt.28.10.99 received allowing Modvat Credit and set aside order and allow appeal. Refund claim of Rs.13000 filed &

	confirmed Demand vide OIA No. C-II/3597 dt.7.12.2000					received & taken vide RG23C Entry No.1/2 dt.5.4.00. Department filed an appeal with CEGAT vide File No.V52(3-38)DA/97/153 dt.28.2.2002. CEGAT Mumbai Appeal No. E/641/2000-Mum. PH fixed on 4.7.2000 and CEGAT Order No. C-II/3597 dt.7.12.2000 received confirming the Demand. Reference Application No. CEGAT No.8/2001 field in The Hon'ble High Court against CEGAT Order.
03	F No. V52(3-34)DA/11/04 dt.24.03.2004	The Dy. Commissioner of C. Excise, Div-I, Ahmedabad.	The Dy. Commissioner of C. Excise, Div-I, Ahmedabad.	1,58,973	Recovery of Deemed Modvat Credit taken on inputs i.e. outside purchased of Grey Fabrics Period March '03	Reply filed. Personal Hearing awaited
04	SCN No. V52/3-21/DA/II/2002 dt. 3.5.2002	The Dy. Commissioner of C.Ex. Div. III, Ahmedabad	The Dy. Commissioner of C.Ex. Div. I, Ahmedabad	10,95,839	Recovery of Additional TTA Duty on Yarn Captively Consumed. Period April '01 to June '01.	Reply filed. Personal Hearing awaited
4A	SCN No.-V52(3-25)/DA/II/2002 dt. 31.7.2002	The Dy. Commissioner of C. Ex. Div.III, Ahmedabad	The Dy. Commissioner of C. Ex. Div.I, Ahmedabad	9,63,720	Recovery of Additional TTA Duty on Yarn Captively Consumed Period July '01 to Sept. '01.	Reply filed. Personal Hearing awaited.
4B	SCN No.V52(3-27)/DA/II/2002 dt. 27.9.2002	The Dy. Commissioner of C. Ex. Div.III, Ahmedabad.	The Dy. Commissioner of C. Ex. Div.I, Ahmedabad.	3,97,948	Recovery of Additional TTA Duty on Yarn Captively Consumed. Period Oct.'01 to Dec.. '01.	Reply filed. Personal Hearing awaited.
4C	SCN No.V52(3-79)/DA/II/2002 dt. 22.01.2003	The Dy. Commissioner of C. Ex. Div.III, Ahmedabad.	The Dy. Commissioner of C. Ex. Div.I, Ahmedabad.	5,32,730	Recovery of Additional TTA Duty on Yarn Captively Consumed Period Jan.'02 to Mar '02.	Reply filed. Personal Hearing awaited.

4D	1	**<u>SCN No.V52(3-5)/DA/2003</u>** dt. 6.3.2003	The Dy. Commissioner of C. Ex. Div.III, Ahmedabad.	The Dy. Commissioner of C. Ex. Div.I, Ahmedabad.	5,91,088	Recovery of Additional TTA Duty on Yarn Captively Consumed	Reply filed. Personal Hearing awaited.
	2	SCN No.V52(3-30)/DA/03 dt.16.7.2003			7,07,918	Period April '02 to June '02	
	3	SCN No.V52(3-32)/DA/03 dt. 18.7.2003			13,28,424	Period July '02 to Sept. '02	
	4	SCN No.V52/15-177/DEM/04 dt.13.04.2004			11,76,773	Period Oct. '02 to Mar. '03	
						Period - Apr. '03 to Sep. '03	
4E	SC No.V52, 52-55/15-229/ Dem/2004 dt.13.08.2004		The Dy. Commissioner of C.Ex. Div.I	The Dy. Commissioner of C.Ex. Div.I	13,39,606	Recovery of Additional TTA Duty in yarn used for Captive Consumption for the period Oct.03 to Mar 04.	Reply filed. Personal Hearing awaited.
4F	SC No.V52, 52-55/15-263/ Dem/2004-05 dt.07.03.2005		The Addl. Commissioner of Central Excise, Ahmedabad	The Addl. Commissioner of Central Excise, Ahmedabad	9,29,617	Period April '04 to June '04	Reply filed. Personal Hearing awaited.
05	SCN No. V52(3-89)DA/II/04 dt.21.09.2004		Dy. Commissioner of Central Excise, Div.-I Ahmedabad.	Dy. Commissioner of Central Excise, Div.-I Ahmedabad.	50,034	Recovery of Duty on shortage of goods as claimed with Insurance Co., due to flood.	Personal Hearing fixed on 18.1.2005 and attended with Adv. Paresh Dave File with Advocate. OIA No. 12/AC/DA/2005 dt.21.04.2005 passed by Asst. Commissioner , confirming Demand and imposing penalty. Appeal filed on 24.06.2005 vide No. 105/P-I/05. PH Fiex on 08.08.2005, attended by Mr Paresh Dave, Advocate.
06	OIA No. 188/2004/AC/Ref Dt.13.08.2005		Commissioner of Central Excise, (Appeal), Ahmedabad	Commissioner of Central Excise, (Appeal), Ahmedabad	97,711	Refund claim for amount short received against refund claim of yarn duty after adjusting the old recovery.	Appeal No. V2(52)123/A-7104 dt. 14.10.2004 Personal Hearing fixed and attended on 08.08.2005. Decision awaited. Hearing on 18.01.2007 appeal dismissed
07	V54/3-86/DA/II/04 Dt.27.12.2004		Dy. Commissioner of Central Excise.	Dy. Commissioner of Central	3,23,118	Demand for Double Credit taken on textile yarn.	Reply filed. Personal Hearing fixed and attended on 29.07.2005. Decision awaited

08	STC/4-1/AUDIT/II-9/SOMA/04-05 DT. 28.03.06	Dy. Commissioner of Service Tax.	Dy. Commissioner of Service Tax.	4,44,139	Service Tax on amount paid to transport Operators	Reply filed in 16-05-06 Personal hearing awaited
09	V.52/C(3-7)DA/I/06/116 DT. 31.03.2006	The ASST. Commissioner of Central Excise, Ahmedabad	The ASST. Commissioner of Central Excise, Ahmedabad	2,51,047	Duty on Scrap Sale	Hearing attended on 14.12.2006 Order awaited.
10	V.52-55/15-15/DEMAND/OA-I/SOMA/06-07 DT 15.05.06	The Joint Commissioner of Central Excise, Ahmedabad	The Joint Commissioner of Central Excise, Ahmedabad	5,80,464	Recovery of Transtional Cenvat	Reply filed on 05.07.06 Personal hearing awaited

6.22 The Compliance Officer of the Target Company is**: Mr. R.S. Sharma, Compliance Officer** 2, Red Cross Place, Kolkata – 700 001 Phone: 033–22487406-07 Fax: 033–22487045 Email: rssharma@somanyent.com Website: www.somatextiles.com.

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of Offer Price

7.1.1 The equity shares of “STIL” are at present listed at the Bombay Stock Exchange Limited, Mumbai (BSE), the National Stock Exchange of India Limited (NSE), Mumbai and the Calcutta Stock Exchange Limited (CSE), Kolkata. However STIL had already applied for delisting of its equity shares from CSE. STIL is yet to receive any official letter confirming delisting from CSE.

7.1.2 The annualized trading turnover during the preceding six calendar months ended January 2007 in each of the Stock Exchange where the shares are listed is as follows:

Name of the Stock Exchange	Total number of shares traded during August 2006 to January 2007	Total number of listed shares	Annualised trading turnover(% of the total listed shares)
BSE	7662959	3,30,33,000	46.40
NSE	6436966	3,30,33,000	38.97
CSE	Nil	3,30,33,000	NIL

*(Source: www.bseindia.com, www.nseindia.com, letter from CSE)

7.1.3 Based on the above information, as the annualized trading turnover is more than 5% of the total number of the listed shares, the equity shares are deemed to be frequently traded on BSE and NSE as per the date available with BSE (Source: www.bseindia.com, www.nseindia.com_) and infrequently traded at CSE (Source : copy of CSE Letter) within the meaning of explanation (i) to Regulation 20(5) of the SEBI (SAST) Regulations, 1997.

7.1.4 Following are the average of the weekly high and low of the closing prices and volume data for 26 weeks ended on February 20, 2007 i.e day before the date of Publication of PA at BSE where the shares of the company are most frequently traded.

Week	End Date	High(Rs.)	Low (Rs.)	Average(Rs.)	Volume traded
1	8/29/2006	**33.55**	**30.40**	**31.975**	**402928**
2	9/5/2006	**32.50**	**30.90**	**31.700**	**279732**
3	9/12/2006	**31.35**	**29.00**	**30.175**	**189591**
4	9/19/2006	**31.25**	**29.85**	**30.550**	**294849**
5	9/26/2006	**29.80**	**28.80**	**29.300**	**219207**
6	10/3/2006	**28.95**	**28.50**	**28.725**	**155769**
7	10/10/2006	**29.15**	**28.65**	**28.900**	**589667**
8	10/17/2006	**29.00**	**28.60**	**28.800**	**205945**
9	10/24/2006	**29.35**	**28.05**	**28.700**	**107793**
10	10/31/2006	**29.05**	**28.70**	**28.875**	**47893**
11	11/7/2006	**29.55**	**28.10**	**28.825**	**171324**
12	11/14/2006	**28.40**	**27.80**	**28.100**	**94997**
13	11/21/2006	**27.70**	**26.05**	**26.875**	**81931**
14	11/28/2006	**28.20**	**26.50**	**27.350**	**210490**
15	12/5/2006	**29.60**	**27.95**	**28.775**	**323996**
16	12/12/2006	**29.00**	**25.85**	**27.425**	**190418**
17	12/19/2006	**26.65**	**25.75**	**26.200**	**169697**
18	12/26/2006	**26.60**	**26.05**	**26.325**	**167252**
19	1/2/2007	**27.15**	**26.70**	**26.925**	**138385**
20	1/9/2007	**30.65**	**28.15**	**29.400**	**2043684**
21	1/16/2007	**29.05**	**27.80**	**28.425**	**153106**
22	1/23/2007	**29.05**	**28.10**	**28.575**	**1052599**
23	1/30/2007	**28.10**	**28.00**	**28.050**	**68059**
24	2/6/2007	**28.15**	**27.55**	**27.850**	**118896**
25	2/13/2007	**28.25**	**25.90**	**27.075**	**119762**
26	2/20/2007	**30.75**	**25.90**	**28.325**	**3806127**
			Average	**28.560**	

(Source: www.bseindia.com)

7.1.5 Following are the prices and volume data for 2 weeks ended on February 20, 2007 at BSE where the shares of the company are most frequently traded.(Source: www.bseindia.com_)

BSE

Day	End Date	High(Rs.)	Low(Rs.)	Average(Rs.)	Volume
1.	2/7/2007	28.50	27.70	28.100	47161
2.	2/8/2007	28.10	27.65	27.875	17532
3.	2/9/2007	28.00	26.55	27.275	17160
4.	2/10/2007	*	*	*	*
5.	2/11/2007	*	*	*	*
6.	2/12/2007	26.85	25.70	26.275	21349
7.	2/13/2007	27.00	24.30	25.650	16560
8.	2/14/2007	26.15	25.05	25.600	17162
9.	2/15/2007	28.45	26.80	27.625	33962
10.	2/16/2007	*	*	*	*
11.	2/17/2007	*	*	*	*
12.	2/18/2007	*	*	*	*
13.	2/19/2007	32.00	28.00	30.000	3309375
14.	2/20/2007	32.00	29.30	30.650	445628
			2 weeks Average	27.670	

* The market was closed on these days

7.1.6 In accordance with Regulation 20(4) and 20(5) 0f SEBI (SAST) Regulations, 1997, the Offer price of Rs 32.00 (rupees thirty two only) per fully paid up equity shares is worked out on the following parameters.

a.	Negotiated Price	Not applicable
b.	Highest Price paid by Acquirer for acquisition, if any, including by way of allotment in a public or rights issue or preferential issue during the 26 weeks prior to the date of PA. The shares have been acquired through market purchase.	Purchased 11,00,000 shares on January 5, 2007 at an average price of Rs. 27.03 per share(highest price Rs. 32/- per share)
c.	The average of the weekly high and low of the closing prices of the equity shares of STIL during 26 weeks period prior to the Public Announcement. (On BSE where the shares are most frequently traded)	Rs.28.56
d.	The average of the daily high and low of the equity shares of STIL during the 2 weeks prior to the Public Announcement. (On BSE)	Rs.27.67
e.	Other Financial Parameters	Based on the audited financial data for the year ended March 31, 2006*
	Return on Net Worth (%)	15.23
	Book Value per share (Rs.)	39.92
	Earning per share (Rs.)	6.08
	Price Earning Multiple with reference to offer price	5.26
	The average Industry PE for the sector in which STIL operates (source: Capital Market, Jan 15-28, 2007)	19.00

*As per Annual report of the company for the year ended March 31, 2006.

Mr. Padam Chand Jain, Chartered Accountants (Membership No.34966) partner of Padam Chand Jain & Associates having office at M V House, Opp Hajipura Garden, Shahibag, Ahmedabad-380004, Tel No.: 079-25624369 has certified vide their certificate dated 14-02-2006 the value of the equity shares of the STIL . As per their report the shares have been valued at after considering the pricing methodology given under erstwhile CCI guidelines and also by placing reliance on Supreme Court's Decision in the case of Hindustan Lever Employees Union Vs. Hindustan Lever Limited (1995) reported at (83 Company Cases 30).

According to the above report the fair price comes at Rs. 31.37/-

The offer price of **Rs.32/-** is justified in terms of Regulation 20(4) and 20(5) of the SEBI (SAST) Regulations, 1997.

The Offer Price of Rs 32/- per equity share offered by the Acquirer to the shareholders of STIL under the proposed Open Offer is justified in terms of Regulations 20(4) and 20(5) of the SEBI (SAST) Regulations, 1997. In the opinion of the Manager to the Offer and Acquirer, the Offer Price is justified.

7.1.7 There is no non-compete agreement.

7.1.8 If the Acquirer acquire equity shares after the date of Public Announcement upto 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the valid acceptances received under the Offer.

However, the acquirer has not acquired any equity share of the Company since the date of Public Announcement till the date of the Letter of offer.

7.2 Financial Arrangements

7.2.1 Assuming full acceptance, the total requirement of funds for the Offer would be Rs. 21,14,11,200 (Rupees Twenty One Crore Fourteen Lacs Eleven Thousand Two Hundred Only). As per Regulation 28 of SEBI (SAST) Regulations, 1997, Acquirer have **opened an Escrow Account with Yes Bank, Nariman Point, Mumbai Branch and have deposited cash of Rs,6,50,00,000/-(Rs. Six Crores Fifty Lacs Only), being more than 25% of the amount required for the Open Offer.**

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

The networth of the acquirer as on 15/02/2007 is Rs.34.68 crores and the fund required for acquisition of shares in the open offer is Rs.21.14 crores. So the networth of the acquirer is adequate.

As far as resources required to fulfill obligation to purchase 6606600 shares is concerned, the acquirer company has sufficient liquidity which is explained in the below mentioned table:

Statement showing available liquidity as on 15/02/2007 with Acquirer Krishnaa Glass Pvt. Ltd

Sr. No.	(A) Available Liquidity	Rs. in Lacs
1	Market Value of equity Shares held as investment as on 15/02/2007 *	688.25
2	NAV of Mutual Fund units held as investment as on 15/02/2007	829.01
3	Cash And Bank Balance as on 15/02/2007	1656.31
4	Inter Corporate Deposit with Somany Evergreen Knits Ltd. payable on demand	95.00
	Total Funds available (A)	**3268.57**
	(B) Funds Required	
1	Funds used for purchasing 3700100 shares of Soma Textiles & Industries Ltd on Feb 19, 2007	1041.56
2	Funds required to acquire 20% of share capital of Soma Textiles & Industries Ltd 20% of 3,30,33,000 = 66,06,600 @ Rs.32 per share	2114.11
	Total Funds required (B)	**3155.67**
	Surplus (A - B	**112.90**

*** excluding Equity Shares of Soma Textiles & Industries Ltd held by the acquirer**

Hence funds available with the Acquirer are sufficient to acquire 20% additional share capital of the Target Company in the open offer.

7.2.3 KGPL is having a networth of Rs. 3468.03 Lacs as on February 15, 2007 and is having sufficient funds for discharging its part of the obligation under the offer as certified by Mr. S P Parmar (Membership No. 113505), Partner, M/s. B D Jokharkar & Co., Chartered Accountants, 8 Ambalal Doshi Marg, Fort, Mumbai, Tel.: 022-22654882 Fax: 022-22657093, Email: bdj@bdjokhakar.com vide his certificate dated February 16, 2007.

7.2.4 The Acquirer has duly empowered M/s Chartered Capital And Investment Limited, Manager to the Offer, to realise the value of the Escrow Account**,** in terms of the SEBI (SAST) Regulations, 1997.

7.2.5 The Manager to the Offer, M/s Chartered Capital And Investment Limited, based on the declaration received from Mr. S P Parmar, Partner, M/s. B D Jokharkar & Co., Chartered Accountants, confirms that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations under the SEBI (SAST) Regulations, 1997.

8 TERMS AND CONDITIONS OF THE OFFER

8.1 Persons eligible to participate in the Offer

8.1.1 Registered shareholders of STIL (Other than Acquirer and PACs) and unregistered shareholders who own the equity shares of STIL any time prior to the date of Closure of the Offer.

8.1.2 None of the existing shares of the STIL are under any lock-in requirement.

8.2 STATUTORY APPROVALS / OTHER APPROVALS REQUIRED FOR THE OFFER

8.2.1 Approval for transfer of shares of a company registered in India by a Non Resident to a person resident in India is required. The Acquirers shall if required, apply for approval from RBI for transfer of shares in their name in due course after successful completion of this offer.

8.2.2 To the best of knowledge of the Acquirer no approvals from Banks/ Financial Institutions are required to make this offer.

8.2.3 As on the date of Public Announcement, to the best of the Acquirer's knowledge, no other statutory approvals are required to be obtained for the purpose of this Offer.

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

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

8.3 Others

8.3.1 Accidental omission to despatch this Letter of Offer to any person to whom this Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate this Offer in any way.

8.3.2 This Letter of Offer has been mailed to all the shareholders of STIL (Other than Acquirer and Promoters Group), whose names appeared on the Register of Members of STIL as on **March 16, 2007,** being the Specified Date.

8.3.3 Unaccepted Share/ Shares Certificates, Share Transfer Forms and other documents, if any, will be credited back to respectively depository account or returned by registered post at the shareholder(s) / unregistered owner(s) sole risk.

8.3.4 Consideration for equity shares accepted would be paid by crossed account payee cheques / demand drafts / pay orders and sent by registered post to the address of the first shareholder(s) / unregistered owner(s) at their sole risk.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

9.1 The Offer is not subject to any minimum level of acceptances from shareholders and in case of the shares received under the Offer exceeding the Offer size, the acquirer will accept shares on proportionate basis.

9.2 A Letter of Offer specifying the detailed terms and conditions of the Offer together with a Form of Acceptance cum Acknowledgement and Transfer Deed (for shareholders holding shares in physical forms) will be mailed to the shareholders of STIL (other than Acquirer and PACs) whose names appear on the Register of Members of STIL and to the beneficial owners of the equity shares of STIL whose names appear as beneficiaries on the records of the respective Depositories, at the close of business hours on **March 16, 2007, (the "Specified Date")**. Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever.

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

9.4 The shareholders of STIL (other than Acquirer and Persons belonging to Promoter group) are eligible to participate in the Offer anytime before the closure of the offer by sending their Form of Acceptance cum Acknowledgement, Original Share Certificate(s) and Transfer Deed(s) duly signed, to the Registrar to the Offer viz. **M/s Pinnacle Shares Registry Private Limited**, Near Asoka Mills, Naroda Road, Ahmedabad-380025 either by Registered Post, Courier or Hand Delivery (Between 10.00 a.m. to 5.00 p.m. on all working days), on or before the date of closure of the offer **i.e December 4, 2007** in accordance with the instructions specified in the Letter of Offer & Application Form.

9.5 Eligible persons to the Offer may also download a copy of the Letter of Offer and Form of Acceptance cum Acknowledgement, which will be available on SEBI's websites at http:/www.sebi.gov.in and can apply for the Offer in such downloaded form.

9.6 Beneficial owners and shareholders holding shares in physical form, who wish to avail of this Offer will have to forward the following documents to the office of the Registrar to the Offer by hand delivery or by registered post or courier as the case may be, on Mondays to Fridays between 10.30 AM and 5.00 PM and on Saturdays between 10.30 AM and 1.30 PM, on or before the date of Closure of the Offer, i.e. **December 4, 2007.**

- Form of Acceptance, duly completed in all respects and signed by all the joint shareholders in the same order and as per the specimen signature(s) registered with STIL.
- Relevant Original Share Certificate(s).
- Valid Share Transfer Deed(s), duly signed (in case the equity shares are held in joint names, by all the shareholders and in the same order as appearing in the Register of Members of STIL or on the Share Certificate issued by STIL) as per the specimen signature(s) lodged with STIL and witnessed by an independent witness (if possible, by a Notary Public, Bank Manager or a Member of a recognised stock exchange with membership number). Please do not fill in any other details in the Share Transfer Deed. In the event that a shareholder needs additional Share Transfer Deed(s), the same can be obtained from the Registrar to the Offer as mentioned hereafter.

- Where the Transfer Deed(s) are executed by Constituted Attorney, attach a copy of the Power of Attorney duly certified as a True Copy by a Notary Public / Gazetted Officer.

9.7 The Registrar to the Offer, **M/s Pinnacle Shares Registry Private Limited.** has opened a special depository account with National Securities Depository Limited ("NSDL") for receiving equity shares during the offer from eligible shareholders who hold equity shares in demat form.

9.8 Beneficial owners and **shareholders holding shares in the dematerialised form**, will be required to send their Form of Acceptance cum Acknowledgement and other documents to the Registrar to the Offer either by Registered Post / Courier or by hand delivery on Mondays to Fridays between 10.00 AM and 5.00 PM and on Saturdays between 10.00 AM and 1.30 PM, on or before the date of Closure of the Offer, i.e., **December 4, 2007**, along with a photocopy of the delivery instructions in **"Off market"** mode or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the Depository Participant (**"DP"**), in favour of **"Pinnacle Shares Registry Pvt Ltd – STIL Open Offer- Escrow Account" ("Depository Escrow Account")** filled in as per the instructions given below:

DP Name : UTI Bank Limited

DP ID : IN300484

Client ID : 12786263

Depository : National Securities Depository Limited- ("NSDL")

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

9.9 In case of (a) shareholders who have not received the LOO, (b) unregistered shareholders and (c) owner of the equity shares who have sent the equity shares to the Company for transfer, may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of equity shares held, distinctive numbers, folio numbers, number of shares offered along with the documents to prove their title to such equity shares such as broker note, succession certificate, original share certificate / original letter of allotment and valid equity share transfer deeds (one per folio), duly signed by all the shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with STIL), and witnessed (if possible) by the Notary Public or a Bank Manager or the Member of the stock exchange with membership number, as the case may be, so as to reach the Registrar to the Offer on or before 5.00 PM upto the date of Closure of the Offer i.e. **December 4, 2007.** Such shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing.

9.10 In case the equity shares are held by a Company / Body Corporate, then a certified True Copy of a valid Board Resolution giving authority and certified true copy of the Memorandum and Articles of Association of such Company / Body Corporate should also be enclosed.

9.11 In case the equity shares stand in the name of a sole shareholder, who is deceased, the Notarised copy of the legal representation obtained from a Competent Court.

9.12 Shareholders who have sent their equity shares for dematerialisation need to ensure that the process of getting shares dematerialised is completed well in time so that the credit in the Depository Escrow Account should be received on or before 5.00 PM upto the date of Closure of the Offer, i.e. **December 4, 2007.,** else the application would be rejected.

9.13 In case of shareholders who have not received the LOO and holding equity shares in the dematerialised form may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of shares held, Depository name, Depository I.D., Client name, Client I.D., number of equity shares offered along with a photocopy of the original delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the Depository Participant as specified in para 9.8 above, so as to reach the Registrar to the Offer on or before 5.00 PM upto the date of Closure of the Offer i.e. **December 4, 2007**.. Such equity shareholders can also obtain the LOO from the Registrar to the Offer by giving an application in writing..

9.14 The following collection centre would be accepting the documents by Hand Delivery /Regd Post/Courier as specified above, both in case of shares in physical and dematerialised form.

Address of the Collection Centre	**Contact Person**	**Phone/Fax / Email**
M/s Pinnacle Shares Registry Private Limited. near Asoka Mills, Naroda Road, Ahmedabad-380025	Mr. Paresh Dave	Ph No: +91-79- 22204226 Fax:+91-79- 22202963 Email: soma.offer@psrpl.com

Holidays: Sundays and Bank Holidays

9.15 The Registrar to the Offer will hold in trust the shares / share certificates, shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of STIL who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are dispatched / returned.

9.16 In terms of Regulation 22(5A), shareholders shall have the option to withdraw acceptance tendered earlier, by submitting the Form of Withdrawal enclosed with the LOO, so as to reach Registrars to the Offer upto three working days prior to the date of Closure of the Offer, i.e. **November 29, 2007**. The withdrawal can also be exercised by submitting an application on a plain paper, alongwith the details such as name, address, distinctive nos., folio no., number of equity shares tendered, etc.

9.17 The withdrawal option can be exercised by submitting the Form of Withdrawal enclosing with it Copy of the Form of Acceptance-cum-Acknowledgement / Plain paper application submitted and the Acknowledgement slip. In case of non receipt of Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:-

9.17.1 In case of physical shares: name, address, distinctive numbers, folio number, share certificate number, number of shares tendered, date of tendering the shares.

9.17.2 In case of dematerialized shares: name, address, number of shares tendered, DP name, DP ID, date of tendering the shares, beneficiary account number and a photocopy of the delivery instructions in "off market" mode or counterfoil of the delivery instruction in "off market" mode, duly acknowledged by the DP, in favour of the **"Pinnacle Shares Registry Pvt Ltd – STIL Open Offer- Escrow Account"** ("Depository Escrow Account").

9.18 The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer or credited to the Special Depository Escrow Account. Physical shares withdrawn by shareholders would be returned to the shareholders by Registered post.

9.19 Acquirer will acquire all the **66,06,600** fully paid-up equity shares tendered in the Offer with valid applications.

9.20 The Shares and other relevant documents should not be sent to Acquirer, PACs or Target Company.

9.21 As per the provisions of section 196D(2) of the Income Tax Act, 1961, and as amended (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 115D of the Income Tax Act. However, while tendering their equity shares under the Offer, Non Residents Individuals, Overseas Corporate Bodies and other non resident shareholders will be required to submit a No Objection Certificate ("NOC") or Tax Clearance Certificate or Certificate for Deduction of Tax at lower rate from Income Tax Authorities under the Income Tax Act indicating the amount of tax to be deducted by the Acquirer before remitting the consideration. In case the aforesaid NOC or Tax Clearance Certificate or Certificate for Deduction of Tax at lower rates is not submitted, the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders on the entire consideration amount payable to such shareholders. Non Resident Shareholders should also submit copy of the permission received from the Reserve Bank of India for acquisition of the shares of Target Company. In case of its non submission the Acquirer reserves its right to reject the shares tendered in the Offer.

10. Method of Settlement

10.1 At present, the marketable lot of STIL is 1 {One} equity shares.

10.2 The Form of Acceptance, relevant Original Share Certificate(s), valid Share Transfer Deed(s) and other documents or/ and shares lying in the special depository account, tendered by the shareholders of STIL under this Offer, shall be accepted from such shareholders in terms of the Letter of Offer, but will become a fully valid and binding contract between such shareholder(s) and the Acquirer only upon the fulfillment of all the conditions mentioned herein the Letter of Offer and Form of Acceptance.

10.3 On fulfillment of all the conditions herein mentioned, the Letter of Offer and Form of Acceptance, the Acquirer will pay the Offer Price by a crossed and "Account Payee Only" cheque(s) or demand draft(s) or pay order(s) drawn in favour of the sole shareholder or first named shareholder in case of joint holding. The payment consideration will be sent by Registered Post to the sole / first named shareholder of STIL whose equity shares are accepted by the Acquirer at his address registered with STIL. **It is desirable that shareholders holding Shares in physical mode provide bank details of the first/ sole shareholder in the Form of Acceptance cum Acknowledgement, so that the same can be incorporated in the cheque/demand draft. In case of shareholders holding Shares in electronic**

mode, bank particulars recorded with the Depository Participant (DP) and forming part of the beneficial download will be incorporated in the cheque/demand draft. In case of any change in bank particulars recorded with the DP, new bank particulars duly attested by the DP should be furnished.

10.4 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by registered post at the shareholders' / unregistered owners' sole risk to the sole / first shareholder.

10.5 The Acquirer shall endeavour to complete all procedures relating to the Offer within fifteen days from the date of Closure of the Offer i**.e. by December 19, 2007**, including payment of consideration to the shareholders of STIL whose equity shares are accepted for purchase by the Acquirer.

10.6 In case of non-receipt of any of statutory approvals required, as per regulation 22(12), SEBI may grant extension of time for the purpose of making payments to the shareholders who have successfully tendered their equity shares pursuant to this Offer and in such an event, the Acquirer will pay interest for the delayed payment beyond fifteen days of the closure of the Offer, at such rate as may be prescribed by SEBI.

11. General

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

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

11.3 The Offer Price is denominated and payable in Indian Rupees only.

11.4 All the communication in connection with the Form of Acceptance should be addressed to the Registrar to the Offer as mentioned above, with full name of the sole / first applicant, folio number, number of equity shares tendered, date of lodgement of the Form of Acceptance and other relevant particulars.

11.5 If there is any upward revision in the Offer Price (Regulation 26) by the Acquirer till the last day of revision, viz., at any time upto seven working days prior to the date of closure of the Open Offer or withdrawal of offer i.e**. November 23, 2007** the same would be informed by way of Public Announcement in the same newspapers where original Public Announcement had appeared. Such revised Offer would be payable for all the shares tendered anytime during the Offer.

11.6 "**If there is competitive bid:**

11.6.1 **The Public offers under all the subsisting bids shall close on the same date.**

11.6.2 **As the Offer Price can not be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final Offer Price of each bid and tender their acceptance accordingly"**

11.7 In terms of Regulation 22 (5A), shareholders shall have the option to withdraw acceptance tendered earlier, by submitting the Form of Withdrawal enclosed with the LOO, so as to reach Registrars to the Offer on or before 5.00 PM upto three working days prior to the date of Closure of the Offer, i.e. **November 29, 2007**, as mentioned in para 9.14.

11.8 Alternatively, a copy of Public Announcement, Letter of Offer, Form of Acceptance cum Acknowledgement and Form of Withdrawal cum Acknowledgement can be obtained from SEBI's official **web-site: www.sebi.gov.in**.

11.9 The manager to the Offer i.e. Chartered Capital And Investment Limited does not hold any shares in STIL as on the date of PA.

11.10 Applications which are complete in all respect and which reach the Registrar to the Offer on or before the date of closure of offer i.e **December 4, 2007** would be approved and the shares so offered would be accepted by the Acquirer free from all lien, charges, encumbrances along with all the rights attached to the shares like the right to all dividends, bonus and right shares and all other rights as are attached to such acquired shares.

12. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the office of the Manager to the Offer at Chartered Capital And Investment Limited, 711, Mahakant, Opp. V S Hospital, Ellisbridge, Ahmedabad – 380006 from 10.30 A.M. to 1.00 P.M. on any working day, except Saturdays, Sundays and Holidays until the closure of the Offer.

12.1 Certificate of Incorporation, Memorandum & Articles of Association of KGPL and Target Company.

12.2 Net Worth certificate issued by Mr. S P Parmar, Partner, M/s. B D Jokharkar & Co., Chartered Accountants, certifying the net worth of Acquirer and confirming firm arrangement of funds for fulfilment of offer obligations.

12.3 Audited Annual Reports of STIL and KGPL for the years ended on March 31, 2004, 2005 and 2006 as well as for the period ending 15.02.07.

12.4 The report of Mr. Padam Chand Jain, Chartered Accountants partner of M/s. Padam Chand Jain & Associates, Chartered Accountants on valuation of equity shares of STIL considering the Supreme Court's decision in the case of Hindustan Lever Employees Union v. Hindustan Lever Limited (1995).

12.5 Copy of Letter from Yes Bank , Nariman Point , Mumbai Certifying that Rs. 6,50,00,000/- have been deposited in the Escrow account.

12.6 Published copy of the Public Announcement, which appeared in the newspapers on February 21, 2007.

12.7 Copies of Bills for transactions which triggered the Offer.

12.8 Copy of approval letter No.CFD/DCR/HB/TO/107575/07 dated October 31, 2007 from SEBI in terms of proviso to Regulation 18(2) of the Regulations.

13. **DECLARATION BY THE ACQUIRER AND PACS**

The Directors of M/s. Krishnaa Glass Pvt. Ltd and Mr. Arvind Somany, Mr. Surendra Kumar Somany, Mrs. Prasann Somany, Mrs. Nandita Patodia, Mrs. Anupama Agarwal, Mrs. Nalini Somany, Ms. Nitya Somany and Directors of M/s Simplex Trading & Agencies Limited and Directors of M/s Sarvopari Investment Pvt. Ltd. severally and jointly accept full responsibility for the information contained in this Letter of Offer and also for the obligations of the Acquirer and PACs as laid down in the SEBI (SAST) Regulations, 1997 and subsequent amendments made thereof.

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

For and on behalf of **Board of Directors of**
M/s. Krishnaa Glass Private Limited

Director

Mr. Arvind Somany,
Mrs. Prasann Somany,
Mrs. Anupama Agarwal,
Ms. Nitya Somany,

Mr. Surendra Kumar Somany,
Mrs. Nandita Patodia,
Mrs. Nalini Somany,

For and on behalf of **Board of Directors of**
M/s Simplex Trading & Agencies Limited,

Director

For and on behalf of **Board of Directors of**
M/s Sarvopari Investment Pvt. Ltd

Director

Place: Mumbai
Date: 03.11.2007

14. ENCLOSURES

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

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FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

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

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION (Please send this Form of Acceptance with enclosures to the Registrar to the Offer)		
OFFER OPENS ON	:	**Thursday, November 15, 2007**
OFFER CLOSES ON	:	**Tuesday, December 4, 2007**
Please read the Instructions overleaf before filling-in this Form of Acceptance		

From:

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

Tel. No.: **Fax No.:** **E-mail:**

To,
M/s Krishnaa Glass Pvt. Ltd.
C/o Pinnacle Shares Registry Private Limited
Near Asoka Mills, Naroda Road,
Ahmedabad.- 380025

Dear Sirs,

Sub: ***Open*** *Offer to acquire upto 66,06,600 equity shares of Rs. 10/- each representing* 20.00% of the total paid up *capital and resultant voting rights of Target Company at a price of Rs. 32.00 (Rupees Thirty Two Only) per fully paid equity share payable in cash by M/s KRISHNAA GLASS PRIVATE LIMITED (hereinafter referred to as the "Acquirer")*

I / We, refer to the Letter of Offer dated November 3, 2007 for acquiring the equity shares held by me / us in **SOMA TEXTILES & INDUSTRIES LIMITED**.

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

   I / We, unconditionally offer to sell to **Krishnaa Glass Private Limited,** the following equity shares in SOMA TEXTILES & INDUSTRIES LIMITED. (hereinafter referred to as "STIL"), held by me / us, at price of 32.00 (Rupees Thirty Two Only) per fully paid equity share.

SHARES HELD IN PHYSICAL FORM

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

Ledger Folio No………………………Number of share certificates attached……………Representing …………… equity shares			
Number of equity shares held in STIL		**Number of equity shares offered**	
In figures	**In words**	**In figures**	**In words**

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

- **TEAR HERE** -

ACKNOWLEDGEMENT SLIP

Sub: ***Open*** *Offer to acquire upto 66,06,600 equity shares of Rs. 10/- each representing* 20.00% of the total paid up *capital and resultant voting rights of Target Company at a price of Rs. 32.00 (Rupees Thirty Two Only) per fully paid equity share payable in cash by M/s KRISHNAA GLASS PRIVATE LIMITED (hereinafter referred to as the "Acquirer")*

Received from Mr. / Ms. / Mrs. ………………………..…..................……Ledger Folio No/ Client ID. ………….........................…DP ID……………………… Number of certificates enclosed………….................................……. under the Letter of Offer dated November 3, 2007 Form of Acceptance, Transfer Deeds(s) and Original Share Certificate(s) as detailed hereunder:

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

Stamp

Authorised Signatory
Date

Note: All future correspondence, if any, should be addressed to **Registrar to the Offer:**
Pinnacle Shares Registry Private Ltd.,
Near Asoka Mills, Naroda Road, Ahmedabad-380025. Ph No: +91-79- 22204226
Fax:+91-79-22202963 Email: soma.offer@psrpl.com, Contact person: Mr. Paresh Dave

SHARES HELD IN DEMATERLISED FORM

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

3. I/We have done an off market transaction for crediting the equity Shares to the special depository account in NSDL styled **"Pinnacle Shares Registry Pvt Ltd – STIL Open Offer- Escrow Account"** ("Depository Escrow Account") details are as under:
   DP Name : UTI Bank Limited
   DP ID : IN300484
   Client ID : 12786263
   Depository : National Securities Depository Limited- ("NSDL")
4. I / We confirm that the equity shares of STIL which are being tendered herewith by me / us under the Offer are free from liens, charges and encumbrances of any kind whatsoever.
5. I / We authorize the Acquirer to accept the equity shares so offered or such lesser number of equity shares that the Acquirer may decide to accept in consultation with the Manager to the Offer and in terms of the said Letter of Offer and I / we further authorise the Acquirer to apply and obtain on our behalf split of share certificate(s) as may be deemed necessary by them for the said purpose. I further authorize the Acquirer to return to me / us, equity share certificate(s) in respect of which the Offer is not found / not accepted, specifying the reason thereof.
6. My / Our execution of this Form of Acceptance shall constitute my / our warranty that the equity shares comprised in this application are owned by me / us and are transferred by me / us free from all liens, charges, claims of third parties and encumbrances. If any claim is made by any third party in respect of the said equity shares, I / we will hold the Acquirer, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirer acquiring these equity shares. I / We agree that the Acquirer may pay the Offer Price only after due verification of the document(s) and signature(s) and on obtaining the necessary approvals as mentioned in the said Letter of Offer.
7. I / We also note and understand that the shares/ Original Share Certificate(s) and Transfer Deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirer makes payment of consideration or the date by which Shares/ Original Share Certificate(s), Transfer Deed(s) and other documents are despatched to the shareholders, as the case may be.
8. I/We note and understand that the Shares would lie in the Special Depository Account until the time the Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.
9. I/We undertake to execute such further document(s) and give such further assurance(s) as may be required or expedient to give effect to my / our agreeing to sell the said equity shares.
10. I / We irrevocably authorise the Acquirer to send by Registered Post at my / our risk, the Cheque(s) / Demand Draft(s) / Pay Order(s) in settlement of consideration payable and excess share certificate(s), if any, to the Sole / First holder at the address given hereunder and if full address is not given below the same will be forwarded at the address registered with STIL/D P :

Name and complete address of the Sole/ First holder (in case of member(s), address as registered with SOMA TEXTILES & INDUSTRIES LIMITED):

____

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

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

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

Name of the Bank: ______________ Name of the Branch and Address: ______________

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

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

Yours faithfully,
Signed and Delivered:

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

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

INSTRUCTIONS

1. Please read the enclosed Letter of Offer carefully before filling-up this Form of Acceptance.
2. The Form of Acceptance should be filled-up in English only.
3. Signature(s) other than in English, Hindi, and thumb impressions must be attested by a Notary Public under his Official Seal.
4. **Mode of tendering the Equity Shares Pursuant to the Offer:**
   I. The acceptance of the Offer made by the Acquirers is entirely at the discretion of the equity shareholder of STIL.
   II. Shareholders of STIL to whom this Offer is being made, are free to offer his / her / their shareholding in STIL for sale to the Acquirers, in whole or part, while tendering his / her / their equity shares in the Offer.
5. Business Hours : Mondays to Friday : 1000 hours to 1700 hours
   Saturday : 1000 hours to 1330 hours
   Holidays : Sundays and Bank Holidays

FORM OF WITHDRAWAL CUM ACKNOWLEDGEMENT

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

OFFER OPENS ON	:	**Thursday, November 15, 2007**
LAST DATE OF WITHDRAWAL	:	**Thursday, November 29, 2007**
OFFER CLOSES ON	:	**Tuesday, December 4, 2007**
Please read the Instruction in Letter of Offer and overleaf before filling-in this Form of Withdrawal		

From:

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

Tel. No.: **Fax No.:** **E-mail:**

To,
M/s Krishnaa Glass Pvt. Ltd.
C/o Pinnacle Shares Registry Private Limited
Near Asoka Mills, Naroda Road, Ahmedabad - 380025.

Dear Sirs,

Sub: ***Open*** *Offer to acquire upto 66,06,600 equity shares of Rs. 10/- each representing* 20.00% of the total paid up *capital and resultant voting rights of Target Company at a price of Rs. 32.00 (Rupees Thirty Two Only) per fully paid equity share payable in cash by M/s KRISHNAA GLASS PRIVATE LIMITED (hereinafter referred to as the "Acquirer")*

I/We refer to the Letter of Offer dated November 3, 2007 for acquiring the equity shares held by me/us in **SOMA TEXTILES & INDUSTRIES LIMITED(STIL).**

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 ______________ alongwith original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

(Please enclose the Xerox copy of Acknowledgement received for 'Form of Acceptance')

SHARES HELD IN PHYSICAL FORM

Sr. No.	**Certificate No.**	**Distinctive No(s)**		No. Of Shares
		From	To	
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 will be held in trust for me/us by you and **authorize you not to remit** the consideration as mentioned in the Letter of Offer.

- **TEAR HERE** -

Folio No.\DP ID Client ID:

Serial No.:
(Acknowledgement Slip)

Pinnacle Shares Registry Private Ltd.,
Near Asoka Mills, Naroda Road, Ahmedabad - 380025
Ph No: +91-79- 22204226 - 22200338 Fax:+91-79-22202963
Email: soma.offer@psrpl.com
Contact person: Mr. Paresh Dave

Received from Mr./Ms. ________________________________

Address ________________________________

____

Form of withdrawal in respect of ______________ Number of Share Certificats representing ________________ number of shares.

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

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

Pinnacle Shares Registry Private Ltd.,
Near Asoka Mills, Naroda Road, Ahmedabad. -380025 Ph No: +91-79- 22204226 - 22200338
Fax:+91-79- 22202963 Email: soma.offer@psrpl.com Contact person: Mr. Paresh Dave

SHARES HELD IN DEMATERLISED FORM

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

11. I/We have done an off market transaction for crediting the equity Shares to the special depository account in NSDL styled **Pinnacle Shares Registry Pvt. Ltd.– STIL Open Offer-Escrow Account"** ("Depository Escrow Account") details are as under

DP Name : UTI Bank Ltd.

DP ID : IN300484

Client ID : 12786263

Depository : National Securities Depository Limited- ("NSDL")

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

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

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

Yours faithfully,

Signed and Delivered:

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

Place

Date :

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

1. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centres mentioned in the Letter of Offer or above as per the mode of delivery indicated therein on or before 1700 hours upto the last date of withdrawal i.e. Thursday, November 29, 2007.
2. Shareholders should enclose the following:-
   - **a. For Equity Shares held in demat form:**
     Beneficial owners should enclose
     1. Duly signed and completed Form of Withdrawal.
     2. Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.
     3. Photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.
   - **b. For Equity Shares held in physical form:**
     Registered Shareholders should enclose:
     1. Duly signed and completed Form of Withdrawal.
     2. Copy of the Form of Acceptance cum Acknowledgement/ Plain paper application submitted and the Acknowledgement slip.
     3. In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Target Company and duly witnessed at the appropriate place.
   - **c. Unregistered owners should enclose:**
     1. Duly signed and completed Form of Withdrawal.
     2. Copy of the Form of Acceptance cum Acknowledgement/Plain paper application submitted and the Acknowledgement slip
     3. The withdrawal of Shares will be available only for the Share certificates / Shares that have been received by the Registrar to the Offer/ Special Depository Escrow Account.
     4. The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company/ Depository as the case may be.
     5. The Form of Withdrawal alongwith enclosure should be sent only to the Registrar to the Offer.
     6. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from STIL. The facility of partial withdrawal is available only on to Registered shareholders.
     7. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

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BOOK POST / UPC

(Printed Material)

To

If undelivered, please return to :-

Pinnacle Shares Registry Private Ltd.,

(Unit : SOMA TEXTILES & INDUSTRIES LIMITED)

Near Asoka Mills,

Naroda Road,

Ahmedabad. -380025

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