LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder(s) of Svaraj Trading and Agencies Limited
If you require any clarifications about the action to be taken, you may consult your stock broker 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 the Svaraj Trading and Agencies Limited, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement and Transfer Deed(s) to the Member of Stock Exchange through whom said sale was affected.

OPEN OFFER BY

Ms. Rekha Soni aged about 45 years residing at 42, Moti Chohatta, Udaipur-313001, Rajasthan, Telefax No: 0294-2523925, Mr. Harendra Gupta aged about 51 years residing at 163, Housing Board Colony, Goverdhan Villas Udaipur, Rajasthan, Telefax No: 0294-2482644 and Mr. Shankar Das Vairagi aged about 59 years residing at 299, Hawa Magri, Sukher, Udaipur-313001, Rajasthan, Telefax No:0294-2441035

are known as the "Acquirers"

to acquire 26,000 equity shares of Rs. 10/- each at an Offer Price of Rs. 75.00/- (Rupees Seventy Five only) per fully paid up equity share of Rs. 10.00/- each payable in cash representing 26.00% of the total paid up equity share capital/voting rights

Pursuant to Regulations 3(1) & 4 of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

of

Svaraj Trading and Agencies Limited ("Target Company" or "STAL") having its registered office at 1076, Dr. E. Moses Road, Worli, Mumbai 400018, Tel No: 022-24964656, Fax No: 022-24963055 and website: www.svarajtrading.com.

ATTENTION:

1. The Offer is being made by the Acquirers pursuant to Regulations 3(1) & 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (hereinafter referred to as "SEBI (SAST) REGULATIONS, 2011" or "Regulations") for the purpose of substantial acquisition of shares & change in control and the management of the Target Company consequent to the acquisition of entire holding of the existing promoters/Sellers by the Acquirers.
2. **The Offer is not a conditional Offer on any minimum level of acceptance.**
3. As on the date of this Letter of offer, to the best of the knowledge of the Acquirers, the offer is not subject to any statutory and regulatory approvals, however, it may be subject to all statutory approvals that may become applicable at a later date.
4. Upward revision, if any, of the Offer Price and/or no. of shares sought to be acquired by Open Offer would be informed by way of a Corrigendum in the same newspapers where the Detailed Public Statement ("DPS") has appeared. The Acquirers are permitted to revise the Offer Price and/or no. of shares sought to be acquired via Open Offer upwards only at any time prior to the commencement of the last three working days of opening of the Tendering Period i.e. December 20, 2012. The same price will be payable by the Acquirers for all the shares tendered anytime during the Tendering Period.
5. **There was no competing bid**
6. **A copy of Public Announcement, Detailed Public Statement, Draft Letter of Offer, Corrigendum, Letter of Offer, Form of Acceptance–cum-Acknowledgement are also available on SEBI's web-site: www.sebi.gov.in**

FOR PROCEDURE FOR ACCEPTANCE OF THIS OPEN OFFER PLEASE REFER SECTION 8 "PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER" (PAGE NOS. 26 to 29)
FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT IS 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**
Intensive Fiscal Services Private Limited 131, C-wing, Mittal Tower, 13th floor, Nariman Point, Mumbai- 400021 Tel. Nos.:- 022 22870443/44/45 Fax No.:- 022 22870446 E-mail:- rishabh@intensivefiscal.com Contact Person:- Rishabh Jain/Nikesh Jain SEBI Registration No.: INM000011112	**Purva Sharegistry (India) Pvt. Ltd.** 9 Shiv Shakti Ind. Estt., J R Boricha Marg, Lower Parel (E), Mumbai 400 011 Tel : 022 2301 6761; Fax.: 022-2301 2517 E mail: busicomp@vsnl.com Contact Person : Mr. V B Shah SEBI Registration No.: INR000002102
OFFER OPENS ON: December 27, 2012	OFFER CLOSES ON: January 09, 2013

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER

	Actual		Revised	
Revised Schedule of Activities	**Date**	**Day**	**Date**	**Day**
Date of Public Announcement	September 03, 2012	Monday	September 03, 2012	Monday
Date of Detailed Public Statement	September 10, 2012	Monday	September 10, 2012	Monday
Date by which Draft Letter of Offer was filed with the SEBI	September 17, 2012	Monday	September 17, 2012	Monday
Last date for a Competitive Bid, if any	October 03, 2012	Wednesday	October 03, 2012	Wednesday
Date of receipt of the comments on Draft Letter of Offer from SEBI	October 10, 2012	Wednesday	December 10, 2012	Monday
Identified Date*	October 12, 2012	Friday	December 12, 2012	Wednesday
Date by which Letter of Offer has been dispatched to the Shareholders	October 19, 2012	Friday	December 19, 2012	Wednesday
Last date for Revising the Offer Price / Number of Equity Shares	October 22, 2012	Monday	December 20, 2012	Thursday
Last Date of announcement containing reasoned recommendation by committee of independent directors of STAL	October 23, 2012	Tuesday	December 21, 2012	Friday
Date of Advertisement announcing the schedule of activities for the open offer, status of statutory & other approvals, status of unfulfilled conditions (if any), Procedure for tendering acceptances etc.	October 29, 2012	Monday	December 26, 2012	Wednesday
Date of opening of the Tendering Period	October 30, 2012	Tuesday	December 27, 2012	Thursday
Date of closing of the Tendering Period	November 12, 2012	Monday	January 9, 2013	Wednesday
Date by which the acceptance/ rejection would be intimated and the corresponding payment for the acquired shares and/or share certificate for the rejected shares will be dispatched	November 29, 2012	Thursday	January 23, 2013	Wednesday

**** "Identified Date" is only for the purpose of determining the Shareholders as on such date to whom the letter of offer would be dispatched. It is clarified that all owners (registered or unregistered) of the equity shares of the Target Company (except the Acquirers and Sellers who own the shares of the STAL) are eligible to participate in the Offer any time before the closing of the tendering period.***

Note: Duly Signed Application form and Transfer Deed(s) together with share certificate(s) in case of physical shares and duly signed application form and delivery instruction slip in case of Dematerialisation shares should be dispatched by Registered Post / Courier or hand delivered to the Registrar to the Offer at above address to arrive not later than 17:00 hours on or before December 12, 2012.

RISK FACTORS

Risk Factors relating to the Proposed Offer

1. In the event of any litigation leading to stay on the Offer or SEBI instructing that the Offer should not be proceeded with, thus the Offer process may be delayed beyond the Schedule of the Major Activities indicated in this Letter of Offer.
2. The Share Purchase Agreement (SPA) dated September 03, 2012 contains a clause to the effect that the SPA is subject to the provisions of the Regulations and in case of non-compliance of any provision of the Regulations by the Acquirer(s) or the Seller(s), the SPA shall not be acted upon by the parties.
3. If the Acquirers are unable to make the payment to the shareholders who have accepted the Offer within 10 working days from the date of closure of the tendering period, then SEBI may, if satisfied that the non-receipt of requisite statutory approvals, that may become applicable prior to completion of the Offer, was not due to any willful default or neglect of the Acquirer(s) or the failure of the Acquirer(s) to diligently pursue the applications for such approvals, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders for delay beyond 10 working days, as may be specified by SEBI from time to time. The tendered shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tendered shares and payment of consideration is completed.
4. The transaction is subject to completion risks as would be applicable to similar transactions.

Probable risks involved in associating with the Acquirers

1. The Acquirers expressly disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.

2. Looking at the past trend, the Acquirers make no assurance with respect to the continuation of the financial performance of the Target Company. The association of the Acquirers with STAL /Substantial Acquisition of Shares & post taking control of STAL, the Acquirers do not warrant any assurance with respect to the future financial performance of STAL.
3. Post this Offer, (assuming full acceptance) the Acquirers will have significant equity ownership and control over the Target Company pursuant to Regulations 3(1) & 4 of Regulations.
4. The Acquirers also make no assurances with respect to their investment/divestment decisions relating to their proposed shareholding in the Target Company.

The indicative risk factors set forth above are in relation to the Offer and not in relation to the present or future business or operations of STAL or any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Shareholder in the Offer or in associating with the Acquirers. The Shareholders of STAL are advised to consult their stock broker or investment consultant or tax advisor, if any, for further risks with respect to their participation in the Offer.

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1. DEFINITIONS

The following definitions apply through this document, unless the context requires otherwise:

1.	Acquirers	1.Ms. Rekha Soni 2.Mr. Harendra Gupta 3.Mr. Shankar Das Vairagi
2.	Book Value per share	Net worth/Number of equity shares issued
3.	BSE	Bombay Stock Exchange Ltd.
4.	Corrigendum	Corrigendum released on December 13, 2012 in the same newspaper where DPS was released
5.	DLOO	Draft Letter of Offer
6.	DPS	Detailed Public Statement appeared in the newspapers on September 10, 2012
7.	EPS	Profit after tax/Number of equity shares issued
8.	Escrow Demat Account	Refers to the 61,100 shares bought by the Acquirers and transferred into the account opened with BCB Brokerage Private Limited named and styled as "PSIPL ESCROW A/C SVARAJ OPEN OFFER"
9.	Form of Acceptance/FOA	Form of Acceptance-cum-Acknowledgement
10.	Identified Date	December 12, 2012
11.	LOO or Letter of Offer or LOF	Offer Document
12.	Manager to the Offer or Merchant Banker	Intensive Fiscal Services Private Limited
13. .	N.A.	Not Applicable
14.	Negotiated Price	Rs. 50.00/- (Rupees Fifty only) per fully paid-up equity share of face value of Rs.10.00/- each.
15.	Net worth	Equity Share capital plus Reserve & Surplus excluding Revaluation Reserve minus Debit Balance of P&L or Misc. Exp. not written off.
16.	Offer or The Offer	To acquire 26,000 fully paid up equity shares of Rs. 10.00/- each at an Offer Price of Rs. 75.00/- (Rupees Seventy Five Only) per fully paid up equity share of Rs 10/- each payable in cash, representing 26.00% of the total paid up equity share capital/ voting rights.
17.	Offer Period	Period from date of SPA till payment of consideration to the Shareholders who have tendered the shares in the open offer.
18.	Offer Price	Rs. 75.00/- (Rupees Seventy Five Only) per fully paid up equity share
19.	PAT	Profit After Tax
20.	Persons eligible to participate in the Offer	Registered shareholders of Svaraj Trading and Agencies Limited and unregistered shareholders who own the equity shares of Svaraj Trading and Agencies Limited any time prior to the closure of tendering period other than the Parties to the SPA i.e. the Acquirers & the Sellers.
21.	Persons not eligible to participate in the Offer	Parties to the Share Purchase Agreement
22.	Public Announcement or "PA"	Announcement of the Open Offer by the Acquirers on September 03, 2012.
23.	RBI	Reserve Bank of India
24.	Registrar or Registrar to the Offer	Purva Sharegistry (India) Pvt. Ltd.
25.	Return on Net Worth	(Profit After Tax/Net Worth)*100
26.	SEBI	Securities and Exchange Board of India
27.	SEBI (SAST) Regulations, 2011 or Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto
28.	SEBI (SAST) Regulations 1997 or Old Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, and subsequent amendments thereof

29.	SEBI Act	Securities and Exchange Board of India Act, 1992
30.	Sellers or Outgoing Promoters or Promoters	1. M/s. Kopran Lab Pvt Ltd 2. M/s. S V Trading & Agencies Ltd 3. Vandana Somani 4. Rajendra Somani 5. Mridula Somani 6. Surendra Somani 7. Jaya Somani 8. Suhrid Somani 9. Susheel G Somani 10. Adarsh Somani 11. Hridai Somani
31.	SPA	Share Purchase Agreement
32.	Stock Exchange or BSE	Bombay Stock Exchange Limited
33.	Target Company or STAL	Svaraj Trading and Agencies Limited
34.	Tendering Period	Period within which shareholders may tender their shares in acceptance of an open offer

2. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAD 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 SVARAJ TRADING AND AGENCIES LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER(S) OR OF THE COMPANY WHOSE SHARES/CONTROL HAS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITIES ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, INTENSIVE FISCAL SERVICES PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 14, 2012 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 2011 AND SUBSEQUENT AMENDEMENTS THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

3. DETAILS OF THE OFFER

3.1. Background of the Offer

3.1.1. This open offer is being made by the Acquirers to the equity shareholders of Svaraj Trading and Agencies Limited, a company incorporated and duly registered under the Companies Act, 1956, on March 07, 1980 and having its registered office at 1076, Dr. E. Moses Road, Worli, Mumbai 400018, Tel No: 022-24964656, Fax No: 022-24963055 and website: www.svarajtrading.com pursuant to the Regulations 3(1) & 4 and in compliance with the Regulations. The Acquirers have acquired substantial stake & propose to take over the management control of STAL pursuant to the SPA.

3.1.2. The Acquirers hereby make this Offer to the equity shareholders of the Target Company (other than the parties to the SPA) to acquire up to 26,000 equity shares ("Shares") of the Target Company of face value of Rs.10/- each representing in aggregate 26.00% of the paid up equity share capital and voting capital of the Target Company at a price of Rs. 75.00/- (Rupees Seventy Five Only) per fully paid up equity share, payable in Cash subject to the terms and conditions mentioned in the PA, DPS and in the LOO that will be circulated to the shareholders in accordance with the SEBI (SAST) Regulations, 2011, whose names will appear on the register of members of the Target Company or beneficiaries on the beneficiary records of the Depository Participant as on the Identified Date i.e. December 12, 2012.

3.1.3. Ms. Rekha Soni, Mr. Harendra Gupta & Mr. Shankar Das Vairagi are the only Acquirers in this open offer in terms of Regulation 2(1)(a) of the Regulations and there are no other Person(s) acting in concert (PACs') with the Acquirers in respect of this Offer within the meaning of Regulation 2(1)(q) of the Regulations.

3.1.4. The Acquirers have acquired shares from the Sellers via Share Purchase Agreement (SPA) dated September 03, 2012 at a price of Rs. 50.00/- (Rupees Fifty only) per fully paid up equity shares, details of which are as follows:

Sellers			**Acquirers**		
Name of the Sellers	**No. of Equity Shares**	**% w.r.t. to the total paid up capital**	**Name of the Acquirers**	**No. of Equity Shares**	**% w.r.t. to the total paid up capital**
M/s. Kopran Lab Pvt Ltd	15,000	15.00	Ms. Rekha Soni	12,220	12.22
M/s. S V Trading & Agencies Ltd	5,000	5.00	Mr. Harendra Gupta	12,220	12.22
Vandana Somani	1,510	1.51	Mr. Shankar Das Vairagi	36,660	36.66
Rajendra Somani	2,040	2.04			
Mridula Somani	1,010	1.01			
Surendra Somani	2,010	2.01			
Jaya Somani	800	0.80			
Suhrid Somani	400	0.40			
Susheel G Somani	32,030	32.03			
Adarsh Somani	500	0.50			
Hridai Somani	800	0.80			
Total	**61,100**	**61.10**	Total	**61,100**	**61.10**

3.1.5. The Acquirers have entered into a Share Purchase Agreement (SPA) on September 03, 2012 with the Sellers of the Target Company and acquired 61,100 (hereinafter referred to as "Said Shares") fully paid up equity shares of Rs. 10/- each, representing 61.10% of the issued, subscribed, paid up and voting capital of the Target Company at a price of Rs. 50.00/- (Rupees Fifty only) per share aggregating to Rs. 30,55,000/- (Thirty Lakhs Fifty Five Thousand Only).

3.1.6. The above said shares acquired by the Acquirers have been transferred into Escrow Demat Account opened with BCB Brokerage Private Limited named and styled as "PSIPL ESCROW A/C SVARAJ OPEN OFFER". The shares will be transferred only after receiving instructions from the Manager to the Offer.

3.1.7. The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.

3.1.8. The salient features of the SPA are as under:-

a) The Sellers have sold 61,100 fully paid up equity shares of Rs. 10.00/- each being 61.10% of the fully paid up Equity Shares, to the Acquirers through off market sale.
b) The negotiated price for the purpose of this agreement is Rs. 50.00/- only (Rupees Fifty Only) per fully paid up equity shares aggregating to Rs. 30,55,000/- (Thirty Lakhs Fifty Five Thousand Only) which is arrived on the basis of negotiation.
c) The above said shares have been acquired by the Acquirers will be kept in the Escrow Demat Account. It would be released only after filing Regulation 27(7) (effective date) of SEBI (SAST) Regulations.
d) The voting rights accrued by virtue of acquisition of the said shares are frozen as well as any benefits accrued during the offer period on these shares are kept in the Escrow Demat Account until the completion of the open offer formalities.
e) The Sellers shall provide and shall cause the Target Company to provide to the Acquirers or their authorized representatives and advisers, full access to the Target Company its facilities, books, records and documents and provide all required materials, data and information necessary or as the Acquirers may require to investigate any facts or matters for conducting due diligence of any facts, matters, information relating to the business, affairs operations or prospects of the Target Company.
f) In the event, if the Acquirers fail to comply with the applicable provisions of the Takeover Code relating to the Public Offer, the SPA shall stand terminated and shall be null and void.
g) Pursuant to SPA, the Acquirers are getting control over the Target Company.

3.1.9. Apart from 61,100 (Sixty One Thousand One Hundred Only) fully paid up equity shares which the Acquirers have purchased pursuant to SPA; the Acquirers do not hold any equity shares/voting rights of STAL. The Acquirers have complied with provisions of Chapter V of SEBI (SAST) Regulations, 2011.

3.1.10. As on date of this LOO, the Sellers are the only Promoters of the Target Company as per the definition in SEBI (SAST) Regulations, 2011.

3.1.11. As on the date of this LOO, none of the directors of the Target Company represents the Acquirers.

3.1.12. The Acquirers, the Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction issued U/s 11B of SEBI Act, 1992 or under any other Regulation under the SEBI Act, 1992.

3.1.13. There is no other consideration/compensation, in cash or kind, whether directly or indirectly is being given to the Sellers apart from the consideration as stated in Para 3.1.4 above.

3.1.14. As per Regulations 26(6) and 26(7) of SEBI (SAST) Regulations, the Board of the Target Company is required to constitute a committee of Independent Directors who would provide its written reasoned recommendation on the Offer to the Shareholders of the Target Company and such recommendations shall be published at least two working days before the commencement of the Tendering Period in the same newspapers where the DPS of the Offer was published i.e. on December 21, 2012.

3.2. Details of the proposed Offer

3.2.1. The Acquirers have made a Public Announcement on September 03, 2012 and released Detailed Public Statement on September 10, 2012 in accordance with the Regulation 15 and pursuant to Regulations 3(1) and 4 of SEBI (SAST) Regulations, 2011. DPS was released in the following newspapers:

Publication	Language	Editions
The Financial Express	English	All Editions
Jansatta	Hindi	All Editions
Mumbai Lakshadeep	Marathi	Mumbai-Edition (Place where the Registered office & Stock Exchange is situated)

The Public Announcement and Detailed Public Announcement is also available on the SEBI website at www.sebi.gov.in

3.2.2. Pursuant to the signing of SPA, the Acquirers are making this Open Offer under Regulations 3(1) & 4 of the Regulations, to acquire 26,000 equity shares of Rs.10/- each representing 26.00% of the total issued, subscribed, paid up and voting capital of the Target Company at a price of Rs. 75.00/- (Rupees Seventy Five Only) per fully paid up equity share ("Offer Price") payable in Cash (in terms of

Regulation 9(1)(a)) subject to terms and conditions mentioned hereinafter).

3.2.3. This Offer is being made to all the shareholders of the Target Company (other than the parties to the SPA) is in accordance with Regulation 7(6) of the Regulations and is not conditional upon any minimum level of acceptance. The Acquirers will acquire all the shares of the Target Company that are validly tendered as per the terms of the Offer up to a maximum of 26,000 equity shares.

3.2.4. The Offer is not a competitive bid.

3.2.5. The Offer is subject to the terms and conditions set out herein and in the Final Letter of Offer that will be sent to the shareholders of the Target Company.

3.2.6. The Acquirers have not acquired any shares of the Target Company after the date of Public Announcement till the date of this LOO except for the shares transferred in their name pursuant to SPA dated September 03, 2012.

3.2.7. This offer is not subject to any statutory and regulatory approvals; however it may be subject to statutory approvals that may become applicable at a later date (as mentioned in Para No. 7.3 of this LOO).

3.2.8. As on the date of PA, DPS & LOO in accordance, the Manager to the Open Offer i.e. Intensive Fiscal Services Private Limited does not hold any shares in the Target Company in accordance with Regulation 27 (6) of Regulations. They declare and undertake that they shall not deal in the shares of the Target Company during the period commencing from the date of their appointment as the Manager to the Open Offer till the expiry of 15 days from the date of closure of Open Offer.

3.2.9. Upon completion of the Offer, assuming full acceptances in the Offer and acquisition of shares through SPA, the Acquirers will hold 87,100 shares constituting 87.10 % of the total issued, subscribed and paid up equity share capital of the Target Company. It would result the Public shareholding in the Target Company falling below the minimum level required as per the Listing Agreement entered with the Stock Exchange for the purpose of listing on continuous basis.

a) In terms of Clause 40A of the Listing Agreement read with Rule 19A(1) of the Securities Contracts (Regulations) Rules,1957, the Target Company is required to maintain at least 25% public shareholding for listing on a continuous basis. In the event that the acquisition made in pursuant to the Offer results in the public shareholding of the Target Company falling below such minimum level, the Acquirers undertake to take necessary steps to facilitate compliance of the Target Company with the relevant provisions of the Listing Agreements and other applicable laws, within the time period mentioned therein or in accordance with such other directions as may be provided by the Stock Exchange. The Acquirers have confirmed that presently they do not have any intention to delist the Target Company from the Stock Exchange in the next three years.

b) The Acquirers undertake to bring the public shareholding at minimum stipulated level i.e 25% within the time permitted under the Securities Contract (Regulation) Rules, 1957 and in accordance with Regulation 7(4) of the Regulations. This would take place either by way of issue of new shares by the Target Company in compliance with the provisions of the Companies Act, 1956 & Securities and Exchange Board of India (Issue of Capital and Disclosure requirements) Regulation, 2009 and subsequent amendments thereto or by sale of its holdings through the secondary market in a transparent manner.

c) Further, if the shareholding of the Acquirers exceeds the maximum permissible non-public shareholding pursuant to the Open offer, the Acquirers shall not be eligible to make a voluntary delisting offer under the SEBI (Delisting of Equity Shares) Regulations, 2009, unless a period of twelve months have elapsed from the date of completion of the offer period as per regulation 7(5) of the SEBI (SAST) Regulations. 2011.

3.3. Object of the Acquisition/Offer

3.3.1. The Offer is being made pursuant to Share Purchase Agreement between the Acquirers and the Sellers as described in Para 3.1.4 above whereby the Acquirers have acquired 61.10% of the issued, subscribed and paid up share capital from the Sellers.

3.3.2. The Open Offer is being made to all the public shareholders of STAL for acquiring 26.00% of the total issued, subscribed, paid up and voting capital of the Target Company in accordance with Regulations

3(1) & 4 of the Regulations. After the completion of the proposed Open Offer (assuming full acceptances), the Acquirers will achieve substantial acquisition of equity shares and voting rights accompanied with effective management control over the Target Company.

3.3.3. The prime object of the Offer is to acquire substantial stake & change the control and management of the Target Company. Ms. Rekha Soni, Mr. Harendra Gupta & Mr. Shankar Das Vairagi are the only Acquirers for the proposed Open Offer. The Acquirers are yet to finalize on how they would implement the future plans. They also aim to expand the business horizon under corporate status for diversifying into different activities subject to approval of the shareholders. The Acquirers reserve the right to modify the present structure of the business in a manner which is useful to the larger interest of the shareholders. Any change in the structure that may be affected will be in accordance with the laws applicable.

3.3.4. To the extent required and to optimize the value to all the shareholders, the Acquirers may subject to applicable shareholders' consent, enter into any compromise or arrangement, reconstruction, restructuring, merger, amalgamation, rationalizing and/or streamlining of various operations, assets, liabilities, investments, businesses or otherwise of the Target Company. Notwithstanding, the Board of Directors of the Target Company will take appropriate decisions in these matters in line with the requirements of the business and opportunities from time to time.

3.3.5. As on the date of this LOO, the Acquirers do not have any intention to sell, dispose off or otherwise encumber any significant assets of STAL except in the ordinary course of business of STAL and its 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 prior approval of the shareholders at a General Body Meeting of STAL in accordance with regulation 25(2) of Regulations. However, the Acquirers may give effect such alienation but subject to passing a special resolution by the shareholders of STAL by way of a postal ballot and the notice for such postal ballot containing reasons as to why such alienation is necessary.

4. BACKGROUND OF THE ACQUIRERS

4.1. **Ms. Rekha Soni** aged about 45 years residing at 42, Moti Chohatta, Udaipur-313001, Rajasthan, Telefax No: 0294-2523925, **Mr. Harendra Gupta** aged about 51 years residing at 163, Housing Board Colony, Goverdhan Villas Udaipur, Rajasthan, Telefax No: 0294-2482644 and **Mr. Shankar Das Vairagi** aged about 59 years residing at 299, Hawa Magri, Sukher, Udaipur-313001, Rajasthan, Telfax No:0294-2441035 are the only Acquirers in this Open offer in terms of Regulation 2(1)(a) of the SEBI (SAST) Regulations, 2011. There is no PAC in this open offer. There is no relationship between the Acquirers.

4.2. Ms. Rekha Soni is having an experience of more than 10 years in the family business, Mr. Harendra Gupta is having experience of more than 15 years in supply of building materials and Mr. Shankar Das Vairagi is into Buy & Sell of property with an experience of more than 15 years.

4.3. Manish Dani (Membership No. 406440), proprietor of Manish Dani & Co., Chartered Accountants having its Office at C-193, Shastri Nagar, Bhilwara (Raj.) 311 001, Phone: 01482-250085 and Mob No: 08875977741, E-mail: dani_manish@yahoo.co.in, manish.dani@icai.org has certified vide certificate dated July 27, 2012 that the Net worth of Ms. Rekha Soni, Mr. Harendra Gupta & Mr. Shankar Das Vairagi is Rs. 43.15 Lakhs (Rupees Forty Three Lakhs and Fifteen Thousand Only), Rs. 34.14 Lakhs (Rupees Thirty Four Lakhs and Fourteen Thousand Only) & Rs. 82.98 Lakhs (Rupees Eighty Two Lakhs Ninty Eight Thousand Only) respectively as on July 27, 2012 aggregating to Rs. 160.27 Lakhs (Rupees One Hundred and Sixty Lakhs & Twenty Seven Thousand Only).

4.4. The Acquirers are not forming part of the present Promoter Group of the Target Company.

4.5. As on the date of this LOO, the Acquirers do not hold any position on the Board of Directors of any Listed Company.

4.6. As on date of this LOO, the Acquirers have acquired shares in the Target Company and thereafter it has been transferred into Escrow Demat Account pursuant to SPA dated September 03, 2012.

4.7. The Acquirers have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act, 1992, as amended (the ‘SEBI Act’) or any other Regulations made under the SEBI Act.

4.8. The Provisions of Chapter V of SEBI (SAST) Regulations is applicable to the Acquirers and they have complied it with the same.

5. **BACKGROUND OF THE TARGET COMPANY**

5.1. The Target Company was incorporated as "Svaraj Trading and Agencies Limited" on March 07, 1980 under the provisions of the Companies Act, 1956. The present registered office of the Target Company is at 1076, Dr. E. Moses Road, Worli, Mumbai 400018, Tel No: 022-24964656, Fax No: 022-24963055 and website: www.svarajtrading.com. Currently there is no business operation in the Target Company.

5.2. The Main Objects clause of STAL as per Memorandum of Association is as under:

5.2.1. "To carry on in India and/or elsewhere in the world, trade, occupation or business as general merchants, concessionaires, exporters, importers and traders in any goods, commodities, merchandise, produce, things and shares on ready or forward basis on its own account or otherwise."

5.2.2. "To carry on India and/or elsewhere in the world the business as agents, brokers, factors, commission agents, adaties, buying and selling agents, distributors, indenting agents, sub-agents, estate agents and to act as manufacturer's representatives."

5.3. As on the date of PA, the Promoters holding in the Target Company is as follows:

S. No.	Name of the Promoters	No. of Shares	% w.r.t. Total Paid Up Capital
1.	M/s. Kopran Lab Pvt Ltd	15,000	15.00
2.	M/s. S V Trading & Agencies Ltd	5,000	5.00
3.	Vandana Somani	1,510	1.51
4.	Rajendra Somani	2,040	2.04
5.	Mridula Somani	1,010	1.01
6.	Surendra Somani	2,010	2.01
7.	Jaya Somani	800	0.80
8.	Suhrid Somani	400	0.40
9.	Susheel G Somani	32,030	32.03
10.	Adarsh Somani	500	0.50
11.	Hridai Somani	800	0.80
	Total	**61,100**	**61.10**

5.4. As on the date of this LOO, the authorized share capital of the Target Company is Rs. 1,50,00,000/- (Rupees One Crore and Fifty Lakhs only) divided into 15,00,000 equity shares of Rs 10/- each. The issued, subscribed & paid up capital of the Company is Rs. 10,00,000/- (Rupees Ten Lakhs only), comprises of 1,00,000 fully paid-up equity shares of Rs.10/- each fully paid up.

5.5. The entire issued, subscribed, paid up and voting equity capital of the Target Company is listed on BSE. The scrip code on BSE is 503624 & Scrip ID is ZSVARAJT. The trading in the equity shares of the Target Company was suspended by BSE w.e.f. February 17, 2003 due to non submission of quarterly results and SEBI (SAST) Regulations, 1997.
The Target Company has received an In Principle approval letter dated January 25, 2011 from BSE for revocation of suspension in trading of equity shares. Thereafter the suspension in trading of equity shares was revoked w.e.f. March 23, 2011.

5.6. As on the date of this LOO, there are no partly paid-up, no forfeited shares & no locked in shares. There are no outstanding convertible instruments in the nature of warrants/fully convertible debentures/partly convertible debentures etc. which are convertible into equity at any later date.

5.7. There has been delay by the Target Company in filing Regulation 8(3) of SEBI (SAST) Regulations, 1997 for years ended March 31, 2001 to March 31, 2011. SEBI may initiate necessary actions in terms of the SEBI (SAST) Regulations, 1997. The Promoters/major shareholders of the Target Company have complied with SEBI (SAST) Regulations but with a delay. Thus SEBI may initiate applicable action against the Promoters/major shareholders in terms of SEBI (SAST) Regulations and provisions of the SEBI Act, 1992.

5.8. As on the date of this LOO, the share capital of the Target Company is as given under:

Paid-up Equity Shares	No. of Shares/Voting Rights	% of Shares/Voting Rights
Fully Paid-up Equity shares	1,00,000	100%
Partly Paid-up Equity shares	NIL	NIL
Total paid-up Equity shares	1,00,000	100%
Total Voting Rights in the Company	1,00,000	100%

5.9. The Current capital structure of the Target Company since inception is as under:

Date of Allotment /Issue	No and % of Shares issued		Cumulative Paid-Up Capital (Rs.)	Mode of Allotment	Identity of Allotees	Status of Compliance with SEBI (SAST) Regulations, 1997 or 2011
	No.	**%**				
March 17, 1980	70	0.07	700	Subscription to Memorandum of Association	Subscribers to Memorandum of Association	N.A.
August 02, 1980	49,930	49.93	5,00,000	Public Issue	Public Shareholders/ Directors/ Relatives/ Friends	N.A.
September 01, 1983#	50,000	50.00	10,00,000	Rights Issue	Existing Shareholders	N.A.
Total	**1,00,000**	**100.00**				

#Issue Date

5.10. Svaraj Trading and Agencies Limited - Date wise Capital Build up - Promoter & Promoters Relatives and Group Company

Name of the promoter/promoter group entity	Opening Balance				Transactions Details						Closing Balance					Increase/Decrease in holding of promoter (+/-) (in terms of %)	Applicable regulations of SEBI (SAST) Regulations	Compliance status with SEBI (SAST) regulations and other applicable regulations
	Total Paid up Capital of the target company		Holding of the promoter group		Date of transaction (allotment/purchase/transfer)	Shares acquired		Shares sold		Mode of acquisition	Total Paid up Capital of the target company		Holding of promoter group		Cumulative holding of promoter group (in terms of %)			
	No. of shares	**%**	**No. of shares**	**%**		**No. of shares**	**%**	**No. of shares**	**%**		**No. of shares**	**%**	**No. of shares**	**%**				
Shree Satyanarayan Properties Pvt Ltd	100,000	100%	20,000	20.00%	Opening balance as on February 20,1997						100,000	100 %	100,000	100.00 %	100.00 %			
Kopran Lab Pvt Ltd			15,000	15.00%														
Kramer Pharmeticals Pvt Ltd			11,680	11.68%														
S V Trading & Agencies Ltd			5,000	5.00%														
Rajendra Somani & Surendra Somani			500	0.50%														
Laxmidevi Somani			1,010	1.01%														
Rajendra Somani			1,010	1.01%														
Mridula Somani			1,010	1.01%														
Vandana Somani			1,510	1.51%														
Surendra Somani			1,000	1.00%														
S K Somani HUF			500	0.50%														
Shantanu Somani			800	0.80%														
Jaya Somani			800	0.80%														
Susheel G Somani			350	0.35%														
Suhrid Somani			400	0.40%														
Adarsh Somani			500	0.50%														
B K Singhi			20	0.02%														
K.K. Gattani			10	0.01%														
Himalaya Builders Pvt. Ltd			20,000	20.00%														
Premier Commercial Co. Pvt. Ltd			18,900	18.90%														
Total			**100,000**	**100.00 %**														
Himalaya Builders Pvt. Ltd	100,000	100%	100,000	100.00 %	From October			20,000	20.00%	Transferred from	100,000	100 %	80,000	80.00%	80.00%	-20.00%	NA	NA

Name of the promoter/promoter group entity	Opening Balance				Transactions Details						Closing Balance					Increase/Decrease in holding of promoter (+/-) (in terms of %)	Applicable regulations of SEBI (SAST) Regulations	Compliance status with SEBI (SAST) regulations and other applicable regulations
	Total Paid up Capital of the target company		Holding of the promoter group		Date of transaction (allotment/purchase/transfer)	Shares acquired		Shares sold		Mode of acquisition	Total Paid up Capital of the target company		Holding of promoter group		Cumulative holding of promoter group (in terms of %)			
	No. of shares	%	No. of shares	%		No. of shares	%	No. of shares	%		No. of shares	%	No. of shares	%				
					31, 2003					Promoter to Public Category								
Premier Commercial Co. Pvt. Ltd	100,000	100%	80,000	80.00%	From October 31, 2003			18,900	18.90%	Transferred from Promoter to Public Category	100,000	100 %	61,100	61.10%	61.10%	- 18.90%	NA	NA
K.K. Gattani	100,000	100%	61,100	61.10%	January 31, 2011			10	0.01%	Transmission of shares	100,000	100 %	61,100	61.10%	61.10%	0.00%	NA	NA
Aparna Gattani						10	0.01%											
Shree Satyanarayan Properties Pvt Ltd	100,000	100%	61,100	61.10%	June 30, 2012			20,000	20.00%	Inter se Transfer	100,000	100 %	61,100	61.10%	61.10%	0.00%	Regulation 3(2) & 29(2)	Complied with Regulation 29(2) of SEBI (SAST) Regulations, 2011 on July 10, 2012.
Kramer Pharmaceuticals Pvt Ltd								11,680	11.68%									Complied with Regulation 29(2) of SEBI (SAST) Regulations, 2011 on July 10, 2012.
Susheel G Somani						31680	31.68 %											Complied with Regulation 29(2) of SEBI (SAST)

Name of the promoter/promoter group entity	Opening Balance				Transactions Details						Closing Balance					Increase/Decrease in holding of promoter (+/-) (in terms of %)	Applicable regulations of SEBI (SAST) Regulations	Compliance status with SEBI (SAST) regulations and other applicable regulations
	Total Paid up Capital of the target company		Holding of the promoter group		Date of transaction (allotment/purchase/transfer)	Shares acquired		Shares sold		Mode of acquisition	Total Paid up Capital of the target company		Holding of promoter group		Cumulative holding of promoter group (in terms of %)			
	No. of shares	%	No. of shares	%		No. of shares	%	No. of shares	%		No. of shares	%	No. of shares	%				
																		Regulations, 2011 on July 10, 2012. Open offer triggered under regulation 3(2) of SEBI (SAST) Regulations, 2011
Rajendra Somani & Surendra Somani	100,000	100%	61,100	61.10%	June 20, 2012	500	0.50%			Inter se Transfer	100,000	100 %	61,100	61.10%	61.10%	0.00%	NA	NA
S K Somani HUF								500	0.50%									
Laxmidevi Somani	100,000	100%	61,100	61.10%	June 20, 2012			1,010	1.01%	Inter se Transfer	100,000	100 %	61,100	61.10%	61.10%	0.00%	NA	NA
Surendra Somani						1010	1.01%											
Hridai Somani	100,000	100%	61,100	61.10%	June 20, 2012	800	0.80%			Inter se Transfer	100,000	100 %	61,100	61.10%	61.10%	0.00%	NA	NA
Shantanu Somani								800	0.80%									
Rajendra Somani & Surendra Somani	100,000	100%	61,100	61.10%	July 30, 2012	10	0.01%			Inter se Transfer	100,000	100 %	61,100	61.10%	61.10%	0.00%	NA	NA
Aparna Gattani								10	0.01%									
Rajendra Somani & Surendra Somani	100,000	100%	61,100	61.10%	July 30, 2012	10	0.01%			Inter se Transfer	100,000	100 %	61,100	61.10%	61.10%	0.00%	NA	NA
B K Singhi								10	0.01%									
Rajendra Somani & Surendra Somani	100,000	100%	61,100	61.10%	July 30, 2012	10	0.01%			Inter se Transfer	100,000	100 %	61,100	61.10%	61.10%	0.00%	NA	NA
B K Singhi								10	0.01%									

Name of the promoter/promoter group entity	Opening Balance				Transactions Details						Closing Balance					Increase/Decrease in holding of promoter (+/-) (in terms of %)	Applicable regulations of SEBI (SAST) Regulations	Compliance status with SEBI (SAST) regulations and other applicable regulations
	Total Paid up Capital of the target company		Holding of the promoter group		Date of transaction (allotment/purchase/transfer)	Shares acquired		Shares sold		Mode of acquisition	Total Paid up Capital of the target company		Holding of promoter group		Cumulative holding of promoter group (in terms of %)			
	No. of shares	%	No. of shares	%		No. of shares	%	No. of shares	%		No. of shares	%	No. of shares	%				
Kopran Lab Pvt Ltd	100,000	100%	61,100	61.10%	September 3, 2012			15,000	15.00%	Pursuant to Share Purchase Agreement dated September 03, 2012	100,000	100 %	-	0.00%	0.00%	- 61.10%	Regulation 29(2)	Complied collectively with Regulation 29(2) of SEBI (SAST) Regulations, 2011 on September 11, 2012.
S V Trading & Agencies Ltd								5,000	5.00%									
Rajendra Somani								2,040	2.04%									
Mridula Somani								1,010	1.01%									
Vandana Somani								1,510	1.51%									
Surendra Somani								2,010	2.01%									
Jaya Somani								800	0.80%									
Susheel G Somani								32,030	32.03%									
Suhrid Somani								400	0.40%									
Adarsh Somani								500	0.50%									
Hridai Somani								800	0.80%									

The Target Company certifies that there are no other changes in the promoter shareholding except the table given above.

Mr. Susheel Somani has triggered Regulation 3(2) of SEBI (SAST) Regulations and failed to make a public announcement. Hence SEBI may initiate appropriate action against him.

5.11. The composition of the Board of Directors of STAL as on the date of LOO is as follows:-

Name Of The Director	Designation	Qualification	Experience	Residential Address	Date Of Appointment.	DIN
Vishnunarain Deviprasad Khanna	Director	B.COM	55 years	601,Ramkrishna Sadan 6th Floor, Pochhkhanwala Road Worli, Mumbai, 400025, Maharashtra, India	March 07, 1980	00064502
Adarsh Rajendra Somani	Director	B.COM	15 years	Shri Niketan, 5th Floor,, 86-A, Netaji Subash Road, Marine Lines, Mumbai, 400002, Maharashtra, India	June 30, 2008	00192609
Kailashprasad Govardhanlal Maheshwari	Director (Independent Director)	LLB	35 years	Flat No.L-8/18 4th Floor Jalratandeep Society, Bangur Nagar New Link Road Goregaon West, Mumbai , 400090, Maharashtra, India	March 01, 2012	01657355
Abirchand Shreeniwas Joshi	Additional Director (Independent Director)	B.COM	45 years	44/1313, Mig Adarsh Nagar, Prabhadevi, Mumbai, 400025, Maharashtra, India	August 13, 2012	00304710

5.12. There has been an amalgamation of M/s. Kamala Udyoga Limited with the Target Company vide Mumbai High Court order dated April 27, 2012.

5.13. The Brief Financials of STAL are as under:-

			(Fig in Lakhs)
Profit & Loss Statement	**Period ended 31.03.2010 (Audited)**	**Period ended 31.03.2011 (Audited)**	**Period ended 31.03.2012 (Audited)**
Income from operations	4.90	-	-
Other Income	29.83	35.15	9.15
Increase / (Decrease) in Stock	(4.58)	(0.00)	0.29
Total Income	**30.15**	**35.15**	**9.44**
Total Expenditure	0.37	14.42	3.43
Profit/ Loss before Depreciation, Interest and Tax	29.78	20.73	6.01
Depreciation	0.00	0.00	0.00
Profit (Loss) before Tax and Interest	29.78	20.73	6.01
Interest	0.00	0.00	0.00
Profit before Tax	29.78	20.73	6.01
Profit / (Loss) from partnership firm	-	2.88	-
Less: Prior Period Adjustment	0.25	-	-
Less: Income Tax for earlier years	0.91	-	-
Provision for tax	1.89	2.83	-
Profit (Loss) after Tax (PAT)	**26.74**	**20.78**	**6.01**

			(Fig in Lakhs)
Balance Sheet Statement	**Period ended 31.03.2010 (Audited)**	**Period ended 31.03.2011 (Audited)**	**Period ended 31.03.2012 (Audited)**
Sources of Funds			
Paid up Share Capital	10.00	10.00	10.00
Reserves and Surplus(excluding Revaluation Reserve, if any)	0.00	0.00	246.96
Loans:			
Unsecured Loans	721.62	712.28	652.27
Net worth	-605.93	-585.15	256.96
Total	**731.62**	**722.28**	**909.23**
Total Source of funds			
Application of Funds			
Non Current Investments	551.43	347.45	1332.11
Net Current Assets	-435.74	-220.32	-422.88
Profit & Loss A/C	615.93	595.15	0.00
Total	**731.62**	**722.28**	**909.23**

			(Fig in Lakhs)
Other Financial Data	**Period ended 31.03.2010 (Audited)**	**Period ended 31.03.2011 (Audited)**	**Period ended 31.03.2012 (Audited)**
Total Income	30.15	35.15	9.44
Profit/ (Loss) After Tax	26.74	20.78	6.01
Equity Share Capital	10.00	10.00	10.00
Earnings Per Share (Rupees)	26.74	20.78	6.01
Net worth	-605.93	-585.15	256.96
Return on Net worth (%)	-4.41%	-3.55%	2.34%
Book Value Per Share (Rupees)	-605.93	-585.15	256.96

(Source: Annual Report for year ended March 31, 2010, March 31, 2011 & Audited result for year ended March 31, 2012)

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

Financial Year 2009-10 to 2010-2011
In FY 2010-11 PAT has been decreased from Rs. 26.74/- Lakhs to Rs. 20.78/- Lakhs because the Target Company had stopped performing its main business activities & there was also drastic increment in expenditure incurred so despite of increment in total revenue Target Company's profit decreased.
Financial Year 2010-2011 to 2011-12
In FY 2011-12 PAT has been decreased from Rs. 20.78/- Lakhs to Rs. 6.01/- Lakhs as compare to previous FY 2010-11 since there were no operations in the Target Company.

5.14. Significant Accounting Policies followed by the Company as per Annual Report 2011-12:

- The books of accounts are maintained on accrual basis.
- Dividend Income in the books is accounted when right to receive the payment is established;
- Fixed Assets are stated at historical cost;
- Depreciation has been provided on Written down value method at the rates specified in schedule XIV of the Companies Act, 1956.
- Long Term Investments are stated at cost. Cost is determined on average method.
- Stock in Trade quoted (Shares & Debentures) are shown at cost or Market Value whichever is lower.
- Stock in Trade unquoted (Shares & Debentures) are shown at cost.
- Taxation
- Income-tax expenses comprise current tax and deferred tax charge or credit;
- The deferred tax asset and deferred tax liability is calculated by applying tax rate and tax loss that have been enacted or substantially enacted by the Balance Sheet date.

- Deferred tax assets arising mainly on account of brought forward losses and unabsorbed depreciation under tax laws, are recognized, only if there is a virtual certainty of its realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognized only to the extent there is a reasonable certainty of its realization.
- At each Balance Sheet date, the carrying amount of deferred tax assets is reviewed to reassure realization.
- Other Accounting Policies are consistent with generally accepted account practices.

5.15. Pre and Post-Offer shareholding pattern of the Target Company after the completion of the Offer Formalities (assuming full acceptances) is as per the following table:

Shareholders' Category	**Shareholding & voting rights prior to the agreement / acquisition & offer (A)**		**Shares / voting rights acquired which triggered off the Regulations (B)**		**Shares/ voting rights to be acquired in open offer (assuming full acceptances) (C)**		**Shareholding / voting rights after the acquisition and offer i.e. (A) + (B) + (C) = (D)**	
	No	**%**	**No**	**%**	**No**	**%**	**No**	**%**
(1) Promoter Group								
a) Parties to Agreement (Sellers and outgoing Promoters)								
Kopran Lab Pvt. Ltd.	15,000	15.00%	(15,000)	(15.00%)				
S V Trading & Agencies Ltd	5,000	5.00%	(5,000)	(5.00%)				
Vandana Somani	1,510	1.51%	(1,510)	(1.51%				
Rajendra Somani	2,040	2.04%	(2,040)	(2.04%)				
Mridula Somani	1,010	1.01%	(1,010)	(1.01%)				
Surendra Somani	2,010	2.01%	(2,010)	(2.01%)				
Jaya Somani	800	0.80%	(800)	(0.80%)				
Suhrid Somani	400	0.40%	(400)	(0.40%)				
Susheel G Somani	32,030	32.03%	(32,030)	(32.03%)				
Adarsh Somani	500	0.50%	(500)	(0.50%)				
Hridai Somani	800	0.80%	(800)	(0.80%)				
b) Promoters other than (a) above	-	-	-	-				
Total (1) (a+b)	**61,100**	**61.10%**	**(61,100)**	**(61.10%)**	**-**	**-**	**-**	**-**
(2) Acquirers								
Rekha Soni	-	-	12,220	12.22%	26,000	26.00%	87,100	87.10 %
Harendra Gupta	-	-	12,220	12.22%				
Shankar Das Vairagi	-	-	36,660	36.66%				
Total (2)			**61,100**	**61.10%**	**26,000**	**26.00%**	**87,100**	**87.10 %**
(3) Parties to agreement other than (1) (a) & (2)	-	-	-		-	-	-	-
Total (3)	-	-	-	-	-	-	-	-
(4) Public (other than parties to agreement, Acquirer)								
a) FIs/MFs/FIIs/Banks								
b) Others	38,900	38.90%	-	-	(26,000)	(26.00 %)	12,900	12.90 %
Total (4) (a+b)	**38,900**	**38.90%**	**-**	**-**	**(26,000)**	(26.00 %)	**12,900**	**12.90 %**
Grand Total (1+2+3+4)	**100,000**	**100.00%**					**100,000**	**100.00 %**

5.16. As per the Share Holding Pattern filed with BSE as on June 30, 2012 & available information, the number of shareholders in STAL in public category as on date is 44 (Forty Four Only).

5.17. Status of Corporate Governance compliances by STAL: - Provisions of Clause 49 of the Listing agreement are not applicable to the Target Company as its Present paid up share capital is Rs. 10.00/- Lakhs only. **As per Circular No SEBI/CFD/DIL/CG/1/2004/12/10** dated October 29, 2004, issued by SEBI, the provisions under Clause 49 of the Listing Agreement is applicable to the Target Company if the Paid up Capital is more than Rs. 300 Lakhs.

5.18. There are no litigation matters pending by and against the Target Company as on date of the PA, DPS and this LOO.

5.19. Details of Compliance Officer
Mr. Adarsh Somani
Address: 5th Floor Shreeniketan,
86A N.S. Road, Marine Drive,
Mumbai - 400002,
Tel No. 022-24964656~60
Fax No. 022-24963055
(Source: All the data about Target Company is provided/certified by Svaraj Trading and Agencies Limited)

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. Justification of Offer Price

6.1.1. The shares of the Target Company are listed at BSE. The scrip code on BSE is 503624 and Scrip ID is ZSVARAJT.

6.1.2. The annualized trading turnover of the equity shares of the Target Company during twelve calendar months preceding the month of PA (September 2011-August 2012) on the Stock exchange on which the equity shares of the Target Company are listed is detailed below:

Name of the Stock Exchange	Total Number of shares traded during the preceding 12 calendar months prior to the month of PA	Total No. of Equity shares listed	Annualized trading turnover (as % of total number of listed shares
Bombay Stock Exchange Ltd.	-	1,00,000	-

Based on the above information, the shares of the Target Company are infrequently traded on BSE within the meaning of Regulation 2(1) (j) of the SEBI (SAST) Regulations, 2011.

6.1.3. Therefore, the Offer Price of Rs. 75.00/- (Rupees Seventy Five Only) per share is justified in terms of Regulation 8(2)(e) and the same has been determined after considering the following facts:

a)	Highest negotiated price per share for acquisition under the agreement	Rs. 50.00/-	
b)	The volume-weighted average price paid or payable for acquisitions, whether by the Acquirer(s), during the fifty-two weeks immediately preceding the date of public announcement;	N.A.	
c)	The highest price paid or payable for any acquisition, whether by the Acquirer(s) or by any person acting in concert, during the Twenty-six weeks immediately preceding the date of the Public announcement:	N.A.	
d)	The volume-weighted average market price of shares for a period of sixty trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period	Not Applicable (As Shares are infrequently traded)	
e)	**Other Parameters**	**For year ended March 31, 2011 (Audited)**	**For year ended March 31, 2012 (Audited)**
	Profit after Tax (Fig in Lakhs)	20.78	6.01
	Net worth (Fig in Lakhs)	(585.15)	256.96
	Book Value Per Share (Rupees)	(585.15)	256.96
	Earnings per Share (EPS)(Rupees)	20.78	6.01

(Source: Annual Report for year ended March 31, 2011 & Audited results for the year ended March 31, 2012).

6.1.4. Mr. Anil Sanklecha, Proprietor of Anil Sanklecha & co. Chartered Accountants (Membership No. 099162, Firm Registration No. 017767N), having its office at A-402, Citi Scape CHS, Next to Hotel Kohinoor, Andheri Kurla Road, Andheri (E), Mumbai – 2, Tel No: 022-28207575/9869126627 vide certificate dated September 03, 2012 has applied the valuation methodology prescribed by the Honorable Supreme Court of India in the case of Hindustan Lever Employees Union vs. Hindustan Lever Limited, 1995 (83 Com. Case 30). Considering aforesaid valuation methodology, the Value of shares as per Net Assets Method (NAV) comes to Rs. (23.75), as per Price Earning Capitalization Method is Rs. 72.84/- and as per Market Value Method is NIL (as shares are infrequently traded). Thus the fair value of an equity share comes to Rs. 40.65/- (Rupees Forty and Sixty Five Paisa only).

6.1.5. Based on 6.1.1, 6.1.2, 6.1.3 & 6.1.4 the Manager to the Offer confirms that the offer price of Rs. 75.00/- (Rupees Seventy Five Only) per equity share is justified in terms of Regulation 8(2)(e) of SEBI (SAST) Regulations, 2011 and is based on the last Audited and Certified financial data.

6.1.6. The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.

6.1.7. No adjustment has been carried out in the offer price as there were no corporate actions as on date of this LOO.

6.1.8. The Acquirers shall disclose during the tendering period every acquisition made by them of any equity shares of the Target Company to the stock exchange and to the Target Company at its registered office within twenty-four hours of such acquisition in accordance with Regulation 18(6).

6.1.9. Irrespective of whether a competing offer has been made, the Acquirers may make upward revisions to the offer price, and subject to the other provisions of these regulations, to the number of shares sought to be acquired under the open offer, at any time prior to the commencement of the last three working days of opening of the tendering period i.e. up to December 20, 2012**.**

6.1.10. If the Acquirers acquire or agree to acquire whether by themselves or/with PACs any shares or voting rights in the Target Company during the offer period, whether by subscription or purchase, at a price higher than the offer price, the offer price shall stand revised to the highest price paid or payable for any such acquisition in terms of Regulation 8(8) of Regulations. Provided that no such acquisition shall be made after the third working day prior to the commencement of the tendering period and until the expiry of the tendering period. In case of revision in the Offer price and/or no. of shares sought to be acquired under Open Offer, shareholders would be notified.

6.1.11. If the Acquirers acquire equity shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirers shall pay the difference between the highest acquisition price and the Offer Price, to all shareholders whose shares have been accepted in Offer within sixty days from the date of such acquisition in terms of Regulation 8(10) of Regulations. However, no such difference shall be paid in the event that such acquisition is made under an open offer under the SEBI (SAST) Regulations or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009 or open market purchases made in the ordinary course on the stock exchange and not being negotiated acquisition of shares of the Target Company in any form.

6.2. Financial Arrangements

6.2.1. Assuming full acceptance, the total requirement of funds for the Open Offer would be Rs. 19,50,000/- (Rupees Nineteen Lakhs Fifty Thousand only). The Acquirers have already made firm arrangements for the financial resources required to implement the Open Offer in full.

6.2.2. In accordance with Regulation 17 of the Regulations, the Acquirers have opened an Escrow Account under the name and title of “SVARAJ TRDG AND AGENCIES LTD ESCROW ACCOUNT – 014406800000910” with Dhanlaxmi Bank Limited Gr. Floor, Janmabhoomi Bhavan, Janmabhoomi Marg, Fort, Mumbai 400001 (“Escrow Bank”) and made a cash deposit of Rs. 5,00,000/- (Rupees Five Lakhs only) being more than 25% of the total consideration payable in accordance with the SEBI (SAST) Regulations.

6.2.3. In term of an agreement dated September 03, 2012 amongst the Acquirers, the Manager to the Offer and the Escrow Bank (“Escrow Agreement”), Manager to the Offer have been solely authorized to operate and to realize the value lying in the Escrow Account in terms of the SEBI (SAST) Regulations, 2011.

6.2.4. The Acquirers have adequate resources to meet the financial requirement under the Open Offer as certified by Manish Dani (Membership No. 406440), proprietor of Manish Dani & Co., Chartered Accountants vide certificate dated September 03, 2012.

6.2.5. Manish Dani (Membership No. 406440), proprietor of Manish Dani & Co., Chartered Accountants having its Office at C-193, Shastri Nagar, Bhilwara (Raj.) 311 001, Phone: 01482-250085 and Mob No: 08875977741, E-mail: dani_manish@yahoo.co.in, manish.dani@icai.org has certified vide certificate dated July 27, 2012 that the Net worth of Ms. Rekha Soni, Mr. Harendra Gupta & Mr. Shankar Das Vairagi is Rs. 43.15 Lakhs (Rupees Forty Three Lakhs and Fifteen Thousand Only), Rs. 34.14 Lakhs (Rupees Thirty Four Lakhs and Fourteen Thousand Only) & Rs. 82.98 Lakhs (Rupees Eighty Two Lakhs Ninty Eight Thousand Only) respectively as on July 27, 2012 aggregating to Rs. 160.27 Lakhs (Rupees One Hundred and Sixty Lakhs & Twenty Seven Thousand Only).

6.2.6. Based on 6.2.4 and 6.2.5, the Manager to the offer, Intensive Fiscal Services Private Limited confirms that the Acquirers have adequate resources to meet the financial requirement of the Offer in terms of Regulations 25(1), 27(1) (a) & (b) of the SEBI (SAST) Regulations. The Acquirers have made firm arrangement for the resources required to complete the Offer in accordance with the SEBI (SAST) Regulations. No borrowing from any Bank/ Financial Institution is being specifically made for this purpose.

6.2.7. In case of revision in the Offer Price and/or no. of shares sought to be acquired under Open Offer, the Acquirers will further make Demand Deposit with the bank of difference amount between previous Offer fund requirements and revised Offer fund requirements to ensure compliance with Regulations 17(2) & 18(5) (a) of the SEBI (SAST) Regulations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1. Persons eligible to participate in the Offer:-

Registered shareholders of STAL whose name appears on the register of members of the Target Company or beneficiaries on the beneficiary records of the Depository Participant as on the Identified date & unregistered shareholders who own the equity shares of STAL any time prior to the date of Closure of the Offer other than the parties to the SPA i.e. the Acquirers and the Sellers.

7.2. Statutory Approvals

7.2.1. As on the date of this LOO, to the best of our knowledge and belief of the Acquirers, there are no statutory approvals required for the acquisition of equity shares to be tendered pursuant to this Offer. If any statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals. The Acquirers will not proceed with the Offer in the event that such statutory approvals that are required are refused in terms of Regulation 23 of the SEBI (SAST) Regulations.

7.2.2. In case the Acquirers are unable to make the payment to the shareholders who have accepted the open offer within such period owing to non-receipt of statutory approvals required by the Acquirers, SEBI may, where it is satisfied that such non-receipt was not attributable to any willful default, failure or neglect on the part of the Acquirers to diligently pursue such approvals, grant extension of time in terms of Regulation 18(11) of SEBI (SAST) Regulations, 2011 for making payments, subject to the Acquirers agreeing to pay interest to the shareholders for the delay at such rate as may be specified.

7.2.3. If the Acquirers fail to obtain the requisite approvals in time due to willful default or neglect or inaction or non action on their part, the amount lying as the demand deposit kept separately for the open offer shall be forfeited in the manner provided in Regulation 17(9) & 17(10)(e) of SEBI (SAST) Regulations.

7.2.4. No approvals are required from Financial Institutions/Banks for the Offer**.** No other Statutory Approvals are required for the Acquisition of shares under this Open Offer.

7.2.5. The Acquirers shall complete all procedures relating to the Offer within a period of 10 Working days from the date of closing of the tendering Period.

7.2.6. The Acquirers shall pay such revised price for all shares validly tendered any time during the Offer and accepted under the Offer or if the Offer is withdrawn pursuant to Regulation 23, the same would be communicated within two working days by an Announcement in the same newspapers in which the Detailed Public Statement was appeared.

7.3. Others

7.3.1. Accidental omission to dispatch the LOF to any member entitled to the Open Offer or non receipt of the LOF by any member entitled to the Open Offer shall not invalidate the Open Offer in any manner whatsoever. The Offer is subject to the terms and conditions set out herein and in the LOF that would be sent to the shareholders of STAL as on the Identified date.

7.3.2. The Letter of offer specifying the detailed terms and conditions of this Offer along with the Form of Acceptance cum Acknowledgement (the “Form of Acceptance”, or the “FOA”), and Transfer Deed (TD) will be dispatched to all the shareholders, (other than the parties of the SPA) whose names appear on the register of members of the Target Company or beneficiaries on the beneficiary records of the Depository Participant at the close of business hours on December 12, 2012 (the “Identified Date”). A copy of the Letter of Offer (including Form of Acceptance cum acknowledgement) will be available on SEBI’s website (http://www.sebi.gov.in) during the period the Offer is open and shareholders can also apply by downloading such forms from the website.

7.3.3. Unaccepted Share/ Shares Certificates, Share Transfer deed/delivery instruction slip and other documents, if any, will be returned by registered post at the shareholder(s) / unregistered owner(s) sole risk.

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

7.3.5. Equity shares that are subject to any charge, lien or encumbrance are liable to be rejected.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

8.1. The Acquirers have appointed **Purva Sharegistry (India) Pvt. Ltd.** as Registrar to the Open offer ("Registrar").

8.2. The shareholders who wish to accept the offer and tender their shares pursuant to this Offer will be required to send their share certificate(s), transfer deeds/delivery instructions slip, duly filled Form of Acceptance cum-Acknowledgement and such other documents as may be specified in the Letter of Offer to the Registrar to the Offer as mentioned below either by Hand Delivery or by Registered Post/Courier on or before the date of Closure of the tendering period i.e. January 09, 2013 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement.

8.3. The documents can be tendered at the centre given below between 10:00 hours to 17:00 hours from Monday to Friday and from 10:00 hours to 14:00 hours on Saturday. The centre will be closed on Sundays and Public holidays.

Contact Person	Address	Tel. No.	Fax No.	E-mail ID	Mode of Delivery	Timing
Mr. V B Shah	**Purva Sharegistry (India) Pvt. Ltd.** 9 Shiv Shakti Ind. Estt., J R Boricha Marg, Lower Parel (E), Mumbai 400 011	022-2301 6761	022-2301 2517	busicomp@vsnl.com	Hand Delivery or by Registered Post/Courier	10:00 hours to 17:00 hours from Monday to Friday and from 10:00 hours to 14:00 hours on Saturday

Neither the Share Certificate(s) nor Transfer Deed(s) nor the Form of Acceptance should be sent to the Sellers or the Acquirers or the Target Company or the Manager to the Offer. The delivery made by Registered Post would be received on all days except Sundays and Public Holidays.

8.4. **Shareholders should send all the relevant documents mentioned below**

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

a) **For Equity Shares held in Physical Form:**

(i) Registered shareholders should enclose:

- ✓ Form of Acceptance cum Acknowledgement duly completed & signed in accordance with the instructions contained therein, by all shareholders whose names appear in the share certificate(s).
- ✓ Original share Certificates
- ✓ Valid share transfer Form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Target Company and duly witnessed at the appropriate place.

In case of non receipt of the aforesaid documents, but receipt of the original share certificate(s) and transfer deed(s) duly signed, the Offer shall be deemed to be accepted.

(ii) Unregistered owners should enclose:

- ✓ Send to the Registrar to the Offer, on a plain paper stating the Name & Address of the First Holder, Name(s) & Address (es) of Joint Holder(s) if any, Number of Shares held, Number of Shares offered, Distinctive Numbers and Folio Number.
- ✓ Original share Certificate(s)
- ✓ Broker contract note.
- ✓ Valid share transfer form(s).

The details of the buyer should be left blank failing which; the same will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed.

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

Notwithstanding that the signature(s) of the transferor(s) has/have been attested, if the signature(s) of the transferor(s) differs from the Specimen signature(s) recorded with the Target Company or are not in the same order, such shares are liable to be rejected under the Offer even if the Offer has been accepted by bonafide owner of such shares.

b) **For Equity Shares held in Demat Form:**

Beneficial Owners should enclose:

- **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depository
- **Photocopy of the delivery instruction** in “Off-Market” mode or counterfoil of the delivery instruction in “Off-Market” mode, duly acknowledged by DP in favour of the special depository account.
- For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance
- A special depository account has been opened, details thereof are as under:

Depository Name	Central Depository Services (India) Limited
DP Name	BCB Brokerage Private Limited
Account Name	PSIPL Escrow A/c Svaraj Open Offer
DP ID Number	12010400
Beneficiary Account Number	00036779

Shareholders having their beneficiary account with National Securities Depository Limited (NSDL) have to use Inter depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Account with CDSL.

In case of non receipt of the aforesaid documents, but receipt of the shares in the special depository account, it shall be deemed to be accepted. The Form of Acceptance-cum-Acknowledgement for which corresponding shares have not been credited to the special depository account as on the date of closure of the Offer will be rejected.

8.5. In case of (a) shareholders who have not received the Letter of Offer/FOA, (b) unregistered shareholders and (c) owner of the shares who have sent the shares to the Target Company for transfer, may send their consent to the Registrar to the Offer on plain paper, stating the name, addresses, number of shares held, distinctive numbers, folio numbers, number of shares offered along with the documents to prove their title to such shares such as broker note, succession certificate, original share certificate/original letter of allotment and valid share transfer deeds (one per folio)/delivery instruction slip, duly signed by all the shareholders (in case of joint holdings in the same order as per the specimen signatures lodged with the Target Company), 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 on or before 5:00 p.m. up to the date of closure of this tendering period i.e. January 09, 2013. Such shareholders can also obtain the Letter of Offer from the Registrar to the Offer by giving an application in writing clearly marking the envelope “STAL LOF” and can also download it from www.sebi.gov.in

8.6. Where the number of shares offered for sale by the shareholders are more than the shares agreed to be acquired by the Acquirers, they will accept the shares received from the shareholders on a proportionate basis, in consultation with the Manager to this Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, (provided that acquisition of shares from a shareholder shall not be less than the minimum marketable lot) or the entire holding if it is less than the marketable lot. The marketable lot of the Target Company is 1 (One) in case of Demat shares and 50 (Fifty only) in case of Physical shares. In case of acceptance on a proportionate basis, the 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 first holder of equity shares.

8.7. Shareholders should also provide all relevant documents, which are necessary to ensure transferability of shares in respect of which the application is being sent failing which the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to)

- Duly attested death certificate and succession certificate (for single shareholder) in case the original shareholder has expired.
- Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s)/delivery instruction slip.
- No objection certificate from any lender, if the shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
- In case of companies, the necessary certified corporate authorizations (including board and/ or general meeting resolutions).

8.8. The share certificate(s), share transfer form/delivery instruction slip, Form of Acceptance-cum-Acknowledgement and other documents, if any should be sent only to the Registrar to the Offer. They should not be sent to the Manager to the Offer or the Acquirers or the Target Company. The above-mentioned documents can be sent by hand delivery on all days except Sundays and public holidays.

8.9. Shareholders of the Target Company who have sent their equity shares for transfer should submit the Form of Acceptance duly completed and signed, copy of the letter to Target Company (for transfer of said shares) and acknowledgement received thereon and valid share transfer form.

8.10. The application should be signed by all the shareholders as per the registration details available with the Target Company and should be sent to the Registrar to the Offer in an envelope clearly marked **'**STAL OPEN OFFER'.

8.11. Non-Resident shareholders and Overseas Corporate Bodies, while tendering their equity shares under the Offer, should submit the previous RBI Approvals (specific or general) that they would have been required to submit to acquire/sell the equity shares of the Target Company. In case the previous RBI Approvals are not submitted, the Acquirers reserve the right to reject such equity shares tendered. While tendering the shares under the Offer, Non resident shareholders will also be required to submit a Tax Clearance Certificate from Income Tax Authorities, indicating the amount of tax to be deducted by the Acquirers under the Income Tax Act, 1961 ('Income Tax Act'), before remitting the consideration. In case the aforesaid Tax Clearance Certificate is not submitted, the Acquirers will deduct tax at the rate as may be applicable to the category of the shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholder.
As per the provisions of Section 196(D1)2 of the Income Tax Act, 1961, no deduction of tax at source shall be made from any income by way of capital gains arising from transfer of securities referred to in Section 115AD of the Income Tax Act payable to Foreign Institutional Investor ('FII') as defined in Section 115AD of the Income Tax Act, 1961.

8.12. In case of delay in receipt of statutory approvals, SEBI has the power to grant extension of time to the Acquirer for payment of consideration to shareholders, subject to the Acquirer agreeing to pay interest for the delayed period, as directed by SEBI in terms of Regulation 18(11) of the SEBI (SAST) Regulations, 2011.

8.13. For those shareholders, who have opted for physical mode of payment and shareholders whose payment consideration is not credited by electronic mode due to technical error or incomplete/ incorrect bank account details, payment consideration will be made by crossed account payee Cheques/Demand Drafts. Such considerations in excess of Rs. 1500/- or unaccepted Share Certificate(s), transfer deed(s)/delivery instruction slip and other documents, if any, will be returned by registered post/speed post at the shareholders'/ unregistered owners' sole risk to the sole/first shareholder/unregistered owner. The Acquirers is required to deduct tax at source, as may be applicable. All dispatches involving payment of a value upto Rs.1,500/- will be made under certificate of posting at the shareholders sole risk.

8.14. The payment consideration for shares accepted under the Offer may be made through Electronic Clearing Services (ECS), Direct Credit ('DC') or Real Time Gross Settlement ('RTGS') wherever applicable and send by registered post to the address of the first shareholder(s) / unregistered owner(s) at their sole risk and would made available at specified centres where clearing houses are managed by the Reserve Bank of India or through warrants/ Demand Drafts.

8.15. Shareholders who opt for receiving consideration through ECS/RTGS/DC are requested to give the authorization for ECS/RTGS/DC in the Form of Acceptance cum Acknowledgment and provide the Indian Financial System Code (IFSC) and enclose a photocopy of cheque/ along with the Form of Acceptance cum Acknowledgment.

8.15.1. **Electronic Clearing System (ECS)** :- Payment of consideration would be done through ECS for applicants having an account at any of the following 68 centers: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, odhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non- MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by

Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). This mode of payment of considerations would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of consideration through ECS is mandatory for shareholders having a bank account at any of the abovementioned 68 centers, except where the applicant, being eligible, opts to receive payment through direct credit or RTGS.

8.15.2. **Direct Credit (DC):-** Applicants having bank accounts with the same bank through which payment consideration shall be made shall also be eligible to receive consideration through direct credit in their respective bank accounts as mentioned in the FOA.

8.15.3. **Real Time Gross Settlement (RTGS):-** Applicants having a bank account at any of the RBI managed centres and whose payment consideration exceeds Rs. 1 Lakh, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive consideration through RTGS are required to provide the IFSC code in the FOA. In the event the same is not provided, payment consideration shall be made through other electronic modes or by cheques, pay orders or demand drafts payable.

8.15.4. **NEFT (National Electronic Fund Transfer)** – Payment of consideration shall be undertaken through NEFT wherever the shareholders bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of consideration, duly mapped with MICR numbers. Wherever the shareholder has registered their nine digit MICR number and their bank account number, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of consideration will be made to the applicants through this method. The process flow in respect of consideration by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency.

8.16. For all other applicants, including those applicants whose payment consideration is not credited by ECS/Direct Credit due to technical errors or incomplete/incorrect bank account details or due to unavoidable reasons, payment consideration will be dispatched through Speed Post/Registered Post. Such payment consideration will be made by cheques, pay orders or demand drafts payable at par at places where the address of the shareholder is registered.

8.17. In case of payment consideration is rejected through the ECS/Direct Credit facility, the Registrar to Offer would endeavour to dispatch the payment consideration within 3 working days of such rejection.

8.18. The bank account details for ECS/ Direct Credit/RTGS will be directly taken from the depositories' database or from the details as mentioned by the shareholders in the FOA.

8.19. The Registrar to the Offer will hold in trust the Shares / Share Certificates, Transfer Deed(s)/Delivery instruction slip, Shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s)/delivery instruction slip on behalf of the shareholders of the Target Company who have accepted the Offer, till the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are dispatched / returned.

8.20. Unaccepted share certificates, transfer forms/delivery instruction slip and other documents, if any, will be returned by registered post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder as per the details furnished in the Form of Acceptance-cum-Acknowledgement or as per records available with the Target Company.

8.21. **GENERAL**

8.21.1. The Form of Acceptance and instructions contained therein are integral part of this LOO.

8.21.2. Neither the Acquirers nor the Manager nor the Registrar nor the 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) and/or other documents.

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

8.21.4. 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 lodgment of the Form of Acceptance and other relevant particulars.

8.21.5. There was no competitive bid.

8.21.6. As the Offer Price cannot be revised during 3 working days prior to commencement of the tendering period, 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.

8.21.7. Wherever necessary, the financial figures are rounded off to nearest Lakhs or Crores.

8.21.8. Alternatively, a copy of Public Announcement, Detailed Public Statement, Corrigendum, Letter of Offer, Form of Acceptance cum Acknowledgement can be obtained from SEBI's official website: www.sebi.gov.in

9. 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, **Intensive Fiscal Services Private Limited**, 131, 13th Floor, C-wing, Mittal Tower, Nariman Point, Mumbai-400021, from 10.00 hours to 17.00 hours on any working day, except Saturdays, Sundays and Holidays from the date of opening of the Offer until the closure of the Offer:

9.1. Certificate of Incorporation, Memorandum & Articles of Association of Svaraj Trading and Agencies Limited.

9.2. Memorandum of Understanding between Lead manager i.e. Intensive Fiscal Services Private Limited & Acquirers.

9.3. Income Tax Return of Svaraj Trading and Agencies Limited for the AY 2009-10, 2010-11 & 2011-12.

9.4. Annual Report of the Target Company for year ended March 31, 2010, March 31, 2011 and March 31, 2012.

9.5. Certificate from Malvika P. Mitra (Membership No. 044105), Partner of S. G. Kabra & Co., Chartered Accountants having its office at Wavell House, 1st Floor, 1st Dhobi Talao Lane, Mumbai – 400002, Tel.: 22010708/22004533, Fax.: 22001497, E-mail : info@sgkabra.com, Website : www.sgkabra.com certifying vide his certificate dated July 27, 2012 the Financial Ratios of the Target Company for the year ended March 31st, 2009, March 31, 2010, March 31, 2011 & March 31, 2012.

9.6. Certificate from Manish Dani (Membership No. 406440), proprietor of Manish Dani & Co., Chartered Accountants having its Office at C-193, Shastri Nagar, Bhilwara (Raj.) 311 001, Phone: 01482-250085 and Mob No: 08875977741, E-mail: dani_manish@yahoo.co.in, manish.dani@icai.org certifying vide its certificate dated September 03, 2012 that the Acquirers have adequate financial resources available for meeting its obligations under the offer in full as per Regulation 25(1) and 27(1)(b) of SEBI (SAST) Regulatoins, 2011.

9.7. Manish Dani (Membership No. 406440), proprietor of Manish Dani & Co., Chartered Accountants having its Office at C-193, Shastri Nagar, Bhilwara (Raj.) 311 001, Phone: 01482-250085 and Mob No: 08875977741, E-mail: dani_manish@yahoo.co.in, manish.dani@icai.org has certified vide certificate dated July 27, 2012 that the Net worth of Ms. Rekha Soni, Mr. Harendra Gupta & Mr. Shankar Das Vairagi is Rs. 43.15 Lakhs (Rupees Forty Three Lakhs and Fifteen Thousand Only), Rs. 34.14 Lakhs (Rupees Thirty Four Lakhs and Fourteen Thousand Only) & Rs. 82.98 Lakhs (Rupees Eighty Two Lakhs Ninty Eight Thousand Only) respectively as on July 27, 2012 aggregating to Rs. 160.27 Lakhs (Rupees One Hundred and Sixty Lakhs & Twenty Seven Thousand Only).

9.8. Copy of Escrow agreement dated September 03, 2012 between Acquirers, Escrow Bank- Dhanlaxmi Bank Limited. & Manager to the offer-Intensive Fiscal Services Pvt. Ltd.

9.9. Copy of Agreement between Registrar to the Offer i.e. Purva Sharegistry India Pvt. Ltd. & Acquirers.

9.10. Letter dated September 10, 2012 from Dhanlaxmi Bank Limited confirming Rs. 5,00,000/- has been deposited in the escrow account.

9.11. Copy of Share Purchase Agreement between the Acquirers and the Sellers dated September 03, 2012 for acquisition of 61,100 equity shares, which triggered the Offer.

9.12. Published copy of Public Announcement which appeared in the newspapers on September 03, 2012.

9.13. Published copy of Detailed Public Statement which appeared in the newspapers on September 10, 2012.

9.14. Published copy of Corrigendum which appeared in the Newspapers on December 13, 2012.

9.15. Copy of SEBI Observation letter reference no CFD/DCR/OW/27414/2012 dated December 10, 2012 received in terms of 18(2) of the Regulations.

9.16. A copy of the recommendation made by the Independent Directors Committee to the Target Company.

9.17. A copy of the agreement entered by registrar with Depository Participant for opening a special depository account for the purpose of this offer.

9.18. Undertaking from the Acquirers that if they acquire any Shares of the Target Company after the date of the Public Announcement till the closure of the offer, they shall inform Stock Exchange and the Manager within 24 hours.

9.19. Undertaking from the Acquirers for unconditional payment of the considerations within 10 working days of closure to all the Shareholders of the Target Company whose applications are accepted in the Open Offer.

9.20. Valuation report for fair value per equity share of the Company by Anil Sanklecha (Membership No. 099162) Proprietor of Anil Sanklecha & Co. (F.R. No. 017767N) having its office at A-402 Citi Scape CHS, Next to Hotel Kohinoor, Andheri Kurla Road, Andheri (E), Mumbai – 2, Tel No: -022-28207575/9869126627 prescribed by the Honorable Supreme Court of India in the case of Hindustan Lever Employees Union vs. Hindustan Lever Limited, 1995 (83 Com. Case 30).

9.21. Scheme of Amalgamation between Kamala Udyog Limited with Svaraj Trading & Agencies Limited and their respective shareholders and creditors.

10. DECLARATION

10.1. The Acquirers have made all reasonable inquiries, accept responsibility for, and confirm that this Letter of Offer contains all information with regard to the Offer, which is material in the context of the issue, that the information contained in this Letter of Offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

10.2. The Acquirers severally and jointly accept full responsibility for the information contained in this Letter of Offer and also for the fulfillment of the obligations of the Acquirers as laid down in the SEBI (SAST) Regulations, 2011. All information contained in this document is as on date of the Letter of Offer, unless stated otherwise.

10.3. The Acquirers hereby declare and confirm that all the relevant provisions of Companies Act, 1956 and all the provisions of SEBI (SAST) Regulations have been complied with and no statements in the Offer document is contrary to the provisions of Companies Act, 1956 and SEBI (SAST) Regulations.

Rekha Soni

Harendra Gupta

Shankar Das Vairagi

Place: Udaipur

Date: December 15, 2012

11. Enclosures:

1. Form of Acceptance cum Acknowledgement
2. 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 ascribed thereto in the Letter of Offer)

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

OFFER OPENS ON: December 27, 2012
OFFER CLOSES ON: January 09, 2013
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: Email:

To,
Acquirers,
C/o Purva Sharegistry (India) Pvt. Ltd.
9 Shiv Shakti Ind. Estt.,J R Boricha Marg,
Lower Parel (E), Mumbai 400 011
Tel : 022 2301 6761; Fax.: 022-2301 2517
E mail: busicomp@vsnl.com
Contact Person : Mr. V B Shah

Sub.: Open Offer to acquire 26,000 equity shares of Rs. 10/- each, representing 26.00% of the voting capital of Svaraj Trading and Agencies Limited at a price of Rs. 75.00/- (Rupees Seventy Five Only) per share payable in cash by Ms. Rekha Soni, Mr. Harendra Gupta & Mr. Shankar Das Vairagi ("Acquirers").

Dear Sir,

1. I / We, refer to the Letter of Offer dated …………....……2012 for acquiring the equity shares held by me / us in Svaraj Trading and Agencies Limited.
2. I / We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.
3. I / We, unconditionally offer to sell to the "Acquirers" the following equity shares in Svaraj Trading and Agencies Limited (hereinafter referred to as "STAL"), held by me / us, at a price of Rs. 75.00/- per fully paid-up equity share.
4. **FOR SHARES HELD IN PHYSICAL FORM:**
   I/We accept the Offer and enclose the original share certificate (s) and duly signed transfer deed (s) in respect of my/our shares as detailed below:

Ledger Folio No … … … … … … … … … … … … Number of share certificates attached … … … … … … Representing ………………………… equity shares			
Number of equity shares held in STAL		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			

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

FOR SHARES HELD IN DEMAT FORM:

I / We hold the shares in dematerialized form and had executed an 'off-market' transaction for crediting the shares to the "PSIPL Escrow A/c Svaraj Open Offer**"** as per the following particulars:

Depository Name	Central Depository Services (India) Limited
DP Name	BCB Brokerage Private Limited
Account Name	PSIPL Escrow A/c Svaraj Open Offer
DP ID Number	12010400
Beneficiary Account Number	00036779

Shareholders having their beneficiary account with National Securities Depository Limited (NSDL) have to use Inter depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Account with CDSL

Please find enclosed a photocopy of the depository delivery instruction(s) duly acknowledged by DP. The particulars of the account from which my / our shares have been tendered are as follows:

DP Name	**DP ID**	**Client ID**	**Beneficiary Name**	**No. of shares**

5. I / We confirm that the equity shares of STAL which are being tendered herewith by me / us under the Offer are free from any liens, charges and encumbrances of any kind whatsoever.
6. I / We authorize the Acquirers to accept the equity shares so offered or such lesser number of equity shares that the Acquirers 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 authorize the Acquirers 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 Acquirers to return to me / us, equity share certificate(s) in respect of which the Offer is not found / not accepted, specifying the reason thereof.
7. 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 Acquirers, harmless and indemnified against any loss they or either of them may suffer in the event of the Acquirers acquiring these equity shares. I/We agree that the Acquirers 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.
8. I/We also note and understand that the shares/ Original Share Certificate(s), Transfer Deed(s)/delivery instruction slip will be held by the Registrar to the Offer in trust for me / us till the date the Acquirers makes payment of consideration or the date by which Shares/Original Share Certificate(s), Transfer Deed(s)/delivery instruction slip and other documents are dispatched to the shareholders, as the case may be.
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 authorize the Acquirers 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 STAL:

Name and complete address of the Sole/ First holder (in case of member(s), address as registered with STAL):

--Place: ---------------------- Date: ------------------

Tel. No(s).---------------------------------- Fax No.: --------------------

So as to avoid fraudulent encashment in transit, the shareholder(s) holding Shares in Physical form/Demat may provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly.

Bank Account No.: --------------------------------

Type of Account: -----------------------------------(Savings / Current/ Other (please specify)

Name of the Bank: --

Name of the Branch and Address: --

I/We want to receive the payment through ECS/RTGS/NEFT

In case of ECS, 9- digit code number of the Bank & Branch (Appearing on the MICR Cheque issued by the Bank) □□□□□□□□□

In the case of RTGS/NEFT, 8 digit code number issued by the Bank □□□□□□□□

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.			

Enclosure (Please tick)

- Power of Attorney, if any person apart from the shareholder, has signed the acceptance from or transfer deed(s)
- Duly attested Death certificate/succession certificate (in case of single shareholders) in case the original shareholders in expired
- RBI approval (for NRI/OCB/Foreign shareholders)
- Corporate Authorization in case of companies along with Board resolutions and specimen signature of authorized signatory
- No objection certificate & Tax clearance certificate under Income Tax Act, 1961 (for NRI/OCB/Foreign shareholders)
- Other (please specify)______________________________

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.

- Tear along this line -

Serial No.

Acknowledgement Slip

Purva Sharegistry (India) Pvt. Ltd.
9 Shiv Shakti Ind. Estt.,J R Boricha Marg,
Lower Parel (E), Mumbai 400 011
Tel : 022 2301 6761; Fax.: 022-2301 2517

Received from Mr. / Ms. ___________________________________

Address: ____

____

Folio Number ____________________

Number of Certificate(s) enclosed ____________

Certificate Number(s) ______________________

Total number of Share(s) enclosed ____________

Demat Shares: Copy of delivery instruction for ______________ number of shares enclosed.

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 at the address mentioned above.

INSTRUCTIONS

1 Please read the 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, Marathi, 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 STAL.

II. Shareholders of STAL to whom this Offer is being made, are free to offer his / her / their shareholding in STAL 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 : 10.00 hours to 17.00 hours
Saturday: 10.00 to 14.00 hours
Holidays: Sundays and Bank Holidays

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REGISTERED POST
(PRINTED MATERIAL)

To,

If undelivered, please return to:
Purva Sharegistry (India) Pvt. Ltd.
9 Shiv Shakti Ind. Estt.,
J R Boricha Marg,
Lower Parel (E), Mumbai 400 011
Tel : 022 2301 6761; Fax.: 022-2301 2517