

SURAT TEXTILE MILLS LIMITED

Date: 3rd May, 2013

**The Managing Director
BSE Limited
Phiroze Jeejeebhoy Towers
Dalai Street
Mumbai 400001**

Sub: Notice of Offer for Sale of equity shares of Surat Textile Mills Limited (Script Code – 530185) by its promoters Mita Rajen Shah, Rajen P. Shah, Sanjay Suresh Shah and Garden Silk Mills Limited – Partner of Saska Investments [Collectively referred as Selling Shareholders or Sellers] through the Stock Exchange Mechanism (the "Notice")

Dear Sirs,

Pursuant to clause 5(b) of circular number CIR/MRD/DP/18/2012 dated 18th July, 2012 notified by the Securities and Exchange Board of India (the "SEBI Circular") pertaining to comprehensive guidelines on Offer for Sale ("OFS") of shares by Promoters through the Stock Exchange Mechanism, as amended by Circular No. CIR/MRD/DP/04/2013 dated 25th January, 2013 ("SEBI OFS Guidelines"), we wish to inform you that Sellers which form part of the promoter and promoter group of Surat Textile Mills Limited (the "Company"), propose to sell equity shares of the Company under SEBI OFS Guidelines.

The Sellers together propose to sell an aggregate of 1,30,44,142 equity shares of face value of Rs.1 each constituting 5.87% of the paid up equity share capital of the Company (the "Sale Shares") on 8th May, 2013 exclusively through the Seller's broker named below through a sale on the separate window provided by BSE Ltd. "the Stock Exchange" for this purpose (such sale referred to hereinafter as the "Sale") in accordance with the SEBI OFS Guidelines and in accordance with notice number 20120222-34 dated 22nd February, 2012, Notice No. 20120228-30 dated 28th February, 2012 and Notice No. 20120727-26 dated 27th July, 2012 and Notice No.20130129-23 dated January 29, 2013 issued by the BSE Limited (the "BSE").

The details of the Sale being made in accordance with the requirement of clause 5(b) of the SEBI OFS Guidelines, and in accordance with the SEBI Circular are set forth below in tabular form. Other important information in relation to the Sale is set out below under the heading "**Important Information**", and the information included therein forms an integral part of the terms and conditions of the Sale. Brokers and prospective buyers are required to read the information included in this Notice in its entirety along with the SEBI OFS Guidelines.

Mita R. Shah *S.S.S.* *H*

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Sr. No.	Details required to be mentioned in the Notice	Particulars of the Sale
1.	Name of the Seller (Promoter / Promoter Group)	1 Mita Rajen Shah, 2 Rajen P. Shah, 3 Sanjay Suresh Shah and 4 Garden Silk Mills Limited – Partner of Saska Investments (hereinafter collectively referred to as the " Sellers ")
2.	Name of the Company whose shares are proposed to be sold and ISIN	Surat Textile Mills Limited (the " Company ") ISIN: INE936A01025
3.	Name of the stock exchanges where orders shall be placed	BSE Limited ("Stock Exchange") on the separate trading window of the Stock Exchange
4.	Name of the designated stock exchange	BSE
5.	Date and time of opening the Sale	Wednesday, May 8, 2013 at 9.15 a.m.
6.	Date and time of closing the Sale	Wednesday, May 8, 2013 at 3.30 p.m.
7.	Allocation Methodology	<p>The allocation shall be on price priority method at multiple clearing prices in accordance with the SEBI OFS Guidelines.</p> <p>A minimum of 25% of the Sale Shares being offered shall be reserved for allocation to mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations 1996, as amended ("Mutual Funds") and insurance companies registered with the Insurance Regulatory and Development Authority under the Insurance Regulatory Development Authority Act, 1999, as amended ("Insurance Companies") subject to receipt of valid bids or orders at or above the Floor Price. In the event of any under-subscription by Mutual Funds and Insurance Companies, the unsubscribed portion shall be available to the other Bidders.</p> <p>No single Bidder other than Mutual Funds and Insurance Companies shall be allocated more than 25% of the size of the Sale</p>
8.	Number of equity shares being offered in the Sale ("Sale Shares").	(i) 40,00,000 equity shares offered by Mita Rajen Shah; (ii) 22,00,450 equity shares offered by Rajen P. Shah;

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		<p>(iii) 38,54,131 equity shares offered by Sanjay Suresh Shah; and</p> <p>(iv) 29,89,561 equity shares offered by Garden Silk Mills Limited – Partner of Saska Investments.</p> <p>The aggregate number of equity shares proposed to be sold is 1,30,44,142 equity shares of face value Rs.1 each constituting 5.87% of the paid up equity share capital of the Company (the "Sale Shares").</p>
9.	Maximum number of shares that the Seller may choose to sell over and above the Offer made in the Sale (i.e. over above the Sale Shares mentioned in point 8 above)	Nil
10.	Name of the broker(s) on behalf of the Seller (the "Seller's Broker")	Asit C. Mehta Investment Intermmediates Limited SEBI Registration No – INB010607233 BSE Clearing No - 003
11.	Date and time of declaration of Floor Price	The Floor Price shall be disclosed on May 7, 2013 after closure of trading hours of the BSE and not later than 6:00 p.m.
12.	Conditions for withdrawal of the Sale	The Sellers reserve the right to not proceed with the Sale at any time before opening of the Sale on the Trade Date / Sale Date. In such a case, there will be a cooling off period of 10 trading days from the date of withdrawal before an offer is made again. BSE shall suitably disseminate details of such withdrawal.
13.	Conditions for cancellation of the Sale	In the event (i) the aggregate number of orders received in the Sale at or above the Floor Price is less than the total number of Sale Shares offered under point 8 of this Notice; or (ii) of a default in settlement obligations, the Sellers reserves the right to either conclude the Sale to the extent of valid bids or cancel the Sale in full. The decision to either accept or reject the Sale shall be at the sole discretion of the Seller.
14.	Conditions for participating in the Sale	<p>(1) Non Institutional Bidders shall deposit 100% margin in cash up-front with the BSE, at the time of bidding in the Sale.</p> <p>(2) Institutional Investors shall have the option to pay either 100% margin in cash upfront at the time of bidding in the Sale with the clearing corporation for which custodian confirmation shall be issued within trading hours or to place order/bids without paying upfront margin to</p>

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	<p>the clearing corporation for which custodian confirmation shall be issued as per the existing rules for secondary market transactions.</p> <ol style="list-style-type: none">(3) Such funds collected shall neither be utilized against any other obligation of the trading member nor co-mingled with other segments.(4) Cumulative bid quantity shall be made available online to the market throughout the trading session at specific intervals in respect of orders with 100% upfront margin and separately in respect of orders without any upfront margin(5) Indicative price shall be disclosed throughout the trading session. The indicative price will be calculated based on all valid bids/ order.(6) In case of any order / bid modification / cancellation, the funds shall be released / collected on a real-time basis by the BSE.(7) Modification/ cancellation of bids in the Sale by the Institutional Investors and Non-Institutional Investors wherein they have paid 100% margin in cash upfront for the order/bids made shall be allowed at any time during the trading hours.(8) Modification/ cancellation of bids in the Sale by the Institutional Investors or Stock brokers, wherein the Institutional Investors have placed order/bids without paying upfront margin in cash shall not be allowed, except for making upward revision in the price or quantity.(9) The buyers shall also be liable to pay any other fees, as may be levied by the BSE, including Securities Transaction Tax which shall be deducted from the primary settlement account of the buyer maintained with the clearing bank.(10) Multiple orders from a single buyer shall be permitted.(11) In the event of default in pay-in by any investor, 10% of the order value shall be charged as penalty from the investor and collected from the broker. This amount shall be credited to the Investor Protection Fund of the stock exchange.
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15.	Settlement	<p>Settlement shall take place on a trade for trade basis. For non – institutional investors and institutional investors who places orders with 100% upfront margins, settlement shall lake place on T+1 (T being the Sale date i.e. May 8, 2013 and T+1 being May 9, 2013), in accordance with the SEBI OFS Guidelines.</p> <p>In the case of institutional investors who place bids without payment of any upfront margin, settlement shall be as per the existing rules for secondary market transactions (i.e. on T+2 being May 10, 2013)</p>
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Important Information:

The Sale is personal to each prospective purchaser (including individuals, funds, or otherwise) registered with the brokers of the BSE who makes a bid (each, a "**Bidder**") and neither the Sale nor this Notice constitutes an offer to Sale or invitation or solicitation of an offer to buy to the public or to any other person or class of persons requiring any prospectus or offer document to be issued, submitted to or filed with any regulatory authority or to any other person or class of person within or outside India.

The Sale is being carried out in accordance with the SEBI OFS Guidelines and subject to the circulars, guidelines, rules and regulations of the BSE. There will be no public offer of the Sale Shares in India under the Companies Act, 1956, as amended (the "**Companies Act**") or any other jurisdiction. Accordingly, no documents have been or will be prepared as an "offer document" or a "prospectus" under the Companies Act and/or SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("**SEBI (ICDR) Regulations**"), and/or submitted to or registered with the Registrar of Companies, SEBI, the BSE or any other regulatory or listing authority in India or any other jurisdiction and no such document will be circulated or distributed to any person in India or any other jurisdiction.

The information/commitments given to the purchasers' is made solely on the basis of publicly available information and previously published information by the Company available with SEBI, BSE, Company's website or any other public domain, together with the information contained in this Notice, and shall be subject to the terms set forth in the contract note to be provided to the prospective successful buyers.

This Notice is for information purposes only and is neither an offer nor invitation to buy or sell nor a solicitation of an offer to buy or sell any securities, nor shall there be any sale of securities in any jurisdiction ("Other Jurisdiction") in which such offer, solicitation or sale is or may be unlawful prior to registration or qualification under the securities law or any such jurisdiction.

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The Notice and the information contained herein are not for publication or distribution, directly or indirectly, to persons in any Other Jurisdiction unless permitted pursuant to an exemption under the relevant local law or regulation in any such jurisdiction. Buyers should seek appropriate legal advice prior to participating in the Sale.

This Notice is not for publication or distribution in the United States of America, nor is it an offer for sale within the United States of America of any equity shares or other securities of the Company. The Sale Shares shall be offered only outside the United States of America in an offshore transaction pursuant to Regulation S under the Securities Act. Purchasers of Sale Shares are hereby advised that any resale of the such shares must be in accordance with an exemption from the registration requirements under the securities laws of the United States of America.

By submitting a bid in connection with the Sale or receiving the Sale Shares, the purchasers shall be deemed to have read and understood the terms of this Notice in its entirety and to have accepted and complied with the terms and conditions set out in this Notice.

By submitting a bid in connection with the Sale or receiving the Sale Shares, the purchasers shall be deemed to have (a) read and understood the Notice in its entirety, (b) accepted and complied with the terms and conditions set out in this Notice, and (c) represented, agreed and acknowledged that they are, and at the time the Sale Shares are purchased, will be the beneficial owner of such Sale Shares and (i) located outside the United States (within the meaning of Regulation S under the Securities Act), (ii) purchasing such Sale Share in an offshore transaction pursuant to Regulation S and (iii) not an affiliate of the Company's or a person acting on behalf of such an affiliate

By submitting a bid on behalf of a buyer in connection with the Sale, each broker will be deemed to have represented, agreed and acknowledged that it is located outside the United States and that none of the broker, its affiliates and all persons acting on its or their behalf (a) has offered or will offer and sell the Sale Shares in United States, (b) has engaged or will engage in any directed selling efforts with respect to the Sale Shares (within the meaning of Regulation S under the Securities Act) in connection with the offer or sale of Sale Shares or (c) has engaged or will engage in any form of general solicitation or general advertising (each, (within the meaning of Regulation D under the Securities Act) in connection with the offer or sale of Sale Shares

Yours sincerely,

For and on behalf of
Garden Silk Mills Limited
-Partner of Saska Investments



Mita R. Shah
Mita Rajen Shah

R.P. Shah
Rajen P. Shah

Sanjay S. Shah
Sanjay Suresh Shah

Director/Company Secretary

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