

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as equity shareholder(s) of **Punalur Paper Mills Limited**. If you require any clarification about the action to be taken, you may consult your stock broker or investment consultant or Keynote Corporate Services Ltd. ("**Manager to the Offer**") or SKDC Consultants Limited ("**Registrar to the Offer**"). In case you have recently sold your shares in the Target Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgment and Transfer Deed to the member of stock exchange through whom the said sale was effected.

Please refer to the section on 'Key Definitions' for the meaning of capitalized terms used herein.

CASH OFFER ("OFFER") AT A PRICE OF ₹ 10.00 (RUPEES TEN ONLY) PER FULLY PAID UP EQUITY SHARE PLUS INTEREST OF ₹ 0.75 (SEVENTY FIVE PAISE ONLY) PER EQUITY SHARE AND ₹ 5.00 (RUPEES FIVE ONLY) PER PARTLY PAID UP EQUITY SHARE PLUS INTEREST OF ₹ 0.38 (THIRTY EIGHT PAISE ONLY) PER EQUITY SHARE ("OFFER PRICE")

[Pursuant to Regulation 10 read with Regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 ("**SEBI (SAST) Regulations**") and subsequent amendments thereto]

TO ACQUIRE

From the existing equity shareholders upto 4,48,318 equity shares of ₹10/- each forming 20% of the equity share capital of the Company at a price of ₹ 10.75 per fully paid up equity share (including interest of ₹ 0.75 per share) and ₹5.38 per partly paid up equity share (including interest of ₹0.38 per share)

OF

PUNALUR PAPER MILLS LIMITED ("TARGET COMPANY" / "PPML")

having its registered office at Punalur, Kollam District, Kerala,
Tel: 475 2223895/2228892; Fax::475 2228893; Email:punalurpapermills@gmail.com

By

Mr. Mohammed Ilyas, residing at Thahira Manzil, Nethaji Road, Punalur, Kerala -691305, Tel: 0475-2225694 Fax No.0475-2228010; Email: illyaskms@hotmail.com; **Mr. Nelson Sebastian**, residing at Nelsons House (Soubhagya), Koonamkuzhy, Punalur, Kollam-691305, Tel : 0475-2221366, Fax No. 0475-2228010; Email: sebastiannelson@hotmail.com; **Mr. K. Raveendran**, residing at Archana, Panachavila, Anchal Via, Kollam -691306, Tel: +0475-2275965 Fax No. + 0475-2273304; Email: kraviarchana@gmail.com; **Mr. T.K. Sundareshan** residing at Ashwathy, Sivan Kovil Road, Punalur, Kollam -691305, Tel: +0475-222954 Fax No. +0475-2228010; Email: darshangranites@gmail.com; **Mrs. Omana Subhash** residing at Velankovil House, Near Railway Station, Thiruvalla P.O., Pathanamthitta Dist.-689101, Tel: +0469-3255666 Fax No. + 0475-2228893; Email: subhashvk@yahoo.com and **Mr. Mantrirao Venkata Ratnam** residing at 26-65, NSC Bose Road, West Godavari Dist., Tanuku, Andhra Pradesh-534211, Tel: +08819-224078 Fax No. 08819-223462; Email: mantrirao@yahoo.com hereinafter collectively referred to as "**Acquirers**"

Along with

Ms. Darshana Sundaresh, Mrs. Prasanna Sundaresh, Ms. Aswathy Sundaresh and Mr. Ajay Sundaresh residing at Ashwathy, Sivan Kovil Road, Punalur, Kerala-691305, Tel: 0475-222954 Fax No. 0475-2228010 ; Email: darshangranites@gmail.com; respectively; **Mrs. Vimala Raveendran** residing at "Archana", Panachavila, Edamulackal, Anchal Via- Kollam, Kerala - 691306, Tel: 0475-2275965 , Fax No. 0475-2273304 ; Email: kraviarchana@gmail.com; **Mrs. Sheena Ilyas** residing at Thahira Manzil, Nethaji Road, Punalur, Kerala-691305, Tel: +0475-2225694 Fax No. + 0475-2228010; Email: illyaskms@hotmail.com; **Mrs. Sheela Nelson** residing at "Soubhagya", Koonamkuzhy, Punalur, Kollam-69130, Tel: +0475-2221366 Fax No.0475-2228010; Email: sebastiannelson@hotmail.com; **Ms. Anupama Priyamkari and Ms. Amrutha Priyamkari** residing at "Archana", Panachavila, Edamulackal, Anchal Via- Kollam, Kerala - 691306, Tel: +0475-2275965 Fax No:0475-2273304; Email: kraviarchana@gmail.com respectively hereinafter collectively referred to as "**Persons Acting in Concert**" or "**PACs**"

Note:

- This Offer is being made by the Acquirers and the PACs to Shareholders pursuant to, and in accordance with, the provisions of Regulations 10 and 12 of the SEBI (SAST) Regulations.
- The Offer is neither conditional upon nor subject to a minimum level of acceptance by Shareholders.
- As on date no approvals, statutory or otherwise, are required under the Companies Act 1956, Monopolies and Restrictive Trade Practices Act, 1969, the Foreign Exchange Management Act, 1999 and/ or any other applicable laws and from any bank and/ or financial institutions for the said acquisition.
- If there is any upward revision of the Offer Price by the Acquirers till the last permitted date for revision viz. March 25, 2011, the same would be informed by way of a Public Announcement in the same newspapers in which the original Public Announcement had appeared. Such revised Offer Price would be payable for all the Shares tendered anytime during the Offer and accepted under the Offer.
- Shareholders, who have accepted the Offer by tendering the requisite documents in terms of the Public Announcement/Letter of Offer, can withdraw the same up to three (3) working days prior to the closure of the Offer i.e. up to March 31, 2011.
- Since the Offer Price cannot be revised during seven (7) working days prior to the closing date of the Offer, it would, therefore, be in the interest of Shareholders to wait until the commencement of that period to know the final offer price and tender their acceptance accordingly.
- If there is a competitive bid: (i) the public offers under all the subsisting bids shall close on the same date; (ii) as the Offer Price cannot be revised during seven (7) working days prior to the closing date of the offers /bids, it would therefore, be in the interest of the Shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly. This is not a competitive bid.
- Form of Acceptance cum Acknowledgment, Form of Withdrawal and Transfer Deed are also enclosed with this Letter of Offer.
- A copy of the Public Announcement and the Letter of Offer (including the Form of Acceptance-cum-Acknowledgment and the Form of Withdrawal) would be available on SEBI's website (www.sebi.gov.in).

MANAGER TO THE OFFER

KEYNOTE

KEYNOTE CORPORATE SERVICES LTD.

4th Floor, Balmer Lawrie Building,

5, J.N.Heredia Marg, Ballard Estate, Mumbai - 400 001.

Tel: +91-22- 3026 6000-3; Fax: +91-22- 2269 4323

E-mail: mbd@keynoteindia.net

SEBI Regn: INM000003606

AMBI Regn no: AMBI/040

Contact Person: Ms. Girija Sangole

REGISTRAR TO THE OFFER

S.K.D.C. Consultants

S.K.D.C CONSULTANTS LIMITED

Kanapathy Towers, 3rd Floor, 1391/A1, Sathy Road,

Ganapathy, Coimbatore - 641 006

Tel: (91 0422) 6549 995

Fax: (91 0422) 2539 837

Email: info@skdc-consultants.com

Website: www.skdc-consultants.com

Contact Person: Mrs. Vijayalakshmi Narendra

SEBI Registration No.: INR 000000775

Activity	Original		Revised	
	Date	Day	Date	Day
Public Announcement Date	January 12, 2011	Wednesday	January 12, 2011	Wednesday
Last date for a competitive bid	February 02, 2011	Wednesday	February 02, 2011	Wednesday
Specified Date	February 09, 2011	Wednesday	February 09, 2011	Wednesday
Date by which the Letter of Offer will be dispatched to Shareholders	February 25, 2011	Friday	March 10, 2011	Thursday
Date of opening of the Offer	March 04, 2011	Friday	March 17, 2011	Thursday
Last date for revising the Offer Price/ number of Shares	March 15, 2011	Tuesday	March 25, 2011	Friday
Last date for withdrawal of acceptance	March 18, 2011	Friday	March 31, 2011	Thursday
Date of closing of the Offer	March 23, 2011	Wednesday	April 05, 2011	Tuesday
Date by which acceptance/rejection would be intimated and the corresponding payment for the acquired Shares and/or the Share certificate(s)/demat delivery instruction for the rejected Shares will be dispatched/issued.	April 06, 2011	Wednesday	April 19, 2011	Tuesday

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DEFINITIONS

AAIFR	:	Appellate Authority of Industrial and Financial Restructuring
Acquirers	:	Mr. Mohammed Illyas, Mr. Nelson Sebastian, Mr. K. Raveendran, Mr. T.K. Sundaresan, Ms. Omana Subhash and Mr. Venkata Ratnam
BIFR	:	Board For Industrial and Financial Restructuring
BSE	:	Bombay Stock Exchange Limited
CoSE	:	Cochin Stock Exchange Limited
DSE	:	Delhi Stock Exchange
FEMA	:	Foreign Exchange Management Act, 1999 and shall include applicable rules and regulations issued there under
FY	:	Financial Year
Letter of Offer	:	This Letter of Offer dated March 04, 2011
Manager to the Offer/ Merchant Banker	:	Keynote Corporate Services Limited
MICR	:	Magnetic Ink Character Recognition
NRI	:	Non Resident Indian
Offer	:	This mandatory open offer by the Acquirers and the PACs under Regulation 10 and Regulation 12 of the SEBI (SAST) Regulations.
Offer Period	:	The period between the date of Public Announcement and the date of completion of offer formalities relating to the Offer
Persons Acting in Concert/ PACs	:	Ms. Darshana Sundaresan, Ms. Prasanna Sundaresan, Ms. Aswathy Sundaresan, Mr. Ajay Sundaresan, Mrs. Vimala Raveendran, Mrs. Sheena Illyas, Mrs. Sheela Nelson, Ms. Anupama Priyamkari and Ms. Amrutha Priyamkari
Persons Eligible to participate in the Offer	:	Shareholders of Punalur Paper Mills Limited (other than parties to SPA) whose name(s) appear on the Register of the Members of Punalur Paper Mills Limited at the close of business hours on February 09, 2011 and also those persons who own Shares at any time prior to the closure of the Offer, but are not the registered Shareholders.
Public Announcement/PA	:	Announcement of the Offer made by the Manager to the Offer on behalf of the Acquirers published on January 12, 2011
RBI	:	Reserve Bank of India
Registrar to the Offer/ Registrar	:	S.K.D.C. Consultants Limited
SEBI (SAST) Regulations / The Regulations	:	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 and subsequent amendments thereof.
SEBI	:	Securities and Exchange Board of India
SPA	:	Share Purchase Agreement dated May 14, 2010
Specified Date	:	February 09, 2011*
Target Company / PPML	:	Punalur Paper Mills Limited
WLL	:	With Limited Liability

*Specified Date is the date for determining the names of Shareholders to whom the Letter of Offer would be sent, being all Shareholders whose names appear on the register of members of the Target Company at the close of business on February 09, 2011. However, all owners (registered or unregistered) of Shares (except the Acquirers and the PACs) are eligible to participate in the Offer anytime before the closure of the Offer.

RISK FACTORS

- In the event of regulatory approvals not being received in a timely manner or litigation leading to a stay or SEBI instructing that the Offer should not proceed, the Offer process may be delayed beyond the schedule indicated in this Letter of Offer. Consequently, the payment of consideration to Shareholders whose shares have been accepted in the Offer as well as the return of Shares not accepted by the Acquirers may be delayed. In case of delay due to non-receipt of statutory approvals, as per Regulation 22(12) of the SEBI (SAST) Regulations, SEBI may, if satisfied that the non-receipt of approvals was not due to the willful default or negligence or failure to diligently pursue such approvals on the part of the Acquirers, grant an extension for the purpose of the completion of the Offer subject to the Acquirers agreeing to pay interest for the delayed period as directed by SEBI in terms of Regulation 22 (12) of SEBI (SAST) Regulations.
- If the aggregate of the valid responses to the Offer exceeds the Offer Size, then the Acquirers shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the SEBI (SAST) Regulations. In such an event all Shares tendered by the applicant may not be accepted.

Probable risk involved in association with the Acquirers

- The association of PPML with the Acquirers and PACs does not warrant any assurance with respect to the future financial performance of the Target Company.

1. 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 HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF PUNALUR PAPER MILLS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, PACS OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURES OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER KEYNOTE CORPORATE SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JANUARY 25, 2011 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS 1997 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

2. DETAILS OF THE OFFER

2.1 Background of the offer

- a) This Offer is being made pursuant to Regulation 10 read with Regulation 12 of the SEBI (SAST) Regulations to Shareholders of the Target Company to acquire 4,48,318 (“Offer Size”) equity Shares at a price of ₹ 10.75/- per fully paid up equity share (including interest of ₹ 0.75 per equity share) and ₹ 5.38/- per partly paid up equity share (including interest of ₹0.38 per equity share) payable in cash. This offer is made for substantial acquisition of equity shares or voting rights with change in control or management.
- b) Punalur Paper Mills Limited (hereinafter referred to as the target company/PPML) was incorporated in the year 1888 under the Travancore Companies Regulation 1 of 1092 and is having its registered office at Punalur, Kollam District, Kerala. The equity shares of PPML are presently listed on Cochin Stock Exchange Ltd. (CoSE) and Delhi Stock Exchange Ltd. (DSE). The manufacturing unit of the company was closed down in the year 1987 and since then the company is non-operational. The company’s assets including the registered office were under the custody and seal of the Court Receiver. Keynote Corporate Services Limited, the Merchant Banker, vide their letter dated March 8, 2010 forwarded an exemption application (hereinafter referred to as the application) to the Takeover Panel on behalf of the Acquirers and PACs under Regulation 4(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as the Takeover Regulations) read with Regulation 3(1)(i) thereof, with the Securities and Exchange Board of India (hereinafter referred to as SEBI). The Acquirers including PACs had vide their application sought exemption from the applicability of Regulations 10 and 12 of the Takeover Regulations and other related Regulations 13, 14, 15, 16, 17, 18, 20 and 22 thereof, in respect of their proposed acquisition of 11,82,696 equity shares (representing 52.76% of the subscribed and paid up equity share capital of the target company) alongwith voting rights attached thereto, from the present promoters of the target company Mr. Kunal Dalmia and associates.

The application was forwarded to the Takeover Panel in terms of Regulation 4(4) of the Takeover Regulations. The Takeover Panel, vide letter dated April 19, 2010 forwarded its Report to SEBI, wherein it had rejected the application as it did not find any justification for granting exemption. Subsequently, an opportunity of hearing before the Whole Time Member was granted to the Acquirers and PACs. At the time of the hearing, it was impressed upon the Whole Time Member that the Acquirers and PACs are interested in the revival of the target company in the larger interest of the employees and that the acquisition was in the interest of around 8,400 public shareholders of the target company. The Acquirers were advised to submit a plan as to how they would be reviving the target company after taking control of its management. Thereafter, Keynote Corporate Services Limited, vide their letter dated July 22, 2010,

forwarded a copy of the draft revival proposal as submitted by the Acquirers to the Government of Kerala to the Whole Time Member.

In the meantime, the Acquirers and PACs through a Share Purchase Agreement (**SPA**) dated May 14, 2010 acquired 11,82,696 equity shares constituting 52.76% of the paid up share capital of the Target company from the promoters of the Target Company, Mr. Kunal Dalmia and associates. As the said acquisition was made while the application was pending and not preceded by a public announcement, SEBI vide letter dated October 12, 2010 advised the Acquirers and PACs to explain why action should not be initiated in terms of Regulation 44 of the Takeover Regulations for which a detailed reply giving clarifications as to why no action should be taken against the Acquirers and PACs was submitted on November 09, 2010. The Acquirers made their submissions and sought for an opportunity of hearing in order to explain the acquisition and its justification.

During the personal hearing, it was submitted that the acquisition was made due to pressing urgency as banks were insisting that the agreed amounts as per the One Time Settlement scheme arrived at to be paid on or before March 31, 2010 and also due to pressing necessity for discharge of the obligations of the State Government and the employees. It was also stated that after the acquisition, the Acquirers would have access to the premises which was till then under the custody of the Court Receiver. According to Acquirers, compliance by the target company in many respects were not in place and also that the complete list of shareholders was not readily available. It was also explained by the Acquirers as to how the financial institutions including Kotak Mahindra Bank had given them the concessions in respect of the repayment of dues. Further, the Acquirers had also referred to the Government Order (G.O.) issued by the Government of Kerala wherein it was submitted that the Acquirers had discharged the payment obligations towards the employees and the State Government.

Considering the facts and circumstances of the case in its totality Dr. K.M. Abraham – Hon'ble Whole time Member of Securities and Exchange Board of India in exercise of the powers conferred upon him under Section 19 of Securities and Exchange Board of India Act, 1992 and Regulation 4(6) of the Takeover Regulations, disposed of the application dated March 8, 2010 filed on behalf of the Acquirers along with PACs as infructuous. It was stated in the order dated December 10, 2010 that in accordance with the Takeover Regulations, the Acquirers and PACs shall comply with all open offer/ public announcement requirements in respect of their acquisition of 11,82,696 equity shares of Punalur Paper Mills Ltd.

The Acquirers undertook to make the public announcement within thirty days from the date of receipt of the order and earmark a designated fund with interest @10% per annum from the date when the Public Announcement was to be made. **The Public Announcement was made in compliance with the order passed by the Whole Time Member and in compliance with the obligation that enlisted on the Acquirers and the PACs consequent to entering into to the SPA dated May 14, 2010.**

- c) Share Purchase Agreement ("**SPA**") dated May 14, 2010 was entered into between Mr. Kunal Dalmia residing at 11, Old Bally Gunge, IIInd Lane, Kolkata-700019, Mrs. Usha Mittal residing at 22, Aurangzeb Road, New Delhi-110003, Mrs. Shaily Vaid residing at 82, Jal Darshan, Wing No: 151, Nepeansea Road, Mumbai-400036, Mrs. Kusum Moondhra residing at 121, Laxminivas, 87, Nepean Sea Road, Mumbai-400006, Mrs. Suman Hada residing at H 590, W 10/23, Western Avenue Sainik Farm, New Delhi-110062, Kashi Cold Storage (P) Ltd. having its registered office at B-21/192, Kamachha, Varanasi – 221 001, and M/s. Laxmi Nivas & Co. (Exports) Pvt. Ltd. having its registered office at No. 13, Nellie Sengupta Sarani (formerly Lindsey Street), Kolkata – 700 087 (herein after referred to as "**Sellers**"), the promoters of the Target Company and Acquirers & PACs. Pursuant to the SPA and in compliance with the order passed by the Whole Time Member, the Acquirers the PACs had made the Public Announcement on January 12, 2011.

The salient features of SPA between Acquirers/ PACs and sellers is as follows:

- (i) 11,82,696 equity shares of Sellers have been acquired by the Acquirers alongwith PACs for an aggregate consideration of ₹ 1,18,26,960 by the method of spot delivery contract. The details of individual shareholding of sellers and the details of the equity shares acquired by the Acquirers and PACs are given as follows:

Name of the Sellers	No. of Shares	% of equity share Capital
Mr. Kunal Dalmia	12,318	0.55
Ms. Usha Mittal	30,295	1.35
Ms. Shailly Vaid	24,975	1.11
Ms. Kusum Moondhara	13,659	0.61
Ms. Suman Hada	50,025	2.23
M/s Kashi Cold Storage Pvt. Ltd.	5,35,675	23.90
M/s Lakshminiwas & Co. (Exports) Pvt. Ltd.	5,15,749	23.01
Total	11,82,696	52.76

Name of the Acquirers/ PACs	No. of Shares	% of equity share capital
Ms. Sheena Illyas	20,683	0.92
Mr. Nelson Sebastian	1,00,000	4.46
Mr. K. Raveendran	1,35,413	6.04
Mr. Venkatratnam	24,137	1.08
Mr. T. K. Sundaresh	1,56,096	6.96
Mr. Mohammed Illyas	1,00,000	4.46
Ms. Omana Subhash	96,547	4.31
Mr. Prasanna Sundaresh	1,00,000	4.46
Ms. Sheela Nelson	44,820	2.00
Ms. Amrutha Priyamkari	67,500	3.01
Ms. Anupama Priyamkari	67,500	3.01
Ms. Vimala Raveendran	67,500	3.01
Ms. Darshana Sundaresh	67,500	3.01
Mr. Ajay Sundaresh	67,500	3.01
Mr. Aswathy Sundaresh	67,500	3.01
Total	11,82,696	52.76

- (ii) The sellers would cause their nominee directors to co-opt 3 (three) nominees of the Acquirers alongwith PACs in the Board of Directors of the Target Company.
- (iii) The Sellers would cause their nominee directors to submit their resignation from the directorship of the Company and the same simultaneously with induction and/or co-option of three nominees of the Acquirers alongwith PACs in the Board of Directors.
- (iv) The SPA is governed by Indian law and the courts at Kolkata shall exclusively have the jurisdiction to try and determine the matters arising out of this SPA and/or relating to the subject matter of this SPA.

The clause as per Regulation 22 (16) of the SEBI (SAST) Regulations, that in case of non-compliance of any provisions of the SEBI (SAST) Regulations, the agreement for such sale shall not be acted upon by the seller or the acquirer is not contained in the SPA dated 14/05/2010.

- d) The Acquirers, PACs and Target Company have not been prohibited from dealing in securities in terms of Section 11B of the SEBI Act, 1992 or any other regulations made under the SEBI Act, 1992. As per the information available with the acquirers, the promoters, sellers have not been prohibited from dealing in the securities u/s 11 B of the SEBI Act and other regulations made there under.
- e) As per the SPA the Acquirers and PACs took over the control and management of the Target Company. The Acquirers form part of the Board of Directors of the Target Company since May 15, 2010.
- f) The PACs are related to the Acquirers.
- g) As on the date of the Public Announcement and this Letter of Offer, in terms of Regulation 16 (via) of the SEBI (SAST) Regulations, the Manager to the Offer does not hold any Equity Shares of the Target Company and has not acquired any equity shares since the date of Public Announcement upto the date of this Letter of Offer.

2.2 Details of the Proposed Offer

- a) The Acquirers and the PACs have made a Public Announcement of the Offer to Shareholders of the Target Company which was published on January 12, 2011 in compliance with Regulation 15 of the Regulations in all editions of "Business Standard" being English National Daily, "Pratahkal" being Hindi Daily and "Desh Abhimani" Malayalam being regional language daily at the place where the registered office of the Target Company is located. A copy of the Public Announcement is available on the SEBI website at www.sebi.gov.in.
- b) Pursuant to this Offer, the Acquirers propose to acquire by tender offer 4,48,318 equity Shares of ₹ 10/- each of PMPL constituting 20% of its equity share capital from the remaining shareholders of PPML (other than "parties to SPA") on terms and conditions set out in this Letter of Offer, at a price of ₹ 10.75/- per fully paid up equity share (including interest of ₹ 0.75 per equity share) and ₹ 5.38/- per partly paid up equity share (including interest of ₹ 0.38 per equity share) payable in cash in accordance with the Regulations.
- c) The Shares of the Target Company to be acquired, pursuant to the Offer, shall be free from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends or other distributions hereinafter declared, made or paid. Shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Offer.
- d) As on date of the PA, the Authorized Share capital of the Target Company is ₹ 500.00 lacs comprising of 40,00,000 equity shares of ₹ 10/- each and 1,00,000 Preference shares of ₹ 100/- each. The issued & subscribed share capital of the Target Company is ₹ 274.16 lacs consisting of 22,50,000 equity shares of ₹ 10/- each and 50,000 (9.1/2%) Redeemable Cumulative Preference Shares of ₹ 100/- each. The fully paid up equity share capital of the Target Company is ₹ 224.15 lacs comprising of 22,41,588 equity shares of ₹ 10/- each. There are calls in arrears to the tune of ₹ 1.07 lacs representing 21,376 equity shares wherein ₹ 5/- has been paid up.
- e) This Offer is being made to all Shareholders who own Shares and is not conditional upon a minimum level of acceptances.
- f) The Acquirers and PACs have not acquired/been allotted any Shares of Target Company during the twelve (12) month period prior to the date of the Draft Letter of Offer other than those acquired under the SPA dated 14/05/2010.
- g) This is not a competitive bid. There has been no competitive bid for the offer till date.
- h) The Acquirers and PACs have not acquired/ been allotted any shares of the target company from the date of the PA to the date of the Letter of Offer.

2.3 Object of the Offer

- a) This Offer is being made to Shareholders pursuant to Regulations 10 and 12 of the Regulations as a result of substantial acquisition of shares / voting rights along with change in control of the Target Company.
- b) The present acquirers having established business in different fields propose to infuse fresh capital and revive the operations of the Company.

3. BACKGROUND OF THE ACQUIRERS AND THE PACS

3.1 Background of the Acquirers

- a) **Mr. Mohammed Illyas**, S/o Mr. Haji K. Mohammed Sahib, aged about 37 years is residing at Thahira Manzil, Nethaji Road, Punalur, Kollam, Kerala (Tel. No. 04752225694, Fax no. 04752228040). He holds bachelor's degree in Commerce and has over 15 years of experience in managing family business relating to telecommunications industry. He is a Managing Partner in KMS Communications, Franchise for BSNL, KMS & Co-Wholesalers for Rice & Provisions, Punalur.

As per the certificate dated December 23, 2010 issued by M/s Giri Raj R & Associates, Chartered Accountants, having their office at Rajee Amritha Giri, Vadasserikonam P.O. Varkala, Trivendrum - 695141 (Membership No. of Mr. Giri Raj R, Proprietor is 217231) the networth of Mr. Mohammed Illyas as on December 23, 2010 is ₹ 200.00 lacs and he has an immediate access to liquid assets amounting to ₹ 0.56 lacs. Mr. Mohammed Illyas is husband of Mrs. Sheena Illyas who is PAC to this transaction.

- b) **Mr. Venkata Ratnam**, S/o Late. Satyanarayan Rao aged about 46 years is residing at 26-25, N.S.C. Road Tanuku, West Godavari District, Andhra Pradesh (Tel. No. 08819224078, Fax no. 4752228893). He holds Bachelor's degree in Law and Science. He has over 25 years of business experience. He is a Vice President of Akula Boards, Chairman of Vaani Co-operative Urban Bank Ltd and Vice President of Ramaswami Spinning Mills Pvt. Ltd.

As per the certificate dated November 30, 2010 issued by Chowdhary & Rao, Chartered Accountants, having their office at Santhi Nagar, 1st lane, Magarajpuram. Vijaywada - 520010 (Membership No. of Mr. G. V. V. Satyanarayana, Partner is 204687) the networth of Mr. Venkata Ratnam as on November 30, 2010 is ₹ 222.55 lacs and he has an immediate access to liquid assets amounting to ₹ 19 lacs.

- c) **Mr. K Raveendran**, S/o Late. Kunjukrishnan aged about 67 years is residing at Archana Panachivila, Edamulakkal Post, Anchal, Kollam, Kerala (Tel. No. 04752275965, Fax no. 4752228893). He is self employed running business relating to trading activities and has over 38 years of experience. He is the Managing Director of Archana Group of Companies.

As per the certificate dated December 23, 2010 issued by M/s Giri Raj R & Associates, Chartered Accountants, having their office at Santhi Nagar, 1st lane, Magarajpuram. Vijaywada - 520010 (Membership No. of Mr. Giri Raj R, Proprietor is 217231) the networth of Mr. K Raveendran as on December 23, 2010 is ₹ 3,900.00 lacs and he has an immediate access to liquid assets amounting to ₹ 74.75 lacs. Mr. K Raveendran is Husband of Mrs. Vimala Raveendran and father of Ms. Anupama Priyamkari & Ms. Amrutha Priyamkari who are PAC to this transaction.

- d) **Mr. T K Sundaresan**, S/o Late Kunjukrishnan aged about 54 years is residing at Aswathy, Sivankoli Road, Punalur, Kollam, Kerala (Tel. No. 04752222954, Fax no. 04752228893). He is a graduate and has 25 years of experience in trading of granite and other stones. He is a Director in Darshan Granites Pvt. Ltd.

As per the certificate dated December 23, 2010 issued by M/s Giri Raj R & Associates, Chartered Accountants, having their office at Rajee Amritha Giri, Vadasserikonam P.O. Varkala, Trivandrum - 695141 (Membership No. of Mr. Giri Raj R, Proprietor is 217231) the networth of Mr. T.K. Sundaresan as on December 23, 2010 is ₹ 800.00 lacs and he has an immediate access to liquid assets amounting to ₹ 1.25 lacs. Mr. T.K. Sundaresan is husband of Mrs. Prasanna Sundaresan and father of Ms. Darshana Sundaresh, Ms. Aswathy Sundaresh, Mr. Ajay Sunderesan who are PACs to this transaction.

- e) **Mr. Nelson Sebastian**, S/o Late Joseph Sebastian aged about 54 years is residing at Nelson's House (Soubaghya), Koonamkuzhy, Punalur, Kollam, Kerala (Tel. No. 4752221366, Fax no. 04752228893). He has done his Intermediate and has over 25 years of experience in the business of food and catering. He is the Vice Chairman of Silversands Company WLL, Managing Director in Ahlaln Bill Dhaif Catering and Food Stuff Trading LLC engaged in Food & Catering in Dubai.

As per the certificate dated December 23, 2010 issued by M/s Giri Raj R & Associates, Chartered Accountants, having their office at Rajee Amritha Giri, Vadasserikonam P.O. Varkala, Trivendrum - 695141 (Membership No. of Mr. Giri Raj R, Proprietor is 217231) the networth of Mr. Nelson Sebastian as on December 23, 2010 is ₹ 200.00 lacs and he has an immediate access to liquid assets amounting to ₹ 0.75 lacs. Mr. Nelson Sebastian is husband of Ms. Sheena Nelson who is PAC.

- f) **Ms. Omana Subhash**, W/o Mr. V.K. Subhash, aged about 47 years is residing at VelamKovil House, Near Railway Station, Thiruvalla, Pathanamthitta District Kerala (Tel. No. 04693255666, Fax no. 04752228893). She is a housewife.

As per the certificate dated December 23, 2010 issued by M/s R U Varma and Associates, Chartered Accountants, having their office at Mannoor Mandhom, Fort Mavelikara, Alapuzha Dist., Kerala - 690101 (Membership No. of Mr. CA Udayavarma R, Proprietor is 214110) the networth of Ms. Omana Subhash as on December 23, 2010 is ₹ 200.00 lacs. Ms. Omana Subhash doesn't have any relation with the PACs.

- g) There is no specific agreement entered into between the Acquirers with regard to the Offer/ acquisition of equity shares. The PACs would not be acquiring any share in the offer.
- h) The Acquirers have not complied with the provisions of Chapter II of the SEBI (SAST) Regulations namely Regulation 6(1), 7(1& 2) & 8(1&2) since the Target Company has not regularized with the stock exchange in terms of the Listing Agreement. However, the Acquirers and the PACs have undertaken to comply with the compliance with the provisions of Chapter II of the SEBI (SAST) Regulations as soon as the listing formalities with the Stock Exchanges have been regularized. In case of non-compliance SEBI may initiate suitable action at a later date.
- i) Information about the Company promoted by Acquirers.

Name of the Company	:	STK Paper and Boards Pvt. Ltd. (STK)
Subscribers to the Memorandum	:	Mr. T K Sundaresan, Mr. Mohammed Ilyas
Date of Incorporation	:	24/02/2010
Nature of Business	:	Procurement, Processing, manufacturing, buying, selling and trading of craft paper and boards.
Issue Subscribed and paid up equity capital	:	₹ 1,00,000
Profit After Tax	:	(₹1,20,346)

The main object of the company is Process, manufacture, buy sell and trade in craft paper and boards. The commercial production of the Company has not yet started hence there is no income in the company.

STK is not a sick Industrial Unit within the meaning of clause (O) of sub-section (1) of the section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.

3.2 Background of the PAC

the Networth certificates of all the PACs have been certified by M/s Giri Raj R & Associates, Chartered Accountants, having their office at Rajee Amritha Giri, Vadasserikonam P.O. Varkala, Trivandrum - 695141 (Membership No. of Mr. Giri Raj R, Proprietor is 217231) vide their certificate dated December 23, 2010.

- a) **Mrs. Vimala Raveendran**, W/o Mr. K Raveendran aged about 52 years is residing at Archana Panachivila, Edamulakkal Post, Anchal, Kollam, Kerala (Tel. No.0475-2275965, Fax No.0475-2273304). She holds Masters degree in Arts and is a housewife. Mrs. Vimala Raveendran is wife of Mr. K Raveendran who is one of the Acquirer. The networth of Mrs. Vimala Raveendran as on December 23, 2010 is ₹ 102.00 lacs.

- b) **Ms. Anupama Priyamkari**, D/o Mr. K Raveendran aged about 21 years is residing at Archana Panachivila, Edamulakkal Post, Anchal, Kollam, Kerala (Tel. No.0475-2275965, Fax No.0475-2273304). She is presently studying. Ms. Anupama Priyamkari is daughter of Mr. K Raveendran who is one of the Acquirer. The networth of Ms. Anupama Priyamkari as on December 23, 2010 is ₹ 15.00 lacs.
- c) **Ms. Amrutha Priyamkari**, D/o Mr. K Raveendran aged about 18 years is residing at Archana Panachivila, Edamulakkal Post, Anchal, Kollam, Kerala (Tel. No.0475-2275965, Fax No. 0475-2273304). She is presently studying. Ms. Amrutha Priyamkari is daughter of Mr. K Raveendran who is Acquirer. The networth of Ms. Amrutha Priyamkari as on December 23, 2010 is ₹ 15.00 lacs.
- d) **Mrs. Prasanna Sundaresan**, W/o Mr. T.K. Sundaresan aged about 48 years residing at Aswathy, Sivankoli Road, Punalur, Kollam, Kerala (Tel. No.0475-2222954, Fax No.0475-2228010). She holds Bachelor's degree in Commerce and is a housewife. Mrs. Prasanna Sundaresan is wife of Mr. T.K. Sundaresan who is one of the Acquirer. The networth of Mrs. Prasanna Sundaresan as on December 23, 2010 is ₹ 76.00 lacs.
- e) **Ms. Aswathy Sundaresh**, D/o Mr. T.K. Sundaresan aged about 25 years residing at Aswathy, Sivankoli Road, Punalur, Kollam, Kerala (Tel. No. 0475-2222954, Fax No. 0475-2228010). She holds Master's degree in Science and is a teacher by profession. Ms. Aswathy Sundaresh is Daughter of T.K. Sundaresan who is one of the Acquirer. The networth of Ms. Aswathy Sundaresh as on December 23, 2010 is ₹ 30.00 lacs.
- f) **Ms. Darshana Sundaresan**, D/o Mr. T.K. Sundaresan aged about 19 years residing at Aswathy, Sivankoli Road, Punalur, Kollam, Kerala (Tel. No. 0475-2222954, Fax No. 0475-2228010) is a student studying MBBS. Ms. Darshana Sundaresh is Daughter of T.K. Sundaresan who is one of the Acquirer. The networth of Ms. Darshana Sundaresh as on December 23, 2010 is ₹ 21.00 lacs.
- g) **Mr. Ajay Sundaresan**, S/o Mr. T.K. Sundaresan aged about 23 years residing at Aswathy, Sivankoli Road, Punalur, Kollam, Kerala (Tel. No. 0475-2222954, Fax No. 0475-2228010) is a student of B.Tech (civil). Mr. Ajay Sundaresan is the Son of T.K. Sundaresan who is Acquirer. The networth of Mr. Ajay Sundaresan as on December 23, 2010 is ₹ 26.70 lacs.
- h) **Mrs. Sheela Nelson**, W/o Mr. Nelson Sebastian aged about 52 years residing at Nelson House (Soubaghya), Koonamkuzhy, Punalur, Kollam, Kerala (Tel. No.0475-2221366, Fax No. 0475-2228010). She holds bachelor's degree in Commerce and is a Housewife. Mrs. Sheela Nelson is wife of Mr. Nelson Sebastian who is one of the Acquirer. The networth of Mrs. Sheela Nelson as on December 23, 2010 is ₹7.50 lacs.
- i) **Mrs. Sheena Illyas**, W/o Mr. Mohammed Illyas aged about 32 years residing at Thahira Manzil, Nethaji Road, Punalur, Kollam, Kerala (Tel. No. 04752225694, Fax No. 0475-2228010). She holds Bachelor's degree in Commerce and is a Housewife. Mrs. Sheena Illyas is wife of Mr. Mohammed Illyas who is Acquirer. The networth of Mrs. Sheena Illyas as on December 23, 2010 is ₹ 21.00 lacs.
- j) The PACs have not complied with the provisions of Chapter II of the SEBI (SAST) Regulations namely Regulation 6(1), 7(1& 2) & 8(1&2). In case of non-compliance SEBI may initiate suitable action at a later date.
- k) PACs have not promoted any company.

3.3 Disclosure under Regulation 16(ix)

The Acquirers and the PACs do not have any plan to dispose off or otherwise encumber any of the assets of the Target Company in the succeeding two (2) years from the date of closure of the Offer except in the ordinary course of business of the Target Company. The Acquirers and PACs will not dispose off, sell or otherwise encumber any substantial assets of the Target Company except with the prior approval of shareholders in accordance with applicable law.

3.4 Future plans/strategies of Acquirers/ PACs with regard to the Target Company:

The operations of the Target Company have been closed since 1987. The Acquirers intend to revive the operations of the Target Company which in turn will enable the Acquirers/PACs to reap the future profits generated by the Target Company.

In their endeavour to revive the Target Company, the new management has taken steps to appoint a team of experts to chart the revival plan. The Company is in the process of revamping two of its machines for immediate production and planning to buy the new plant and machinery for further expansion in phased manner. The Company has paid stamp duty of ₹ 207 lacs on February 01, 2011. The new management and Government of Kerala have signed an MOU on February 27, 2011 for the smooth running of the unit.

4. OPTION IN TERMS OF REGULATION 21 (2)

Pursuant to the said Offer (assuming full acceptance in the offer), the public shareholding will not fall below the limit specified for the purpose of the listing on the continuous basis in terms of listing agreement with the stock exchanges. Hence, the provisions of Regulation 21(2) of the SEBI (SAST) Regulations 1997 are not attracted. The Company does not intend to delist its equity shares from any of the Stock Exchanges in the next three years.

5. BACKGROUND OF THE TARGET COMPANY

- a) The Target Company was incorporated in the year 1888 by a British National Mr. I. H. Cameron of Harrison and Cross Field. It is the first joint stock company started in the erstwhile Travancore State, now called as State of Kerala. The registered office of the Company is situated at Punalur, Kollam District, Kerala.
- b) Mr. L. N. Dalmia took over the Company from A & F Harvey in the year 1967. The manufacturing capacity of the Company was then increased to 50,000 TPA from 6,500 TPA in a phased manner by modernizing the entire system. The assets of Company were mortgaged with the Financial Institutions like I.C.I.C.I (Lead Institute), IFCI & IDBI to fund the rehabilitation & modernization process.
- c) In 1977 one of the high capacity machine was damaged in a fire accident. Thereafter due to non supply of assured raw material by the Kerala Forest Department, company could not utilize its installed capacity and started incurring loss. As a result the accumulated loss as on 31st March, 1985 mounted to ₹ 9 Crores. The Financial Institution (I.C.I.C.I), being the secured creditor with whom the assets of the company are mortgaged, in order to protect their interest, filed a money suit and got the Court Receiver appointed in 1986. Since then the company's assets including the registered office are under the custody and seal of the Court Receiver. In the year 2001 Government of Kerala announced new Industrial Policy and Labour Policy in order to prevent closures of units in Kerala and to help in revival of the closed industries. The Target Company submitted revival proposal to Government of Kerala to avail various concessions under the new policy. The Government of Kerala vide its MOU dated May 02, 2002 entered into with PPML, granted its concessions and assistance for reopening and running of PPML. After signing the said MOU, the Company cleared the dues of Canara Bank under OTS in 2003. Due to pending litigations the process of revival could not do progress in spite of having concessions from Government of Kerala. On May 14, 2010 the Acquirer alongwith PAC entered into Share Purchase Agreement with the sellers and acquired 52.76% stake in the Target Company. This enabled the Acquirers to settle the claims of the creditors. Accordingly the present management had negotiations with the Financial

Institutions and cleared the Liabilities of Kotak Mahindra Bank Ltd., IDBI and IFCI under One Time Settlement (OTS) through their Special Purpose Vehicle (SPV) called STK Paper and Board Pvt. Ltd. and got the Court Receiver discharged.

- d) As on date of this PA, the Authorized Share capital of the Target Company is ₹ 500.00 lacs comprising of 40,00,000 equity shares of ₹ 10/- each and 1,00,000 Preference shares of ₹ 100/- each. The issued & subscribed share capital of the Target Company is ₹ 274.16 lacs consisting of 22,50,000 equity shares of ₹ 10/- each and 50,000 (9.1/2%) Redeemable Cumulative Preference Shares of ₹ 100/- each. The fully paid up equity share capital of the Target Company is ₹ 224.15 lacs comprising of 22,41,588 equity shares of ₹ 10/- each. There are calls in arrears to the tune of ₹ 1.07 lacs representing 21,376 equity shares wherein ₹ 5/- has been paid up.
- e) The equity shares of the Target Company are not traded since 1987 i.e. after the closure of the Company in 1987. The equity shares of the Target Company were listed on BSE, CoSE and DSE. The Target Company received a letter dated December 14, 1985 from the BSE stating that the name of the company has been officially struck off the list of officially quoted Securities with immediate effect. A letter dated May 26, 2009 was received from the CoSE stating that the name of the company fall under the category of non-compliant companies and is neither suspended nor delisted. The DSE vide their letter dated July 14, 2009, urged the company to follow the amnesty scheme and regularize the dues payable to the company and thereby revoke the suspension. DSE has further vide letter dated January 15, 2011, requested the company to submit dues and compliance documents of past 5 years as per their requirement to enable the Exchange to proceed with the revocation of suspension at the earliest. CoSE has vide its letter dated February 8, 2011 informed Keynote Corporate Services Limited that an amount of ₹ 2,70,450 plus service tax is pending towards the Annual Listing Fees payable by the company since 1983-84 and requested the company to pay the said fees and complete the other formalities. The Company is in the process of doing the needful in this regard.
- f) The Target Company was closed since the year 1987 and was under the custody of the Court Receiver since then. As such the equity shares of the company were not traded during this period and hence the Target Company has not complied with the provisions of Listing Agreement and with the provisions of Chapter II of the SEBI (SAST) Regulations, 1997.
- g) The details of the present equity share capital structure of the Target Company is as follows:

Paid-up Shares	No. of equity shares/voting rights	% of paid up capital
Fully paid up Shares	22,20,212	99.05
Partly paid up Shares*	21,376	0.95
Total paid up Shares	22,41,588	100.00
Total voting rights in the Target Company	22,20,212	99.05

*There are calls in arrears to the tune of ₹ 1.07 lacs representing 21,376 equity shares on which an amount of ₹ 5.00 per share has been paid up. In terms of Article no.113 of Articles of Association of the Company the partly paid up equity shareholders are not entitled for voting rights in the Company.

- h) Details of share capital build-up of the Target Company since inception till the date of Letter of Offer are as under:

The Company was incorporated in 1880 and took over by Dalmia's in 1967 and from 1987 onwards the Company has been closed. The Target Company was in the custody of the court receiver since 1987. The details of the capital built up of the Target Company is not available. However, the shareholding pattern of the company since 1997 is as follows:

Sr. No.	Category of shareholders	No. of Equity Shares	Percentage of shareholding
1	Promoter and Promoter group	12,02,688	53.65
2	FIs/Banks/ Mutual Funds/ Body Corporates	95,275	4.25
3	Kerala Government	1,23,039	5.49
4	FIIIs/ NRIs/ OCBs	137	0.01
5	Public	8,20,449	36.60
	Total	22,41,588	100.00

The Company's assets were in the custody of the Court receiver since 1987 and there has been no change in the capital built up of the target company till date except the acquisition of shares by the acquirers from the promoters of the Company.

- i) There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date. There are no shares under lock-in period. There has been no merger/de-merger or spin off in the Company during the past three years.
- j) The total outstanding equity share capital of the Target Company is not subject to lock in.
- k) The Board of Directors of the Target Company comprises the following:

Name, Age, Address and Designation	Experience (Years)	Director Identification Number (DIN)	Area of Experience	Qualification	Date of Appointment /re-appointment
Mr. Mohammed Illyas (37 years) Thahira Manzil, Nethaji Road, Punalur, Kerala - 691305 Additional Director	15	02895312	Telecommunications industries	B.Com	15/05/2010
Mr. K Raveendran (67 years) Archana, Panachavila, Anchal Via-,Kollam- 691306 Additional Director	38	02898769	Trading	Undergraduate	15/05/2010
Mr.T.K Sundareshan (53 years) Ashwathy,Sivan Kovil Road, Punalur, Kollam- 691305 Additional Director	25	02123382	Trading of granite and other stones	Graduate	15/05/2010
Mr. Nelson Sebastian (54 years) Nelsons House (Soubhagya), Koonamkuzhy, Punalur, Kollam- 691305 Additional Director	25	02895690	Food and Catering	Senior Cambridge , Intermediate	15/05/2010

Name, Age, Address and Designation	Experience (Years)	Director Identification Number (DIN)	Area of Experience	Qualification	Date of Appointment /re-appointment
Mr. M Venkata Ratnam (46 years) 26-65, NSC Bose Road, West Godavari Dist., Tanuku, Andhra Pradesh-534211 Additional Director	25	02980583	Paper Industry	B.Sc; Bachelor of Law	15/05/2010
Ms Omana Subhash (47 years) Velankovil House, Near Railway Station, Thiruvalla P.O, Pathanamthitta Dist-689101 Additional Director	NA	02943537	House wife	a) Under Graduate	15/05/2010

l) Brief audited financial details of the Target Company for the six (6) months period ended September 30, 2010 and for last three (3) years are as follows:

(₹ in Lacs)

Profit and Loss Statement	For the 6 months period ended September 30, 2010 (6 months)	For the Year Ended		
		From April 1, 2009 to March 31, 2010 (12 months)	From April 1, 2008 to March 31, 2009 (12 months)	From April 1, 2007 to March 31, 2008 (12 months)
Income from Operations	-	-	-	-
Other Income	0.07	24.53	16.70	16.75
Total Income	0.07	24.53	16.70	16.75
Total Expenditure	167.65	166.18	88.02	88.82
Profit/ (Loss) Before Depreciation, Interest and Tax	(167.58)	(141.65)	(71.32)	(72.07)
Depreciation	2,233.91	-	-	-
Interest	-	-	-	-
Prior Period Adjustments	650.60			
Profit / (Loss) Before Tax	(167.58)	(141.65)	(71.32)	(72.07)
Provision for Income Tax	-	-	-	-
Fringe Benefit Tax	-	-	(0.39)	0.28
Profit After Tax	(3,052.09)	(141.65)	(71.71)	(72.35)

(₹ in Lacs)

Balance Sheet Statement	As at September 30, 2010 (6 months)	As at		
		From April 1, 2009 to March 31, 2010 (12 months)	From April 1, 2008 to March 31, 2009 (12 months)	From April 1, 2007 to March 31, 2008 (12 months)
Sources of funds				
Paid-up equity Share Capital	223.09	223.09	223.09	223.09
Calls unpaid	1.07	1.07	1.07	1.07
9.5% Redeemable cumulative Pref. shares of ₹ 100/- each	50.00	50.00	50.00	50.00
Reserves and Surplus #	3,394.20	3,394.20	3,394.20	3,394.20
Profit & Loss A/c Debit Balance	(3986.35)	(838.13)	(696.48)	(624.77)
Net worth*	(317.99)	2830.23	2971.88	3043.59
Secured Loan	92.00	92.00	686.45	686.45
Unsecured Loan	1315.89	698.19	3.19	3.19
Total	1089.89	3620.42	3661.52	3733.23
Uses of Funds				
Net Fixed Assets	368.09	4,273.11	4,273.11	4,272.91
Capital work in progress	1685.23	-	-	-
Investments	22.44	173.37	173.37	173.37
Net Current Assets	(985.87)	(826.06)	(784.96)	(713.05)
Total	1089.89	3,620.42	3,661.52	3,733.23

created by revaluation of all fixed assets and capital work in progress as at 31/03/1985

*inclusive of preference share capital

Other Financial Data	For the 6 months period ended September 30, 2010			
		From April 1, 2009 to March 31, 2010 (12 months)	From April 1, 2008 to March 31, 2009 (12 months)	From April 1, 2007 to March 31, 2008 (12 months)
Dividend (%)	NIL	NIL	NIL	NIL
Earnings Per Share	(135.64)	(6.29)	(3.16)	(3.02)
Return on Net worth	NIL	NIL	NIL	NIL
Book Value per Share# (in ₹)	(164.98)	(25.06)	(18.77)	(15.58)

Note: Figures in the bracket indicate negative numbers

For the purpose of calculation of Networth, Revaluation Reserves and preference share capital have been excluded

Presently the Target Company is not a sick industrial unit within the meaning of clause (O) of sub-section (1) of the Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985. The Target Company had filed a reference before BIFR but was rejected on technical ground stating that the Board of Directors of the company could not establish valid reasons in forming an opinion on the sickness of the company. Against the said order the Company filed an Appeal in 1992 under number 114 of 1992. The said appeal is pending.

m) Reasons for fall/rise in PAT of the Target Company:

The Company's operations were closed since 1987. Hence the Company has not earned any revenue from operations, though there was other income earned in the form of rent, dividend and interest income.

Reasons for depreciation of ₹2233.91 lacs in Profit & Loss Statement for six months period ending September 30, 2010:

The Company had not provided any depreciation on its fixed assets since the financial year 1979-80. The depreciation of ₹ 2233.91 lacs shown in the Profit & loss account of September 30, 2010 consists of accumulated depreciation of ₹ 2228.44 lacs from the financial year 1979-80 to financial year 2009-10 and depreciation of ₹ 5.47 lacs for the six months period ended September 30, 2010 which has now been provided for in the accounts.

Reasons for P/L account Debit Balance of ₹ (3986.35) lacs in balance sheet as at September 30,2010:

The debit balance of ₹ 3986.35 lacs in the Profit & Loss account is inclusive of accumulated losses upto September 30, 2010 and accumulated depreciation of ₹ 2233.91 lacs which has been provided in the accounts as on September 30, 2010. Hence the Networth for September 30, 2010 have been fallen to ₹ (317.99) lacs.

Reasons for fall in Networth as at September 30,2010:

There has been a fall in networth of the Company as at September 30, 2010 due to the debit balance of ₹ 3986.35 lacs in the Profit & Loss account which is mainly on account of provision for accumulated depreciation.

n) The pre and post-Offer shareholding pattern of the Target Company assuming full acceptance on fully diluted basis as on date of PA is as follows:

Shareholders	No. of share holders	Shareholding & Voting rights prior to the agreement/acquisition and the Offer		Shares/Voting rights acquired which triggered the Regulations		Shares or Voting Rights for which Offer is given (assuming full acceptance)		*Shares or Voting Rights after the acquisition and offer	
		A		B		C		D=(A+B+C)	
		No. of shares	%	No. of shares	%	No. of shares	%	No. of shares	%
1)Promoter & promoter group									
a) Promoters - Parties to agreement	7	11,82,696	52.76	-	-			-	-
b) Promoters other than above	3	19,992	0.89	-	-			-	-
Sub Total		12,02,688	53.65	-	-			-	-
2)Acquirer/PAC		-	-	11,82,696	52.76	4,48,318	20.00	16,31,014	72.76
Sub Total	10	12,02,688	53.65	11,82,696	52.76	4,48,318	20.00	16,31,014	72.76
3. Parties to agreement other than 1(a) and (2)		-	-	-	-	-	-	-	-
4. Public (Other than acquirers, parties to the agreement and persons in promoter group									
a. - Financial Institutions / Banks/Mutual Funds/UTI/Bodies Corporate	12	95,275	4.25	-	-				
b. Others									
Kerala Government	1	1,23,039	5.49	-	-	(4,48,318)	(20.00)	6,10,574	27.24
FII/s BRI/ OCBs	1	137	0.01	-	-				
Public	8,453	8,20,449	36.60	-	-				
Sub Total (4 (a+b))	8,467	10,38,900	46.35	-	-	(4,48,318)	(20.00)	6,10,574	27.24
Total (1+2+3+4)	8477	22,41,588	100.00	11,82,696	52.76			2241588	100.00

o) Built up of share capital of present promoters of PPML:

The present promoters of the Company are the Acquirers. They have acquired shares of PPML through SPA dated May 14, 2010. The details of capital built up of previous promoters are not available since the Company was in the custody of the court receiver since 1987 and not operational for the past 23 years. However, the shareholding of the promoters of the Target Company in the year 1997 is as given hereinunder:

Sr. No.	Name	No. of Equity Shares	Percentage of shareholding
1	M/s Kashi Cold Storage(P) Ltd.	5,35,675	23.90
2	M/s Lexmi Nivas &Co (E)(Pvt.) Ltd.	5,15,749	23.01
3	Ms. Suman Halda	50,025	2.23
4	Ms Usha Mittal	30,295	1.35
5	Ms. Shaily Dalmia	24,975	1.11
6	Ms. Kusum Moundhva	13,659	0.61
7	Mr.Kunal Dalmia	12,318	0.55
8	Ms. Savithri Dalmia	9800	0.44
9	Ms. Asha Dalmia	9800	0.44
10	Mr. L N Dalmia	392	0.01
	Total	12,02,688	53.65

There has been no change in the holding of the promoters since then till the promoters sold their 11,82,696 equity shares through Share Purchase Agreement dated May 14, 2010 to the acquirers and PACs.

p) Pending litigations pertaining to the Target Company are as follows:

1. A.A.I.F.R:- Company had filed a reference before BIFR, but was rejected on technical ground stating that the Board of Directors of the company could not establish valid reasons in forming an opinion on the sickness of the company. Against the said order Company filed an Appeal in 1992 and the same has been numbered as 114 of 1992. The said appeal is kept pending only to get the protection of Sec.22 of SICA 1985.
2. Income Tax Appeals:- Company got a favourable order from ITAT, Ernakulam, but against the said order the Department has filed about 8 appeals before the Hon'ble High Court of Kerala which are pending for disposal. The issues involved are / were allowance of expenditure / Depreciation under the circumstances where there is no production or sales for the past 23 years. Other issue is / was Taxability on arrears of rent.
3. Central Excise:- The Company has got a favourable order from the Commissioner, Trivandrum, but against the said order the Department has filed an appeal before CESTAT, Bangalore.
4. Company Petition:- Few Employees have filed a CP in 1988 before the Hon'ble High Court of Kerala for recovery of their Gratuity due, but the matter is kept in abeyance on the intervention of Kerala Government. The Employees Unions have signed an MOU on 20.11.2008 with the Management in which all the issues are covered. Once the Employees are settled, they will withdraw the above said Company Petition.

q) The Target Company has not complied with provisions of the corporate governance as per clause 49 of the listing agreement.

r) Mr. Mohammed Ilyas is the Compliance Officer. The details are as given below:

Mr. Mohammed Ilyas
Compliance Officer
Punalur, Kollam District, Kerala,
Tel: +91 475 2223895/2228892
Fax: +91 475 2228893
Email: illyaskms@hotmail.com

6. OFFER PRICE

Justification of Offer Price:

- a) The equity shares of PPML are presently listed on Cochin Stock Exchange Ltd. (CoSE) and Delhi Stock Exchange Ltd. (DSE). The equity shares of PPML were also listed on Bombay Stock Exchange Ltd. (BSE). BSE vide its letter dated December 14, 1985 delisted the equity shares of PPML due to non-payment of annual listing fees. CoSE vide its letter dated May 26, 2009 stated that the name of the Company fall under the category of non-compliant companies and is neither suspended nor delisted. The CoSE has further vide its letter dated February 8, 2011 informed Keynote Corporate Services Limited that an amount of ₹ 2,70,450 plus service tax is pending towards the Annual Listing Fees payable by the company since 1983-84 and requested the company to pay the said fees and complete the other formalities. DSE has vide their letter dated July 14, 2009, urged the Company to follow the amnesty scheme and regularize the dues payable to the Company and thereby revoke suspension. DSE has further vide letter dated January 15, 2011, requested the company to submit dues and compliance documents of past 5 years as per their requirement to enable the Exchange to proceed with the revocation of suspension at the earliest. The company is in the process of doing the needful in this regard.
- b) There has been no trading in the equity shares of PPML on CoSE and DSE since 1987. The offer price of ₹ 10.75 per fully paid up equity share and ₹5.38 per partly paid up equity share (including interest of ₹ 0.75 and ₹ 0.38 respectively from May 18, 2010 i.e. the date on which the Acquirers and PACs were supposed to make the Public Announcement till the date on which the Public Announcement was actually made) ("Offer Price") has been determined as per provisions of Regulation 20(5) of the Regulations taking inter-alia into account the following factors (i) to Regulation 20(5) of the Regulations.

a.	Negotiated price under the agreement	:	₹ 10.00/- per equity share	
b.	Highest price paid by the Acquirers for acquisitions including by way of allotment in a public or rights or proposed preferential issue, if any, during the twenty-six weeks period prior to the date of Public Announcement.	:	Not Applicable	
c.	*Other Parameters	:	Based on 31/03/2010	Based on 30/09/2010
	Return on Networth (%)	:	Nil	Nil
	Book Value (₹)	:	(25.06)	(164.98)
	Earning Per Share (EPS)(₹)	:	(6.29)	(135.64)
	Price Earning Multiple vis-à-vis Industry Average		N.A.	N.A.

As per the order dated December 10, 2010 passed by the Whole Time Member of SEBI the Acquirers have undertaken to earmark the designated fund with interest @ 10% per annum from the date when Public Announcement was to be made i.e. May 18, 2010 till the date of actual Public Announcement i.e. January 12, 2011. The interest payable on the offer price of ₹ 10/- per fully paid up share has been calculated as under:

Date of Share Purchase Agreement	May 14, 2010
Original Date of Public Announcement	May 18, 2010
Actual Date of Public Announcement	January 12, 2011
No. of Days Delay	239
Interest per annum (%)	10%
Offer Price per fully paid up equity share (₹)	10
Interest calculated (10*10%)*(239/365)	0.65
Interest (rounded off)	0.75

In respect of partly paid up shares since only ₹ 5/- per share has been paid up, the proportionate offer price per partly paid up share would be ₹ 5.38/-

- c) In terms of Regulation 20(5) of the Regulations, the Offer Price of ₹ 10.75/- per fully paid up equity share and ₹ 5.38/- per partly paid up equity share (including interest) is therefore justified as being highest of the above presented parameters.
- d) There is no non-compete agreement.
- e) The Offer Price will not be less than the highest price paid by the Acquirers, if for any further acquisition of Shares of Target Company from the date of the Public Announcement upto seven (7) working days prior to the closure of Offer.

7. FINANCIAL ARRANGEMENT

- a) Assuming full acceptance, the maximum consideration payable under the Offer shall be ₹48,19,419.00 lacs.
- b) By way of security for the performance of its obligations under Regulation 28 of the Regulations, the Acquirers have deposited an amount of ₹ 48,50,000/- (Rupees Forty Eight Lacs Fifty Thousand only) being little over 100% of the consideration payable under this Offer (assuming full acceptance), with Axis Bank Limited having its office at Sir P.M. Road, Fort, Mumbai 400 001, (the “Escrow Agent”) in an escrow account (the “Escrow Account”), a lien marked on the Escrow Account in favour of the Manager to the Offer, under the terms of the Escrow agreement dated January 07, 2011 entered into inter-alia between the Acquirers, the Escrow Agent and the Manager to the Offer (“Escrow Agreement”).
- c) The Acquirers and PACs have confirmed that the funds lying in the Escrow Account will be utilized exclusively for the purpose of the Offer. The Acquirers and the PACs have empowered the Manager to the Offer to realize the value of the aforesaid Escrow Account in terms of the Regulation 28(5) of the SEBI (SAST) Regulations.
- d) This Offer is being funded through the internal domestic resources of the Acquirers.
- e) The Acquirer has deposited full amount of consideration payable in the offer in an escrow account opened with Axis Bank. And hence it is confirmed that the Acquirers have adequate resources to meet the financial requirements of the Offer.
- f) On basis of the above, the Manager to the Offer has satisfied itself that Acquirers and the PACs have adequate and firm financial arrangements to implement the Offer in accordance with the Regulations.

8. TERMS AND CONDITIONS OF THE OFFER

- a) All Shares tendered and accepted under the Offer up to 4,48,318 Shares will be acquired by the Acquirer, subject to the terms and conditions set out in this Letter of Offer. All necessary requirements for the valid transfer of the Shares will be a pre-condition for valid acceptance.
- b) The Acquirer will acquire the Shares which are free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter. Shares that are subject to any charge, lien or encumbrance are liable to be rejected. Applications in respect of Shares that are the subject matter of litigation wherein Shareholders may be prohibited from transferring the Shares during the pendency of the said litigation are liable to be rejected if directions / orders permitting transfer of these Shares are not received together with the Shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.
- c) **Eligibility for accepting the Offer:** The Letter of Offer specifying the detailed terms and conditions of this Offer together with form of acceptance cum acknowledgement (“Form of Acceptance cum Acknowledgement”), form of withdrawal (“Form of Withdrawal”) and Transfer Deed (“Transfer Deed”) will be mailed to Shareholders of the Target Company whose names appear on the register of members of

the Target Company at the close of business hours on the Specified Date. However, all persons who own Shares at any time prior to the closure of the Offer are also eligible to participate in the Offer whether or not they are registered Shareholders.

- d) The acceptance of the Offer is entirely at the discretion of Shareholders and each Shareholder to whom the Offer is being made, is free to offer his shareholding in the Target Company, in whole or in part while accepting the Offer.
- e) **Statutory Approvals and Conditions of the Acquisition and the Offer**
1. The acquisition of the Shares under this Offer is subject to receipt of the approval of the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations issued thereunder for the acquisition of shares by Acquirers and PACs from non-resident shareholder, if any. There are no other approvals, statutory or otherwise, required under the Companies Act 1956 and the Foreign Exchange Management Act, 1999 and /or any other applicable laws.
 2. It may be noted that in case of non-receipt of statutory approvals within time, SEBI has the power to grant an extension of time to the Acquirer for payment of consideration to Shareholders subject to the Acquirer agreeing to pay interest for the delay, as directed by SEBI under Regulation 22(12) of the SEBI (SAST) Regulations. Further, if the delay occurs on account of willful default or neglect or inaction or non-action by the Acquirer in obtaining the requisite approvals, Regulation 22(13) of the SEBI (SAST) Regulations will also become applicable.
 3. To the best of the knowledge of the Acquirers and the PACs, neither the Acquirers nor the PACs requires any approvals from financial institutions or banks for the Offer.
- f) Subject to the conditions governing this Offer as mentioned herein, the acceptance of this Offer by Shareholders of the Target Company must be absolute and unqualified. Any acceptance to this Offer which is conditional and incomplete in any respect will be rejected without assigning any reason whatsoever.
- g) Shareholders who wish to tender their Shares will be required to send the Form of Acceptance cum Acknowledgement, duly signed and completed in the manner specified therein together with all the necessary documents, as specified in the section of this Letter of Offer entitled "Procedure for Acceptance and Settlement", to the Registrar to the Offer at address mentioned under paragraph 9.1 of this Letter of Offer, either by hand delivery during business hours or by registered post so that the same are received on or before the closing date of the Offer i.e. April 05, 2011.
- h) The Acquirer will not be responsible in any manner for any loss of Share certificate(s) and/or Offer acceptance documents during transit and Shareholders of the Target Company are advised to adequately safeguard their interest in this regard. In case of any lacunae and/or defect or modifications in the documents/forms submitted, the acceptance is liable to be rejected.
- i) Accidental omission to dispatch this Letter of Offer or any further communication to any person to whom this Letter of Offer is or should be made or the non-receipt of this Letter of Offer by any such person shall not invalidate the Offer in any way.
- j) The instructions, authorizations and provisions contained in the Form of Acceptance cum Acknowledgement constitute part of the terms of this Letter of Offer.
- k) The Acquirer intends to complete all formalities pertaining to the purchase of Shares, including despatch payment of consideration to Shareholders who have accepted the Offer, by April 19, 2011.
- l) The Acquirers and the PACs are permitted to revise the Offer Size upward up to seven (7) working days prior to the date of closure of the Offer. In the event of such a revision, an announcement will be made in the same newspapers in which the PA has appeared and the revised Offer price would be paid for all validly accepted Shares tendered anytime during the Offer.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

9.1 Procedure for accepting the Offer by eligible persons

The equity shareholders of Target Company who qualify and who wish to avail of this Offer (hereinafter referred to as "Acceptor") will have to deliver the relevant documents and such other documents as may be specified in the letter of offer as applicable to the Registrar to the Offer i.e; S.K.D.C. Consultants Limited at addresses mentioned below, by hand delivery or Registered Post between 10.30 am. to 5.00 pm on all working days i.e. other than Sundays and public holidays before the date of closure of the offer.

S.K.D.C. Consultants

S.K.D.C. Consultants Limited
Kanapathy Towers, 3rd Floor,
1391/A1, Sathy Road, Ganapathy,
Coimbatore – 641 006
Tel: (91 0422) 654 9995
Fax: (91 0422) 253 9837
Email: info@skdc-consultants.com
Website: www.skdc-consultants.com
Contact Person: Mrs. Vijayalakshmi Narendra
SEBI Registration No.: INR 000000775

The equity shares of the company are held only in physical form. The company has not entered into agreements with the depositories and there are no equity shares of the company held in dematerialized form.

1. Registered equity shareholders should enclose:
 - i. Form of acceptance cum acknowledgement duly completed and signed in accordance with the instructions contained therein, by all equity shareholders whose name appears on the share certificates.
 - ii. Original share certificate(s).
 - iii. Valid share transfer form(s) duly signed as transferors by all registered equity shareholders (in case of joint holdings), in the same order and as per the specimen signatures registered with and duly witnessed at the appropriate place.
2. Persons who have acquired Shares of the Target Company (irrespective of the date of purchase) but whose names do not appear in the register of members of the Target Company on the Specified Date or those who have not received the letter of offer, may also participate in this Offer by submitting an application on a plain paper giving details regarding their shareholding and confirming their agreement to participate in this Offer as per the terms and conditions of this Offer. Such application should be sent to the Registrar to the offer together with the relevant share certificate(s) and transfer deeds, the original contract note issued by a registered share broker of a recognized stock exchange through whom such Shares were acquired and/or such other documents as may be specified in the letter of offer. Unregistered owners, if they so desire, may also apply in the Form of Acceptance cum Acknowledgement downloadable from SEBI's website (www.sebi.gov.in). If the signature of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, equity shares tendered by such unregistered owners are liable to be rejected under the Offer even if the Offer has been accepted by a bona fide owner of such equity shares.
3. The Shareholders participating in the Offer should also provide all relevant documents, which are necessary to ensure transferability of the equity shares in respect of which the application is being sent. Such documents may include, but are not limited to:
 - duly attested death certificate and succession certificate/ probate/ letter of administration (in case of single shareholder) if the original shareholder is deceased;
 - duly attested Power of Attorney if any person apart from the Shareholder has signed the application form and/or Transfer Deed(s)
 - no objection certificates from the chargeholder/ lender, if the equity shares in respect of which the application is sent, are under any charge, lien or encumbrance;
 - in case of companies, the necessary corporate authorization (including Board Resolutions);
 - any other relevant documentation.

4. No indemnity is needed from unregistered equity shareholders.
5. The equity shareholders, who are desirous of withdrawing their acceptances tendered in the Offer, can do so upto three working days prior to the date of the closure of the Offer i.e. on or before March 31, 2011. The withdrawal option can be exercised by submitting the 'Form of Withdrawal' (separately enclosed with Letter of Offer) to the Registrar to the Offer, S.K.D.C. Consultants Limited so as to reach them on or before March 31, 2011.
6. In case of non-receipt of 'Form of withdrawal', the withdrawal option can be exercised by making an application on plain paper along with the name, address, distinctive numbers, folio number, and number of Shares tendered and date of tender.
7. While tendering Equity Shares under the Offer, Non-Resident Indians ("NRIs"), Overseas Corporate Bodies ("OCBs") and other non-resident shareholders will be required to submit RBI's approval (specific or general) that they would have obtained for acquiring the shares of the Target Company. In the event that the previous RBI approvals are not submitted, the Acquirers reserve the right to reject such tendered shares.
8. While tendering their Equity Shares under the Offer, NRIs, OCBs and other non-resident shareholders will be required to submit a Tax Clearance Certificate ("TCC") or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income Tax Act, 1961 indicating the amount of tax to be deducted by the Acquirers before remitting the consideration, failing which the Acquirers will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.
9. As per the provisions of Section 196D (2) of the Income Tax Act, 1961, no deduction of tax at source will be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, 1961 to a Foreign Institutional Investor as defined in Section 115AD of the Income Tax Act, 1961. However the interest payment for delay in payment of consideration, if any, will not be governed by this provision. For interest payments, if any, NRIs, OCBs and other non-resident shareholders will be required to submit a TCC or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by Acquirers before remitting the consideration, failing which Acquirers will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.
10. In case of resident shareholders, tax will be deducted on the interest component exceeding ₹ 5,000/- at the applicable current prevailing rates. If the resident Shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, such Shareholders will be required to submit a NOC or TCC or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by Acquirers or a self-declaration in form 15G of Form 15H as may be applicable. Shareholders eligible to receive interest component exceeding ₹ 5,000/- would be required to submit their Permanent Account Number for income tax purposes. Clauses relating to payment of interest will become applicable only if the Acquirers become liable to pay interest for delay in release of purchase consideration.

Shareholders are advised to consult their tax advisors for their taxability or any other procedural aspects including the treatment that may be given by their respective Assessing Officers in their case, and the appropriate course of action that they should take. The Acquirer, the PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.

11. Payment of Consideration

The payment to Shareholders would be done through various modes in the following order of preference.

- a) **Electronic Clearing System ('ECS')** - Payment would be done through ECS for Shareholders having an account at any of the following 68 centers: Ahmedabad, Bangaluru, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, 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 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 through ECS is mandatory for Shareholders having a bank account at any of the above mentioned sixty eight (68) centers, except where Shareholder, being eligible, opts to receive payment through direct credit or RTGS. In the event that payment to such Shareholders cannot be made by ECS on account of incorrect details or any other reason, payment to such Shareholders will be made by demand drafts / cheques.
- b) **Direct Credit** - Shareholders having bank accounts with the Escrow Agent, as mentioned in the Form of Acceptance cum Acknowledgement, shall be eligible to receive payments through direct credit. Charges, if any, levied by the Escrow Agent for the same would be borne by the Acquirer.
- c) **Real Time Gross Settlement ('RTGS')** - Shareholders having a bank account at any of the abovementioned 68 centres and whose amount exceeds ₹ 1 million, have the option to receive the payment through RTGS. Such eligible Shareholders who indicate their preference to receive payment through RTGS are required to provide the IFSC code in the Form of Acceptance cum Acknowledgement. In the event the same is not provided, payment shall be made through ECS. Charges, if any, levied by the Escrow Agent for the same would be borne by the Acquirer. Charges, if any, levied by Shareholder's bank receiving the credit would be borne by Shareholder.
- d) **National Electronic Fund Transfer ('NEFT')** - Payment shall be undertaken through NEFT wherever Shareholder's bank has been assigned the Indian Financial System Code ('IFSC'), which can be linked to a 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, duly mapped with MICR numbers. Wherever Shareholders have registered their nine (9) digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment will be made to Shareholder through this method. The process flow in respect of payments by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment would be made through any one of the other modes as discussed above.
- e) For all other Shareholders, including physical Shareholders and those who have not updated their bank particulars with the MICR code, the payments will be despatched under certificate of posting for value upto ₹ 1,500/- and through speed post/ registered post for payments above ₹ 1,500/-. Such payments will be made by pay orders or demand drafts drawn on the Escrow Agent and payable at par. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by Shareholders.

NO DOCUMENT SHOULD BE SENT TO THE MANAGER TO THE OFFER, ACQUIRERS OR PACs OR TO THE TARGET COMPANY

9.2 OFFER PERIOD

- a) Offer Period is the period between the date of Public announcement and the date of completion of Offer formalities relating to the Offer.
- b) This Offer will remain open on all working days (i.e. excluding Sunday and Public Holidays) between March 17, 2011 to April 05, 2011 (both days inclusive). Shareholders of the Target Company who wish to avail of this Offer shall be required to send their acceptance in the manner stated above so as to reach the Registrar to the Offer on or before April 05, 2011.

9.3 WITHDRAWAL OPTION

- a) Shareholders who are desirous of withdrawing their acceptances tendered in the Offer can do so upto three (3) working days prior to the date of the closure of the Offer i.e. on or before March 31, 2011. The withdrawal option can be exercised by submitting the 'Form of Withdrawal' (separately enclosed with Letter of Offer) to the Registrar to the Offer so as to reach them on or before March 31, 2011 along with the following:

In case of physical Shares: Name, Address, distinctive numbers, folio nos., number of shares tendered/withdrawn.

- b) The Form of Withdrawal can also be downloaded from SEBI's website www.sebi.gov.in or obtained from the Manager/ Registrar to the Offer.
- c) In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making an application on plain paper along with the following details:
 - Name, address, distinctive numbers, folio nos. number of Shares tendered/withdrawn, date of tender
- d) Withdrawal of Shares will be available only for the Shares/Share certificates that have been received by the Registrar to the Offer. Shares will be returned to Shareholders at their address as per the records of the Target Company /depository as the case may be. The Form of Withdrawal should be sent only to the Registrars to the Offer.

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

In case of non-receipt of the Letter of Offer, persons eligible to participate in Offer may send their application to the Registrar to the Offer, on a plain paper stating their name, address, number of Shares held, distinctive numbers, folio number and number of Shares offered along with documents as mentioned above so as to reach the Registrar to the Offer on or before the closure of the Offer (i.e. no later than April 05, 2011), Shareholders holding Shares in physical form should also send original Share certificate(s) and valid Transfer Deeds. Shareholders holding Shares in physical form who have lodged their Shares for transfer with the Target Company must also send the acknowledgement received, if any, from the Target Company towards such lodging of Shares.

9.5 GENERAL

- a) Acquirer can revise the price upwards upto seven (7) working days prior to closure of the Offer and revision if any in the Offer Price would appear in the same newspapers where the Public Announcement has appeared. The same price would be paid to all Shareholders who tender their shares in the Offer.
- b) Shareholders may note that if there is a competitive bid, the public offers under all the subsisting bids shall close on the same date. As the Offer Price can not be revised during seven (7) working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of Shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.
- c) The Form of Acceptance cum Acknowledgment along with the Share Certificate(s) and other documents delivered shall become acceptance on the part of Shareholder, but will become a fully valid and binding contract between Shareholder and Acquirer only upon the fulfillment of all conditions mentioned herein.

- d) In case the aggregate of the valid responses to the Offer exceeds Offer Size, then the Acquirer shall accept the valid applications received, in accordance with Regulation 21 (6) of the Regulations, on a proportionate basis in such a way that the acquisition from any Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The minimum marketable lot for the Shares is 25 Shares.
- e) The Share certificates will be held in trust by the Registrar to the Offer till the Acquirer complete the Offer obligations in terms of the Regulations.
- f) Acquirers shall acquire the Shares from Shareholders of the Target Company who have validly tendered the Shares under the Offer (i.e. Shares and other documents are in order in accordance with the terms of the Offer) and remit the consideration in respect thereof on or before April 19, 2011, in cash by Account Payee Pay Order / Demand Draft. Any delay will attract interest in terms of Regulation 22(12) of SEBI (SAST) Regulations. The information as to whether the Shares tendered by them have been accepted (in full or in part) or rejected and consideration payable would be sent by registered post.
- g) The unaccepted shares/documents will be returned to Shareholders by registered post.
- h) For any queries regarding the Offer Shareholders / applicants may contact the Registrar to the Offer at the address mentioned in this Letter of Offer.
- i) Pursuant to the Regulation 13, the Acquirer has appointed Keynote Corporate Services Ltd. as the Manager to the Offer.

10. DOCUMENTS FOR INSPECTION

The following documents are regarded as material documents and are available for inspection at the registered office of the Target Company from 11.00 a.m. to 3.00 p.m. on any working day until the Offer closes.

1. Certificate from the Chartered Accountants regarding the networth of the Acquirers.
2. Copy of SPA dated May 14, 2010 between the selling shareholders of PPML and Acquirers & PACs
3. Memorandum and Articles of Association of the Target Company.
4. Copy of SEBI order dated December 10, 2010 issued by Whole Time Member Dr. K.M. Abraham.
5. Copies of Annual Report of the Target Company for period ended March 31, 2008, March 31, 2009 and March 31, 2010 and for six (6) months period ended September 30, 2010.
6. Published copy of Public Announcement as published in the newspapers on January 12, 2011.
7. Copy of a Bank Statement from Axis Bank Limited, Mumbai confirming the amount placed in the Escrow Account, towards the proposed Offer, with a lien in favour of the Manager to the Offer.
8. Copy of Memorandum of Understanding dated December 01, 2010 between the Manager to the Offer and the Acquirer.
9. Copy of Agreement dated December 06, 2010 between Registrar to the Offer and the Acquirer.
10. Copy of Escrow Agreement dated January 07, 2011 between Manager to the Offer, Acquirers and Axis Bank Limited (the Escrow Agent).
11. Copy of the letter dated February 18, 2011 from Keynote Corporate Services Ltd. in regard to the replies filed with SEBI.
12. Copy of letter received from SEBI, Ref. No. CFD/DCR/TO/DA/6607/11 dated February 25, 2011 in terms of proviso to Regulation 18(2) of the SEBI (SAST) Regulations.

11. DECLARATION BY THE ACQUIRER AND PAC

1. The Acquirers and the PACs accept responsibility for the information contained in the Public Announcement and this Letter of Offer and also for the obligations of the Acquirer and the PAC laid down in the SEBI (SAST) Regulations.
2. The Acquirers and PACs shall be jointly and severally responsible for ensuring fulfillment of their obligations under with the SEBI (SAST) Regulations.
3. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise.
4. As on the date of the Public Announcement and this Letter of Offer, in terms of Regulation 16 (via) of the SEBI (SAST) Regulations, the Manager to the Offer does not hold any Shares. As required under Regulation 24(5A) of the SEBI (SAST) Regulations, the Manager to the Offer shall not deal in the Shares during the period commencing from the date of its appointment in terms of Regulation 13 of the SEBI (SAST) Regulations until the expiry of fifteen (15) days from the date of closure of the Offer.

**For On Behalf of Acquirers and
PACs**

Sd/-
Mohammed Illyas

Place: Punalur

Date: March 04, 2011

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this form with enclosures to the Registrars to the Offer at their address given overleaf)

FORM OF ACCEPTANCE - CUM - ACKNOWLEDGEMENT

From:

Tel No. Fax No.: E-mail:

To,
S.K.D.C CONSULTANTS LIMITED
 Kanapathy Towers, 3rd Floor, 1391/A1,
 Sathy Road, Ganapathy, Coimbatore - 641 006

OFFER
OPENS ON: THURSDAY, MARCH 17, 2011
CLOSES ON : TUESDAY, APRIL 05, 2011

Sub : Open offer to acquire 4,48,318 equity shares of ₹10/- each representing 20% of the voting share capital of Punalur Paper Mills Limited by Acquirers alongwith Persons Acting in Concert in terms of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

Dear Sir,

I/We refer to the Letter of Offer dated March 04, 2011 for acquiring the equity shares held by me/us in Punalur Paper Mills Limited.

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

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:

Sr. No.	Certificate No.	Distinctive No(s)		No. of Shares
		From	To	
Total number of equity shares				

(In case the space provided is inadequate, please attach a separate sheet with the details)

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

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

I/We authorise the Acquirer or the Manager to the Offer to send by registered post the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned below:

Address of First/Sole Shareholder

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

Name of the Bank _____ Branch _____

Account Number _____ Savings/Current/Others (please specify) _____

IFSC Code (For RTGS/NEFT Transfers)* _____

9 Digit MICR Code (For ECS Credit)*

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*Please read payment of consideration on page no. 22 of the letter of offer

Yours faithfully,

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

Signed and Delivered

Place:

-----TEAR HERE-----

Folio No.:

Sr. No.:

S.K.D.C CONSULTANTS LIMITED

(Acknowledgement Slip)

Unit: Punalur Paper Mills Limited

Kanapathy Towers, 3rd Floor, 1391/A1, Sathy Road, Ganapathy, Coimbatore - 641 006

Received from Mr./Ms. _____

Address _____

Form of acceptance cum acknowledgement, _____ Number of Share Certificates for _____ shares

Delete whichever is not applicable.

Signature of Official and Date of Receipt	Stamp of collection centre

INSTRUCTIONS

1. Please read the enclosed Letter of Offer carefully before filling this Form of Acceptance cum Acknowledgement.
2. The acceptance of the Offer made by the Acquirer is entirely at the discretion of the Shareholders. Each Shareholder to whom this Offer is being made is free to offer his Shares in whole or in part while accepting the Offer.
3. Shareholders should enclose the following:
 - Registered Shareholders should enclose:
 - ◆ Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the Share certificate(s) and in the same order in which their name(s) appear in the register of Shareholders and as per the specimen signature lodged with the Target Company;
 - ◆ Original Share certificate(s);
 - ◆ Valid Transfer Deed(s) duly signed as transferor(s) by the sole/joint Shareholder(s) in the same order and as per specimen signatures lodged with the Target Company and duly witnessed at the appropriate place. The Transfer Deed should be left blank, except for the signatures as mentioned above. A blank share transfer form is enclosed along with this Letter of Offer.
 - Unregistered owners of Shares should enclose:
 - ◆ Form of Acceptance cum Acknowledgement duly completed and signed in accordance with the instructions contained therein;
 - ◆ Original Share certificate(s);
 - ◆ Original broker contract note;
 - ◆ Valid Transfer Deed(s) as received from the market. The details of buyer should be left blank failing which the same will be considered invalid under the Offer. All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance.
 - ◆ The acknowledgement received, if any, from the Target Company in case the Shares have been lodged with the Target Company.
4. Where the number of Shares offered for sale by the Shareholders are more than the Shares agreed to be acquired by the Acquirers under this Offer, the Acquirers shall accept the offers received from the shareholders on a proportional basis, in consultation with the Manager to the 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 under the marketable lot.
5. In case of joint holdings, all the holders whose names appear on the Share certificate must sign this Form of Acceptance cum Acknowledgement in the same order in which these names appear on the register of members and as per the specimen signature(s) lodged with the Target Company.
6. In case of physical Shares, the enclosed transfer deed should be duly signed as transferors by all shareholders in the same order and as per specimen signatures lodged with the Target Company and should be duly witnessed at the appropriate place. The Transfer Deed should be left blank, excepting the signatures as mentioned above. Attestation, where required (thumb impressions, signature difference, etc.) should be done by a magistrate, notary public or special executive magistrate or a similar authority holding a public office and authorised to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank. PLEASE DO NOT FILL UP ANY DETAILS ON THE TRANSFER DEED. Relevant Share certificates must be annexed.
7. Shareholders who have sent their Shares for transfer should enclose, Form of Acceptance cum Acknowledgement duly completed and signed, copy of the letter sent to the Target Company (for transfer of shares) and valid Share transfer form(s).
8. In case of bodies corporate, proper corporate authorization should be enclosed.
9. Shareholders are requested to fill in the required bank details in the Form of Acceptance cum Acknowledgment. Unless Shareholders opt for payment by RTGS / NEFT option or where relevant details for payment by RTGS / NEFT option provided by such Shareholders are incorrect, payments shall be made to Shareholders by demand drafts / cheques as per bank details provided by such Shareholders in the Form of Acceptance cum Acknowledgment.
10. All Persons eligible to participate in the Offer, registered or unregistered, who own the Shares, at any time prior to the closing of the Offer, are eligible to participate in the Offer. Unregistered owners can send their application in writing to the Registrar to the Offer, S.K.D.C. Consultants Limited, at Kanapathy Towers, 3rd Floor, 1391/A1, Sathy Road, Ganapathy, Coimbatore - 641 006 on or before the closing of the Offer, i.e. April 05, 2011 on plain paper stating Name, Address, No. of Shares held, No. of Shares offered,

Distinctive Nos., Folio No., together with the original Share certificate(s), valid Transfer Deeds in case of Shares held in physical form. No indemnity is required from the unregistered owners.

11. While tendering the Shares under the Offer, NRIs / OCBs / foreign Shareholders will be required to submit the previous RBI approvals (specific or general) that they would have obtained for acquiring the Shares. In case previous RBI approvals are not submitted, the Acquirer reserves the right to reject such Shares.

While tendering Shares under the Offer, NRIs / OCBs / foreign Shareholders will be required to submit a Tax Clearance Certificate or the Certificate for Deduction of Tax at Lower Rate from the income-tax authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act before remitting the consideration, failing which the Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

As per the provisions of Section 196D (2) of the Income Tax Act, 1961, no deduction of tax at source will be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, 1961 to a Foreign Institutional Investor as defined in Section 115AD of the Income Tax Act, 1961. However the interest payment for delay in payment of consideration, if any, will not be governed by this provision. For interest payments, if any, NRIs, OCBs and other non-resident shareholders will be required to submit a TCC or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by Acquirer before remitting the consideration, failing which Acquirer will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.

In case of resident shareholders, tax will be deducted on the interest component exceeding Rs. 5,000/- at the applicable current prevailing rates. If the resident Shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, such Shareholders will be required to submit a NOC or TCC or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by Acquirer or a self-declaration in form 15G of Form 15H as may be applicable. Shareholders eligible to receive interest component exceeding Rs. 5,000/- would be required to submit their Permanent Account Number for income tax purposes. Clauses relating to payment of interest will become applicable only if the Acquirer becomes liable to pay interest for delay in release of purchase consideration.

Shareholders are advised to consult their tax advisors for their taxability or any other procedural aspects including the treatment that may be given by their respective Assessing Officers in their case, and the appropriate course of action that they should take. The Acquirers, the PACs and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice.

12. All persons eligible to participate in the Offer who wish to avail this Offer should forward the above mentioned documents, by hand delivery on days and between 10.30 am to 5.00 pm, at the Registrar's office mentioned below, or by registered post to the Registrar, S.K.D.C Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A1, Sathy Road, Ganapathy, Coimbatore - 641 006; Phone 422-6549 995; Fax 422-2539837; Email: info@skdc-consultants.com; Contact Person: Mrs. Vijayalakshmi Narendra.

No document should be sent to the Acquirer / PAC or the Manager to the Offer.

Note : All future correspondence, if any, should be addressed to Registrar to the Offer: S.K.D.C Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A1, Sathy Road, Ganapathy, Coimbatore - 641 006; Phone 422-6549 995; Fax 422-2539837; Email: info@skdc-consultants.com; Contact Person: Mrs. Vijayalakshmi Narendra

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

You have an 'OPTION TO WITHDRAW' the acceptance tendered in response to the offer any time upto three working days prior to the date of closure of offer i.e. on or before March 31, 2011. In case you wish to withdraw your acceptance please use this form.

OFFER OPENS ON	THURSDAY, MARCH 17, 2011
OFFER CLOSSES ON	TUESDAY, APRIL 05, 2011
LAST DATE OF WITHDRAWAL	THURSDAY, MARCH 31, 2011

From: _____ Fax No.: _____ E-mail: _____
Tel No. _____

To,
S.K.D.C CONSULTANTS LIMITED
Kanapathy Towers, 3rd Floor, 1391/A1,
Sathy Road, Ganapathy, Coimbatore - 641 006

Sub : Open offer to acquire 4,48,318 equity shares of ₹10/- each representing 20% of the voting share capital of Punalur Paper Mills Limited by Acquirers alongwith Persons Acting in Concert in terms of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997.

Dear Sir,

I/We refer to the Letter of Offer dated March 04, 2011 for acquiring the equity shares held by me/us in Punalur Paper Mills Limited

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

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

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

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

I/We authorise the Acquirer to reject the shares so offered which it may decide in consultation with Manager to the Offer and in terms of the Letter of Offer and, I/We authorise the Acquirer or the Registrar to the Offer to send by registered post the original share certificate(s), transfer deed(s) and other documents tendered by me/us to the sole/first holder at the address mentioned below:

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

Address of First/Sole Shareholder

Yours faithfully,

Signed and delivered

Place:

Date:

Note: In case of joint holdings, all holders must sign. A corporation must affix its common seal.

-----TEAR HERE-----

Folio No.:

Sr. No.:

S.K.D.C CONSULTANTS LIMITED
Unit: Punalur Paper Mills Limited
Kanapathy Towers, 3rd Floor, 1391/A1, Sathy Road, Ganapathy, Coimbatore -
641 006

(Acknowledgement Slip)

Received from Mr./Ms. _____

Address _____

Form of withdrawal in respect of _____ Number of Share Certificates representing _____ number of shares.

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

INSTRUCTIONS

1. Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the collection centers mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal i.e. March 31, 2011.
2. Shareholders should enclose the following:

Registered Shareholders should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledged slip in original/copy of the submitted Form of Acceptance cum Acknowledgement in case delivered by Registered A.D.
- In case of partial withdrawal, valid Share transfer form(s) duly signed as transferors by all registered Shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with the Target Company and duly witnessed at the appropriate place.

Unregistered owners of Shares should enclose:

- Duly signed and completed Form of Withdrawal.
- Acknowledged slip in original/copy of the submitted Form of Acceptance cum Acknowledgement in case delivered by Registered A.D.

3. The withdrawal of Shares will be available only for the Share certificates/the Shares that have been received by the Registrar to the Offer/ special depository account.
4. The intimation of Shares which are returned to the Shareholders pursuant to the withdrawal will be at the address as per the records of the Target Company/ depository as the case may be.
5. The Form of Withdrawal should be sent only to the Registrar to the Offer.
6. In case of partial withdrawal of Shares tendered in physical form, if the original Share certificates are required to be split, the same will be returned on receipt of Share certificates from the Target Company. **The facility of partial withdrawal is available only to registered Shareholders.**
7. The Form of Withdrawal and other related documents should be submitted at the Registrar's office, S.K.D.C Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A1, Sathy Road, Ganapathy, Coimbatore - 641 006.
8. Applicants who cannot hand deliver their documents at the collection centers, may send their documents only by registered post, at their own risk, to the Registrar to the Offer, S.K.D.C Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A1, Sathy Road, Ganapathy, Coimbatore - 641 006 so as to reach the Registrar to the Offer.