

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

**OPEN OFFER**

By

**Mr. Satish Jain**

1/1, Maharani Road, Shreenath Chamber, Indore-452 007; Tel. No.: 0731-4034105.

and

**Mr. Nitesh Lodha**

6/C-2, Ritherdon Avenue, Vepery, Chennai-600 007; Tel. No.: 044-2640 0140.

to acquire upto 6,64,000 fully paid-up equity shares representing 20% of the paid-up capital and 23.46% of the voting capital, at a price of Rs. 6.50/- per share ('Offer Price'),

of

**PASSARI CELLULOSE LIMITED (PCL)**

Regd. Off.: 20, Balgopalpur Industrial Estate, Balasore, Orissa-756 020;

Tel No.:06782-275762;

Corp. Off. : 4-Ho Chi Minh Sarani, 1<sup>st</sup> Floor, Suite No. 1 B, Kolkata-700 071;

Tel. No.: 033-2282 3931/4868; Fax No.: 033-2282 4451

These shares will be acquired in cash, in accordance with regulation 20 (2)(a) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereof (hereinafter referred to as 'Regulations') from the existing shareholders of PCL.

This Offer is being made in compliance with regulation 10 & 12 and other provisions of Chapter III and in compliance with the Regulations.

In case of acceptances from Non-Resident shareholders, the Acquirers would after the closure of the Offer, make the requisite applications to RBI to obtain its approval for transfer of such shares of PCL to the Acquirers. There are no other statutory approvals required to acquire equity shares that are tendered pursuant to this 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 working days prior to the date of Closure of the Offer i.e. on or before April 2, 2008 (Wednesday).**

If there is any upward revision in the Offer Price/Size at any time up to seven working days prior to the date of Closure of the Offer i.e. March 27, 2008 (Thursday) or withdrawal of the offer in terms of the regulation, the same would also be informed by way of a Public Announcement in the same newspapers where the original Public Announcement had appeared. Such revised Offer Price would be payable for all the shares tendered any time during the Offer & accepted under the Offer.

The Offer is not conditional and not subject to any minimum level of acceptance from Shareholders.

**If there is a Competitive Bid:**

- **The Public Offers under all the subsisting bids shall close on the same date**
- **As the Offer Price cannot be revised during 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.**

The Public Announcement, Corrigendum to the Public Announcement and this Letter of Offer including the Form of Acceptance cum Acknowledgement and Form of Withdrawal would also be available on SEBI's website at [www.sebi.gov.in](http://www.sebi.gov.in).

| <b>MANAGER TO THE OFFER</b>                                                                                                                                                                                                                                                                                                                                                       | <b>REGISTRAR TO THE OFFER</b>                                                                                                                                                                                                                                                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p><b>ASHIKA CAPITAL LIMITED</b><br/>1008, 10<sup>th</sup> Floor, Raheja Centre,<br/>214, Nariman Point, Mumbai-400 021.<br/>Tel: 022-66111700; Fax: 022-66111710.<br/>E-Mail: <a href="mailto:mbd@ashikagroup.com">mbd@ashikagroup.com</a><br/><b>Contact Person: Niraj Atul Kothari</b></p> |  <p><b>CAMEO CORPORATE SERVICES LIMITED</b><br/>Subramanian Building, # 1,<br/>Club House Road, Chennai-600 002.<br/>Tel: 044-28460390; Fax No: 044-28460129.<br/>E-mail: <a href="mailto:cameo@cameoindia.com">cameo@cameoindia.com</a><br/><b>Contact Person: Mr. R. D. Ramasamy</b></p> |

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

| <b>Activities</b>                                                                                                                       | <b>Original Date &amp; Day</b> | <b>Revised Date &amp; Day</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------|
| Public Announcement                                                                                                                     | January 15, 2008 (Tuesday)     | January 15, 2008 (Tuesday)    |
| Specified Date (for the purpose of determining the name of shareholders to whom the Letter of Offer will be sent)                       | February 2, 2008 (Saturday)    | February 2, 2008 (Saturday)   |
| Last Date for a Competitive Bid, if any                                                                                                 | February 5, 2008 (Tuesday)     | February 5, 2008 (Tuesday)    |
| Corrigendum to Public Announcement                                                                                                      | --                             | March 8, 2008 (Saturday)      |
| Date by which the Letter of Offer to be Despatched to shareholders                                                                      | February 26, 2008 (Tuesday)    | March 12, 2008 (Wednesday)    |
| Date of Opening of the Offer                                                                                                            | March 7, 2008 (Friday)         | March 17, 2008 (Monday)       |
| Last date for revising the Offer Price/ Number of Shares                                                                                | March 13, 2008 (Thursday)      | March 27, 2008 (Thursday)     |
| Last date for Withdrawal of Acceptance by Shareholders                                                                                  | March 19, 2008 (Wednesday)     | April 2, 2008 (Wednesday)     |
| Date of Closing of the Offer                                                                                                            | March 26, 2008 (Wednesday)     | April 5, 2008 (Saturday)      |
| Date by which communicating rejection/acceptance and despatch of Cheques/Demand Drafts towards payment of consideration to be completed | April 10, 2008 (Thursday)      | April 19, 2008 (Saturday)     |

**RISK FACTORS:**

**Relating to the Transaction:**

1. The Share Purchase Agreement contains a clause that it is subject to the provisions of the Regulations and in case of non-compliance with any of the provisions of the Regulations, the Agreement for such sale shall not be acted upon by the Sellers or the Acquirers.

**Relating to the Offer:**

2. The Offer involves an offer to acquire upto 6,64,000 fully paid-up equity shares representing 20% of the paid-up capital and 23.46% of the voting capital of the Target Company, from its shareholders. In case of oversubscription in the Offer, as per the Regulations, acceptance would be determined on proportionate basis and hence there is no certainty that all the shares tendered by the shareholders in the Offer will be accepted.
3. The Shares tendered in the Offer in demat form will lie to the credit of a designated escrow account and the shares tendered in physical form will lie with the Registrar to the Offer, till the completion of the Offer formalities. The Acquirers makes no assurance with respect to the market price of the shares both during the Offer period and upon the completion of the Offer, and disclaims any responsibility with respect to any decision by the shareholders on whether to participate or not to participate in the Offer.

**Relating to the Acquirers:**

4. The Acquirers makes no assurance with respect to the future financial performance of the Target Company or with respect to their investment/divestment relating to their proposed shareholding in the Target Company.

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

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### 1. ABBREVIATIONS / DEFINITIONS

|                                               |                                                                                                                                                                                                                                                                                                                                                                                                       |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Acquirers</b>                              | Mr. Satish Jain and Mr. Nitesh Lodha                                                                                                                                                                                                                                                                                                                                                                  |
| <b>BSE</b>                                    | Bombay Stock Exchange Limited, Mumbai                                                                                                                                                                                                                                                                                                                                                                 |
| <b>CSE</b>                                    | The Calcutta Stock Exchange Limited, Kolkata                                                                                                                                                                                                                                                                                                                                                          |
| <b>Eligible Persons for the Offer</b>         | All owners of shares registered or unregistered of PCL (who own shares at any time prior to the Closure of the Offer) except Parties to the Agreement(s)                                                                                                                                                                                                                                              |
| <b>FEMA</b>                                   | Foreign Exchange Management Act, 1999                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Form of Acceptance</b>                     | Form of Acceptance cum Acknowledgement                                                                                                                                                                                                                                                                                                                                                                |
| <b>Form of Withdrawal</b>                     | Form of Withdrawal cum Acknowledgement                                                                                                                                                                                                                                                                                                                                                                |
| <b>LOO or Letter of Offer</b>                 | Offer Document                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Manager to the Offer</b>                   | Ashika Capital Limited                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Negotiated Price</b>                       | Rs. 3/- per share                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Offer</b>                                  | Cash Offer being made by the Acquirers to acquire upto 6,64,000 fully paid-up equity shares representing 20% of the paid-up capital and 23.46% of the voting capital of the Target Company                                                                                                                                                                                                            |
| <b>Offer Price</b>                            | Rs. 6.50/- per share                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>PA / Public Announcement</b>               | Announcement of the Offer made by Acquirers on January 15, 2008 and March 8, 2008                                                                                                                                                                                                                                                                                                                     |
| <b>Promoters / Sellers</b>                    | Mr. Raghunath Passari, Santosh Devi Passari, Santosh Kr. Passari, Nirmala Passari, Om Prakash Passari, Vandana Passari, Sushil Kumar Bhartia, Kusum Bhartia, Savitri Devi Passari, Manoj Passari, Sunil Bhartia, Manju Bhartia, Sunil Kr. Passari, Harsh Passari, Passari Organics Pvt. Limited, MBR Promoters Pvt. Limited and Altona (Exim) Pvt. Limited, duly represented by Mr. Raghunath Passari |
| <b>PCL/Target Company</b>                     | Passari Cellulose Limited                                                                                                                                                                                                                                                                                                                                                                             |
| <b>RBI</b>                                    | Reserve Bank of India                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Registrar to the Offer / Registrar</b>     | Cameo Corporate Services Limited                                                                                                                                                                                                                                                                                                                                                                      |
| <b>SEBI</b>                                   | Securities and Exchange Board of India                                                                                                                                                                                                                                                                                                                                                                |
| <b>SEBI (SAST) Regulations or Regulations</b> | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997 and subsequent amendments thereof                                                                                                                                                                                                                                                           |
| <b>Specified Date</b>                         | Date for the purpose of determining the names of Shareholders, as appearing in the Register of Members of PCL, to whom the Letter of Offer should be sent, i.e. February 2, 2008                                                                                                                                                                                                                      |

## 2. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF PASSARI CELLULOSE LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS 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 IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MANAGER TO THE OFFER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS DULY DISCHARGES THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MANAGER TO THE OFFER ASHIKA CAPITAL LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JANUARY 28, 2008 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) 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 A STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.

## 3. DETAILS OF THE OFFER

### 3.1. Background of the Offer

- (a) This Offer is being made by **Mr. Satish Jain** and **Mr. Nitesh Lodha** (hereinafter collectively referred to as 'Acquirers'), pursuant to regulation 10 & 12 and other provisions of Chapter III and in compliance with the Regulations. The Offer is also being made for Change in control.
- (b) The Acquirers have entered into a Share Purchase Agreement ('Agreement') on January 12, 2008 with various persons, who are part of the Promoter Group [hereinafter collectively known as "Sellers"] for acquisition of 9,77,300 fully paid up equity shares of Rs. 10/- each, (hereinafter referred to 'Sale Shares') representing 29.44% of Issued and Subscribed Capital and 34.53% of voting capital of the Target Company, at a price of Rs. 3/- per share ('Negotiated Price'). The details of acquisition by the Acquirers & Sellers are as follows:

| Name of the Acquirers | No. of Equity Shares | % of Issued & Subscribed Share Capital | % of Voting Capital |
|-----------------------|----------------------|----------------------------------------|---------------------|
| Mr. Satish Jain       | 9,00,000             | 27.11                                  | 31.80               |
| Mr. Nitesh R. Lodha   | 77,300               | 2.33                                   | 2.73                |
| <b>TOTAL</b>          | <b>9,77,300</b>      | <b>29.44</b>                           | <b>34.53</b>        |

| S. No. | Name of the Promoters /Sellers | Address(s)                                                  | No of Shares |
|--------|--------------------------------|-------------------------------------------------------------|--------------|
| 1.     | Raghu Nath Passari             | CJ, 4, Saltlake, Kolkata-700 091                            | 52,800       |
| 2.     | Santosh Devi Passari           |                                                             | 51,700       |
| 3.     | Santosh Kumar Passari          |                                                             | 42,100       |
| 4.     | Nirmala Passari                |                                                             | 22,700       |
| 5.     | Om Prakash Passari             |                                                             | 21,000       |
| 6.     | Vandana Passsari               |                                                             | 17,700       |
| 7.     | Savitri Devi Passari           |                                                             | 13,500       |
| 8.     | Harsh Passari                  |                                                             | 900          |
| 9.     | Sushil Kumar Bhartia           | 23A, Kalakar Street, 4 <sup>th</sup> Floor, Kolkata-700 007 | 13,900       |
| 10.    | Kusum Bhartia                  |                                                             | 11,500       |
| 11.    | Sunil Bhartia                  |                                                             | 3,000        |
| 12.    | Manju Bhartia                  | P-15, Kalakar Street, Kolkata-700 007                       | 3,000        |
| 13.    | Manoj Passari                  |                                                             | 9,700        |
| 14.    | Sunil Kumar Passari            |                                                             | 1,900        |

|     |                                  |                                         |          |
|-----|----------------------------------|-----------------------------------------|----------|
| 15. | Passari Organics Private Limited | 4, Hochiminh Sarani,<br>Kolkata-700 071 | 4,00,000 |
| 16. | MBR Promoters Private Limited    |                                         | 1,69,400 |
| 17. | Aitona (Exim) Private Limited    |                                         | 1,42,500 |

- (c) Salient features of the Agreement are mentioned below:
- The Sellers have agreed to sell to the Acquirers 9,77,300 fully paid-up equity shares aggregating to 29.44% of Issued and subscribed capital and 34.53% of voting capital of the Target Company, at a price of Rs. 3/- per share, and the Acquirers have agreed to purchase the said transaction shares.
  - That the shares under Agreement are free from all charges, encumbrances or liens and are not subject to any lock in period.
  - The Acquirers had paid a sum of Rs. 4,31,900/- (Rupees Four Lakhs Thirty One Thousand Nine Hundred only) to the Sellers on execution of the Agreement and the balance amount of Rs. 25,00,000/- (Rupees Twenty Five Lakhs only) have been paid to the sellers on taking over control of the company as per SEBI Takeover Code.
  - That the Sellers agree to abide by their obligations as contained in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997, as amended from time-to-time.
  - That the Acquirers shall comply with all the requirements of the Regulations. In case of non-compliance of any provisions of the Regulations, the agreement(s) for such sale will not be acted upon by the Sellers or the Acquirers.
- (d) The proposed change in control is consequent to the Agreement(s) whose salient features are described in 3.1 (c) above.
- (e) The Acquirers, the Sellers and the Target Company have not been prohibited by SEBI from dealing in securities, in terms of direction under Section 11B of the SEBI Act or under any of the Regulations made under SEBI Act.
- (f) For the purpose of this Offer, there is no Person Acting in Concert as per the provisions of the regulation 2(1)(e) of the Regulations.
- (g) The Acquirers have not entered into any separate non-compete agreement with the Sellers. There is no non-compete agreement between the Acquirers and the Target Company or any other entity as envisaged under regulation 20(8) of the Regulations. No additional payment is being made to the Acquirers as non-compete fee.
- (h) In terms of the second proviso to regulation 22(7) of the Regulations, Mr. Satish Jain and Mr. Nitesh R. Lodha have sought their appointment as Directors on the Board of the Target Company. Accordingly, the Board of Directors of the Target Company at its meeting held on February 20, 2008 appointed Mr. Satish Jain and Mr. Nitesh R. Lodha as Additional Directors.
- (i) Mr. Satish Jain & Mr. Nitesh R. Lodha undertake to recuse themselves and not to participate in any matters concerning or relating to the Offer including any preparatory steps leading to the Offer.
- (j) After completion of all formalities relating to the acquisition and after complying with formalities required by the Regulations, the Board of Directors might be reconstituted to include nominee(s) of Acquirers.
- (k) The shares acquired under the offer shall be free from lien, charges and encumbrances of any kind whatsoever.
- (l) The offer is unconditional and not subject to any minimum level of acceptance.
- (m) This is not a competitive bid.

- (n) The Acquirers does not hold any Equity Shares of PCL as on date of PA. The Acquirers has not acquired either directly or through any other person any Shares of PCL during 12 months preceding the date of PA.
- (o) The Acquirers have undertaken to comply with the Regulations and complete the Offer formalities irrespective of the compliance or fulfillment or outcome of the Agreement with the Sellers.

### **3.2. Details of the Proposed Offer**

- (a) The Acquirers made a Public Announcement of the Offer, which was published in all Editions of **The Financial Express** (English), **Jansatta** (Hindi) and **Utkal Mail** (Oriya) on January 15, 2008 in compliance with regulation 15 (1) of the Regulations. A Corrigendum to PA was also published in the same Newspapers on March 8, 2008. The Public Announcement as well as Corrigendum to PA is also available on SEBI's website at [www.sebi.gov.in](http://www.sebi.gov.in).
- (b) The Acquirers proposes to acquire up to 6,64,000 fully paid-up equity shares of Rs. 10/- each, from the existing shareholders of PCL (other than parties to the Agreements), at a price of Rs. 6.50/- per share ("Offer Price") representing 20% of its paid-up capital and 23.46% of the voting capital, payable in cash in terms of regulation 20 of the Regulations. Since there are 4,89,900 partly paid-up shares, the percentage has been calculated on the basis of Subscribed & Paid-up Share Capital and on the basis of Voting Capital. The amount due on the said shares towards calls-in-arrears is in different denominations and aggregating to Rs. 13,84,000/- (Rupees Thirteen Lakhs Eighty Four Thousand Only). The partly paid-up shareholders of the Target Company are not be eligible to participate in the Open Offer. However, if they wish to participate in the Open offer, they have to pay the allotment money in arrears along with the interest, if any, to the Target Company to make the shares fully paid-up. On allotment money being credited with interest, if any, they will become eligible to participate in the Open Offer and the Offer price shall be Rs. 6.50/- per share.
- (c) The Offer is not subject to any minimum level of acceptances. The Acquirers will acquire all Equity Shares of PCL that are tendered in terms of this Offer up to a maximum of 6,64,000 equity shares.
- (d) The Manager to the Offer i.e. Ashika Capital Limited does not hold any shares in the Target Company as on date. It declares and undertakes that it shall not deal in the shares of the Target Company during the period commencing from the date of their appointment as Manager to the offer till the expiry of 15 days from the date of closure of Offer.
- (e) The Acquirers has not acquired any shares of PCL after the date of Public Announcement and up to the date of this Letter of Offer.

### **3.3. Object of the Offer**

- (a) The Offer has been made pursuant to regulations 10 & 12 and other provisions of Chapter III and in compliance with the Regulations.
- (b) The prime object of the Offer is to have substantial acquisition of shares/ voting rights accompanied with the change of control and management of the company.
- (c) The Acquirers are presently engaged in the manufacturing of agriculture equipments and Agro based food products. The one of the Object Clause of the Target Company includes inter-alia to carry on the business of Acquirers including retailing of ready to eat food products through chain of stores which Acquirers intends to carry on. The Acquirers may reorganize and/or streamline various businesses for commercial reasons and operational efficiencies.
- (d) The Acquirers does not currently intend to dispose of or otherwise encumber any significant assets of the Target Company in the next two years, except such disposals or encumbrances in the ordinary course of business of the Target Company and / or for the purposes of restructuring, rationalizing and / or streamlining various operations, assets, liabilities, investments, businesses or otherwise of the Target Company. Further, the Acquirers undertake not to sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of

the Target Company, and in accordance with and subject to the applicable laws, permissions and consents, if any. However, the Target Company has obtained the approval of the Shareholders under section 293(1)(a) to sell, lease or otherwise dispose off, the whole or substantially of the assets of the company by passing a Special Resolution through Postal Ballot pursuant to Section 192 A of Companies Act, 1956 read with Companies (Passing of Resolution through Postal Ballot), Rules 2001, the results of which were declared on January 11, 2008.

#### 4. BACKGROUND OF THE ACQUIRERS

##### 4.1. Information about Acquirers:

- a) **Mr. Satish Jain**, S/o Prakash Chand Jain, aged about 32 years, is residing at 1/1, Maharani Road, Shreenath Chamber, Indore-452 007; Tel No.:0731-4034105. He has completed his Higher Secondary Education. He is having around 10 years of experience in the business of manufacturing and trading of agriculture equipment including pumps, sprayers and other tools. His Networth as on 30.11.2007 is Rs. 105.50 Lakhs as certified by Mr. Manoj Gupta(Membership No. 75574) partner of M/s. K.K. & Company, Chartered Accountants, vide certificate dated 20.12.2007 having Office at 318-319, Starlit Tower, 29, Y.N.Road, Opp: State Bank of Indore (H.O), Indore; Tel No.: 0731-2436510; Fax: 0731-2538264; E-mail: kkmisa@rediffmail.com.
- b) **Mr. Nitesh Lodha**, S/o Ratanchand Lodha, aged about 21 years, is residing at 6/C-2, Ritherdon Avenue, Vepery, Chennai-600 007; Tel No.:044-2640 0140. He did Bachelor in Business Administration in the year 2007. He is having around 2 years of experience in Agro based food processing & FMCG which is a family owned business. His Networth as on 31.12.2007 is Rs. 3.00 Lakhs as certified by Mr. M.Jayantilal Jain (Membership No. 029712) partner of M/s. Krishnan & Giri, Chartered Accountants, vide certificate dated 11.01.2008 having Office at 72, Thatha Muthiappan Street, 2<sup>nd</sup> Floor, Chennai-600 001; Tel No.: 044-25233837;E-mail: jayant\_jns@rediffmail.com.
- c) Both the Acquirers are cousin brothers. They have not entered into any formal agreement with respect to the acquisition of shares through this Offer and acting together under an informal understanding.
- d) The Acquirers do not belong to any industrial group. They have neither promoted any Company nor are they directors in any company, except M/s Satish Agro Industries, a sole proprietorship concern promoted by Mr.Satish Jain.
- e) The compliances under Chapter II of the Regulations is not applicable to the Acquirers since it does not hold any shares of PCL except those agreed to be acquired in terms of present Agreement.
- f) Mr. Satish Jain and Mr. Nitesh R. Lodha are not on the Board of any listed company.
- g) The details of the venture promoted by the Acquirers are as under:

**M/s. Satish Agro Industries**, is a Proprietary concern of Mr. Satish Jain. The office of the firm is situated at 1/1, Maharani Road, Shreenath Chambers 1<sup>st</sup> Floor, Indore-452 007. The concern is engaged in the business of Manufacturing of Agriculture Sprayers and related items.

Brief audited financials for the last three years are given below:

| Particulars            | (Amount - Rs. in Lakhs) |            |            |
|------------------------|-------------------------|------------|------------|
|                        | 31.03.2007              | 31.03.2006 | 31.03.2005 |
| Capital Account        | 9.56                    | 13.43      | 10.56      |
| Sales                  | 722.48                  | 517.07     | 495.09     |
| Profit After Tax (PAT) | 8.93                    | 6.82       | 4.56       |

Source: Audited financial statements

##### 4.2. Disclosures in terms of regulation 16(ix) of the Regulations:

- a. The Acquirers are presently engaged in the manufacturing of agriculture equipments and Agro based food products. The one of the Object Clause of the Target Company includes inter-alia to carry on the business of Acquirers including retailing of ready to eat food products through chain of stores

which Acquirers intends to carry on. The Acquirers may reorganize and/or streamline various businesses for commercial reasons and operational efficiencies.

- b. The Acquirers does not currently intend to dispose of or otherwise encumber any significant assets of the Target Company in the next two years, except such disposals or encumbrances in the ordinary course of business of the Target Company and / or for the purposes of restructuring, rationalizing and / or streamlining various operations, assets, liabilities, investments, businesses or otherwise of the Target Company. Further, the Acquirers undertake not to sell, dispose off or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders of the Target Company, and in accordance with and subject to the applicable laws, permissions and consents, if any. However, the Target Company has obtained the approval of the Shareholders under Section 293(1)(a) to sell, lease or otherwise dispose off, the whole or substantially of the assets of the company by passing a Special Resolution through Postal Ballot pursuant to Section 192A of Companies Act, 1956 read with Companies (Passing of Resolution through Postal Ballot), Rules 2001, the results of which were declared on January 11, 2008.

**The future plan /strategies of Acquirers with regard to the Target Company are as under:**

The Acquirers are presently engaged in the manufacturing of agriculture equipments and Agro based food products. One of the Object Clause of the Target Company includes inter-alia to carry on the business of Acquirers including retailing of ready to eat food products through chain of stores which Acquirers intends to carry on. The Acquirers may reorganize and/or streamline various businesses for commercial reasons and operational efficiencies.

**5. DISCLOSURE IN TERMS OF REGULATION 21(2)**

Pursuant to the Open Offer (assuming full acceptance), the public shareholding in Target Company would not result in public shareholding falling below the limit specified in the listing agreement for the purpose of listing on a continuous basis. As per the listing agreement, the Target Company is required to maintain atleast 25% public shareholding for listing on a continuous basis.

**6. BACKGROUND OF THE TARGET COMPANY- PCL**

**6.1. Brief History and Main Areas of Operations:**

- a. PCL was originally incorporated on 02.11.1992 in the State of Orissa in the name & style of 'Passari Cellulose Private Limited' and its name was changed to 'Passari Cellulose Limited' on 20.12.1994. The Registered Office of the company is situated at 20, Balgopalpur Industrial Estate, Balasore, Orissa-756 020; Tel No.:06782-275762 and the Corporate Office of the Company is situated at 4-Ho Chi Minh Sarani, 1<sup>st</sup> Floor, Suite No. 1B, Kolkata-700 071; Tel No.033-22824868; Fax No.:033-22824451.
- b. The Target Company is not carrying on any business since February, 2004 due to sluggish market demand and labour problems.
- c. As on date of PA, the Authorised Share Capital of the company is Rs. 500.00 Lakhs comprising of 50,00,000 equity shares of Rs. 10/- each. The issued and Subscribed capital of the company is Rs. 332.00 Lakhs comprising of 33,20,000 equity shares of Rs. 10/- each. The paid up capital is Rs. 318.16 Lakhs comprising of 28,30,100 fully paid-up equity shares of Rs. 10/- each and 4,89,900 partly paid-up equity shares.
- d. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures, etc. which are convertible into equity shares at any later date. There are no shares under lock-in period.
- e. The equity shares of PCL are listed on Bombay Stock Exchange Limited, Mumbai (BSE) and Calcutta Stock Exchange Limited, Kolkata (CSE). The equity shares of the Target Company were also listed on The Ahmedabad Stock Exchange Limited, Ahmedabad (ASE) & The Bhubaneswar Stock Exchange Limited, Bhubaneswar and have been delisted from ASE on September 9, 2005 vide their no ASE/2005/1979 and Bhubaneswar Stock Exchange on September 28, 2006 vide notification no. 330/06. The equity shares of the company are infrequently traded in terms of regulation 20(5) of the Regulations.



- f. The company came out with the Public Issue in the year 1995 to part finance expansion cost of the project for producing nitro cellulose, to meet working capital requirement, to enlist the shares of the company on stock exchange and to meet the issue expenses.

#### 6.2. Share Capital Structure of PCL:

| <b>Paid-up Equity Shares</b>       | <b>No. of Shares/Voting Rights</b> | <b>% Shares/Voting Rights</b> |
|------------------------------------|------------------------------------|-------------------------------|
| Fully Paid-up Equity Shares        | 28,30,100/28,30,100                | 85.24%/100%                   |
| Partly Paid-up Equity Shares       | 4,89,900/Nil                       | 14.76%/Nil                    |
| <b>Total paid-up Equity Shares</b> | <b>33,20,000/28,30,100</b>         | <b>100%/ 100%</b>             |

#### 6.3. Current Capital Structure of the Company:

| <b>Date of Allotment</b> | <b>No and % of Shares issued</b> |               | <b>Cumulative Paid-Up Capital (Rs.)</b> | <b>Mode of Allotment</b> | <b>Identity of Allottees</b> | <b>Status of Compliance</b> |
|--------------------------|----------------------------------|---------------|-----------------------------------------|--------------------------|------------------------------|-----------------------------|
|                          | <b>No.</b>                       | <b>%</b>      |                                         |                          |                              |                             |
| On Incorporation         | 1,000                            | 0.01          | 10,000                                  | Subscribers to Articles  | Promoters                    | Complied                    |
| 09.03.1993               | 20,200                           | 0.61          | 2,12,000                                | Further Issue            | Promoters                    | Complied                    |
| 31.03.1994               | 78,800                           | 2.38          | 10,00,000                               | Further Issue            | Promoters                    | Complied                    |
| 05.01.1995               | 2,80,000                         | 8.44          | 38,00,000                               | Further Issue            | Promoters                    | Complied                    |
| 19.07.1995               | 29,40,000                        | 88.56         | 3,32,00,000                             | Public Issue             | Promoters/Public             | Complied                    |
| <b>TOTAL</b>             | <b>33,20,000</b>                 | <b>100.00</b> |                                         |                          |                              |                             |

- 6.4. The Target Company has been complying with the applicable clauses of the Listing Agreement entered into with the Stock Exchange(s) and no punitive action was taken against the company by any of the stock exchange. The target company has paid up to date Listing Fees to the stock exchange(s) and the Company has addressed all investor's complaints as and when received and there is no pending complaint as on date.

#### 6.5. Present Composition of the Board of Directors of PCL:

As on date of PA, the Directors on the Board of PCL were:

| <b>S. No.</b> | <b>Name</b>             | <b>Address</b>                                       | <b>Qualification</b> | <b>Experience</b>                                           | <b>Date of Appointment</b> |
|---------------|-------------------------|------------------------------------------------------|----------------------|-------------------------------------------------------------|----------------------------|
| 1.            | Mr. O.P. Passari        | CJ-4, Salt lake, Sectoe-II, Kolkata-700 091.         | B. E. (Mechanical)   | Over three decades of experience in the Chemical business   | 11.03.1993                 |
| 2.            | Mr. R. N. Passari       | CJ-4, Salt lake, Sectoe-II, Kolkata-700091.          | B.Com.               | Over three decades of experience in Finance and Marketing   | 03.09.1994                 |
| 3.            | Mr. T.K. Lahiri         | 61, Rashbehari Avenue, PO-Kalighat, Kolkata-700 026. | B. Sc.               | Over three decades of experience in the Chemicals Marketing | 28.08.1998                 |
| 4.            | Mr. D.K. Kanodia        | 197, Bidhan Sarani, Kolkata-700 006.                 | B.Com.               | Over a decade of experience in Capital Market               | 10.03.2004                 |
| 5.            | Mr. Vinee Dalmia        | 128, Rash Bihari Avenue, Kolkata-700 029.            | B.Com.               | Over a decade of experience in Chemicals Business           | 10.03.2004                 |
| 6.            | Mr. Sundeep Jhunjunwala | 13, Armeein Street, Kolkata- 700 001.                | B.Com.               | Over a decade of experience in Finance and Marketing        | 10.03.2004                 |

None of the above Directors are representing the Acquirers.

6.6. There has been no merger / de-merger or spin off involving PCL in the past three years.

6.7. The Promoters / Sellers have complied with the applicable provisions of Chapter II of the Regulations. The Target Company has submitted the necessary documents with Stock Exchange(s) under SEBI Regularization Scheme, 2002 for the disclosures under regulation 6(2) & 6(4) of the Regulations for the year 1997 and regulation 8(3) of the Regulations for the year 1998 to 2001 vide their letter no. Pcl/SE/2002-03/79 dated March 28, 2003. Thereafter, the Target Company is regular in compliance with the provisions of SEBI (SAST) Regulations 1997. Apart from the Present Promoters, there are no other major shareholders who are holding 15% or more voting capital of the Target Company.

#### 6.8. Financial Information:

Brief audited financials of PCL for the last 3 Years and certified results for the period ended 30.09.2007 are as follows:

| <b>Profit &amp; Loss Statement</b>       |                   | (Rs. in Lakhs)    |                   |                   |
|------------------------------------------|-------------------|-------------------|-------------------|-------------------|
| <b>For the Year/period ended</b>         | <b>30.09.2007</b> | <b>31.03.2007</b> | <b>31.03.2006</b> | <b>31.03.2005</b> |
| Income                                   | Nil               | Nil               | Nil               | Nil               |
| Other Income                             | Nil               | Nil               | 0.67              | 0.80              |
| <b>Total Income</b>                      | <b>Nil</b>        | <b>Nil</b>        | <b>0.67</b>       | <b>0.80</b>       |
| Total Expenditure                        | 1.76              | 4.44              | 13.64             | 9.16              |
| Profit/(Loss) before Interest, Dep.& Tax | (1.76)            | (4.44)            | (12.97)           | (8.36)            |
| Depreciation                             | Nil               | Nil               | Nil               | Nil               |
| <b>Profit/(Loss) before Tax</b>          | <b>(1.76)</b>     | <b>(4.44)</b>     | <b>(12.97)</b>    | <b>(8.36)</b>     |
| Provision for Tax                        | Nil               | Nil               | Nil               | Nil               |
| <b>Profit/(Loss) after Tax</b>           | <b>(1.76)</b>     | <b>(4.44)</b>     | <b>(12.97)</b>    | <b>(8.36)</b>     |

| <b>Balance Sheet</b>                  |                   | (Rs. in Lakhs)    |                   |                   |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| <b>As at</b>                          | <b>30.09.2007</b> | <b>31.03.2007</b> | <b>31.03.2006</b> | <b>31.03.2005</b> |
| <b>Sources of Funds:</b>              |                   |                   |                   |                   |
| Share Capital                         | 332.00            | 332.00            | 332.00            | 332.00            |
| Less: Calls in arrears                | 13.84             | 13.84             | 13.84             | 13.84             |
| Total                                 | 318.16            | 318.16            | 318.16            | 318.16            |
| Reserve & Surplus                     | 8.24              | 8.24              | 8.24              | 8.24              |
| Profit & Loss Account (Debit Balance) | (122.71)          | (120.93)          | (116.49)          | (103.52)          |
| <b>Net worth</b>                      | <b>203.69</b>     | <b>205.47</b>     | <b>209.91</b>     | <b>222.88</b>     |
| Secured Loans                         | 129.33            | 129.33            | 129.33            | 134.70            |
| <b>Total</b>                          | <b>333.02</b>     | <b>334.80</b>     | <b>339.24</b>     | <b>357.58</b>     |
| <b>Application of Funds:</b>          |                   |                   |                   |                   |
| Net Fixed Assets                      | 183.66            | 183.66            | 183.66            | 183.34            |
| Investments                           | 72.46             | 64.11             | 64.11             | 64.11             |
| Net Current Assets                    | 76.90             | 87.03             | 91.47             | 110.13            |
| <b>Total</b>                          | <b>333.02</b>     | <b>334.80</b>     | <b>339.24</b>     | <b>357.58</b>     |

| <b>Other Financial Data</b> |                   |                   |                   |                   |
|-----------------------------|-------------------|-------------------|-------------------|-------------------|
| <b>For year ended</b>       | <b>30.09.2007</b> | <b>31.03.2007</b> | <b>31.03.2006</b> | <b>31.03.2005</b> |
| Dividend (%)                | Nil               | Nil               | Nil               | Nil               |
| EPS (Rs.)                   | (0.06)            | (0.14)            | (0.41)            | (0.26)            |
| Return on Net worth (%)     | (0.86)            | (2.16)            | (6.18)            | (3.75)            |
| Book Value per share (Rs.)  | 6.40              | 6.46              | 6.60              | 7.01              |

Source: Annual Reports

Networth = Equity Share Capital – Profit & Loss Account (debit balance)

EPS = Profit after Tax / No. of shares outstanding

Return on Net Worth = Profit after Tax / Net Worth

Book Value per Share = Net Worth / No. of shares outstanding

#### 6.9. Pre and Post-Offer Shareholding Pattern of PCL (Based on Subscribed Capital):

| Shareholders' Category                                       | Shareholding & Voting Rights prior to the Agreement(s)/ Acquisition and Offer |               | Shares / Voting Rights agreed to be Acquired which triggered off the Regulations |                | Shares/ Voting Rights to be Acquired in Open Offer (Assuming full acceptances) |                | Shareholding / Voting Rights after the Acquisition and Offer |               |
|--------------------------------------------------------------|-------------------------------------------------------------------------------|---------------|----------------------------------------------------------------------------------|----------------|--------------------------------------------------------------------------------|----------------|--------------------------------------------------------------|---------------|
|                                                              | (A)                                                                           |               | (B)                                                                              |                | (C)                                                                            |                | (A)+(B)+(C)=(D)                                              |               |
|                                                              | No.                                                                           | %             | No.                                                                              | %              | No.                                                                            | %              | No.                                                          | %             |
| <b>1. Promoter Group</b>                                     |                                                                               |               |                                                                                  |                |                                                                                |                |                                                              |               |
| a) Parties to Agreements                                     | 9,77,300                                                                      | 29.44         | (9,77,300)                                                                       | (29.44)        | Nil                                                                            | Nil            | Nil                                                          | Nil           |
| b) Promoters other than (a) above                            | 7,500                                                                         | 0.23          | Nil                                                                              | Nil            | Nil                                                                            | Nil            | 7,500                                                        | 0.23          |
| <b>Total (a+b)</b>                                           | <b>9,84,800</b>                                                               | <b>29.67</b>  | <b>(9,77,300)</b>                                                                | <b>(29.44)</b> | <b>Nil</b>                                                                     | <b>Nil</b>     | <b>Nil*</b>                                                  | <b>Nil*</b>   |
| <b>2. Acquirers</b>                                          |                                                                               |               |                                                                                  |                |                                                                                |                |                                                              |               |
| Mr. Satish Jain                                              | Nil                                                                           | Nil           | 9,00,000                                                                         | 27.11          | 6,64,000                                                                       | 20.00          | 16,41,300                                                    | 49.44         |
| Mr. Nitesh Lodha                                             |                                                                               |               | 77,300                                                                           | 2.33           |                                                                                |                |                                                              |               |
| <b>Total (a+b)</b>                                           | <b>Nil</b>                                                                    | <b>Nil</b>    | <b>9,77,300</b>                                                                  | <b>29.44</b>   | <b>6,64,000</b>                                                                | <b>20.00</b>   | <b>16,41,300</b>                                             | <b>49.44</b>  |
| <b>3. Parties to Agreements other than (1) (a) &amp; (2)</b> | Nil                                                                           | Nil           | Nil                                                                              | Nil            | Nil                                                                            | Nil            | Nil                                                          | Nil           |
| <b>4. Public (Other than Promoters, Acquirers)</b>           |                                                                               |               |                                                                                  |                |                                                                                |                |                                                              |               |
| a. FIs/MFs/FIIs/Banks, SFIs                                  |                                                                               |               |                                                                                  |                |                                                                                |                |                                                              |               |
| b. Others                                                    | 23,35,200                                                                     | 70.33         | Nil                                                                              | Nil            | (6,64,000)                                                                     | (20.00)        | 16,78,700                                                    | 50.56         |
| <b>Total (a+b)</b>                                           | <b>23,35,200</b>                                                              | <b>70.33</b>  | <b>Nil</b>                                                                       | <b>Nil</b>     | <b>(6,64,000)</b>                                                              | <b>(20.00)</b> | <b>16,78,700</b>                                             | <b>50.56</b>  |
| <b>GRAND TOTAL (1+2+3+4)</b>                                 | <b>33,20,000</b>                                                              | <b>100.00</b> | <b>Nil</b>                                                                       | <b>Nil</b>     | <b>Nil</b>                                                                     | <b>Nil</b>     | <b>33,20,000</b>                                             | <b>100.00</b> |

#### Pre and Post-Offer Shareholding Pattern of PCL (Based on Voting Capital):

| Shareholders' Category                                       | Shareholding & Voting Rights prior to the Agreement(s)/ Acquisition and Offer |               | Shares / Voting Rights agreed to be Acquired which triggered off the Regulations |                | Shares/ Voting Rights to be Acquired in Open Offer (Assuming full acceptances) |                | Shareholding / Voting Rights after the Acquisition and Offer |               |
|--------------------------------------------------------------|-------------------------------------------------------------------------------|---------------|----------------------------------------------------------------------------------|----------------|--------------------------------------------------------------------------------|----------------|--------------------------------------------------------------|---------------|
|                                                              | (A)                                                                           |               | (B)                                                                              |                | (C)                                                                            |                | (A)+(B)+(C)=(D)                                              |               |
|                                                              | No.                                                                           | %             | No.                                                                              | %              | No.                                                                            | %              | No.                                                          | %             |
| <b>1. Promoter Group</b>                                     |                                                                               |               |                                                                                  |                |                                                                                |                |                                                              |               |
| a) Parties to Agreements                                     | 9,77,300                                                                      | 34.53         | (9,77,300)                                                                       | (34.53)        | Nil                                                                            | Nil            | Nil                                                          | Nil           |
| b) Promoters other than (a) above                            | 7,500                                                                         | 0.27          | Nil                                                                              | Nil            | Nil                                                                            | Nil            | 7,500                                                        | 0.27          |
| <b>Total (a+b)</b>                                           | <b>9,84,800</b>                                                               | <b>34.80</b>  | <b>(9,77,300)</b>                                                                | <b>(34.53)</b> | <b>Nil</b>                                                                     | <b>Nil</b>     | <b>Nil*</b>                                                  | <b>Nil*</b>   |
| <b>2. Acquirers</b>                                          |                                                                               |               |                                                                                  |                |                                                                                |                |                                                              |               |
| Mr. Satish Jain                                              | Nil                                                                           | Nil           | 9,00,000                                                                         | 31.80          | 6,64,000                                                                       | 23.46          | 16,41,300                                                    | 57.99         |
| Mr. Nitesh Lodha                                             |                                                                               |               | 77,300                                                                           | 2.73           |                                                                                |                |                                                              |               |
| <b>Total (a+b)</b>                                           | <b>Nil</b>                                                                    | <b>Nil</b>    | <b>9,77,300</b>                                                                  | <b>34.53</b>   | <b>6,64,000</b>                                                                | <b>23.46</b>   | <b>16,41,300</b>                                             | <b>57.99</b>  |
| <b>3. Parties to Agreements other than (1) (a) &amp; (2)</b> | Nil                                                                           | Nil           | Nil                                                                              | Nil            | Nil                                                                            | Nil            | Nil                                                          | Nil           |
| <b>4. Public (Other than Promoters, Acquirers)</b>           |                                                                               |               |                                                                                  |                |                                                                                |                |                                                              |               |
| a. FIs/MFs/FIIs/Banks, SFIs                                  |                                                                               |               |                                                                                  |                |                                                                                |                |                                                              |               |
| b. Others                                                    | 18,45,300                                                                     | 65.20         | Nil                                                                              | Nil            | (6,64,000)                                                                     | (23.46)        | 11,81,300                                                    | 41.74         |
| <b>Total (a+b)</b>                                           | <b>18,45,300</b>                                                              | <b>65.20</b>  | <b>Nil</b>                                                                       | <b>Nil</b>     | <b>(6,64,000)</b>                                                              | <b>(23.46)</b> | <b>11,81,300</b>                                             | <b>41.74</b>  |
| <b>GRAND TOTAL (1+2+3+4)</b>                                 | <b>28,30,100</b>                                                              | <b>100.00</b> | <b>Nil</b>                                                                       | <b>Nil</b>     | <b>Nil</b>                                                                     | <b>Nil</b>     | <b>28,30,100</b>                                             | <b>100.00</b> |

\*The holding of erstwhile Promoter Group will be included in Public after completion of Offer formalities.

6.10. There are 2,938 equity shareholders under Public category as on 31.12.2007.

6.11. The Company is complying with Clause 49 of the Listing Agreement on Corporate Governance.

6.12. Name and Contact details of the Compliance Officer:

**Mr. O. P. Passari**

4-Ho Chi Minh Sarani, 1<sup>st</sup> Floor, Suite No. 1 B, Kolkata-700 071;

Tel No.: 033-2282 3931/4868; FaxNo: 033-2282 4451.

6.13. There was no purchase or sale of shares of the Target Company by the Promoter Group from 1997 to 2007 and hence there are no changes in the shareholding of the Promoter Group.

## **7. OFFER PRICE AND FINANCIAL ARRANGEMENTS**

### **7.1. Justification of Offer Price:**

1. The shares of PCL are presently listed only at Bombay Stock Exchange Limited, Mumbai (BSE) and The Calcutta Stock Exchange Limited, Kolkata (CSE) and are not traded on any Stock Exchange(s) under Permitted Category.
2. The annualized trading turnover during the preceding 6 calendar months prior to the month in which PA is made i.e. July 2007 to December 2007 (both Inclusive) at the Stock Exchange(s) is as under: -

| <b>Name of Stock Exchange</b> | <b>Total No. of Shares traded during 6 calendar months prior to the month in which PA was made</b> | <b>Total No. of listed Shares</b> | <b>Annualized Trading turnover (in terms of % to total listed shares)</b> |
|-------------------------------|----------------------------------------------------------------------------------------------------|-----------------------------------|---------------------------------------------------------------------------|
| BSE                           | Nil                                                                                                | 33,20,000                         | Nil                                                                       |
| CSE                           | Nil                                                                                                | 33,20,000                         | Nil                                                                       |

(Source: [www.bseindia.com](http://www.bseindia.com))

3. Based on the information available, the shares of PCL are deemed to be infrequently traded in terms of Explanation (i) to regulation 20(5) of the Regulations and hence, the Offer Price has been determined taking into account the following parameters:

|    |                                                                                                                                                                                          |   |                                 |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|---------------------------------|
| a) | Negotiated Price under the Agreements                                                                                                                                                    | : | Rs. 3/- per fully paid-up share |
| b) | Highest Price paid by the Acquirers for acquisition, including by way of allotment in a public or rights or preferential issue during the twenty six week period prior to the date of PA | : | Nil                             |
| c) | <b>Other Parameters based on the Audited Accounts for the year ended 31.03.2007</b>                                                                                                      |   |                                 |
|    | Book Value per Share (Rs.)                                                                                                                                                               | : | 6.46                            |
|    | Earnings Per Share (Rs.)                                                                                                                                                                 | : | (0.14)                          |
|    | Return on Net worth (%)                                                                                                                                                                  | : | (2.16)                          |

4. In view of the above, the Offer Price is justified in terms of regulation 20(5) of the Regulations.
5. If the Acquirers acquire shares after the PA and upto seven working days prior to closure of the Offer at a price higher than the Offer Price, the highest price paid for such acquisitions shall be payable for all the acceptances received under this Offer as per the Regulations. Any revision in the Offer Price shall be notified by advertisement in the same newspapers in which the original PA appeared.
6. The Acquirers has not entered into any non-compete agreement.

### **7.2. Financial Arrangements:**

1. The maximum fund requirement for the Offer assuming full acceptance of the Offer would be Rs. 43,16,000/- (Rupees Forty Three Lakhs Sixteen Thousand only) (i.e. 6,64,000 fully paid-up equity shares of Rs. 10/- each at a price of Rs. 6.50/- per share).

2. In accordance with the provisions of regulation 28 of the Regulations, the Acquirers has created an escrow in the form of cash deposit of Rs. 43,50,000/- (Rupees Forty Three Lakhs Fifty Thousand only) in Account Number 0600350046874 with HDFC Bank Limited, Address: Maneckji Wadia Building, Ground Floor, Nanik Motwane Marg, Fort, Mumbai – 400 023 Tel No.: 022-66573535; Fax: 022-22705520 (Escrow Account). The amount placed in the Escrow Account is more than 100% of the maximum consideration payable under the offer. The Manager to the Offer is authorised to operate and realise the value of the Escrow Account in terms of the Regulations and accordingly HDFC Bank Limited have issued a Letter dated January 14, 2008 and February 9, 2008 in favour of Manager to the Offer confirming the same.
3. The details of the liquid assets available with the Acquirers to meet the obligation under the Offer, out of their network, are as under:

| S. No. | Particulars                       | Mr. Satish Jain<br>(Amount Rs. in Lakhs) | Mr. Nitesh R. Lodha<br>(Amount Rs. in Lakhs) |
|--------|-----------------------------------|------------------------------------------|----------------------------------------------|
| a.     | Investment in Property            | 76.14                                    | --                                           |
| b.     | Investment in Proprietary Concern | 9.56                                     | --                                           |
| c.     | Cash & Bank Balance               | 3.15                                     | 3.00                                         |
| d.     | Gold Ornaments                    | 5.00                                     | --                                           |
| e.     | Investment in Shares              | 8.80                                     | --                                           |
| f.     | Surrender value of LIC            | 2.85                                     | --                                           |
|        | <b>Total</b>                      | <b>105.50</b>                            | <b>3.00</b>                                  |

4. The Acquirers have adequate financial resources and has made firm financial arrangements for the implementation of the Offer in full out of their own Network and no borrowings from any Bank and/or Financial Institutions is envisaged. Mr. Manoj Gupta (Membership No. 75574) partner of M/s. K.K. & Company. Chartered Accountants, having Office at 318-319, Starlit Tower, 29, Y.N. Road, Opp: State Bank of Indore (H.O), Indore; Tel No.: 0731-2436510; Fax: 0731-2436632; E-mail: kkmisa@rediffmail.com vide certificate dated January 12, 2008 have confirmed that sufficient resources are available with the Acquirers for fulfilling the obligations under this 'Offer' in full.
5. Based on the above, the Manager to the Offer is satisfied that the Acquirers has the ability to implement the Offer in accordance with the Regulations and firm arrangements for funds for payment through verifiable means are in place to fulfill the Offer obligations.

## 8. TERMS AND CONDITIONS OF THE OFFER

- This Offer is being made to all the equity shareholders of PCL (other than parties to the Agreements) whose names appear on the Register of Members of PCL or on the beneficial record of the respective depositories, at the close of business hours on February 2, 2008 (Saturday) ['Specified date'] and to also those persons, who own the equity shares at any time prior to closure of the Offer, but are not registered shareholders.
- The Letter of Offer, specifying the detailed terms and conditions, together with the Form of Acceptance-cum- Acknowledgement ("Form of Acceptance"), Form of Withdrawal and Transfer Deed (for shareholders holding equity shares in the physical form only) is being mailed to those shareholders of PCL whose names appear on the Register of Members of PCL and to the Beneficial Owners of the Equity Shares of PCL whose names appear as beneficiaries on the record of the respective Depositories, at the close of business hours on February 2, 2008 (Saturday) ('Specified Date'). Owners of equity shares at any time prior to the closure of the Offer but not registered as shareholder(s) are also eligible to participate in the Offer. No Letter of Offer together with a Form of Acceptance-cum-Acknowledgement will be mailed to the parties to the Agreements.
- All owners of the shares, Registered or Unregistered (except the parties to the Agreements) who own the shares any time prior to the Closing of the Offer are eligible to participate in the Offer.

4. Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non-receipt of the Letter of Offer by any member entitled to this Open Offer shall not invalidate the Open Offer in any manner whatsoever. A copy of the letter of offer (including Form of Acceptance) is expected to be available on SEBI's Website (<http://www.sebi.gov.in>) during the period the offer is open and may also be downloaded from the website for participating in the Offer.
5. Attention of the shareholders is invited to the fact that the Letter of Offer along with the form of Acceptance would also be available on the SEBI web site at [www.sebi.gov.in](http://www.sebi.gov.in) and eligible persons may download the Form of Acceptance cum Acknowledgement from the website for participating in the offer.
6. As on date, none of the shares of the company are under lock-in.
7. In case the number of shares validly tendered in the Offer by the shareholders of PCL are more than the shares to be acquired under the Offer (i.e. 6,64,000 equity shares) then the acquisition of the shares from each shareholder will be as per the provision of regulation 21(6) of the Regulations on a proportionate basis subject to a minimum of 100 shares or the entire holding if less than 100 shares, in case of physical mode, from each shareholder accepting this Offer, as per the provisions of the Regulations. In case, the equity shares of PCL are surrendered in dematerialized mode, minimum marketable lot is one (1) equity share only. The rejected applications/ documents will be sent by the Registered Post.
8. The payment for acquisition of shares will be made by the Acquirers in Cash through a crossed Demand Draft/Pay Order to the equity Share holders of PCL whose equity share certificates and other documents are found in order and accepted, within 15 Days from the date of Closing of the Offer. The Acquirers undertake to pay interest pursuant to regulation 22 (12) to the shareholders for the delay, if any, in payment of consideration.
9. In case of acceptances from Non-Resident shareholders, the Acquirers would after the closure of the Offer, make the requisite applications to RBI to obtain its approval for transfer of such shares of PCL to the Acquirers.
10. As on date, no other statutory approvals are required to acquire the shares that are tendered pursuant to the Offer.
11. In case of non-receipt of statutory approvals within time, SEBI has a power to grant extension of time to Acquirers for payment of consideration to the shareholders, who have accepted the Offer, subject to Acquirers agreeing to pay interest as directed by SEBI under regulation 22(12) of the Regulations.
12. The form of Acceptance along with Share Certificate (s) and other documents delivered as per the requirements mentioned above, shall become acceptance on your part, but will become a fully valid and binding contract between you and the Acquirers only upon the fulfillment of all the conditions mentioned herein.

## 9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF OFFER

1. Shareholders who hold the shares of PCL and wish to tender their equity shares pursuant to the Offer will be required to submit the Form of Acceptance, original Share Certificate(s) and Transfer Deed(s) duly signed, Photocopy of the delivery instruction in "Off-Market" mode or counterfoil of the delivery instruction in "Off- Market" mode, duly acknowledged by DP in favour of the special depository account to the Registrars to the Offer, **Cameo Corporate Services Limited**, at their office mentioned below, so as to reach on or before the closure of the Offer, i.e. April 5, 2008 (Saturday), in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance.

| Name & Address                                                                                                                                                   | Contact Person                | Mode of Delivery                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------------------------------------------|
| <b>CAMEO CORPORATE SERVICES LIMITED</b><br>'Subramanian Building', No.1,<br>Club House Road, Chennai-600002;<br>Tel: 044-2846 0390/2252 0464; Fax: 044-28460129. | <b>Mr. R. D.<br/>Ramasamy</b> | Hand Delivery<br>Registered Post /<br>Speed Post |

The documents can be tendered at above address between Monday to Friday from 10.30 am to 1.00 pm and 2.00 pm to 4.00 pm and on Saturdays from 10.00 am to 2.00 pm. The Registrars to the Offer will be closed on Sundays and other Public Holidays.

The equity shareholders who cannot hand deliver their documents at the address referred to above may send the same by registered post/ speed post, at their own risk, to the Registrar to the Offer at their office at Mumbai, so as to reach their office on or before the closure of the Offer i.e. April 5, 2008 (Saturday).

2. Shareholders are advised to ensure that the Form of Acceptance cum Acknowledgement and other relevant documents are complete in all respects; otherwise the same is liable to be rejected. In the case of demated shares, the shareholders are advised to ensure that their shares are credited in favour of the special depository account before the closure of the Offer. The Form of Acceptance cum Acknowledgement of such demated shares not credited in favour of the special depository account before the closure of the Offer will be rejected.

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

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

**Registered Shareholders should enclose:**

- **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the Share Certificate(s).
- **Original Share Certificate(s).**
- Valid share Transfer Deed / 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 PCL and duly witnessed at the appropriate place.

**Unregistered Shareholders should enclose:**

- **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein, or application on plain paper.
- **Original share certificate(s).**
- **Original broker contract note.**
- **Valid share Transfer Deed / Form(s)** as received from market.

The details of buyer should be left blank failing which, the same will be invalid under the Offer. Unregistered shareholders should not sign the transfer deed. The transfer deed should be valid for transfer. No indemnity is required from unregistered shareholders.

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

**b) For Equity shares held in Demat form: -**

The Registrar to the Offer has opened a Special Depository Account with Indian Overseas Bank, (Registered with NSDL), styled 'Cameo Corporate Services Ltd - Escrow A/c - PCL Open Offer', whose details are as under: -

|                   |                                          |
|-------------------|------------------------------------------|
| DP Name:          | Indian Overseas Bank                     |
| DP ID Number:     | IN302437                                 |
| Client ID Number: | 20123919                                 |
| Market            | 'Off-Market'                             |
| Depository:       | National Securities Depositories Limited |

Shareholders having their beneficiary account in CDSL have to use Inter depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Account.

**Beneficial Owners should enclose:**

- **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein, by all the beneficial owners whose names appear in the beneficiary account, as per the records of the respective depository
- **Photocopy of the delivery instruction** in “Off-market” mode or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by DP in favour of the special depository account.

For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance. All beneficial owners maintaining accounts with CDSL are required to fill in an additional inter depository slip, maintained with the DP while giving instructions to their respective DPs.

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

4. Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the shares in respect of which the application is being sent, failing which, the tender would be considered invalid and would be liable to be rejected. Such documents may include (but not be limited to):
  - i. Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired. In case succession certificate has not been obtained, the legal heir may approach the registrar.
  - ii. Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).
  - iii. No objection certificate from any lender, if the shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
  - iv. In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions).
5. The share certificate(s), share transfer form, Form of Acceptance-cum-Acknowledgement and other documents, if any should be sent only to the Registrar to the Offer, at the address mentioned above. **They should not be sent to the Manager to the Offer or the Acquirers or the Target Company.**
6. In case of unregistered owners or shareholders who have not received the Letter of Offer, they may send their consent to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares offered, along with the documents as mentioned above, so as to reach the Registrar to the Offer on or before the closure of the Offer i.e. April 5, 2008 (Saturday), or in the case of beneficial owners, they may send the application in writing to the Registrar to the Offer, on a plain paper stating the Name, Address, Number of Shares held, Number of Shares offered, DP name, DP ID, beneficiary account number and a photocopy of the delivery instruction in “off-market” mode or counterfoil of the delivery instruction in the “off-market” mode, duly acknowledged by the DP, in favour of the aforesaid special depository account, so as to reach the Registrar to the Offer, on or before the closure of the Offer i.e. April 5, 2008 (Saturday). No indemnity is required from the unregistered owners.

**Unregistered owners should not sign the transfer deed and the transfer deed should be valid for transfer.**



Shareholders of PCL who have sent their equity shares for transfer should submit, Form of Acceptance duly completed and signed, copy of the letter sent to PCL (for transfer of said shares) and acknowledgement received thereon and valid share transfer form. Shareholders who have sent their physical shares for dematerialisation should submit their form of acceptance as applicable along with the copy of the demat request form (DRF) duly acknowledged by their DP. However they have to ensure that the corresponding credit of the dematerialized shares is received in the escrow depository account on or before closure of the Offer.

The eligible persons can write to the Manager to the Offer requesting for the Letter of Offer and Form of Acceptance cum Acknowledgement and fill up the same in accordance with the instructions given therein, so as to reach the Registrar to the Offer, on or before the Closure of the Offer.

Alternatively, the Letter of Offer and Form of Acceptance cum Acknowledgement will be available on SEBI's website at [www.sebi.gov.in](http://www.sebi.gov.in) from the date of opening of the Offer. The eligible persons can download the Form of Acceptance cum Acknowledgement from the SEBI's website and apply in the same.

7. Non resident shareholders should also enclose copy of permission received from RBI for the shares held by them in PCL and 'no-objection' certificate / tax clearance certificate from the Income Tax authorities under Income Tax Act, 1961, indicating the amount of tax to be deducted by the Acquirers before remitting the consideration. In case the aforesaid 'no-objection' certificate is not submitted, the Acquirers will arrange to deduct tax at the maximum marginal rate as may be applicable to the shareholder, on the entire consideration amount payable.
8. 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 April 2, 2008 (Wednesday). 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 April 2, 2008 (Wednesday). In case of non-receipt of 'Form of Withdrawal', the withdrawal option can be exercised by making an application on plain paper along with the following details:
  - a) **In case of Physical Shares:** Name, Address, distinctive numbers, folio nos., number of shares tendered/withdrawn, and
  - b) **In case of Dematerialised Shares:** Name, Address, number of shares tendered/withdrawn, DP name, DP ID, Beneficiary account number and a photocopy of the delivery instruction in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP in favour of the Special Depository Account.

Shares [Physical /Dematerialised form] withdrawn by the shareholders would be returned by the Registered post.

**The form of Withdrawal can also be downloaded from SEBI's website [www.sebi.gov.in](http://www.sebi.gov.in) or obtained from the Manager/ Registrar to the Offer.**

9. The Registrar to the Offer will hold in trust the Shares / Share Certificates, Transfer Deed(s), Shares lying in credit of the special depository account, Form of Acceptance cum Acknowledgement, if any, and the transfer form(s) on behalf of the shareholders of the Target Company who have accepted the Offer, till the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are despatched / returned.
10. Unaccepted Share Certificate(s), transfer forms and other documents, if any, will be returned by registered post at the shareholders' / unregistered owners' sole risk to the sole / first shareholder. Shares held in demat form to the extent not accepted will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance cum Acknowledgement.

## **10. DOCUMENTS FOR INSPECTION**

Copies of the following documents will be available for inspection at the office of the Manager to the Offer, **Ashika Capital Limited**, 1008, 10<sup>th</sup> Floor, Raheja Centre, 214, Nariman Point, Mumbai-400021, on any working day between 10.00a.m to 2.00p.m during the period the Offer is open i.e., from March 17, 2008 (Monday) to April 5, 2008 (Saturday):

- i) Copy of Share Purchase Agreement executed between Acquirers & Sellers dated January 12, 2008, which triggered off the Offer.
- ii) Memorandum & Articles of Association of PCL along with Certificate of Incorporation.
- iii) Audited results of PCL for the financial years ended 31.03.2005, 31.03.2006 and 31.03.2007 and certified results for the period ended 30.09.2007.
- iv) Copy of Prospectus dated 27.04.1995 related to the Public Issue of PCL.
- v) Chartered Accountant's Certificate (s) regarding the Net worth of the Acquirers.
- vi) Chartered Accountant's letter confirming the adequacy of financial resources with Acquirers to fulfill the Open Offer obligations.
- vii) Letter from HDFC Bank Ltd. Dated January 14, 2008 and February 9, 2008 confirming the amount kept in an escrow account and empowering the Manager to the Offer in accordance with the Regulations.
- viii) Copy of confirmation regarding the Special Depository Account in the name and Style of 'Cameo Corporate Services Ltd - Escrow A/c - PCL Open Offer'.
- ix) Copies of the Public Announcement published on January 15, 2008 and Corrigendum to PA made on March 8, 2008.
- x) Copy of the Letter No. CFD/DCR/TO/SS/119274/08 dated March 4, 2008 from SEBI in terms of Provisions of regulation 18(2).
- xi) Other relevant documents such as:
  - a. Copy of the Memorandum of Understanding between the Acquirers & the Manager to the Offer dated January 12, 2008.
  - b. Copy of the consent letter received from Cameo Corporate Services Limited, the Registrar to the Offer.
  - c. Copies of undertakings from Target Company and the Acquirers.

## **11. DECLARATION BY THE ACQUIRERS**

The Acquirers accepts full responsibility for the information contained in PA made in this regard, Letter of Offer and also for ensuring compliance with the Regulations.

The Manager to the Offer hereby states that the persons signing this Letter of Offer are the Acquirers.

Place: Indore

Date: March 10, 2008.

**Satish Jain**

**Nitesh Lodha**

**Attached: Form of Acceptance cum Acknowledgement and Withdrawal**

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT**

**Date:**

**From:**

**Tel.:**

**Fax:**

**E-mail:**

**To**

**CAMEO CORPORATE SERVICES LIMITED**

*(Unit:-Passari Cellulose Limited-Open Offer)*

Subramanian Building', No.1,

Club House Road,

Chennai-600002

Dear Sir,

**Sub: Open Offer to acquire upto 6,64,000 fully paid-up equity shares of Rs. 10/- each at a price of Rs. 6.50/- per share, representing 20% of paid-up capital and 23.46% of the voting capital of PCL by Mr. Satish Jain and Mr. Nitesh Lodha (collectively referred to as 'Acquirers')**

I/We refer to the Letter of Offer dated March 10, 2008 for acquiring the equity shares held by me/us in **Passari Cellulose Limited**. I/We, the undersigned have read the Letter of Offer and understood their contents and unconditionally accept the terms and conditions as mentioned therein.

**For Shares held in Physical Form:**

I/We hereby irrevocably & unconditionally 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:

| Sl. No.                    | Regd. Folio Number | Share Certificate Number | Distinctive Numbers |    | Number of Equity Shares |
|----------------------------|--------------------|--------------------------|---------------------|----|-------------------------|
|                            |                    |                          | From                | To |                         |
|                            |                    |                          |                     |    |                         |
|                            |                    |                          |                     |    |                         |
|                            |                    |                          |                     |    |                         |
| <b>Total No. of Shares</b> |                    |                          |                     |    |                         |

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

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

**For Shares held in Demat Form:**

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

| DP Name | DP ID | Client ID | No. of Shares | Name of Beneficiary |
|---------|-------|-----------|---------------|---------------------|
|         |       |           |               |                     |
|         |       |           |               |                     |

I/We have executed an off-market transaction for crediting the shares via

- ☐ A delivery instruction from my account with NSDL  
☐ An inter-depository delivery instruction from my account with CDSL

to the Special Depository Account named 'Cameo Corporate Services Ltd - Escrow A/c - PCL Open Offer' with the following particulars:

|                   |                                          |
|-------------------|------------------------------------------|
| DP Name:          | Indian Overseas Bank                     |
| DP ID Number:     | IN302437                                 |
| Client ID Number: | 20123919                                 |
| Market            | 'Off-Market'                             |
| Depository:       | National Securities Depositories Limited |

I/We note and understand that the shares would lie in the special depository account until the time the Acquirers dispatches the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the purchase consideration only after verification of the documents and signatures.

I/We confirm that the equity shares of, **Passari Cellulose Limited** which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.

Non - resident shareholders should enclose No objection Certificate / Tax Clearance Certificate 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 otherwise tax will be deducted at the maximum marginal rate as may be applicable to the category of shareholder on the consideration payable by the Acquirers.

I/We authorize the Acquirers 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 further authorize the Acquirers to return to me/us, share certificate(s)/ shares in respect of which the Offer is not found valid/not accepted without specifying the reasons thereof.

I/We authorize the Acquirers and the Registrar to the Offer and the Manager to the Offer to send by Registered Post/UPC as may be applicable at my/our risk, the draft/cheque, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned below

I/We authorize the Acquirers to accept the Shares so offered or such lesser number of Shares that they may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirers to split / consolidate the share certificates comprising the Shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirers are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

Yours faithfully,  
Signed and delivered:

|                   | FULL NAME (S) | SIGNATURE (S) |
|-------------------|---------------|---------------|
| First/sole Holder |               |               |
| Joint Holder 1    |               |               |
| Joint Holder 2    |               |               |
| Joint Holder 3    |               |               |

**Address of First/Sole Shareholder:** \_\_\_\_\_

Place: \_\_\_\_\_ Date: \_\_\_\_\_

**Note:** In case of joint holding, all must sign. A Company must affix the common seal and furnish its corporate authorizations.

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

Name of the Bank: \_\_\_\_\_ Branch: \_\_\_\_\_

Account Number: \_\_\_\_\_ Savings/Current/Others (please specify) \_\_\_\_\_

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

**S. No.**

**(Acknowledgement Slip)**

**CAMEO CORPORATE SERVICES LIMITED**

*(Unit:-Passari Cellulose Limited-Open Offer)*

Subramanian Building', No.1, Club House Road, Chennai-600002;

Tel: 044-2846 0390/2252 0464; Fax: 044-28460129. E-mail:rdr@cameoindia.com.

Received from Mr./Ms/Smt.: \_\_\_\_\_

Address: \_\_\_\_\_

Folio Number \_\_\_\_\_ DP ID \_\_\_\_\_ Client ID \_\_\_\_\_

Number of Share Certificates Enclosed \_\_\_\_\_

Certificate Numbers \_\_\_\_\_

Total Number of Shares Enclosed: \_\_\_\_\_

|                                                 |                                       |
|-------------------------------------------------|---------------------------------------|
| Signature of the<br>Official<br>Date of receipt | Stamp of<br>Registrar to<br>the Offer |
|                                                 |                                       |

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

**THIS PAGE IS INTENTIONALLY LEFT BLANK**

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 April 2, 2008 (Wednesday). In case you wish to withdraw your acceptance please use this form. | OFFER SCHEDULE          |                            |
|                                                                                                                                                                                                                                                                          | Offer Opens on          | :March 17, 2008 (Monday)   |
|                                                                                                                                                                                                                                                                          | Last Date of Withdrawal | :April 2, 2008 (Wednesday) |
|                                                                                                                                                                                                                                                                          | Offer Closes on         | :April 5, 2008 (Saturday)  |

*Please read the Instructions in Letter of Offer before filling-in this Form of Withdrawal*

**From:**

Tel.:

Fax:

E-mail:

**To**

**CAMEO CORPORATE SERVICES LIMITED**

*(Unit:-Passari Cellulose Limited-Open Offer)*

Subramanian Building', No.1,

Club House Road,

Chennai-600002

Dear Sir,

**Sub: Open Offer to acquire upto 6,64,000 fully paid-up equity shares of Rs. 10/- each at a price of Rs. 6.50/- per share, representing 20% of paid-up capital and 23.46% of the voting capital of PCL by Mr. Satish Jain and Mr. Nitesh Lodha (collectively referred to as 'Acquirers')**

I/We refer to the Letter of Offer dated March 10, 2008 for acquiring the equity shares held by me/us in **Passari Cellulose 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, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein.

I / We hereby consent unconditionally and irrevocably to withdraw my / our shares from the Offer and I / we further authorize the Acquirers to return to me / us, the tendered Share Certificate(s) / Share(s) at my / our sole risk.

I / We note that upon withdrawal of my / our shares from the Offer, no claim or liability shall lie against the Acquirers / Manager to the Offer / Registrar to the Offer.

I / We note that this Form of Withdrawal should reach the Registrar to the Offer on or before the last date of withdrawal i.e. **April 2, 2008 (Wednesday)**.

I / We note the Acquirers / Manager to the Offer / Registrar to the Offer shall not be liable for any postal delay / loss in transit of the shares held in physical form and also for the non-receipt of shares held in the dematerialized form in the DP account due to inaccurate / incomplete particulars/ instructions.

I / We also note and understand that the Acquirers will return the original share certificate(s), share transfer deed(s) / shares in dematerialized form only on completion of verification of the documents, signatures and beneficiary position as available with the depositories from time to time.

**For Shares held in Physical Form:**

The particulars of tendered original Share Certificate(s) and duly signed Transfer Deed(s) are detailed below:

| S. No.                     | Regd. Folio Number | Share Certificate Number | Distinctive Numbers |    | Number of Equity Shares |
|----------------------------|--------------------|--------------------------|---------------------|----|-------------------------|
|                            |                    |                          | From                | To |                         |
|                            |                    |                          |                     |    |                         |
|                            |                    |                          |                     |    |                         |
|                            |                    |                          |                     |    |                         |
| <b>Total No. of Shares</b> |                    |                          |                     |    |                         |

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

**For Shares held in Demat Form:**

I / We hold the shares in dematerialized form and had executed an off-market transaction for crediting the shares to the 'Cameo Corporate Services Ltd - Escrow A/c - PCL Open Offer' as per the following particulars:

|                   |                                          |
|-------------------|------------------------------------------|
| DP Name:          | Indian Overseas Bank                     |
| DP ID Number:     | IN302437                                 |
| Client ID Number: | 20123919                                 |
| Market            | 'Off-Market'                             |
| Depository:       | National Securities Depositories Limited |

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

| DP Name | DP ID | Client ID | No. of Shares | Name of Beneficiary |
|---------|-------|-----------|---------------|---------------------|
|         |       |           |               |                     |
|         |       |           |               |                     |

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

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

In case of dematerialized shares, I / we confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

Yours faithfully,  
Signed and Delivered:

|                   | Full Name of the Shareholders | Address | Signature |
|-------------------|-------------------------------|---------|-----------|
| First/sole Holder |                               |         |           |
| Joint Holder 1    |                               |         |           |
| Joint Holder 2    |                               |         |           |
| Joint Holder 3    |                               |         |           |

**Address of First/Sole Shareholder:** \_\_\_\_\_

**Note:** In case of joint holding, all must sign. A Company must affix the common seal and furnish its corporate authorizations.

Place: \_\_\_\_\_ Date: \_\_\_\_\_



## INSTRUCTIONS

1. The shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before 17.00 hours upto the last date of withdrawal i.e. April 2, 2008 (Wednesday).

2. Shareholders should enclose the following:-

**Registered Shareholders should enclose:**

- Duly signed and completed Form of Withdrawal.
- Copy of the Form of Acceptance cum Acknowledgement / Plain paper application submitted and the Acknowledgement slip.
- In case of partial withdrawal, Valid Share Transfer form(s) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with Target Company and duly witnessed at the appropriate place.

**Unregistered owners should enclose:**

- Duly signed and completed Form of Withdrawal.
- Copy of the Form of Acceptance cum Acknowledgement / Plain paper application submitted and the Acknowledgement slip
- The withdrawal of Shares will be available only for the Share certificates that have been received by the Registrar to the Offer.
- The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company.
- The Form of Withdrawal alongwith enclosure should be sent only to the Registrar to the Offer.
- 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 PCL. The facility of partial withdrawal is available only on to the registered shareholders.

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

S. No.

(Acknowledgement Slip)

**CAMEO CORPORATE SERVICES LIMITED**

(Unit:-Passari Cellulose Limited-Open Offer)

Subramanian Building', No.1, Club House Road, Chennai-600002;

Tel: 044-2846 0390/2252 0464; Fax: 044-28460129. E-mail:rdr@cameoindia.com.

Received Form of Withdrawal from Mr. / Ms. / Smt...: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

Folio Number \_\_\_\_\_ DP ID \_\_\_\_\_ Client ID \_\_\_\_\_

Number of Shares tendered \_\_\_\_\_

Number of Shares withdrawn \_\_\_\_\_

| Signature of the<br>Official<br>Date of receipt | Stamp of<br>Registrar to<br>the Offer |
|-------------------------------------------------|---------------------------------------|
|                                                 |                                       |

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**PRINTED MATTER**

**BOOK POST**

**To**

**If undelivered, please return to:**  
**CAMEO CORPORATE SERVICES LIMITED**  
*(Unit:-Passari Cellulose Limited-Open Offer)*  
Subramanian Building, # 1,  
Club House Road, Chennai-600 002.  
Tel: 044-28460390; Fax No: 044-28460129  
E-mail: [cameo@cameoindia.com](mailto:cameo@cameoindia.com)