PUBLIC ANNOUNCEMENT TO THE EQUITY SHAREHOLDERS OF
PUNALUR PAPER MILLS LIMITED

Regd. Office: Punalur, Kollam District, Kerala.

This Public Announcement ("**PA**") is being issued by Keynote Corporate Services Limited ("**Manager to the Offer**"), on behalf of Mr. Mohammed Illyas, Mr. Venkata Ratnam, Mr. K. Raveendran, Mr. T.K. Sundaresan Mr. Nelson Sebastian and Ms. Omana Subhash (herein after referred to as "**Acquirers**") along with Ms. Vimala Raveendran, Ms. Anupama Priyamkari, Ms. Amrutha Priyamkari, Ms. Prasanna Sundaresan, Ms. Aswathy Sundaresh Ms. Darshana Sundaresh, Mr. Ajay Sundaresan, Ms. Sheela Nelson and Ms. Sheena Illyas, (hereinafter referred to as "**Persons Acting in Concert" or "PACs**"), pursuant to Regulation 10 read with Regulation 12 of the Securities and Exchange Board of India (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 & subsequent amendments thereto (hereinafter referred to as the "**Regulations" or "SEBI (SAST) Regulations**").

I. THE OFFER

1. BACKGROUND TO THE OFFER

Punalur Paper Mills Limited (hereinafter referred to as the target company/PPML) was incorporated in the year 1888 under the Travancore Companies Regulation 1 of 1092 and is having its registered office at Punalur, Kollam District, Kerala. The equity shares of PPML are presently listed on Cochin Stock Exchange Ltd. (**CoSE**) and Delhi Stock Exchange Ltd. (**DSE**). The manufacturing unit of the company was closed down in the year 1987 and since then the company is non-operational. The company's assets including the registered office were under the custody and seal of the Court Receiver. Keynote Corporate Services Limited, the Merchant Banker, vide letter dated March 8, 2010 forwarded an exemption application (hereinafter referred to as the application) to the Takeover Panel on behalf of the Acquirers and PACs under Regulation 4(2) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 (hereinafter referred to as the Takeover Regulations) read with Regulation 3(1)(I) thereof, with the Securities and Exchange Board of India (hereinafter referred to as SEBI). The Acquirers including PACs had vide their application sought exemption from the applicability of Regulations 10 and 12 of the Takeover Regulations and other related Regulations 13, 14, 15, 16, 17, 18, 20 and 22 thereof, in respect of their proposed acquisition of 11,82,696 equity shares (representing 52.76% of the subscribed and paid up equity share capital of the target company) alongwith voting rights attached thereto, from the present promoters of the target company Mr. Kunal Dalmia and associates.

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

In the meantime, the Acquirers and PACs through a Share Purchase Agreement (**SPA**) dated May 14, 2010 acquired 11,82,696 equity shares from the promoters of the Target Company Mr. Kunal Dalmia and associates. As the said acquisition was made while the application was pending and not preceded by a public announcement, SEBI vide letter dated October 12, 2010 advised the Acquirers and PACs to explain why action should not be initiated in terms of Regulation 44 of the Takeover Regulations for which a detailed reply giving clarifications as to why no action should be taken against the Acquirers and PACs was submitted on November 9, 2010. The Acquirers made their submissions and sought for an opportunity of hearing in order to explain the acquisition and its justification.

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

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

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

2. This PA of open offer ("**Offer**") is being made by the Acquirers alongwith PACs pursuant to Regulation 10 read with Regulation 12 of the SEBI (SAST) Regulations to the shareholders of Punalur Paper Mills Ltd. ("**Target Company/ PPML**") to acquire 4,48,318 fully paid up equity shares of the face value of ₹ 10 each, representing 20% of the paid up equity share capital of the Target Company, from the public shareholders of the Target Company, at a price of ₹ 10.75 per fully paid up equity share (including interest from May 18, 2010 till the date of this Public Announcement) ("**Offer Price**") payable in cash pursuant to the following:
   (i) As on the date of this PA, the Acquirers alongwith PACs hold 11,82,696 equity shares in the target company acquired through the SPA dated May 14, 2010.
   (ii) On May 14, 2010, the Acquirers alongwith PACs entered into a Share Purchase Agreement with Mr. Kunal Dalmia, Ms. Usha Mittal, Ms. Shaily Vaid, Ms. Kusum Moondhara, Ms. Suman Hada, M/s. Kashi Cold Storage Pvt Ltd. and M/s. Lakshminivas & Co. (Exports) Pvt. Ltd. (herein after referred to as "**Sellers**") whereby the Sellers agreed to sell 11,82,696 equity shares of target company resulting an acquisition of the Equity Shares and the control of the Target Company by the Acquirers alongwith PACs and hence this Offer is being made under Regulations 10 and 12 of the SEBI (SAST) Regulations.
3. This Offer is being made to all the public shareholders of Target Company and is not conditional on any minimum level of acceptances.
4. The PACs are related to the Acquirers.
5. The equity shares of PPML are presently listed on Cochin Stock Exchange Ltd. (**CoSE**) and Delhi Stock Exchange Ltd. (**DSE**). The equity shares of PPML were also listed on Bombay Stock Exchange Ltd. (BSE). BSE vide its letter dated December 14, 1985 delisted the equity shares of PPML due to non-payment of annual listing fees. CoSE vide its letter dated May 26, 2009 stated that the name of the Company fall under the category of non- compliant companies and is neither suspended nor delisted. DSE has vide their letter dated July 14, 2009, urged the Company to follow the amnesty scheme and regularize the dues payable to the Company and thereby revoke suspension.

   There has been no trading in the equity shares of PPML on CoSE and DSE since 1987. The offer price of ₹ 10.75 per fully paid up equity share (including interest), has been determined as per provisions of Regulation 20(5) of the Regulations taking inter-alia into account the following factors (i) to Regulation 20(5) of the Regulations.

a.	Negotiated price under the agreement	:	₹ 10/- per equity share
b.	Highest price paid by the Acquirers for acquisitions including by way of allotment in a public or rights or proposed preferential issue, if any, during the twenty-six weeks period prior to the date of Public Announcement.	:	Not Applicable
c.	*Other Parameters	:	Based on audited accounts ended 31/03/2010
	Return on Networth (%)	:	Nil
	Book Value (₹)	:	(25.06)
	Earning Per Share (EPS)(₹)	:	(6.29)
	Price Earning Multiple vis-à-vis Industry Average		N.A.

   *After filing of money suit by ICICI (Financial Institution) in the year 1986 the Company closed its manufacturing unit in the year 1987 and since then it has been non-operational. Hence the other parameters as given above does not have any relevance.

   The Acquirers and the PACs have not acquired any shares of the Target Company during the twelve (12) month period prior to the date of this PA except those which are acquired pursuant to the "SPA".
6. As on the date of this PA, the Manager to the Offer does not hold any shares in the Target Company.
7. This is not a competitive bid.
8. The Acquirers and the PACs are permitted to revise this Offer upward up to seven working days prior to the date of closure of the Offer in terms of regulation 26 of SEBI (SAST) Regulations. In the event of such a revision, an announcement will be made in the same newspapers in which this PA has appeared and the revised Offer price would be paid for all validly accepted equity Shares tendered anytime during the Offer.
9. The Acquirers, PACs and Target Company have not been prohibited from dealing in securities in terms of Section 11 B of the SEBI Act, 1992 or under any other applicable law.
10. During the Offer period, the Acquirers or the PACs may purchase additional equity shares in accordance with Regulation 20(7) of the SEBI (SAST) Regulations provided that any such purchases shall be disclosed to the stock exchanges where the equity shares are listed and to the Manager to the Offer in accordance with Regulation 22(17) of the SEBI (SAST) Regulations. Provided that in terms of Regulation 20(7) of the SEBI (SAST) Regulations, no such purchases shall be made during the last seven (7) working days prior to the closure of the Offer.
11. The Acquirers have deposited more than 100% of the consideration payable under the offer in the escrow account opened with Axis Bank. The Acquirers have been inducted on the Board of Directors of the Target Company w.e.f. the dates as mentioned below.

Date of appointment	Name of the Director
14/05/2010	Mr. T.K. Sunderasan
14/05/2010	Mr. Mohammed Illyas
14/05/2010	Mr. Raveendran K
15/05/2010	Mr. Nelson Sebastian
15/05/2010	Mr. Venkata Ratnam
15/05/2010	Ms. Omana Subash

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

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

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

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

II. INFORMATION ABOUT ACQUIRERS

13. The brief information about the Acquirers is mentioned hereunder:

13.1 **Mr. Mohammed Illyas**, S/o Mr. Haji K. Mohammed Sahib, aged about 37 years is residing at Thahira Manzil, Nethaji Road, Punalur, Kollam, Kerala. He holds Bachelor's degree in Commerce and has over 15 years of experience in managing family business relating to telecommunications industry. The networth of Mr. Mohammed Illyas as on December 23, 2010 is ₹ 200.00 lacs. Mr. Mohammed Illyas is the husband of Mrs. Sheena Illyas who is PAC.

13.2 **Mr. Venkata Ratnam**, S/o Late. Satyanarayan Rao aged about 46 years is residing at 26-25, N.S.C. Road Tanuku, West Godavari District, Andhra Pradesh. He holds Bachelor's degree in Law and Science. He has over 25 years of business experience. The networth of Mr. Venkata Ratnam as on November 30, 2010 is ₹ 222.55 lacs.

13.3 **Mr. K Raveendran**, S/o Late. Kunjukrishnan aged about 67 years is residing at Archana Panachivila, Edamulakkal Post, Anchal, Kollam, Kerala. He is self employed running businesses relating to trading activities and has over 38 years of experience. The networth of Mr. K Raveendran as on December 23, 2010 is ₹ 3,900.00 lacs. Mr. K Raveendran is Husband of Mrs. Vimala Raveendran and father of Ms. Anupama Priyamkari and Ms. Amrutha Priyamkari who are PACs.

13.4 **Mr. T K Sundaresan**, S/o Late Kunjukrishnan aged about 54 years is residing at Aswathy, Sivankoli Road, Punalur, Kollam, Kerala. He is a graduate and has 25 years of experience in trading of granite and other stones. The networth of Mr. T.K. Sundaresan as on December 23, 2010 is ₹ 800.00 lacs. Mr. T.K. Sundaresan is husband of Mrs. Prasanna Sundaresan and father of Ms. Darshana Sundaresh, Ms. Aswathy Sundaresh, Mr. Ajay Sunderesan who are PACs.

13.5 **Mr. Nelson Sebastian**, S/o Late Joseph Sebastian aged about 54 years is residing at Nelson's House (Soubaghya), Koonamkuzhy, Punalur, Kollam, Kerala. He has done his intermediate. He has over 25 years of experience in the business of food and catering. The networth of Mr. Nelson Sebastian as on December 23, 2010 is ₹ 200.00 lacs. Mr. Nelson Sebastian doesn't have any relation with PACs except in his professional capacity.

13.6 **Ms. Omana Subhash**, W/o Mr. V.K. Subhash, aged about 47 years is residing at VelamKovil House, Near Railway Station, Thiruvalla, Pathanamthitta District Kerala. She is a housewife. The networth of Ms. Omana Subhash as on December 23, 2010 is ₹ 200.00 lacs.

III. INFORMATION ABOUT PACS

14. The brief information about the PACS is mentioned hereunder. Since the PACs would not be acquiring any shares under the offer, the details of the networth of PACs have not been given.

14.1 **Mrs. Vimala Raveendran**, W/o Mr. K Raveendran aged about 52 years is residing at Archana Panachivila, Edamulakkal Post, Anchal, Kollam, Kerala. She holds Masters degree in Arts and is a housewife. Mrs. Vimala Raveendran is wife of Mr. K Raveendran who is one of the Acquirer.

14.2 **Ms. Anupama Priyamkari**, D/o Mr. K Raveendran aged about 21 years is residing at Archana Panachivila, Edamulakkal Post, Anchal, Kollam, Kerala. She is presently studying. Ms. Anupama Priyamkari is daughter of Mr. K Raveendran who is one of the Acquirers to this transaction.

14.3 **Ms. Amrutha Priyamkari**, D/o Mr. K Raveendran aged about 18 years is residing at Archana Panachivila, Edamulakkal Post, Anchal, Kollam, Kerala. She is presently studying. Ms. Amrutha Priyamkari is daughter of Mr. K Raveendran who is one of the Acquirer.

14.4 **Mrs. Prasanna Sundaresan**, W/o Mr. T.K. Sundaresan aged about 48 years residing at Aswathy, Sivankoli Road, Punalur, Kollam, Kerala. She holds Bachelor's degree in Commerce and is a housewife. Mrs. Prasanna Sundaresan is wife of Mr. T.K. Sundaresan who is one of the Acquirer.

14.5 **Ms. Aswathy Sundaresh**, D/o Mr. T.K. Sundaresan aged about 25 years residing at Aswathy, Sivankoli Road, Punalur, Kollam, Kerala. She holds Master's degree in Science and is a teacher by profession. Ms. Aswathy Sundaresh is the daughter of T.K. Sundaresan who is one of the Acquirer.

14.6 **Ms. Darshana Sundaresh**, D/o Mr. T.K. Sundaresan aged about 19 years residing at Aswathy, Sivankoli Road, Punalur, Kollam, Kerala is a student studying MBBS.Ms. Darshana Sundaresh is the daughter of T.K. Sundaresan who is Acquirer.

14.7 **Mr. Ajay Sundaresan**, S/o Mr. T.K. Sundaresan aged about 23 years residing at Aswathy, Sivankoli Road, Punalur, Kollam, Kerala is a student of B.Tech (civil). Mr. Ajay Sundaresan is the son of Mr. T.K. Sundaresan who is one of the Acquirer.

14.8 **Mrs. Sheela Nelson**, W/o Mr. Nelson Sebastian aged about 52 years residing at Nelson House (Soubaghya), Koonamkuzhy, Punalur, Kollam, Kerala. Mrs. Sheela Nelson is wife of Mr. Nelson Sebastian who is one of the Acquirer.

14.9 **Mrs. Sheena Illyas**, W/o Mr. Mohammed Illyas aged about 32 years residing at Thahira Manzil, Nethaji Road, Punalur, Kollam, Kerala. She holds Bachelor's degree in Commerce and is a housewife. Mrs. Sheena Illyas is wife of Mr. Mohammed Illyas who is one of the Acquirer.

IV. INFORMATION ABOUT THE TARGET COMPANY [PUNALUR PAPER MILLS LIMITED]

15. The Target Company was incorporated in the year 1888 by a British National Mr. I. H. Cameron of Harrison and Cross Field. It is the first Joint Stock Company started in the erstwhile Travancore State, now called as State of Kerala. This paper mill is situated on the banks of river Kalada, Punalur, Kollam District, Kerala State.
16. Mr. L. N. Dalmia took over the Company from A & F Harvey in the year 1967. The manufacturing capacity of the Company was increased to 50,000 TPA from 6,500 TPA in a phased manner by modernizing the entire system. The assets of Company were mortgaged with the Financial Institutions like ICICI (Lead Institute), IFCI & IDBI to fund the rehabilitation & modernization process.
17. In 1977 one of the high capacity machine was damaged in a fire accident. Thereafter due to non supply of assured raw material by the Kerala Forest Department, company could not utilize its installed capacity and started incurring loss. As a result the accumulated loss as on 31st March, 1985 mounted to ₹ 9 Crores. The Financial Institution (ICICI), being the secured creditor with whom the assets of the company are mortgaged, in order to protect their interest, filed a money suit and got Court Receiver appointed in 1986. Since then the company's assets including the registered office were under the custody and seal of the Court Receiver. In the year 2001 Government of Kerala announced new Industrial Policy and Labour Policy in order to prevent closures of units in Kerala and to help in revival of the closed industries. The Target Company submitted revival proposal to Government of Kerala to avail various concessions under the new policy. The Government of Kerala vide its MOU dated May 02, 2002 entered into with PPML, granted concessions and assistance for reopening and running of PPML. After signing the said MOU, the Company cleared the dues of Canara Bank under OTS in 2003. Due to pending litigations the process of revival could not do progress in spite of having concessions from Government of Kerala. On May 14, 2010 the Acquirers alongwith PACs entered into Share Purchase Agreement with the sellers and acquired 52.76% stake in the Target Company. This enabled the Acquirers to settle the claims of the creditors. Accordingly the present management had negotiations with the Financial Institutions and cleared the Liabilities of Kotak Mahindra Bank Ltd., IDBI and IFCI under One Time Settlement (OTS) through their Special Purpose Vehicle (SPV) called STK Paper and Board Pvt. Ltd. and got the Court Receiver discharged.
18. As on date of this PA, the Authorized Share capital of the Target Company is ₹ 500.00 lacs comprising of 40,00,000 equity shares of ₹. 10/- each and 1,00,000 Preference shares of ₹ 100/- each. The issued & subscribed share capital of the Target Company is ₹ 274.16 lacs consisting of 22,50,000 equity shares of ₹ 10/- each and 50,000 (9.1/2%) Redeemable Cumulative Preference Shares of ₹ 100/- each. The fully paid up equity share capital of the Target Company is ₹ 224.15 lacs comprising of 22,41,588 equity shares of ₹ 10/- each. There are calls in arrears to the tune of ₹ 1.07 lacs.
19. The equity shares of the Target Company are not traded since 1987 i.e. after the closure of the Company in 1987. The equity shares of the Target Company were listed on BSE, CSE and DSE. The Target Company received a letter dated December 14, 1985 from the BSE stating that the name of the company has been officially struck of the list of officially quoted Securities with immediate effect. A letter dated May 26, 2009 was received from the CSE stating that the name of the company fall under the category of non-compliant companies and is neither suspended nor delisted. The DSE vide their letter dated July 14, 2009, urged the company to follow the amnesty scheme and regularize the dues payable to the company and thereby revoke the suspension.
20. As per the Audited Financials for the year ended March 31, 2010, the Target Company has reported a net loss of ₹ 141.65 lacs. The Net Worth of the Target Company excluding revaluation reserves and preference share capital as on March 31, 2010 is ₹ (613.97) lacs. The Book Value and EPS as on March 31, 2010 are ₹ (25.06) and ₹ (6.29) respectively. Return on networth of the Target Company is negative.
21. There are no outstanding instruments in the nature of warrants / fully convertible debentures / partly convertible debentures etc. which are convertible into equity at any later date. There are no shares under lock-in period. There has been no merger / de-merger or spin off in the Company during the past three years.
22. Since the Target Company was shut down since 1987, the company has not complied with the provisions of Listing Agreement and with the provisions of Chapter II of the SEBI (SAST) Regulations, 1997.
23. The Acquirers and PACs have not complied with provisions of Chapter II of the SEBI (SAST) Regulations, 1997.

V. RATIONALE FOR THE ACQUISITION AND OFFER

24. This Offer is being made to the shareholders of Target Company pursuant to Regulations 10 and 12 of the Regulations and other applicable provisions of the Regulations as a result of acquisition of 11,82,696 equity shares / voting rights along with the change in control of the Target Company through a SPA entered into by the Acquirers and PACs with the existing promoters.
25. The present Acquirers having established business in different fields propose to infuse fresh capital and revive the operations of company.
26. The Acquirers and the PACS do not have any plan to dispose off or otherwise encumber any of the assets of the Target Company in the succeeding two years from the date of closure of the Offer except in the ordinary course of business of the Target Company. The Acquirers and PACs will not dispose off, sell or otherwise encumber any substantial assets of the Target Company except with the prior approval of the shareholders.

VI. STATUTORY APPROVALS/OTHER APPROVALS REQUIRED FOR THE OFFER

27. The acquisition of the Shares under this Offer is subject to receipt of the approval of the RBI under the Foreign Exchange Management Act, 1999 and the rules and regulations issued thereunder for the acquisition of shares by Acquirers and PACs from non-resident shareholder, if any. There are no other approvals, statutory or otherwise, required under the Companies Act 1956 and the Foreign Exchange Management Act, 1999 and /or any other applicable laws.
28. To the best of knowledge and belief of the Acquirers and the PACs, as of the date of this PA, there are no other statutory approvals required to acquire the Shares validly accepted under this Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals.
29. In case of delay, due to non-receipt of statutory approvals, as per Regulation 22(12) of the Regulations, SEBI may, if satisfied that the non-receipt of the approvals was not due to willful default or negligence, grant an extension for the purpose of completion of the Offer provided the Acquirers agree to pay interest to the shareholders.
30. The Acquirers shall complete all procedures relating to the Offer within a period of fifteen (15) days from the closure of the Offer.
31. The Acquirers reserve the right to withdraw the Offer in the event of any requisite statutory approvals being refused. In the event of such withdrawal, a public announcement will be made in the same newspapers in which this PA is being made.
32. If the Acquirers fails to obtain the requisite approvals in time due to willful default or neglect or inaction or non-action on the Acquirer's part, the amount deposited by the Acquirers in escrow shall be forfeited in the manner provided in Regulation 28(12)(e) of the Regulations.
33. No approvals are required from financial institutions or banks for this Offer.

VII. DELISTING OPTION

34. Pursuant to the said Offer (assuming full acceptance in the offer), the public shareholding will not fall below the limit specified for the purpose of the listing on the continuous basis in terms of listing agreement with the stock exchanges. Hence, the provisions of Regulation 21(2) of the SEBI (SAST) Regulations 1997 are not attracted.

VIII. FINANCIAL ARRANGEMENTS

35. Assuming full acceptance, the maximum consideration payable under this Offer (including interest) shall be ₹ 48,19,418.50/- (Rupees Forty Eight Lacs Nineteen Thousand Four Hundred and Eighteen and Paise Fifty Only).
36. By way of security for the performance of its obligations under Regulation 28 of the Regulations, the Acquirers have deposited an amount of ₹ 48,50,000/- (Rupees Forty Eight Lacs Fifty Thousand only) being little over 100% of the consideration payable under this Offer (assuming full acceptance), with Axis Bank Limited having its office at Sir P.M. Road, Fort, Mumbai 400 001, (the "**Escrow Agent**") in an escrow account (the "**Escrow Account**"), a lien marked on the Escrow Account in favour of the Manager to the Offer, under the terms of the Escrow agreement dated January 07, 2011 entered into inter-alia between the Acquirers, the Escrow Agent and the Manager to the Offer ("**Escrow Agreement**").
37. The Acquirers and the PACs have empowered the Manager to the Offer to realize the value of the aforesaid Escrow Account in terms of the Regulation 28(5).
38. This Offer is being funded through the internal domestic resources of the Acquirers.
39. On basis of the above, the Manager to the Offer has satisfied itself that Acquirers and the PACs have adequate and firm financial arrangements to implement the Offer in accordance with the Regulations.

IX. OTHER TERMS OF THE OFFER

40. This Offer is made to all shareholders (registered or unregistered) of the Target Company, (except the Acquirers, PACs and Sellers being parties to the SPA) who own shares prior to the date of closure of this Offer.
41. The letter of offer specifying the detailed terms and conditions of this offer together with form of acceptance cum acknowledgement and form of withdrawal will be mailed to the equity shareholders of the Target Company whose names appear on the register of members of Target Company, at the close of business hours on February 09, 2011 (referred to as "**the Specified Date**"). The offer is made to all the remaining shareholders of the Target Company whose names appeared in the register of shareholders on the Specified Date, to those persons who own the shares any time prior to the closure of the offer, but are not the registered shareholder(s).
42. Subject to the conditions governing this Offer as mentioned herein, the acceptance of this offer by the equity shareholders of Target Company must be absolute and unqualified. Any acceptance to this offer which is conditional and incomplete in any respect will be rejected without assigning any reason whatsoever.
43. In case of non-receipt of the letter of offer, eligible persons, i.e. shareholders of the Target Company other than the parties to the SPA, may send their consent to participate in the Offer to the registrar to the offer, on a plain paper stating their name, address, number of Shares held, distinctive numbers, folio number and number of Shares offered along with documents as mentioned above so as to reach the registrar to the offer on or before the closure of the Offer (i.e. not later than March 23, 2011).
44. Shareholders who hold Shares in physical form and who wish to tender their Shares will be required to send the form of acceptance cum acknowledgement, duly signed and completed in the manner specified therein together with all the necessary documents, as specified in the section of this PA titled "**Procedure for Acceptance and Settlement**", to the registrar to the offer at address mentioned under paragraph 47 of this PA either by hand delivery during business hours or by registered post so that the same are received on or before the closing date i.e. March 23, 2011.
45. The registrar to the offer will hold all Shares / share certificates, transfer deed(s) and/or other documents on behalf of the shareholders of the Target Company who accept this Offer in trust till the pay orders / drafts for the consideration are dispatched or unaccepted share certificates / Shares, if any, are dispatched / returned to the relevant shareholders.
46. The Acquirers and the PACS will not be responsible in any manner for any loss of Share certificate(s) and/or Offer acceptance documents during transit and the shareholders of the Target Company are advised to adequately safeguard their interest in this regard. In case of any lacunae and/or defect or modifications in the documents/forms submitted, the acceptance is liable to be rejected.

    A tentative schedule of activities in respect of the Offer is given below:

Activity	Date	Day
Public Announcement	12/01/2011	Wednesday
Last date for a competitive bid	02/02/2011	Wednesday
Specified Date	09/02/2011	Wednesday
Date by which the Letter of Offer will be dispatched to shareholders	25/02/2011	Friday
Date of opening the Offer	04/03/2011	Friday
Last date for revising the Offer Price/ number of shares	15/03/2011	Tuesday
Last date for withdrawal of acceptance	18/03/2011	Friday
Date of closing the Offer	23/03/2011	Wednesday
Date by which acceptance/rejection would be intimated and the corresponding payment for the acquired shares and/or the share certificate(s)/demat delivery instruction for the rejected Shares will be dispatched/issued.	06/04/2011	Wednesday

X. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

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

    S.K.D.C. Consultants
    S.K.D.C. Consultants Limited
    No.11, Seth Narayandas Layout, Street No.1, West Power House Road, Coimbatore - 641 012
    Tel: (91 0422) 654 9995, Fax: (91 0422) 249 9574
    Email: info@skdc-consultants.com, Website: www.skdc-consultants.com
    Contact Person: Mrs. Vijayalakshmi Narendra
    SEBI Registration No.: INR 000000775

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

48. Shareholders who wish to tender their equity shares will be required to send the Form of Acceptance cum Acknowledgement, original Share Certificate(s) and transfer deed(s), duly signed, to the Registrar to the Offer, S.K.D.C. Consultants Limited (the "Registrar to the Offer") on or before the date of Closure of the Offer, i.e. March 23, 2011 in accordance with the instructions specified in the Letter of Offer and in the Form of Acceptance cum Acknowledgement at their address as mentioned above.

    The documents can be sent either by registered post or hand delivery to the Registrar to the Offer at the address mentioned, during business hours on all week days (other than Sundays and Public Holidays) so as to reach the Registrar to the Offer on or before March 23, 2011.
49. Registered equity shareholders should enclose:
    i. Form of acceptance cum acknowledgement duly completed and signed in accordance with the instructions contained therein, by all equity shareholders whose name appears on the share certificates.
    ii. Original share certificate(s).
    iii. Valid share transfer form(s) duly signed as transferors by all registered equity shareholders (in case of joint holdings), in the same order and as per the specimen signatures registered with and duly witnessed at the appropriate place.
50. Persons who have acquired Shares of the Target Company (irrespective of the date of purchase) but whose names do not appear in the register of members of the Target Company on the Specified Date or those who have not received the letter of offer, may also participate in this Offer by submitting an application on a plain paper giving details regarding their shareholding and confirming their agreement to participate in this Offer as per the terms and conditions of this Offer. Such application should be sent to the registrar to the offer together with the relevant share certificate(s) and transfer deeds, the original contract note issued by a registered share broker of a recognized stock exchange through whom such Shares were acquired and/or such other documents as may be specified in the letter of offer.
51. No indemnity is needed from unregistered equity shareholders.
52. The equity shareholders, who are desirous of withdrawing their acceptances tendered in the Offer, can do so upto three working days prior to the date of the closure of the Offer i.e. on or before March 18, 2011. The withdrawal option can be exercised by submitting the 'Form of Withdrawal' (separately enclosed with Letter of Offer) to the Registrar to the Offer, S.K.D.C. Consultants Limited so as to reach them on or before March 18, 2011.
53. In case of non-receipt of 'Form of withdrawal', the withdrawal option can be exercised by making an application on plain paper along with the name, address, distinctive numbers, folio number, and number of Shares tendered and date of tender.
54. While tendering Equity Shares under the Offer, Non-Resident Indians ("**NRIs**"), Overseas Corporate Bodies ("**OCBs**") and other non-resident shareholders will be required to submit RBI's approval (specific or general) that they would have obtained for acquiring the shares of the Target Company. In the event that the previous RBI approvals are not submitted, the Acquirers reserve the right to reject such tendered shares.
55. While tendering their Equity Shares under the Offer, NRIs, OCBs and other non-resident shareholders will be required to submit a Tax Clearance Certificate ("**TCC**") or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income Tax Act, 1961 indicating the amount of tax to be deducted by the Acquirers before remitting the consideration, failing which the Acquirers will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.
56. As per the provisions of Section 196D (2) of the Income Tax Act, 1961, no deduction of tax at source will be made from any income by way of capital gains arising from the transfer of securities referred to in Section 115AD of the Income Tax Act, 1961 to a Foreign Institutional Investor as defined in Section 115AD of the Income Tax Act, 1961. However the interest payment for delay in payment of consideration, if any, will not be governed by this provision. For interest payments, if any, NRIs, OCBs and other non-resident shareholders will be required to submit a TCC or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by Acquirers before remitting the consideration, failing which Acquirers will arrange to deduct tax at the maximum marginal rate as may be applicable to the relevant category to which the shareholder belongs under the Income Tax Act, 1961, on the entire consideration amount payable to such shareholder.
57. In case of resident shareholders, tax will be deducted on the interest component exceeding ₹ 5,000/- at the applicable current prevailing rates. If the resident Shareholder requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, such Shareholders will be required to submit a NOC or TCC or Certificate for Deduction of Tax at Lower Rate from the Income-tax authorities under the Income-tax Act, 1961 indicating the amount of tax to be deducted by Acquirers or a self-declaration in form 15G of Form 15H as may be applicable. Shareholders eligible to receive interest component exceeding ₹ 5,000/- would be required to submit their Permanent Account Number for income tax purposes. Clauses relating to payment of interest will become applicable only if the Acquirers become liable to pay interest for delay in release of purchase consideration.

XI. GENERAL

58. **Shareholders may note that if there is a competitive bid:**
    i. **the public offers under all the subsisting bids shall close on the same date.**
    ii. **As the offer price can not be revised during 7 working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.**
59. For any queries regarding the Offer the shareholders / applicants may contact the Registrar to the Offer.
60. If the aggregate of the valid responses to the offer exceeds offer size, then the Acquirers and the PACS shall accept the valid applications received on a proportionate basis in accordance with Regulation 21 (6) of the Regulations. The equity shares of the Target Company are traded in physical form.
61. The Acquirers and the PACs are permitted to revise this Offer upward up to seven working days prior to the date of closure of the Offer. In the event of such a revision, an announcement will be made in the same newspapers in which this PA has appeared and the revised offer price would be paid for all validly accepted equity shares tendered anytime during the Offer.
62. Payment to those Shareholders whose Equity Share certificates and/or other documents are found valid and in order and are approved by the Acquirers will be by way of a crossed account payee cheque / demand draft / pay order or through Direct Credit ("DC"), National Electronic Funds Transfer ("NEFT"), Real Time Gross Settlement ("RTGS"), Electronic Clearing Services ("ECS"), at specified centers where clearing houses are managed by the Reserve Bank of India within 15 days from the date of closure of Offer. Shareholders who opt for receiving consideration through DC/NEFT/RTGS/ECS are requested to give the authorization for the same in the Form of acceptance cum acknowledgment and enclose a photocopy of cheque along with the Form of acceptance cum acknowledgment. The decision regarding the acquisition (in part or full), or rejection of, the Equity Shares tendered pursuant to this Offer and (i) any corresponding payment for the acquired Equity Shares and/or (ii) share certificates for any rejected Equity Shares or Equity Shares withdrawn, will be dispatched to the shareholders by registered post or by ordinary post as the case may be at the shareholder's sole risk (dispatches involving payment of a value in excess of ₹ 1,500/- will be made by Registered Post at the shareholder's sole risk and all other dispatches will be made by ordinary post at the Shareholder's sole risk).
63. The unaccepted share certificates, transfer forms and other documents, if any, would be returned by registered post at the shareholders' sole risk.
64. Pursuant to the Regulation 13 of the Regulations, the Acquirers have appointed Keynote Corporate Services Ltd. as the Manager to the Offer and S.K.D.C. Consultants Limited as the Registrar to the Offer.
65. Keynote Corporate Services Limited, manager to the offer does not hold any equity shares of the Target Company. Further, they have undertaken not to deal in equity shares of Target Company upto a period of fifteen days after the closure of offer.
66. The Board of Directors of Target Company along with other Acquirers and the PACs accept full responsibility for the information contained in this PA and also accepts responsibility for the obligations of Acquirers as laid down in the Regulations.

The Public announcement will become available on SEBI website www.sebi.gov.in. Eligible persons to the Offer may also download a copy of Form of Acceptance cum Acknowledgement, Letter of Offer, Form of Withdrawal which will also be available on SEBI's website from the offer opening date i.e. March 04, 2011 and apply in the same.

Issued by Manager to the Offer on behalf of the Acquirers & PACs:

KEYNOTE
CORPORATE SERVICES LTD

4th Floor, Balmer Lawrie Building, 5,J.N.Heredia Marg, Ballard Estate, Mumbai – 400001.
Tel: +91–22– 3026 6000-5; **Fax**: +91–22– 2269 4323, **E-mail**: mbd@keynoteindia.net
SEBI Regn: INM000003606; **Contact Person**: Ms. Girija Sangole

Place : Punalur
Date : January 11, 2011

For On Behalf of Acquirers and PACs

Sd/-
Mohammed Illyas

CONCEPT