CORRIGENDUM TO THE PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF THE SHAREHOLDERS OF SHREE BHAWANI PAPER MILLS LIMITED

(Registered Office: 33, Dayanand Marg, Allahabad 211002, Uttar Pradesh)

This announcement ("Corrigendum to the Public Announcement") is in continuation of, and should be read in conjunction with the Public Announcement dated June 28, 2011 (the "Public Announcement"/ "PA"), is being issued by Antique Capital Markets Private Limited ("Manager to the Offer"), to the equity shareholders of Shree Bhawani Paper Mills Limited ("SBPML" or the "Target Company") on behalf of Mr. Omprakash Goenka, Mrs. Kiran Goenka, Mr. Gaurav Goenka, Mrs. Girija Goenka and Mirah Dekor Limited (hereinafter collectively referred to as the "Investor Acquirers" and individually referred to as the "Investor Acquirer") as well as Mr. Badri Vishal Tandon (Karta of Ram Mohan Das Tandon (HUF)) (hereinafter referred to as "Promoter Acquirer" and is part of the present Promoter Group (as defined in the Public Announcement) of the Target Company) and Mirah Power Private Limited and Royal Twinkle Star Club Limited (hereinafter collectively referred to as the "Persons Acting in Concert" / "PAC") who are acting in concert with each other for the purpose of this open offer, pursuant to and in compliance with Regulations 10, 11(2), 12 and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto till the date of the Public Announcement (the "SEBI Takeover Code"). The Investor Acquirers and Promoter Acquirer are collectively termed as the "Acquirers".

The shareholders / beneficial owners of the Target Company are requested to note the following.

I. SEBI Observations

On behalf of the Acquirers and the PAC; the Manager to the Offer has received SEBI's observations vide its letter bearing reference no. CFD/DCR/TO/DA/11546/12 dated May 23, 2012 **("Observation Letter")** in terms of proviso to Regulation 18(2) of the SEBI Takeover Code

II. Revised Schedule of Activities: The revised schedule of activities with respect to the Offer as provided in paragraph 75 of the PA has been amended as under:

Activity	Schedule as per the PA	Revised Schedule
Specified Date *	Friday, July 08, 2011	Friday, July 08, 2011
Last date for a competitive bid	Tuesday, July 19, 2011	Tuesday, July 19, 2011
Date by which Letter of Offer to be dispatched to the shareholders	Monday, August 08, 2011	Saturday, June 2, 2012
Date of opening of the Offer/ Offer Opening Date	Wednesday, August 17, 2011	Wednesday, June 6, 2012
Last date for revising the Offer Price / Offer Size	Tuesday, August 23, 2011	Thursday, June 14, 2012
Last date for withdrawing acceptance from the Offer	Monday, August 29, 2011	Wednesday June 20, 2012
Offer Closing Date	Monday, September 05, 2011	Monday, June 25, 2012
Last date of communicating rejection/ acceptance and payment of consideration for accepted tenders / return of unaccepted equity shares	Tuesday, September 20, 2011	Tuesday, July 10, 2012

** Specified Date is only for the purpose of determining the names of the shareholders of the Target Company as on such date to whom the Letter of Offer would be sent. All eligible owners (registered or unregistered including beneficial owners) of the equity shares of the Target Company, other than the Investor Acquirers, PAC, Promoter Acquirer and the Promoter Group can participate in the Offer any time before the Offer Closing Date.*

III. Additional Details / Developments subsequent to the PA

1. Offer Price: The Offer Price now includes interest at the rate of 10% per annum from the original date of payment till actual date of dispatch of payment consideration to shareholders. The original date of payment as mentioned in the PA was September 20, 2011. The last date of dispatch of payment consideration to the shareholders as per the revised schedule of activities is July 10, 2012. Accordingly, the Offer Price will now be Rs. 10.81 (Rupees Ten and Paise Eighty One Only) (Comprising of Rs.10 (Rupees Ten Only) per fully paid-up equity share of face value of Rs.10 (Rupees Ten) each plus interest of Rs 0.81 (Paise Eighty One Only)) And Rs. 5.40 (Rupees Five and Paise Forty Only) (Comprising of Rs. 5 (Rupees Five Only) per partly paid-up equity share plus interest of Rs 0.40 (Paise Forty Only). Please note that the interest amount is subject to change depending on the actual date of dispatch of payment to the Public Shareholders. Interest is rounded off to two decimals. Paragraphs 11, 16 and 19 of the PA stands modified accordingly.

2. Inclusion of Mirah Power Private Limited and Royal Twinkle Star Club Limited as Persons Acting in Concert ("Persons Acting in Concert"/ "PAC"): As Mirah Power Private Limited had provided a loan to the Target Company, SEBI vide their Observation Letter directed that Mirah Power Private Limited ("MPL"), a company controlled by the Investor Acquirers be included as a Person Acting in Concert with the Acquirers. Accordingly, Mirah Power Private Limited is considered as a PAC. The loan advanced by MPL was obtained from Royal Twinkle Star Club Limited, another company controlled by the Investor Acquirers. Hence, Royal Twinkle Star Club Limited is also included as a PAC.

- Paragraph (IV) heading to be read as "Information about the Acquirers and the PAC"
- Paragraph 22 heading to be read as "Investor Acquirers and the PAC".

The details pertaining to Mirah Power Private Limited and Royal Twinkle Star Club Limited are as follows:

- **22 (f) Mirah Power Private Limited ("MPL")** is a closely held company limited by shares. The registered and corporate office is situated at 317/318, Parvati Industrial Estate, Sun Mill Compound, Lower Parel (West), Mumbai – 400 013, Tel no. +91-22-4096 5600, Fax no. +91-22-4096 5601. MPL was incorporated on January 6, 2010 under the Companies Act, 1956. The issued and paid up equity share capital of MPL consists of 10,000 equity shares of Rupees 10 (Rupees Ten Only) each. MPL is controlled by Mr. Omprakash Goenka and Mr. Gaurav Goenka. The main object of MPL, inter-alia, is to engage in the business of electricity/power generation. The Board of Directors of MPL are Mr. Omprakash Goenka and Mr. Gaurav Goenka. No business activities were started by MPL during the financial years 2010 and 2011, hence no income was recorded for the period. As per the audited accounts for the year ended March 31, 2011, MPL recorded NIL total income (NIL for the corresponding period ended March 31, 2010), total expenditure of Rs. 0.10 lakhs (Rs. 0.35 lakhs for the corresponding period ended March 31, 2010), profit / (loss) before tax of Rs. (0.10) lakhs (Rs. (0.35) lakhs for the corresponding period ended March 31, 2010) and profit / (loss) after tax of Rs. (0.13) lakhs (Rs. (0.35) lakhs for the corresponding period ended March 31, 2010). The paid-up equity share capital is Rs. 1 lakh (Rs. 1 lakh for the corresponding period ended March 31, 2010) and networth is Rs. 0.52 lakhs (Rs. 0.65 lakhs for the corresponding period ended March 31, 2010). For the year ended March 31, 2011, the earnings per share was Rs. (1.27) (Rs. (3.49) for the corresponding period ended March 31, 2010), return on networth was (24.35)% ((53.67)% for the corresponding period ended March 31, 2010) and book value per equity share was Rs. 5.23 (Rs. 6.51 for the corresponding period ended March 31, 2010). As per Certificate dated May 25, 2012, from CA. Suresh C. Shah, (Membership Number: 37266), Proprietor, S. Chandulal & Co., Chartered Accountants (Firm Registration no. 101701W), 6/D/80, Sonawala Building, Tardeo, Mumbai – 400 007, Tel: 23445847, for the nine months ended December 31, 2011, MPL recorded NIL total income, total expenditure of Rs. 0.91 lakhs, profit / (loss) before tax of Rs. (0.91) lakhs and profit / (loss) after tax of Rs. (0.91) lakhs.
- **22 (g) Royal Twinkle Star Club Limited ("RTSC")** is a closely held company limited by shares. The registered and corporate office is situated at 16-19, Shilpin Center, 1st Floor, 40 G. D. Ambekar Marg, Wadala, Mumbai 400031, Tel no. +91-22-6619 1000, Fax no. +91-22-2417 4926. RTSC was incorporated on May 6, 2008 under the Companies Act, 1956 as Royal Twinkle Star Club Private Limited and subsequently converted into a public limited company vide special resolution dated December 23, 2008 and obtained a fresh Certificate of Incorporation consequent to change of name on February 2, 2009. The issued and paid up equity share capital of RTSC consists of 50,000 equity shares of Rupees 10 each. RTSC is controlled by Mr. Omprakash Goenka and Family. RTSC is engaged in the business of hospitality. The Board of Directors of RTSC are Mr. Omprakash Goenka, Mr. Prakash Utekar, Mr. Venkatraman Natarajan and Mr. Narayan Kotnis. As per the audited accounts for the year ended March 31, 2011, RTSC recorded total income of Rs. 30,886.91 lakhs (Rs. 12,472.12 lakhs for the corresponding period ended March 31, 2010), total expenditure of Rs. 29,829.79 lakhs (Rs. 12,060.19 lakhs for the corresponding period ended March 31, 2010), profit before tax of Rs. 935.01 lakhs (Rs. 304.47 lakhs for the corresponding period ended March 31, 2010) and profit after tax of Rs. 521.56 lakhs (Rs. 201.48 lakhs for the corresponding period ended March 31, 2010). The paid-up equity share capital is Rs. 5 Lacs (Rs. 5 lakhs for the corresponding period ended March 31, 2010) and networth is Rs. 740.50 lakhs (Rs. 218.93 lakhs for the corresponding period ended March 31, 2010). For the year ended March 31, 2011, the earnings per share was Rs. 1,043.12 (Rs. 402.96 for the corresponding period ended March 31, 2010), return on networth was 70.43% (92.03% for the corresponding period ended March 31, 2010) and book value per equity share was Rs. 1,480.99 (Rs. 437.86 for the corresponding period ended March 31, 2010). No financials have been prepared for any period subsequent to March 31, 2011.
- Present paragraph 22 (f) is renumbered as 22 (h) and to be read as follows:
- "Relation, if any, between the Investor Acquirers and the PAC: As mentioned above, Mr. Omprakash Goenka is the promoter and Chairman of Mirah Group of Companies. Mrs. Kiran Goenka is the wife, Mr. Gaurav Goenka is the son and Mrs. Girija Goenka is the daughter-in-law of Mr. Omprakash Goenka. MDL, MPL and RTSC are part of the Mirah Group of Companies and are controlled by Mr. Omprakash Goenka and his family members.
- Paragraph 13 to be read as follows:

Other than Mr. Omprakash Goenka, Mrs. Kiran Goenka, Mr. Gaurav Goenka, Mrs. Girija Goenka, Mirah Dekor Limited and Mr. Badri Vishal Tandon (Karta of Ram Mohan Das Tandon (HUF)) (part of the Promoter Group) MPL, RTSC, and the other members of the existing Promoter Group of the Target Company, who are acting in concert with each other for the purpose of the Offer, no other person(s) are acting in concert with the Investor Acquirers, the PAC and the Promoter Group for the purpose of the Offer.

3.Change in the Board of Directors of the Target Company:

Subsequent to the PA, the following changes have happened to the Board of Directors of the Target Company:

a. Shri K A Pai, a director retiring by rotation, did not offer for reappointment. Further, the vacancy was not filled up at the AGM of the Target Company held on September 21, 2011.

b. Further, SBPML has informed that Shri Chaitanya Mehta has resigned from the directorship of the Target Company with effect from November 15, 2011

4. Funding Arrangement for the Offer: Consequent to the change in the Offer Price, the Maximum Consideration required is Consequent to the change in the Offer Price, the Maximum Consideration required is Rs. 7,52,96,461 (Rupees Seven Crore Fifty Two Lacs Ninety Six Thousand Four Hundred and Sixty One Only). The Acquirers and the PAC have made the necessary arrangement by depositing Rs.14.15 lakhs in cash and thus increasing the Escrow Amount to Rs. 189.15 lacs. CA. Suresh C. Shah, (Membership Number: 37266), Proprietor, S. Chandulal & Co., Chartered Accountants (Firm Registration no. 101701W), 6/D/80, Sonawala Building, Tardeo, Mumbai – 400 007, Tel: +91-22-2344 5847, have certified vide their letter dated May 29, 2012 that the Acquirers have adequate liquid financial resources to fulfill all financial obligations arising out of the Offer. Paragraphs 37, 38, 39, 40 of the PA stands modified accordingly.

5. Competitive Bid: As on the last date for a competitive bid i.e. Tuesday, July 19, 2011, there has been no competitive bid.

Capitalised terms used herein but not defined will have the same meaning as defined in the PA. All other terms and conditions of the Offer remain unchanged. For further details, please refer to the LOF and accompanying Form of Acceptance and Form of Withdrawal.

The Acquirers, the PAC and their respective directors, where applicable, accept full responsibility for the information contained in this Corrigendum to the Public Announcement and also for the obligations of the Acquirers and the PAC to the extent as required and as laid down in the SEBI Takeover Code.

The Public Announcement and this Corrigendum to the Public Announcement will also be available on SEBI's website at www.sebi.gov.in.

Issued on behalf of the Acquirers and the PAC by Manager to the Offer

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Contact Person: Kashyap Choksi / Sandeep Sharma

Place: Mumbai

Date: May 30, 2012

Size: 12 x 42cm