LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a shareholder of **Shree Bhawani Paper Mills Limited**. If you require any clarifications about the action to be taken, you should consult your stock broker or investment consultant or the Manager/ Registrar to the Offer. In case you have sold your equity shares in Shree Bhawani Paper Mills Limited, please hand over this Letter of Offer, the accompanying Form of Acceptance-cum-Acknowledgement, Form of Withdrawal and Transfer Deed to the member of the stock exchange through whom the said sale was effected.

MR. OMPRAKASH GOENKA, MRS. KIRAN GOENKA, MR. GAURAV GOENKA, MRS. GIRIJA GOENKA

101, 10th Floor, Somerset House, Sophia College Lane, Warden Road, Mumbai – 400 026, Tel: (+91) (22) 4050 2900, Fax: (+91) (22) 4050 2901

MIRAH DEKOR LIMITED

Rgd. Off: 208, Parvati Industrial Estate, Sun Mill Compound, Lower Parel(West), Mumbai–400013,Tel:+91-22-40502900,Fax:+91-22-40502901

(Mr.Omprakash Goenka, Mrs.Kiran Goenka, Mr.Gaurav Goenka, Mrs. Girija Goenka and Mirah Dekor Ltd.are hereinafter referred as the "**Investor Acquirers**").

MR. BADRI VISHAL TANDON (KARTA OF RAM MOHAN DAS TANDON (HUF))

33, Dayanand Marg, Allahabad 211002; Tel:+91-532-2427248, Fax:+91-532-2548425 (hereinafter referred to as the "**Promoter Acquirer**")

(The Promoter Acquirer and the Investor Acquirers are collectively referred to as the "**Acquirers**")

MIRAH POWER PRIVATE LIMITED

Rgd.Off: 317/318, Parvati Industrial Estate, Sun Mill Compound, Lower Parel(W),Mumbai–400013,Tel:+91-22-40965600,Fax:+91-22-40965601

and **ROYAL TWINKLE STAR CLUB LIMITED**

Rgd.Off: 16-19, Shilpin Center, 1st Floor, 40 G. D Ambekar Marg, Wadala, Mumbai 400031, Tel:+91-22-66191000, Fax:+91-22-24174926

(Mirah Power Private Limited and Royal Twinkle Star Club Limited are hereinafter referred to as the "**Persons Acting in Concert" / "PAC"**)

MAKE A CASH OFFER AT 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)

pursuant to the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto upto the date of Public Announcement (the "SEBI Takeover Code")

TO ACQUIRE UP TO 69,65,445 FULLY PAID-UP EQUITY SHARES

representing 20.02 % of Emerging Voting Rights (as defined later) of

SHREE BHAWANI PAPER MILLS LIMITED

Rgd. Off: 33, Dayanand Marg, Allahabad – 211002, Tel.: +91-532-254 8401, 254 8404, 254 8406, Fax: +91-532-254 8425

Please Note :

1. Interest is calculated at the rate of 10% p.a. from September 20, 2011 to July 10, 2012 i.e. the latest scheduled date of payment of consideration. 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.
2. The Offer is being made pursuant to and in compliance with Regulations 10, 11(2), 12 and other applicable provisions of the SEBI Takeover Code.
3. As of the date of this Letter of Offer, no statutory approvals are required by the Acquirers and the PAC to complete the Offer. If any statutory approvals become applicable at a later date before the Offer Closing Date, the Offer will be subject to such other statutory approvals. NRI and OCB Shareholders, if any, must obtain all requisite approvals required for tendering shares held by them pursuant to the Offer and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required to accept this Offer.
4. The Offer is not conditional on any minimum level of acceptance by the Public Shareholders and the Acquirers and the PAC will acquire all the equity shares of SBPML that are validly tendered in terms of this Offer, up to a maximum of 69,65,445 equity shares at the Offer Price .
5. If the aggregate of the valid responses to the Offer exceeds the Offer Size, then the Acquirers and the PAC shall accept equity shares on a proportionate basis from the valid acceptances, as per Regulation 21(6) of the SEBI Takeover Code.
6. If there is any upward revision in the Offer Price by the Acquirers and the PAC till the last date of revision viz. June 14, 2012 or withdrawal of the Offer, the same would be informed by way of a public announcement in the same newspapers in which the original Public Announcement dated June 28, 2011 had appeared. The Acquirers and the PAC would pay such revised price for all the equity shares validly tendered any time during the Offer and accepted under the Offer.
7. The procedure for acceptance is set out in section 9 of this Letter of Offer. A Form of Acceptance-cum-Acknowledgement (the "FOA") and the Form of Withdrawal enclosed with this Letter of Offer.
8. This Offer is not a competitive bid.
9. The Public Announcement, Letter of Offer, Form of Acceptance-cum-Acknowledgement and Form of Withdrawal would also be available on the website of Securities and Exchange Board of India http://www.sebi.gov.in. A copy of the Form of Acceptance-cum-Acknowledgment can also be obtained from the Registrar to the Offer commencing on the date of the dispatch of the Letter of Offer.
10. **Public Shareholders who have accepted the Offer by tendering the requisite documents, in terms of the Public Announcement / Corrigendum to the Public Announcement / Letter of Offer, can withdraw the same upto three working days prior to the Offer Closing Date. Requests for such withdrawals should reach the Registrar to the Offer or their collection centres on or before 5:00 PM on Wednesday, June 20, 2012.**
11. **As on the last date for a competitive bid i.e. Tuesday, July 19, 2011, there has been no competitive bid.**
12. **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 Public Shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly**

All future correspondence, if any, should be addressed to the Registrar to the Offer at the address mentioned below:

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
Antique Capital Markets Private Limited 6th Floor, Nirmal Building, Nariman Point, Mumbai 400 021 Tel: (+91) (22) 4031 3300, Fax: (+91) (22) 2202 2691 Email: sbpml.openoffer@antiquelimited.com, Website: www.antiquelimited.com Contact Person: Kashyap Choksi / Sandeep Sharma	**Skyline Financial Services Private Limited,** D-153A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi – 110 020 Tel: (+91) (11) 2681 2682, 83, 84, Fax: (+91) (11) 2681 2682 Contact Person: Virender Rana, Email: virenr@skylinerta.com
OFFER OPENS ON: WEDNESDAY, JUNE 6, 2012	**OFFER CLOSES ON: MONDAY, JUNE 25, 2012**

SCHEDULE OF THE MAJOR ACTIVITIES OF THE OFFER:

Activity	**Original**	**Revised**
Public Announcement (PA) (Date of Publication)	Wednesday, June 29, 2011	Wednesday, June 29, 2011
Specified Date ^	Friday, July 08, 2011	Friday, July 08, 2011
Last date for a competitive bid	Tuesday, July 19, 2011	Tuesday, July 19, 2011
Corrigendum to the Public Announcement (Date of Publication)		Thursday, May 31, 2012
Date by which Letter of Offer will be despatched to the Public 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

^ *All shareholders (registered or unregistered), including the beneficial owners of equity shares (excluding the Investor Acquirers, the Promoter Acquirer, PAC and the existing Promoter Group of SBPML) are eligible to participate in the Offer anytime before the Offer Closing Date.*

RISK FACTORS

i. Acceptance of equity shares of Shree Bhawani Paper Mills Limited tendered in the Offer is subject to receipt of the statutory approvals, as mentioned in paragraph 8.1 of this Letter of Offer.

ii. In the event that either (a) a regulatory approval is not received in time; (b) there is any litigation leading to a stay on the Offer; or (c) SEBI instructing the Acquirers and the PAC not to proceed with the Offer; then the Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Public Shareholders of Shree Bhawani Paper Mills Limited whose equity shares have been accepted in the Offer as well as the return of the equity shares not accepted by the Acquirers and the PAC may be delayed. In case of delay, due to non-receipt of statutory approvals, as per Regulation 22(12) of the SEBI Takeover Code, SEBI may, if satisfied that the non receipt of approvals was not due to any wilful default or negligence on the part of the Acquirers and the PAC, grant an extension for the purpose of completion of the Offer subject to the Acquirers and the PAC agreeing to pay interest to the Public Shareholders, as may be specified by SEBI. Further, Public Shareholders should note that after the last date of withdrawal i.e. Wednesday, June 20, 2012, Public Shareholders who have lodged their acceptances would not be able to withdraw them even if the acceptance of equity shares under the Offer and dispatch of consideration gets delayed. The tendered equity shares and documents would be held by the Registrar to the Offer, till such time as the process of acceptance of tenders and the payment of consideration is completed.

iii. The Acquirers and the PAC make no assurance with respect to the market price of the shares of Shree Bhawani Paper Mills Limited, both during the Offer period and upon the completion of the Offer, and disclaim any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by the Public Shareholders on whether or not to participate in the Offer.

iv. The Acquirers and the PAC make no assurance with respect to the financial performance of Shree Bhawani Paper Mills Limited. The Acquirers and the PAC make no assurance with respect to their investment / divestment decisions relating to their proposed shareholding in Shree Bhawani Paper Mills Limited.

v. The Acquirers and the PAC and the Manager to the Offer accept no responsibility for the statements made otherwise than in the Public Announcement or this Letter of Offer or in the advertisement or any material issued by or at the instance of the Acquirers and the PAC and the Manager to the Offer, and any person placing reliance on any other source of information would be doing so at its own risk.

The risk factors set forth above pertain to the acquisition and the Offer and not in relation to the operations of Shree Bhawani Paper Mills Limited and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in participation or otherwise by a Public Shareholder in the Offer. Public Shareholders of Shree Bhawani Paper Mills Limited are advised to consult their stockbroker or investment consultant, if any, for further risks with respect to their participation in the Offer.

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1. DEFINITIONS

Acquirer(s)	The Promoter Acquirer and the Investor Acquirers
BSE	The Bombay Stock Exchange Limited
CDSL	Central Depository Services (India) Limited
Companies Act	The Companies Act, 1956, as amended
Corrigendum to the Public Announcement	Corrigendum to Public Announcement dated May 30, 2012 published on May 31, 2012
Depositories	Collectively NSDL and CDSL
DP	Depository Participant
Eligible Person(s) for the Offer	All owners (registered or unregistered), including the beneficial owners, of equity shares of SBPML (other than the Investor Acquirers, Promoter Acquirer, Person Acting in Concert and the existing Promoter Group) anytime before the closure of the Offer
EGM	Extraordinary General Meeting
FEMA	Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder
FII(s)	Foreign Institutional Investor(s)
Emerging Equity Shares	3,48,27,224 equity shares comprising of 3,47,88,151 fully paid-up equity shares which enjoy voting rights and 39,073 partly paid-up equity shares which do not enjoy any voting rights
Emerging Voting Shares	The voting paid-up equity shares of SBPML as expected to be at the expiry of 15 days after the Offer Closing Date i.e. 3,47,88,151 Equity Shares
Equity Share(s)	Fully paid-up equity shares of Rs.10 of SBPML
Family Settlement MoU	Memorandum of Understanding dated March 3, 2008 signed between the two factions of the promoter group – one group led by Sudhir Tandon and the other group led by Girish Tandon
Form of Acceptance / FOA	Form of Acceptance-cum-Acknowledgement
FY	Financial Year
Investor Acquirer(s)	Mr. Omprakash Goenka, Mrs. Kiran Goenka, Mr. Gaurav Goenka, Mrs. Girija Goenka and Mirah Dekor Limited
Investor Acquirers Preferential Issue	Issue of 1,16,53,224 Equity Shares to the Investor Acquirers comprising of 46,93,224 Equity Shares to Mr. Omprakash Goenka, 17,40,000 Equity Shares each to Mrs. Kiran Goenka, Mr. Gaurav Goenka, Mrs. Girija Goenka and Mirah Dekor Limited on a preferential allotment basis at a price of Rs. 10 per Equity Share. These shares were allotted pursuant to the Board resolution dated June 25, 2011.
Letter of Offer / LOF	this Letter of Offer
Ltd.	Limited
Manager/ Manager to the Offer / Merchant Banker	Antique Capital Markets Private Limited
SBPML / the Target Company	Shree Bhawani Paper Mills Limited
NSDL	National Securities Depository Limited
NRI	Non Resident Indian
OCB	Overseas Corporate Bodies
Offer / Open Offer	This open offer for acquisition of 69,65,445 equity shares of face value of Rs.10 each, representing 20.02 % of Emerging Voting Rights at the Offer Price.
Offer Closing Date	Monday, June 25, 2012
Offer Price	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). The interest is calculated at the rate of 10% p.a. from September 20, 2011 to July 10, 2012 i.e. the latest scheduled date of payment of consideration. 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.
Offer Size	69,65,445 equity shares
Persons Acting in Concert / PAC	Mirah Power Private Limited and Royal Twinkle Star Club Limited
Preferential Issue	The Promoter Preferential Issue, Investor Acquirers Preferential Issue and the issue of 15,00,000 Equity Shares each to Mr. Mohit Chaturvedi, Mrs. Bina Chaturvedi and Ganges Leasing and Finance Company Private Limited
Promoter Acquirer	Mr. Badri Vishal Tandon (Karta of Ram Mohan Das Tandon (HUF))
Promoter Preferential Issue	Issue of 22,50,000 Equity Shares to the Promoter Acquirer on a preferential allotment basis at a price of Rs. 10 (Rupees Ten Only) per Equity Share. These Equity Shares were allotted pursuant to the Board resolution dated June 25, 2011.
Promoter Group	the promoter group of the Target Company as existing on the date of signing the SSA

Public Announcement/ PA	Announcement of the Offer dated June 28, 2011 published on June 29, 2011
Public Shareholders	All public shareholders of the Target Company excluding the Promoter Group, the PAC and Investor Acquirers
RBI	Reserve Bank of India
Registrar to Offer	Skyline Financial Services Private Limited
Rs.	Indian National Rupee
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI Takeover Code	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto upto the date of Public Announcement
SSA	The Share Subscription and Shareholders' Agreement dated June 25, 2011 entered into between the Target Company, the Promoter Group and the Investor Acquirers
Specified Date	Friday, July 08, 2011

2. DISCLAIMER

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF SHREE BHAWANI PAPER MILLS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS AND THE PAC, 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 ACQUIRERS AND THE PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRERS AND THE PAC DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER ANTIQUE CAPITAL MARKETS PRIVATE LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JULY 13, 2011 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 1997 AND SUBSEQUENT AMENDEMENT(S) THEREOF. THE FILING OF THE LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRERS AND THE PAC 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

3.1.1 The Offer is being made pursuant to and in compliance with Regulations 10, 11(2), 12 and other applicable provisions of the SEBI Takeover Code.

3.1.2 At a meeting of the Board of Directors of the Target Company held on May 18, 2011, the Board of Directors approved the issue of 1,84,03,224 fully paid-up equity shares of face value of Rs.10 (Rupees Ten Only) each of the Target Company, on a preferential allotment basis at an issue price of Rs.10 per Equity Share (the "**Preferential Issue Price**") in compliance with the applicable provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, (the "**SEBI ICDR Regulations**") and other applicable laws, aggregating Rs. 18,40,32,240 (Rupees Eighteen Crore Forty Lac Thirty Two Thousand Two Hundred and Forty Only), for consideration to be paid in cash and subject to the approval of the equity shareholders of the Target Company, to the following persons /entities:

a. Upto 22,50,000 Equity Shares to the Promoter Acquirer i.e Mr. Badri Vishal Tandon (Karta of Ram Mohan Das Tandon (HUF)) (the "**Promoter Preferential Issue**")

b. Upto 1,16,53,224 Equity Shares to the Investor Acquirers comprising of 46,93,224 Equity Shares to Mr. Omprakash Goenka, upto 17,40,000 Equity Shares each to Mrs. Kiran Goenka, Mr. Gaurav Goenka, Mrs. Girija Goenka and Mirah Dekor Limited (the "**Investor Acquirers Preferential Issue**")

c. Upto 15,00,000 Equity Shares each to certain other investors namely Mr. Mohit Chaturvedi, Mrs. Bina Chaturvedi and Ganges Leasing and Finance Company Private Limited (hereinafter collectively referred as the "**Financial Investors**") aggregating upto 45,00,000 Equity Shares (the "**Financial Investor Preferential Issue**")

The Promoter Preferential Issue, Investor Acquirers Preferential Issue and the Financial Investor Preferential Issue are together termed as the "**Preferential Issue**".

3.1.3 The Board of Directors of the Target Company convened an Extraordinary General Meeting of its shareholders on June 17, 2011 (the "**EGM**") to obtain their approval for the Preferential Issue under section 81(1A) of the Companies Act and to authorize the Board of Directors of the Target Company to issue and allot the equity shares to the Promoter Acquirer, Investor Acquirers and the Financial Investors.

3.1.4 The equity shareholders of the Target Company have, at their EGM approved the Preferential Issue.

3.1.5 The Board of Directors of the Target Company, in their meeting held on June 25, 2011, approved the following:

a. Execution of a Share Subscription and Shareholders Agreement dated June 25, 2011 (the "**SSA**") with the Mr. Omprakash Goenka (for and on behalf of the Investor Acquirers), the Target Company and Mr. Girish Tandon (for and on behalf of the members that constitute the promoter group of the Target Company) (the promoter group of the Target Company as existing on the date of signing the SSA is hereinafter referred to as the "**Promoter Group**").

b. Consequent to the approval of the Preferential Issue at the EGM and on receipt of the in-principle approval for Preferential Issue from the Bombay Stock Exchange Limited, issue and allotment of 1,84,03,224 Equity Shares at the Preferential Issue Price to the Promoter Acquirer, Investor Acquirers and the Financial Investors

3.1.6 The salient features of the SSA are as follows:

Capitalised terms not defined in the summary are the same as defined in the SSA

(i) The Investors have agreed to subscribe to, and Shree Bhawani Paper Mills Limited has agreed to issue, allot and deliver to the Investors, free and clear of all encumbrances, 1,16,53,224 Equity Shares at a price of Rs. 10 per Equity Share aggregating to Rs. 11,65,32,240/- (Rupees Eleven Crore Sixty Five Lakhs Thirty Two Thousand Two Hundred And Forty Only) (the "Investors Subscription Amount").

(ii) The Promoter Allottee has agreed to subscribe to, and Shree Bhawani Paper Mills Limited has agreed to issue, allot and deliver to the Promoter Allottee, free and clear of all encumbrances, 22,50,000 Equity Shares at a price of Rs. 10 per Equity Share aggregating to Rs. 2,25,00,000/- (Rupees Two Crore Twenty Five Lakhs Only) (the "Promoter Subscription Amount").

(iii) The Equity Shares are subject to lock-in in accordance with the provisions of the SEBI ICDR Regulations.

(iv) The Investors will be declared as promoters of the Target Company along with the Promoters and they will exercise joint control over SBPML.

(v) The Agreement provides for Tag Along rights to and provides a right of first refusal to the other party for the Equity Shares held in the Company.

(vi) The Agreement also provides that in the event of fresh issue of Equity Shares / Convertible Instruments to new investors, the Investors will get a right to subscribe to such new Equity Shares / Convertible Instruments to maintain their stake in the Company.

(vii) The Promoters and the Investors will be able to appoint equal number of directors on the Board of the Company. However, such appointments will be subject to compliance with applicable provisions of Takeover Regulations.

(viii) There are certain covenants, representations and warranties of the Promoters and of the Company which are intended to protect the rights of the Investors.

(ix) The obligations of the Company, the Promoters and the Investors to consummate the transactions contemplated under this Agreement are subject to the satisfaction of the Promoter Allottee and the Investors having completed, all its obligations under the Takeover Code (including obligation to make and duly complete the Open Offer process) and the issuance by the Merchant Banker, under Regulation 23(6) of the Takeover Code, of a certificate in writing in relation to the satisfaction of such obligations by the Acquirer.

(x) The Company shall co-operate to provide such assistance (including necessary information) as shall be required for the purpose of compliance with the Takeover Regulations and other applicable Laws, in relation to the Open Offer.

(xi) The Promoter Allottee undertakes to comply with regulation 22(9) of the Takeover Code and shall refuse himself and not participate in any matter(s) concerning or relating to the Open Offer including any preparatory steps leading to the Open Offer.

(xii) It is also provided that the SSA shall stand terminated upon extinguishment of the Investors rights or default either by the Company or the Promoters which has not been cured.

3.1.7 In addition to the SSA, to meet the funding requirements of the Target Company, Mirah Power Private Limited

("MPL"), a PAC, an entity controlled by Investor Acquirers has entered into a loan agreement dated May 18, 2011 (the "Loan Agreement") with the Target Company pursuant to which MPL has advanced a loan of Rs. 9 crores to the Target Company.

3.1.8 As on the date of the Public Announcement, out of the issued share capital of the Target Company, there are 39,073 equity shares which are only Rs.5 paid up i.e. partly paid-up equity shares. The calls-in-arrears per equity share is Rs. 6.25 (comprising of Rs. 5 towards the face value and Rs. 1.25 towards the share premium).

3.1.9 Consequent to the Preferential Issue, the total equity share capital of the Target Company will be 3,48,27,224 equity shares ("**Emerging Equity Shares**") comprising of 3,47,88,151 fully paid-up equity shares ("**Emerging Voting Shares**") and 39,073 partly paid-up equity shares, of which, the Investor Acquirers shall be holding an aggregate of 1,16,53,224 Equity Shares representing 33.46% of the Emerging Equity Shares and the Promoter Group shall be holding an aggregate of 1,16,51,724 Equity Shares representing 33.46% of the Emerging Equity Shares. The aggregate holding of the Investor Acquirers and the Promoter Group will be 2,33,04,948 Equity Shares representing 66.92% of the Emerging Equity Shares. Of the Emerging Voting Shares, the Investor Acquirers and the Promoter Group will be holding 33.50% and 33.49% respectively. The PAC is not holding any shares in the Target Company.

3.1.10 The Preferential Issue to the Investor Acquirers and the signing of the SSA will result in change in control of the Target Company. As per the SSA, the Investor Acquirers will be in joint control of the Target Company along with the Promoter Group. The Promoter Group through the Promoter Acquirer has also agreed to acquire Equity Shares in the Preferential Issue. Mirah Power Pvt Ltd and Royal Twinkle Star Club Limited are the PAC for the purpose of this Offer. Consequent to the same, the Investor Acquirers along with the Promoter Acquirer and the PAC are making this offer (the "**Offer**") to the public shareholders of the Target Company excluding the Promoter Group, the PAC and Investor Acquirers (hereinafter referred to as the "**Public Shareholders**") under Regulation 10, 11(2) and 12 of the SEBI Takeover Code.

3.1.11 Prior to the Preferential Issue, (a) the Investor Acquirers and the PAC did not held any Equity Shares of the Target Company; (b)Mr. Badri Vishal Tandon (Karta of Ram Mohan Das Tandon (HUF)) holds 14,11,347 Equity Shares which represents 8.59% of the pre-Preferential Issue equity shares and 4.05% of the Emerging Equity Shares; the Promoter Group collectively holds 94,01,724 Equity Shares which represents 57.24% of the Pre-Preferential Issue equity shares and 27.00% of the Emerging Equity Shares and (c) the Financial Investors did not held any Equity Shares of the Target Company.

3.1.12 The Acquirers, the PAC and its directors have not been prohibited by SEBI from dealing in securities, in terms of direction issued under Section 11B of the SEBI Act or any other regulations made under the SEBI Act. The Target Company and its directors have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act.

3.2 Details of the Proposed Offer

3.2.1 The Public Announcement dated June 28, 2011 and Corrigendum to the Public Announcement dated Wednesday, May 30, 2012 was published in the following newspapers, in accordance with Regulation 15 of the SEBI Takeover Code:

Publication	Language	Editions
Financial Express	English	All editions
Jansatta	Hindi	All editions
Nav Shakti	Marathi	Mumbai
Amrit Prabhat	Hindi	Allahabad

The Public Announcement and Corrigendum to the Public Announcement will also be available on the SEBI website at www.sebi.gov.in. The Public Announcement was published on June 29, 2011 and Corrigendum to the Public Announcement was published on Thursday May 31, 2012.

3.2.2 The Offer is being made to the Public Shareholders to acquire upto 69,65,445 equity shares of the Target Company (the "**Offer Size**"), representing 20% of the Emerging Equity Shares and 20.02% of the Emerging Voting Shares at a price of 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). The interest is calculated at the rate of 10% p.a. from September 20, 2011 to July 10, 2012 i.e. the latest scheduled date of payment of consideration (the "**Offer Price**"), payable in cash. 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. As per the provision of Regulation 20 (10) of the SEBI Takeover Code, the offer price for partly paid-up equity share is calculated by reducing the amount outstanding on the partly paid-up share payable towards the face value from the offer price of Rs.10 for each fully paid-up equity share. The minimum marketable lot for the purposes of acceptance, for both physical and demat shares would be one equity share.

3.2.3 As per the SSA, Article 69 of the Articles of Association of the Target Company does not entitle any shareholder to vote at any general meeting in respect of any shares in the Target Company unless all calls or other sums presently payable have been paid thereon. However, the Offer is made to all the Public Shareholders and the equity shares validly tendered in the Offer will be accepted subject to maximum of 69,65,445 equity shares.

3.2.4 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), Mirah Power Private Limited, Royal Twinkle Star Club Limited, 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.

3.2.5 Except for the acquisition through the Preferential Issue, the Investor Acquirers, the PAC and the Promoter Acquirer as well as the Promoter Group have not acquired any Equity Shares in the twelve-month period prior to the date of the Public Announcement.

3.2.6 The Acquirers and the PAC have not acquired any Equity Shares of the Target Company since the date of the Public Announcement upto the date of this Letter of Offer.

3.2.7 The Acquirers and the PAC will acquire all the equity shares tendered and accepted under the Offer, subject to certain conditions and other terms and conditions set out in Section 8 of this Letter of Offer.

3.2.8 The Offer is not conditional on any minimum level of acceptance by the Public Shareholders and the Acquirers and the PAC will acquire all the equity shares of SBPML that are validly tendered in terms of this Offer, up to a maximum of 69,65,445 equity shares at the Offer Price.

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

3.2.10 The applicable provisions of Chapter II of the SEBI Takeover Code, vis-à-vis the Target Company have been complied by the Investor Acquirers and the PAC, where required. As regards the Promoter Acquirer and the Promoter Group, there have been delays on some occasions. For details, please refer to paragraph 6.11.

3.2.11 As of the date of the Public Announcement, the Manager to the Offer does not hold any equity shares in the Target Company. The Manager to the Offer will not deal in the Equity Shares of the Target Company until the expiry of fifteen days from the Offer Closing Date.

3.3 Objects of the Offer and Acquirers' Future Plans for SBPML

3.3.1 The Offer is being made in compliance with Regulation 10, 11(2), 12 and other applicable provisions of the SEBI Takeover Code, for the purposes of substantial acquisition of equity shares and voting rights, as disclosed earlier, accompanied with change in control and management of the Target Company thereby enabling the Investor Acquirers and the PAC to exercise joint control over the Target Company along with the Promoter Group, inter-alia, through the right to appoint directors or through joint control over management or policy decisions, by virtue of their shareholding and the provisions of the SSA. Further, subject to the compliance of the applicable provisions of the SEBI Takeover Code, the Companies Act and applicable provisions of other applicable laws, the Investor Acquirers and the PAC may appoint directors on the board of the Target Company after completion of 21 days from the date of the Public Announcement. The Investor Acquirers and the PAC reserve the right to seek reconstitution of the board of directors of the Target Company, in accordance with the provisions contained in the SEBI Takeover Code and the Companies Act. The Investor Acquirers and the PAC along with the Promoter Group may also consider changing the name of the Target Company at a later date. Consequent to the Preferential Issue and the SSA, the Investor Acquirers and the PAC will be declared as promoters of the Target Company along with the Promoter Group.

3.3.2 The Investor Acquirers and the PAC would continue to support the existing business of the Target Company and also support the Target Company's Board of Directors in their endeavour to develop the business. The Target Company proposes to use the proceeds of the Preferential Issue to meet its capital expenditure, repayment/reduction of borrowings, general corporate purposes and maintain adequate liquidity for the future requirements in line with the growth strategy of the Target Company. The Investor Acquirers and the PAC intend to help grow the existing business of the Target Company and strengthen its position in the industry.

3.3.3 The Investor Acquirers as well as the PAC and Target Company are not in the same line of business. The Promoter Acquirer is part of the Promoter Group of the Target Company and has been involved in the operations of the Target Company. As part of its business diversification of the Target Company, the Acquirers and the PAC may consider installing power units of the Target Company either through its own or alongwith partners either for captive power consumption and / or distributing the surplus power as may be permitted under the applicable laws. The Acquirers and the PAC may also consider encumbering the assets of the Target Company and / or its subsidiaries to avail financing facilities from the financial institutions in the ordinary course of business. Any of the above decisions will be governed by the provisions of the relevant laws and other applicable regulations or any other applicable laws or legislation at the relevant time. The Acquirers and the PAC will evaluate and consider such proposals and may, if appropriate, support the same. It will be the responsibility of the board of directors of the Target Company to make appropriate decisions in these matters in accordance with the business requirements and in line with opportunities or changes in the economic scenario, from time to time.

3.3.4 During the Offer period the Acquirers and the PAC may also purchase additional Equity Shares in accordance with the SEBI Takeover Code, subject to availability of necessary approvals. Request to refer to section 5 for disclosures in the event the minimum public shareholding, pursuant to the acquisitions through the SSA, open market and the Offer, is reduced below the required level as per the listing agreement.

3.3.5 The Acquirers and the PAC do not have any plan to dispose off or otherwise encumber any asset of the Target Company in the next two (2) years except (i) in the ordinary course of business of Target Company and/or (ii) in accordance with applicable law. The Acquirers and the PAC undertake that they shall not sell, dispose off or otherwise encumber any substantial assets of the Target Company, other than in the ordinary course, except with the prior approval of the shareholders of Target Company and/or in accordance with applicable law.

4. BACKGROUND OF THE ACQUIRERS AND PAC

4.1 Promoter Acquirer - Mr. Badri Vishal Tandon (Karta of Ram Mohandas Tandon (HUF))

4.1.1 Mr. Badri Vishal Tandon (Karta of Ram Mohan Das Tandon (HUF)) is part of the existing Promoter Group of the Target Company residing at 33, Dayanand Marg, Allahabad 211002, India; Tel: (+91) (532) 2427248, Fax: (+91) (532) 2548425 .

4.1.2 As per Certificate dated May 24, 2012, from M/s. S.Kakkar & Co., Chartered Accountants (Firm registration no. 000407C) through their Partner S.C. Kakkar, Membership no. 12119 having their office at 17/33 C, M.G.Marg (1st Floor), Near Indian Coffee House, Civil Lines, Allahabad-211001, Tel: 2427248, the Networth of the Promoter Acquirer as on March 30, 2012 is Rs. 3,172.75 lacs . As regards compliance with the applicable provisions of Chapter II of the SEBI Takeover Code, vis-à-vis the Target Company, there have been compliance in general except for certain instances of non-compliances / delayed compliances by the Promoter Acquirer and the Promoter Group. For details, please refer to paragraph 6.11.

4.2 Investor Acquirers

4.2.1 **Mr. Omprakash Goenka**, aged 64 years, residing at 101, 10th Floor, Somerset House, Sophia College Lane, Warden Road, Mumbai – 400 026, Tel: (+91) (22) 4050 2900, Fax: (+91) (22) 4050 2901. He, is a graduate in Arts (B.A.) and has also done Diploma in Business Management. He is the promoter and Chairman of Mirah Group of Companies including Mirah Dekor Limited. He has over 40 years of business experience in various industries including Real Estate development, Hospitality, Travels, Wind Energy Generation, Computer Education, Textiles, Corporate Gifts and International Trading. Mr. Omprakash Goenka is the Managing Director of Mirah Dekor Limited. He is not a whole time director in any other companies. Further, he is not a director in any listed company. As per Certificate dated May 2, 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, the Networth of Mr. Omprakash Goenka, as on March 31, 2012, is Rs. 2,850.40 lacs. The applicable provisions of Chapter II of the SEBI Takeover Code, vis-à-vis the Target Company have been complied by the Investor Acquirers and the PAC, where applicable.

4.2.2 **Mrs. Kiran Goenka**, aged 57 years, residing at 101, 10th Floor, Somerset House, Sophia College Lane, Warden Road, Mumbai – 400 026, Tel: (+91) (22) 4050 2900, Fax: (+91) (22) 4050 2901. She is the wife of Mr. Omprakash Goenka. She has over 20 years of experience in administration and human resource development. Mrs. Kiran Goenka is a whole time director in Mirah Dekor Limited. She is not a whole time director in any other companies. Further, she is not a director in any listed company. As per Certificate dated May 2, 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, the Networth of Mrs. Kiran Goenka, as on March 31, 2012 is Rs. 135.31 lacs. The applicable provisions of Chapter II of the SEBI Takeover Code, vis-à-vis the Target Company have been complied by the Investor Acquirers and the PAC, where applicable.

4.2.3 **Mr. Gaurav Goenka**, aged 31 years, residing at 101, 10th Floor, Somerset House, Sophia College Lane, Warden Road, Mumbai – 400 026, Tel: (+91) (22) 4050 2900, Fax: (+91) (22) 4050 2901. He is the son of Mr. Omprakash Goenka. He is a Master in Economics & Social Studies. He looks after the Hospitality segment of the Mirah Group and is in-charge of the strategic decisions of Mirah Group. Mr. Gaurav Goenka is a whole time director in Mirah Dekor Limited. He is not a whole time director in any other companies. Further, he is not a director in any listed company. As per Certificate dated May 2, 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, the Networth of Mr. Gaurav Goenka, as on March 31, 2012, is Rs. 1,017.87 lacs. The applicable provisions of Chapter II of the SEBI Takeover Code, vis-à-vis the Target Company have been complied by the Investor Acquirers and the PAC, where applicable.

4.2.4 **Mrs. Girija Goenka**, aged 30 years, residing at 101, 10th Floor, Somerset House, Sophia College Lane, Warden Road, Mumbai – 400 026, Tel: (+91) (22) 4050 2900, Fax: (+91) (22) 4050 2901. She is the wife of Mr. Gaurav Goenka. She is a graduate in commerce and has over 5 years of experience in administration and human resource development. She is not a whole time director in any companies. Further, she is not a director in any listed company. As per Certificate dated May 2, 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, the Networth of Mrs. Girija Goenka, as on March 31, 2012, is Rs. 439.69 lacs. The applicable provisions of Chapter II of the SEBI Takeover Code, vis-à-vis the Target Company have been complied by the Investor Acquirers and the PAC, where applicable.

4.2.5 **Mirah Dekor Limited**

4.2.5.1 Mirah Dekor Limited ("**MDL**") is a closely held company limited by shares. The registered and corporate office is situated at 208, Parvati Industrial Estate, Sun Mill Compound, Lower Parel (West), Mumbai – 400 013, Tel no. +91-22-4050 2900, Fax no. +91-22-4050 2901. MDL was incorporated on January 25, 1985 under the Companies Act as Mirah Dekor Private Limited and subsequently converted into a public limited company vide special resolution dated December 9, 1998 and obtained a fresh Certificate of Incorporation consequent to change of name on January 25, 1999. The issued and paid up equity share capital of MDL is Rs.353.10 lakhs comprising of 35,30,980 equity shares of Rupees 10 each. MDL is controlled by Mr. Omprakash Goenka, Mrs. Kiran Goenka, Mr. Gaurav Goenka and Mrs. Girija Goenka. MDL is an ISO 9001:2000 certified organization, and is the flagship Company of Mirah Group engaged into trading and sourcing of all types of activities ranging from pin to plane for various reputed manufacturers. The shares of MDL are not listed on any stock exchanges. The applicable provisions of Chapter II of the SEBI Takeover Code, vis-à-vis the Target Company have been complied by the Investor Acquirers and the PAC, where applicable. MDL has, subject to approval of Registrar of Companies, taken approval of its shareholders at their Extra Ordinary General Meeting held on May 28, 2012 for conversion from public limited to private limited company. A public notice for the same was published in newspapers on May 30, 2012.

4.2.5.2 Shareholding Pattern **of** MDL:

Sl. No	**Shareholder's Category**	**No. of Shares held**	**Percentage of Shares held**
1.	Promoters	35,30,980	100%
2.	FII / Mutual-Funds/ FIs/Banks	-	-
3.	Public	-	-
	Total Paid Up Capital	**35,30,980**	**100%**

4.2.5.3 The Board of Directors of MDL, as on the date of the Public Announcement, consists of the following people:

Name /Designation / Directors Identification no.	**Appointment Date**	**Experience**	**Qualification**	**Residential Address**
Mr. Omprakash Goenka *Managing Director* DIN: 00092846	25/01/1985	Over 40 years of business experience in various industries including Real Estate development, Hospitality, Travels, Wind Energy Generation, Computer Education, Textiles, Corporate Gifts and International Trading	Graduate in Arts and Diploma in Business Management	101, 10th Floor, Somerset House, Sophia College Lane, Warden Road, Mumbai – 400 026
Mrs. Kiran Goenka *Whole Time Director* DIN: 00093042	25/01/1985	Over 20 years of experience in administration and human resource development.	Graduate	101, 10th Floor, Somerset House, Sophia College Lane, Warden Road, Mumbai – 400 026
Mr. Gaurav Goenka *Whole Time Director* DIN: 00093179	19/04/1999	Over 12 years of experience and Looks after the Hospitality segment of the Mirah Group and is in-charge of the strategic decisions of Mirah Group	Master in Economics & Social Studies	101, 10th Floor, Somerset House, Sophia College Lane, Warden Road, Mumbai – 400 026
Mr. Anand Shetty *Whole Time Director* DIN: 00093815	01/10/1998	Over 20 years of experience in sales and marketing; previously employed with renowned textile companies	B.Sc. MBA	1201, 12th Floor, Victoria Classic, Near Asha Nagar PK Road, Mulund (W), Mumbai, 400 080,

4.2.5.4 None of the above members of the Board of Directors of MDL are on the Board of Directors of the Target Company. Except for the Equity Shares acquired as part of the Preferential Issue by Mr. Omprakash Goenka, Mrs. Kiran Goenka, Mr. Gaurav Goenka, none of the Directors of MDL have acquired any equity shares of SBPML during the preceding 12 months. As per the SSA, the Investor Acquirers reserve the right to appoint directors on the Board of Directors of the Target Company. However, any such appointment will be in compliance with the applicable provisions of the SEBI Takeover Code.

4.2.5.5 Brief financials of MDL based on the audited financial statements for the last 3 financial years are as follows:

(*Rs. In lacs except for per share data*)

Profit & Loss Statement	**9 Months Ended Dec 31, 2011***	**FY 2011**	**FY 2010**	**FY 2009**
Income from operations	12,478.47	14,421.98	11,483.27	7,875.66
Other Income	31.41	245.06	184.54	194.38
Total Income	12,509.88	14,667.04	11,667.81	8,070.04
Total Expenditure.	10,452.80	12,462.59	9,884.39	6,920.22
Profit Before Depreciation Interest and Tax	2,057.08	2,204.44	1,783.42	1,149.83
Depreciation	167.99	224.22	125.00	108.67
Interest	429.86	599.21	443.71	350.86
Profit Before Tax	1,459.22	1,381.02	1,214.71	690.30
Prior Period Expenses	0.06	45.68	23.31	-
Appreciation/(Diminution) in value of long term investment	-	(2.43)	6.18	(7.05)
Provision for Tax & Deferred Tax Liability	-	528.75	390.88	242.04
Profit After Tax	**1,459.17**	**804.16**	**806.69**	**441.19**

Balance Sheet Statement	**As on Dec 31, 2011***	**FY 2011**	**FY 2010**	**FY 2009**
Sources of funds				
Paid up share capital	353.10	353.10	353.10	353.10
Reserves & Surplus (excluding revaluation reserves and net of miscellaneous expenditure not written off)	4,744.00	3,315.71	2,542.43	1,766.16
Networth	5,097.09	3,668.81	2,895.53	2,119.26
Secured loans	3,322.28	3,668.15	3,837.94	2,223.19
Unsecured loans	1,820.00	280.96	456.05	423.57
Deferred Tax Liability	935.02	935.02	676.26	426.09
Total	**11,174.40**	**8,552.94**	**7,865.78**	**5,192.11**
Uses of funds				
Net fixed assets	3,726.44	3,882.97	4,039.98	2,288.56
Investments	526.69	378.90	295.02	248.24
Net current assets	6,921.27	4,291.07	3,530.79	2,655.30
Total	**11,174.40**	**8,552.94**	**7,865.78**	**5,192.11**

Other Financial Data	**9 Months ended Dec 31, 2011**	**FY 2011**	**FY 2010**	**FY 2009**
Dividend (%)	-	7.50	7.50	5.00
Earning per share	41.32	22.77	22.85	12.49
Return on Networth(%)	28.63	21.92	27.86	20.81
Book Value per share	144.35	103.90	82.00	60.02

* Certified

Note:

(1) Earning per share = Profit (Loss) for the period / No. of equity shares outstanding

(2) Return on Net Worth = Profit (Loss) for the period / Shareholders equity at the end of the period

(3) Book Value per share = Shareholders equity (after reducing Preference capital, if any) at the end of the period / No. of equity shares outstanding

(4) Dividend (%) = Dividend paid (after reducing preference dividend, if any) / No. of equity shares outstanding at year end / Par value per equity share

(5) NM = Not meaningful or not applicable.

Source:

- *Annual Report for the financial information pertaining to FY 2011, FY 2010 and FY 2009*
- *For financial information pertaining to 9 months period ended Dec 31, 2011 - Certificate dated May 2, 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

4.2.5.6 **The significant accounting policies of MDL, as per the audited financial statements for the financial year ended March 31, 2011 are as follows:**

i) Basis of Preparation - The Financial statements of Mirah Dekor Limited ("the Company") have been prepared to comply with the Accounting Standards referred to in the Companies (accounting Standards) Rule 2006 issued by the Central Government in exercise of the power conferred under sub-section (I)(a) of Section 642 and the relevant provisions of the Companies Act, 1956(the 'Act'). The financial statements are prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company unless otherwise stated.

ii) Fixed Assets- Fixed Assets are stated at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable costs of bringing the assets to their working condition for their intended use.

iii) Depreciation - Depreciation on fixed assets has been provided on Straight Line Method as per rates provided in Schedule XIV to the Companies Act, 1956.

iv) Inventories - Inventories are valued at cost or market value whichever is lower. Market value is the estimated selling price for the inventories in the ordinary course of business. Cost for traded goods includes cost of purchase.

v) Revenue Recognition - Revenue is recognized to the extent that it can be reliably measured and is probable that the economic benefits will flow to the company.

Sale of Goods: Revenue from the sale of goods is recognized when the significant risks and reward of ownership of the goods are transferred to the customer and is stated net of trade discounts, sales return and sales tax.

Interest: Revenue is recognized on a time proportionate basis taking into account the amount outstanding and the appropriate rate of interest.

Dividends: Revenue is recognized when actually received.

Service Income: Income from services rendered is booked based on agreement/arrangement with the concerned parties.

vi) Capital and revenue expenditure - The capital expenditure are treated on the same line as any other capital expenditure and shown under the respective assets block. The revenue expenditure are charged to the Profit & Loss Account in the year to which they pertain.

vii) Retirement benefit - Contribution payable by the company to concerned government authorities in respect of providend fund, Gratuity and employee state insurance are charged to the profit and loss account.

viii) Previous Year's figures - Previous Year's figures have been regrouped, rearranged, recast and reclassified to correspond with the figures of the current year.

ix) Investments - All investments are classified as long term investments. Long Term investments are carried at cost; however, provision for diminution in value is made to record temporary diminution in the value of such investments and the same is reversed as and when the market value of the investment increases

x) Impairment of Assets - The carrying amounts of the fixed assets are not less than the recoverable amount hence no adjustment in impairment of assets is required.

xi) Taxes on Income - Tax expenses comprise current tax and deferred tax. Provision for current tax is made based on the tax payable under the Income Tax Act, 1961. Deferred income tax reflects the impact of current year timing differences between taxable income/losses and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet.

xii) Provisions, contingent liabilities and contingent assets - Provision involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes to accounts. Contingent Assets are neither recognized in the financial statements nor disclosed in financial statements.

4.2.5.7 **Changes in the accounting policies of MDL during the last 3 financial years**

During the last three years, there was no change in the accounting policies regularly employed by MDL

4.2.5.8 **Impact on profits due to restatement and other material adjustments made to the audited financial statements:**

There were no adjustments/ rectification required for any incorrect accounting policies or failures to make provisions or other adjustments, which resulted in audit qualifications. There was no material amount in the Profit and Loss Account for the year ended 31st March, 2011, relating to adjustments for last three years which require adjustment in arriving at the profits of the years to which they relate. There were no extraordinary items accounted in the said Profit and Loss Account.

4.2.5.9 Reasons for fall/rise in total income and PAT in the last 3 financial years

2011 compared with 2010:

Total income increased to Rs. 14,667.04 lacs in FY 2011 compared to Rs. 11,667.81 lacs in FY 2010, showing an increase of 25.71%. However due to pressure on margins PAT of MDL reduced from Rs. 806.69 lacs in FY 2010 to Rs. 804.16 lacs in FY 2011.

2010 compared with 2009:

Total Income increased to Rs. 11,667.81 lacs in FY 2010 compared to Rs. 8,070.04 lacs in FY 2009. PAT of the MDL in FY 2010 was Rs.806.69 lacs as against Rs 441.19 lacs in FY 2009 showing an increase of approximately 83 %.The company has enhanced its capabilities in terms of services and product mix, by restructuring its financial position and by investing in two Wind turbine generators (3MW) in Rajasthan as an additional source of revenue. These factors contributed towards increased profitability.

4.2.5.10 The major contingent liabilities of MDL as on March 31, 2011, based on the last audited financial statements:

Contingent Liabilites not provided for	**March 31, 2011 Rs. Lacs**	**March 31, 2010 Rs. Lacs**
(a) Corporate Guarantee given on behalf of Associated concerns	700.00	700.00
(b) Disputes pending w.r.t dues under the Sales Tax Act	-	5.27
(c) Other contingent liabilities	-	1.60

4.2.6 **PAC: Mirah Power Private Limited**

4.2.6.1 Mirah Power Private Limited ("**MPL**") a closely held company limited by shares, was incorporated on January 6, 2010 under the Companies Act, 1956. 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. 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 shares of MPL are not listed on any stock exchanges. The applicable provisions of Chapter II of the SEBI Takeover Code, vis-à-vis the Target Company have been complied by the Investor Acquirers and the PAC, where applicable.

4.2.6.2 Shareholding Pattern of MPL:

Sl. No	**Shareholder's Category**	**No. of Shares held**	**Percentage of Shares held**
1.	Promoters	10,000	100%
2.	FII / Mutual-Funds/ FIs/Banks	-	-
3.	Public	-	-
	Total Paid Up Capital	**10,000**	**100%**

4.2.6.3 The Board of Directors of MPL, as on the date of the Public Announcement, consists of the following people:

Name /Designation / Directors Identification Number	**Appointment Date**	**Experience**	**Qualification**	**Residential Address**
Mr. Omprakash Goenka *Director* DIN: 00092846	06/01/2010	Over 40 years of business experience in various industries including Real Estate development, Hospitality, Travels, Wind Energy Generation, Computer Education, Textiles, Corporate Gifts and International Trading	Graduate in Arts and Diploma in Business Management	101, 10th Floor, Somerset House, Sophia College Lane, Warden Road, Mumbai – 400 026
Mr. Gaurav Goenka *Director* DIN: 00093179	06/01/2010	Over 12 years of experience and Looks after the Hospitality segment of the Mirah Group and is in-charge of the strategic decisions of Mirah Group	Master in Economics & Social Studies	101, 10th Floor, Somerset House, Sophia College Lane, Warden Road, Mumbai – 400 026

4.2.6.4 None of the above members of the Board of Directors of MPL are on the Board of Directors of the Target Company. Except for the Equity Shares acquired as part of the Preferential Issue by Mr. Omprakash Goenka, Mr. Gaurav Goenka, none of the Directors of MPL have acquired any equity shares of SBPML during the preceding 12 months. As per the SSA, the Investor Acquirers reserve the right to appoint directors on the Board of Directors of the Target Company. However, any such appointment will be in compliance with the applicable provisions of the SEBI Takeover Code.

4.2.6.5 As MPL was incorporated in FY2010, there are no financials prior to FY2010. Brief financials of MPL based on the audited financial statements for the last 2 financial years are as follows:

(*Rs. In lacs except for per share data*)

Profit & Loss Statement	**9 Months Ended Dec 31, 2011***	**FY 2011**	**FY 2010**
Income from operations	-	-	-
Other Income	-	-	-
Total Income	-	-	-
Total Expenditure.	0.91	0.10	0.35
Profit Before Depreciation Interest and Tax	(0.91)	(0.10)	(0.35)
Depreciation	-	-	-
Interest	-	-	-
Profit Before Tax	(0.91)	(0.10)	(0.35)
Prior Period Expenses	-	(0.03)	-
Appreciation/(Diminution) in value of long term investment	-	-	-
Provision for Tax & Deferred Tax Liability	-	-	-
Profit After Tax	**(0.91)**	**(0.13)**	**(0.35)**

Balance Sheet Statement	**As on Dec 31, 2011***	**FY 2011**	**FY 2010**
Sources of funds			
Paid up share capital	1.00	1.00	1.00
Reserves & Surplus (excluding revaluation reserves and net of miscellaneous expenditure not written off)	(1.39)	(0.48)	(0.35)
Networth	(0.39)	0.52	0.65
Secured loans	-	-	-
Unsecured loans	879.00	1.00	-
Deferred Tax Liability	-	-	-
Total	**878.61**	**1.52**	**0.65**
Uses of funds			
Net fixed assets	-	-	-
Investments	-	-	-
Net current assets	878.61	1.52	0.65
Total	**878.61**	**1.52**	**0.65**

Other Financial Data	**9 Months ended Dec 31, 2011***	**FY 2011**	**FY 2010**
Dividend (%)	-	-	-
Earnings per share	(9.14)	(1.27)	(3.49)
Return on Networth(%)	-	(24.35)	(53.67)
Book Value per share	(3.91)	5.23	6.51

*Certified

Note:

(1) Earning per share = Profit (Loss) for the period / No. of equity shares outstanding
(2) Return on Net Worth = Profit (Loss) for the period / Shareholders equity at the end of the period
(3) Book Value per share = Shareholders equity (after reducing Preference capital, if any) at the end of the period / No. of equity shares outstanding
(4) Dividend (%) = Dividend paid (after reducing preference dividend, if any) / No. of equity shares outstanding at year end / Par value per equity share
(5) NM = Not meaningful or not applicable.

Source:

- *Annual Report for the financial information pertaining to FY 2011and FY 2010*
- *For financial information pertaining to 9 months period ended Dec 31, 2011 - 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*

4.2.6.6 **The significant accounting policies of MPL, as per the audited financial statements for the financial year ended March 31, 2011 are as follows:**

i) Basis of Accounting: The Accounts have been prepared under actual cost convention, on accrual basis, as a going concern to comply in all material aspects with applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the companies act, 1956.

ii) Revenue Recognition: No Revenue has been recognized during the year.

iii) Fixed Assets: The company does not hold any Fixed Assets as on Balance Sheet date.

iv) Depreciation: Since the Company does not hold any Fixed Assets, the provision for Depreciation in books is not required.

v) Inventories: The company does not hold any stock as on Balance Sheet date.

vi) Retirement Benefits: Disclosure under Accounting Standard -15 relating to Employees Benefit is not applicable since there is no employee with the Company.

4.2.6.7 **Changes in the accounting policies of MPL during the last 2 financial years**

During the last two financial years, there was no change in the accounting policies regularly employed by MPL

4.2.6.8 **Impact on profits due to restatement and other material adjustments made to the audited financial statements:**

There were no adjustments/ rectification required for any incorrect accounting policies or failures to make provisions or other adjustments, which resulted in audit qualifications. There was no material amount in the Profit and Loss Account for the year ended 31st March, 2011, relating to adjustments for last three years which require adjustment in arriving at the profits of the years to which they relate. There were no extraordinary items accounted in the said Profit and Loss Account.

4.2.6.9 **Reasons for fall/rise in total income and PAT in the last 3 financial years**

No business activities were started by the company during the financial years 2010 and 2011.

4.2.6.10 There were no contingent liabilities of MPL as on March 31, 2011 and as on March 31, 2010

4.2.7 **PAC: Royal Twinkle Star Club Limited**

4.2.7.1 Royal Twinkle Star Club Limited ("**RTSC**") a closely held company limited by shares. 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 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. The issued and paid up equity share capital of RTSC consists of 50,000 equity shares of Rupees 10/- (Rupees Ten Only) each. RTSC is controlled by Mr. Omprakash Goenka and family. RTSC is engaged in the business of hospitality. The shares of RTSC are not listed on any stock exchanges. The applicable provisions of Chapter II of the SEBI Takeover Code, vis-à-vis the Target Company have been complied by the Investor Acquirers and the PAC, where applicable.

4.2.7.2 Shareholding Pattern of RTSC:

Sl. No	Shareholder's Category	No. of Shares held	Percentage of Shares held
1.	Promoters	50,000	100%
2.	FII / Mutual-Funds/ FIs/Banks	-	-
3.	Public	-	-
	Total Paid Up Capital	**50,000**	**100%**

4.2.7.3 The Board of Directors of RTSC, as on the date of the Public Announcement, consists of the following people:

Name /Designation / Directors Identification Number	Appointment Date	Experience	Qualification	Residential Address
Mr. Omprakash Goenka *Director* DIN: 00092846	06/05/2008	Over 40 years of business experience in various industries including Real Estate development, Hospitality, Travels, Wind	Graduate in Arts and Diploma in Business Management	101, 10th Floor, Somerset House, Sophia College Lane, Warden Road, Mumbai – 400 026

		Energy Generation, Computer Education, Textiles, Corporate Gifts and International Trading		
Mr. Prakash Ganpat Utekar *Director* DIN: 00094103	06/05/2008	Overall 18 years of sales & marketing experience in various companies. He is an astute man manager and thru his experience has carved a distinct niche in today's competitive arena.	HSC	8/801, Gandhar Tower Near,, Utakarsh Bldg. Khed Galli Prabhadevi, Mumbai, 400025,
Mr. Venkatraman Natarajan *Director* DIN: 00637510	06/05/2008	Having 20 years of experience in reputed finance & non finance, insurance organisation with a proven track record on field development.	SSLC	1001/1002, Mount Everest, A Wing 10th Flr,, Bhakti Park Near I Max Cinema, Wadala(E),, Mumbai, 400037
Mr. Narayan Kotnis *Director* DIN: 01229007	06/05/2008	Overall experience of 25 years in the field of sales and marketing. He has also worked with financial & non financial institution including insurance companies and has handled planning & execution of various projects	Diploma in Mechanical Engineering	301, Tejas Heights, 3rd Floor, Plot No. 245,, Opp. Sion Hospital, Sion (East),, Mumbai, 400022,

4.2.7.4 None of the above members of the Board of Directors of RTSC are on the Board of Directors of the Target Company. Except for the Equity Shares acquired as part of the Preferential Issue by Mr. Omprakash Goenka, none of the Directors of RTSC have acquired any equity shares of SBPML during the preceding 12 months. As per the SSA, the Investor Acquirers reserve the right to appoint directors on the Board of Directors of the Target Company. However, any such appointment will be in compliance with the applicable provisions of the SEBI Takeover Code.

4.2.7.5 Brief financials of RTSC based on the audited financial statements for the last 3 financial years are as follows:

(*Rs. In lacs except for per share data*)

Profit & Loss Statement	**FY 2011**	**FY 2010**	**FY 2009**
Income from operations	25,138.66	9,419.72	1,531.07
Other Income	5,748.26	3,052.40	211.29
Total Income	30,886.91	12,472.12	1,742.37
Total Expenditure.	29,829.79	12,060.19	1,707.36
Profit Before Depreciation Interest and Tax	1,057.12	411.93	35.01
Depreciation	21.36	7.49	0.38
Interest	100.75	99.97	14.78
Profit Before Tax	935.01	304.47	19.84
Prior Period Expenses	-	0.91	-
Appreciation/(Diminution) in value of long term investment	(91.64)	-	-
Provision for Tax & Deferred Tax Liability	321.80	102.08	7.39
Profit After Tax	**521.56**	**201.48**	**12.45**

Balance Sheet Statement	**FY 2011**	**FY 2010**	**FY 2009**
Sources of funds			
Paid up share capital	5.00	5.00	5.00
Reserves & Surplus (excluding revaluation reserves and net of miscellaneous expenditure not written off)	735.50	213.93	12.45
Networth	740.50	218.93	17.45
Secured loans	1,116.76	1,074.63	723.37
Unsecured loans	-	-	-
Deferred Tax Liability	11.66	-	-
Total	**1,868.92**	**1,293.56**	**740.83**

Uses of funds			
Net fixed assets	1,150.84	364.24	43.43
Capital Work in Progress	10.42	-	-
Investments	6,687.22	4,142.47	3,732.63
Deferred Tax Assets	-	110.14	6.22
Net current assets	(5,979.56)	(3,323.29)	(3,041.44)
Total	**1,868.92**	**1,293.56**	**740.83**

Other Financial Data	FY 2011	FY 2010	FY 2009
Dividend (%)	-	-	-
Earnings per share	1,043.12	402.96	24.91
Return on Networth(%)	70.43	92.03	71.35
Book Value per share	1,480.99	437.86	34.91

Note:

(1) Earning per share = Profit (Loss) for the period / No. of equity shares outstanding

(2) Return on Net Worth = Profit (Loss) for the period / Shareholders equity at the end of the period

(3) Book Value per share = Shareholders equity (after reducing Preference capital, if any) at the end of the period / No. of equity shares outstanding

(4) Dividend (%) = Dividend paid (after reducing preference dividend, if any) / No. of equity shares outstanding at year end / Par value per equity share

(5) NM = Not meaningful or not applicable.

Source:

- *Annual Report for the financial information pertaining to FY 2011, FY 2010 and FY2009*
- *Certificate dated May 29, 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*

4.2.7.6 **The significant accounting policies of RTSC, as per the audited financial statements for the financial year ended March 31, 2011 are as follows:**

i) Basis of Accounting: The accounts have been prepared under actual cost convention, on accrual basis, as a going concern to comply in all material aspects with applicable Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956

ii) Revenue Recognition:

a) The company has sold holidays to various individuals as membership. The amount so received thus apportioned over the tenure of membership. The membership tenure is flexible & extended for the period more than a year. Out of the apportioned receipts, amount pertaining to the period under audit is considered as “Sales” and balance amount is considered as “Advance Sales” over the tenure of membership.

b) The company has paid scheme promotional expense and other incentives for procurement of membership. The expenses incurred are paid considering the tenure of membership. These expenses are directly related to the membership sales and are apportioned in the same proportion of “Sales” and “Advance Sales”. The expenses pertaining to the period under audit are debited to profit & Loss Account and Balance are considered as “Prepaid Expense”.

c) The company has procured the holiday facilities for its members either through room days purchased or through tie-ups or by way of reimbursement to members where room days are not purchased or tie-ups are not available. The company has to incur cost for making such facilities, which is the bare minimum cost the company will have to incur and therefore in absence of contingency the provision made on actuarial valuation on accrual basis.

iii) Fixed Assets: Fixed Assets are accounted at cost of acquisition, including incidentals related to acquisition.

iv) Depreciation: Depreciation on fixed assets has been provided on straight line method at the rates specified in the schedule XIV to the Companies Act, 1956.

v) Inventories: The company does not hold any stock of either raw material or finished goods, as on Balance Sheet Date. However, the inventory of consumables (Printing & Stationery) is valued at cost or market value whichever is lower.

vi) Retirement Benefits: No provision has been made for gratuity & the same will be accounted for as & when paid.

vii) Investments: All investments are classified as long term investments. Long Term investments are carried at cost; however, provision for diminution in value is made to record temporary diminution in the value of such investments and the same is reversed as and when the market value of the investment increases.

viii) *Impairment of Assets:* The carrying amounts of the fixed assets are not less than the recoverable amount hence no adjustment in impairment of assets is required

ix) Taxes on Income: Tax expenses comprise current tax and deferred tax. Provision for current tax is made based on the tax payable under the Income Tax Act, 1961.Deferred income tax reflects the impact of current year timing differences between taxable income/losses and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet.

x) *Provisions, contingent liabilities and contingent assets:* Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the Notes to accounts. Contingent Assets are neither recognized in the financial statements nor disclosed in financial statements.

4.2.7.7 **Changes in the accounting policies of RTSC during the last 2 financial years**

During the last two financial years, there was no change in the accounting policies regularly employed by RTSC

4.2.7.8 **Impact on profits due to restatement and other material adjustments made to the audited financial statements:**

There were no adjustments/ rectification required for any incorrect accounting policies or failures to make provisions or other adjustments, which resulted in audit qualifications. There was no material amount in the Profit and Loss Account for the year ended 31st March, 2011, relating to adjustments for last three years which require adjustment in arriving at the profits of the years to which they relate. There were no extraordinary items accounted in the said Profit and Loss Account.

4.2.7.9 **Reasons for fall/rise in total income and PAT in the last 3 financial years**

2011 compared with 2010:

Total income increased to Rs. 30,886.91 lacs in FY 2011 compared to Rs. 12,472.12 lacs in FY 2010, showing an increase of 147.65%. Total Expenditure increased to Rs. 29.829.79 lacs in FY 2011 compared to Rs. 12,060.19 lacs in FY 2010, showing an increase of 147.34%. As there was a substantial increase in the Net Income of the company in FY 2011 and due to better operating margins, the Net profit after tax also increased to Rs. 521.56 lacs in FY 2011 from Rs. 201.48 in FY 2010 showing an increase of 158.87%.

2010 compared with 2009:

Total Income increased to Rs. 12,472.12 lacs in FY 2010 compared to Rs. 1,742.37 lacs in FY 2009 showing an increase of 615.82%. Total Expenditure increased to Rs. 12,060.19 lacs in FY 2010 compared to Rs. 1,707.36 lacs in FY 2009, showing an increase of 606.37%. PAT of the company in FY 2010 was Rs.201.48 lacs as against Rs 12.45 lacs in FY 2009 showing an increase of approximately 1,518.31%. The company has attracted new customers and launched various new products. These factors contributed towards increased profitability.

4.2.7.10 There were no contingent liabilities of MPL as on March 31, 2011 and as on March 31, 2010

4.3 **Networth**: As per Certificate dated May 2, 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, the Networth of the individuals forming part of the Investor Acquirers as on March 31, 2012 is as follows: Mr. Omprakash Goenka, Rs. 2,850.40 lacs ; Mrs. Kiran Goenka, Rs. 135.31 lacs; Mr. Gaurav Goenka, Rs. 1,017.87 lacs; Mrs. Girija Goenka, Rs. 439.69 lacs.

4.4 **Relation, if any, existing between the Acquirers/PAC:**

4.4.1 **Investor Acquirers and 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.

4.4.2 **Promoter Acquirer and the Promoter Group:** Promoter Acquirer is part of the Promoter group and the members of the Promoter Group, other than Promoter Acquirer- Mr. Badri Vishal Tandon (Karta of Ram Mohandas Tandon (HUF) -are Mrs. Savita Seth, Mr. Chandra Mohan Krishna, Mrs. Damini Tandon, Mrs. Ela Tandon, Mrs. Paridhi Tandon, Mrs. Surabhi Mehara, Mr. Alankar Tandon, Mr. Chavi Tandon, Mr. Badri Vishal Tandon, Mrs. Sulochani Devi Tandon, Mr. Girish Tandon, Mrs. Meenu Tandon, Mrs. Neera Tandon, Mr. Gaurav Tandon, Mr. Akshat Tandon, , Tandon Investments Private Limited, Alankar Udyog Private Limited, Sahitya Bhawan Private Limited constitute the Promoter Group as on the date of signing of the SSA.

4.4.3 **Between the Acquirers and the PAC:** The Acquirers have entered into the SSA for acquisition of equity shares of the Target Company that triggered the Offer. Further, as agreed in the SSA, the Investor Acquirers will also become co-promoters of the Target Company. MPL, a PAC, has entered into a loan agreement dated May 18, 2011 (the "Loan Agreement") with the Target Company pursuant to which a loan of Rs. 9 crores has been advanced to the Target Company. Please refer to paragraph 3.1.6 for the summary terms of the SSA. As regards acquisition of the equity shares validly tendered and accepted in the Offer, the distribution thereof amongst the Acquirers and the PAC will be decided by the Acquirers and the PAC subsequently.

4.5 The applicable provisions of Chapter II of the SEBI Takeover Code, vis-à-vis the Target Company have been complied by the Investor Acquirers and the PAC, where applicable. As regards the Promoter Acquirer and the Promoter Group, there have been delays on some occasions. For details, please refer to paragraph 6.11.

4.6 Disclosures in terms of Regulation 16(ix) of the SEBI Takeover Code

Please refer to paragraph 3.3 of this Letter of Offer

4.7 Information on other companies promoted / controlled by Acquirers

(A) Promoted / controlled by Investor Acquirers

The information on top 10 companies (in terms of revenue) promoted / controlled by the Investor Acquirers and the PAC is presented below.

4.7.1 **Twinkle Enviro-Tech Private Limited**

Date of Incorporation: September 12, 1996

Main Business of the Company: Recycling of Waste Materials, To undertake Pollution Control Projects

Brief Financials, based on last available audited statements, are as follows:

Rs. in lakhs except for per share data	**FY 2011**	**FY 2010**	**FY 2009**
Equity capital	54.60	54.60	54.60
Reserves (excluding revaluation reserves and net of miscellaneous exp. and debit balance in P&L A/c))	1498.88	1,940.53	1,421.89
Total income (net of excise duty)	40,259.77	28,488.46	20,717.34
Profit / (Loss) after tax	(441.65)	364.23	179.89
Earnings per share (INR/share)	(80.89)	66.71	32.95
Net asset value (INR/share)	284.52	365.41	270.42

4.7.2 **Mirah Hospitality & Food Solutions Private Limited (formerly known as Twinkle Hospitality Private Ltd.)**

Date of Incorporation: January 28, 1988

Main Business of the Company: Hospitality & Restaurant

Brief Financials, based on last available audited statements, are as follows:

Rs. in lakhs except for per share data	**FY 2011**	**FY 2010**	**FY 2009**
Equity capital	500.00	500.00	500.00
Reserves (excluding revaluation reserves and net of miscellaneous exp. and debit balance in P&L A/c))	3,569.13	5,654.95	6,160.11
Share application money	-	-	8.50
Total income (net of excise duty)	4,977.85	2,427.38	1,440.75
Profit / (Loss) after tax	(2,153.05)	(493.72)	(1.00)
Earnings per share (INR/share)	(430.61)	(98.74)	(0.20)
Net asset value (INR/share)	813.83	1,230.99	1,332.02

4.7.3 **Encore Foods & Allied Services Private Limited (Formerly Encore Hotels Private Limited)**

Date of Incorporation: February 21, 2005

Main Business of the Company: Hospitality

Brief Financials, based on last available audited statements, are as follows:

Rs. in lakhs except for per share data	**FY 2011**	**FY 2010**	**FY 2009**
Equity capital	2.00	2.00	2.00
Reserves (excluding revaluation reserves and net of miscellaneous exp. and debit balance in P&L A/c))	(5,588.05)	(5,065.03)	(3,521.24)
Total income (net of excise duty)	2,849.35	1,778.05	1,758.62
Profit / (Loss) after tax	(526.79)	(1,568.50)	(1,641.20)
Earnings per share (INR/share)	(2,633.95)	(7,842.50)	(8,206.00)
Net asset value (INR/share)	(27,930.25)	(25,315.15)	(17,596.20)

4.7.4 **Ajit India Private Limited**

Date of Incorporation: August 30, 1948

Main Business of the Company: Building façade jobs in glass and aluminium as a turnkey project.

Brief Financials, based on last available audited statements, are as follows:

Rs. in lakhs except for per share data	**FY 2011**	**FY 2010**	**FY 2009**
Equity capital	40.00	40.00	30.05
Reserves (excluding revaluation reserves and net of miscellaneous exp. and debit balance in P&L A/c))	946.46	939.38	(77.42)
Total income (net of excise duty)	1,475.59	1,962.21	1115.57
Profit / (Loss) after tax	8.26	1,018.43	6.68
Earnings per share (INR/share)	206.40	25,460.77	221.86
Net asset value (INR/share)	24,661.50	24,484.50	(1,576.49)

4.7.5 **Himesh Foods Private Limited**

Date of Incorporation: October 09, 2007

Main Business of the Company: Hospitality (food & related products)

Brief Financials, based on last available audited statements, are as follows:

Rs. in lakhs except for per share data	**FY 2011**	**FY 2010**	**FY 2009**
Equity capital	147.76	100.00	1.00
Reserves (excluding revaluation reserves and net of miscellaneous exp. and debit balance in P&L A/c))	631.98	(322.14)	(159.04)
Total income (net of excise duty)	1,314.82	768.12	152.64
Profit / (Loss) after tax	(231.04)	(163.10)	(126.23)
Earnings per share (INR/share)	(15.64)	(16.31)	(1,262.30)
Net asset value (INR/share)	52.76	(22.21)	(1,580.44)

4.7.6 **Ecoscapes International Private Limited**

Date of Incorporation: January 29, 2004

Main Business of the Company: Import of Fabric and trading business

Brief Financials, based on last available audited statements, are as follows:

Rs. in lakhs except for per share data	**FY 2011**	**FY 2010**	**FY 2009**
Equity capital	1.00	1.00	1.00
Reserves (excluding revaluation reserves and net of miscellaneous exp. and debit balance in P&L A/c))	(226.70)	(181.95)	(53.85)
Total income (net of excise duty)	1,312.99	857.86	774.19
Profit / (Loss) after tax	(44.87)	(128.23)	(62.44)
Earnings per share (INR/share)	(448.70)	(1,282.30)	(624.40)
Net asset value (INR/share)	(2,256.95)	(1,809.50)	(528.50)

4.7.7 **Telesto Comnet Private Limited**

Date of Incorporation: May 23, 2002

Main Business of the Company: IT Education, Trading, Marketing

Brief Financials, based on last available audited statements, are as follows:

Rs. in lakhs except for per share data	**FY 2011**	**FY 2010**	**FY 2009**
Equity capital	212.50	212.50	212.50
Reserves (excluding revaluation reserves and net of miscellaneous exp. and debit balance in P&L A/c))	896.90	736.94	771.99
Total income (net of excise duty)	1,301.94	1,262.32	2,019.93
Profit / (Loss) after tax	153.64	(36.49)	574.03
Earnings per share (INR/share)	7.23	(1.72)	27.01
Net asset value (INR/share)	52.21	44.68	46.33

4.7.8 **Mind Space Hotels And Resorts Private Limited**

Date of Incorporation: April 11, 2008

Main Business of the Company: Hospitality

Brief Financials, based on last available audited statements, are as follows:

Rs. in lakhs except for per share data	FY 2011	FY 2010	FY 2009
Paid up capital	900.00	900.00	450.00
- Equity capital	800.00	800.00	400.00
- Preference capital	100.00	100.00	50.00
Reserves (excluding revaluation reserves and net of miscellaneous exp. and debit balance in P&L A/c))	817.71	1,068.95	(1.62)
Share application money	-	-	300.00
Total income (net of excise duty)	1,114.43	230.00	4.83
Profit / (Loss) after tax	(251.24)	(129.43)	(1.62)
Earnings per share (INR/share)	(31.41)	(16.18)	(0.41)
Net asset value (INR/share)	202.21	233.62	99.59

4.7.9 **Mirah Entertainment Private Limited**

Date of Incorporation: October 30, 2008

Main Business of the Company: Entertainment

Brief Financials, based on last available audited statements, are as follows:

Rs. in lakhs except for per share data	FY 2011	FY 2010	FY 2009
Equity capital	1.00	1.00	1.00
Reserves (excluding revaluation reserves and net of miscellaneous exp. and debit balance in P&L A/c))	(1454.00)	(1,410.40)	(700.99)
Total income (net of excise duty)	715.16	117.24	289.36
Profit / (Loss) after tax	(43.62)	(709.41)	(700.99)
Earnings per share (INR/share)	(436.24)	(7,094.09)	(7,009.95)
Net asset value (INR/share)	(14,530.00)	(14,094.04)	(6,999.95)

4.7.10 **Mangii Cafes Private Limited (Formerly Mangii Ferra Cafes Private Limited)**

Date of Incorporation: March 05, 2009

Main Business of the Company: Hospitality & Restaurant

FY2010 was the first full year of operation and hence financial statements prior to FY2010 are not available. Brief Financials, based on last available audited statements, are as follows:

Rs. in lakhs except for per share data	FY 2011	FY 2010	FY 2009
Equity capital	60.00	30.00	NA
Reserves (excluding revaluation reserves and net of miscellaneous exp. and debit balance in P&L A/c))	158.40	(25.33)	NA
Total income (net of excise duty)	414.66	178.84	NA
Profit / (Loss) after tax	(11.84)	(23.03)	NA
Earnings per share (INR/share)	(1.97)	(7.68)	NA
Net asset value (INR/share)	36.40	1.56	NA

Formulae for the above ratios:
Earnings per equity share = Profit after tax as reduced by preference share dividend and distribution tax thereon / No. of equity shares outstanding at the year end
Net Asset Value (it's the Net Asset Value per equity share) = Networth after reduction of preference share capital / No. of equity shares outstanding at the year end
NM = Not meaningful or not applicable.
(Source: company data)

None of the companies stated above is a sick industrial company as the Sick Industrial Companies Act is not applicable to them.
None of the above companies are listed on any stock exchanges in India or abroad.

(B) Promoted by Promoter Acquirer

Apart from the Target Company, there are no other companies promoted by the Promoter Acquirer.

4.8 None of the Investor Acquirers/the PAC or their nominees is on the Board of the Target Company. The Promoter Acquirer is not appointed as director on the Board of Directors of the Target Company. However, since the Promoter Acquirer is also part of the Promoter Group, Mr. Badri Vishal Tandon, Mr. Girish Tandon, Mr. Alankar Tandon, in compliance with the requirements of Regulation 22(9) of the SEBI Takeover Code, have recused themselves and not participated in any matter(s) concerning or relating to the Open Offer including any preparatory steps leading to the Open Offer.

5. DISCLOSURE IN TERMS OF REGULATION 21(2) OF THE SEBI TAKEOVER CODE

In the event the public shareholding in the Target Company is found to be reduced below the minimum level required as per the listing agreement entered into by the Target Company with the BSE (the "**Listing Agreement**"), as a result of acquisition of equity shares under (i) the SSA; and/or (ii) acquisition of equity shares from open market from persons other than parties to the SSA, if any; and/or (iii) the Offer, the Acquirers and the PAC shall take necessary steps to facilitate compliance of the Target Company with the relevant provisions of the Listing Agreement and the notification of the Central Government dated June 4, 2010 amending the Securities Contracts (Regulation) Rules, 1957, within a period of 12 months from the date of fall in public shareholding below the minimum level or such extended time as may be then permitted under the applicable law.

6. BACKGROUND OF THE TARGET COMPANY

6.1 The Target Company was incorporated as a public limited company on July 6, 1979, under the Companies Act and having its Corporate Office and Registered Office at 33, Dayanand Marg, Allahabad 211002, Uttar Pradesh. The Target Company obtained its certificate of commencement of business on 9th August, 1979. SBPML is currently engaged, inter alia, in the business of manufacturing all kinds and classes of paper including newsprint, board, cardboard and pulp in all branches, including mechanical or chemical pulp rayon, pulp wood, straw wood, bamboo pulp, fibrous pulp of all descriptions and calloused pulp. The name of the SBPML has not changed since its incorporation. It has three paper manufacturing machines (two agro based manufacturing and one waste paper based manufacturing) and a power plant located at Industrial Area One, Sultanpur Road, Rae Bareli – 229010, Uttar Pradesh India.

6.2 As on the date of the Public Announcement, the authorized share capital of the Target Company is Rs. 35,25,00,000/- (Rupees Thirty Five Crores Twenty Five Lakhs Only) divided into 3,50,00,000 (Three Crore Fifty Lakhs) Equity Shares and 2,50,000 (Two Lakhs Fifty Thousand Only) preference shares of face value Rs. 10/- each. The issued and subscribed share capital of the Target consist of 3,48,27,224 equity shares of face value Rs.10/- each aggregating Rs.34,82,72,240. The paid-up share capital of the Target Company consists of Rs.34,80,76,875 comprising of 3,47,88,151 equity shares fully paid-up and 39,073 equity shares paid-up to Rs.5.

Paid up Equity Shares of Target Company	**No. of Shares**	**No. of voting rights**	**% of Issued shares**	**% of voting rights**
Authorised equity capital	3,50,00,000	-	-	-
Authorised preference capital	2,50,000	-	-	-
Fully paid up equity shares	3,47,88,151	3,47,88,151	99.89%	100.00%
Partly paid up equity shares	39,073	-	0.11%	
Total paid up equity shares	3,48,27,224	3,47,88,151	100.00%	100.00%
Total voting rights in Target Company	3,47,88,151	3,47,88,151	99.89%	100.00%

6.3 Details of the changes in share capital of the Target Company since incorporation and status of compliance with applicable SEBI regulations / other statutory requirements, are as follows

Date of allotment	No of shares issued	% of shares issued over cumulative capital	FV	Cumulative paid up capital		Mode of allotment (Memorandum/ IPO/ FPO/ Market Purchases/ Pref. Allot / Rights Issue/ Bonus / Inter-se-transfer etc.,)	Identity of allottees (Promoters/ ex-Promoters/ others) (whether promoters or public, in case of both separate figures are given)	Promoters (Current)	Ex-Promoters	Others	Total	Status of compliances	Remarks
				No. of Equity Shares	Paid Up Capital								
Incorporation	700	0.00%	10	700	7,000	Initial Subscribers	Subscribers to Memorandum	200	100	400	700	Complied	
12.02.1980	33,900	0.10%	10	34,600	346,000	Cash	Promoter Group & others	22,400	8,900	2,600	33,900	Complied	
12.02.1980	6,750	0.02%	10	41,350	413,500	Cash	Others	-	-	6,750	6,750	Complied	Initially only Rs.2.50 was paid-up towards face value. Refer Note 1.
18.04.1980	1,200	0.00%	10	42,550	425,500	Cash	Others	-	-	1,200	1,200	Complied	
18.04.1980	2,200	0.01%	10	44,750	447,500	Cash	Others	-	-	2,200	2,200	Complied	Initially only Rs.5/Rs.2.50 was paid-up towards face value. Refer Note 1.
07.07.1980	2,600	0.01%	10	47,350	473,500	Cash	Others	-	-	2,600	2,600	Complied	
07.07.1980	45,000	0.13%	10	92,350	923,500	Cash	Promoter Group	19,000	26,000	-	45,000	Complied	Initially only Rs.2.50 was paid-up towards face value. Refer Note 1.
23.09.1980	1,300	0.00%	10	93,650	936,500	Cash	Others	-	-	1,300	1,300	Complied	
27.10.1980	500	0.00%	10	94,150	941,500	Cash	Others	-	-	500	500	Complied	
11.12.1980	100	0.00%	10	94,250	942,500	Cash	Promoter Group	-	100	-	100	Complied	
11.12.1980	124,000	0.36%	10	218,250	2,182,500	Cash	Promoter Group	62,000	62,000	-	124,000	Complied	Initially only Rs.2.50 was paid-up towards face value. Refer Note 1.
29.12.1980	3,000	0.01%	10	221,250	2,212,500	Cash	Others	-	-	3,000	3,000	Complied	
29.12.1980	126,000	0.36%	10	347,250	3,472,500	Cash	Promoter Group	92,000	34,000	-	126,000	Complied	Initially only Rs.2.50 was paid-up towards face value. Refer Note 1.
16.01.1981	40,600	0.12%	10	387,850	3,878,500	Cash	Promoter Group	-	40,600	-	40,600	Complied	Initially only Rs.5/ Rs.2.50 was paid-up towards face value. Refer Note 1.
16.01.1981	63,250	0.18%	10	451,100	4,511,000	Cash	Promoter Group & others	55,650	2,000	5,600	63,250	Complied	
27.03.1981	3,600	0.01%	10	454,700	4,547,000	Cash	Others	-	-	3,600	3,600	Complied	Initially only Rs.5/ Rs.2.50 was paid-up towards face value. Refer Note 1.

Date of allotment	No of shares issued	% of shares issued over cumulative capital	FV	Cumulative paid up capital		Mode of allotment (Memorandum/ IPO/ FPO/ Market Purchases/ Pref. Allot / Rights Issue/ Bonus / Inter-se-transfer etc.,)	Identity of allottees (Promoters/ ex-Promoters/ others) (whether promoters or public, in case of both separate figures are given)	Promoters (Current)	Ex-Promoters	Others	Total	Status of compliances	Remarks
27.03.1981	7,000	0.02%	10	461,700	4,617,000	Cash	Promoter Group & Others	-	700	6,300	7,000	Complied	
13.06.1981	292,700	0.84%	10	754,400	7,544,000	Cash	Others	-	-	292,700	292,700	Complied	Initially only Rs.5 was paid-up towards face value. Refer Note 1.
13.06.1981	14,730	0.04%	10	769,130	7,691,300	Cash	Others	-	-	14,730	14,730	Complied	
13.08.1981	20,870	0.06%	10	790,000	7,900,000	Cash	Promoter Group & Others	6,750	3,700	10,420	20,870	Complied	
26.11.1981	1,160,000	3.33%	10	1,950,000	19,500,000	Public issue	Public Issue – Others	-	-	1,160,000	1,160,000	Complied	Initially only Rs.2.50 was paid-up towards face value. Refer Note 1.
26.11.1981	50,000	0.14%	10	2,000,000	20,000,000	Public issue	Public Issue – Promoter Group and others	16,000	10,900	23,100	50,000	Complied	
29.12.1982	320,000	0.92%	10	2,320,000	23,200,000	Cash	Promoter Group	192,000	128,000	-	320,000	Complied	
19.08.1991	200,000	0.57%	10	2,520,000	25,200,000	Cash	Promoter Group	111,000	89,000	-	200,000	Complied	
03.03.1993	1,260,000	3.62%	10	3,780,000	37,800,000	Rights Issue - Promoter Group & others	Rights Issue - Promoter Group & others	376,050	256,710	627,240	1,260,000	Complied	
30.03.1996	326,000	0.94%	10	4,106,000	41,060,000	Conversion of loan	Finaicial Institutions - IDBI, ICICI & IFCI	-	-	326,000	326,000	Complied	
30.05.2006	12,318,000	35.37%	10	16,424,000	164,044,635	Cash	Rights Issue - Promoter Group & others	3,800,037	3,368,452	5,149,511	12,318,000	Complied (Note 3)	Initially only Rs.5 was paid-up towards face value. Refer Note 1. There are calls in arrears for 39,073 equity shares.
25.06.2011	18,403,224	52.84%	10	34,827,224	348,076,875	Cash	Promoter Group, Investor Acquirers & others	13,903,224	-	4,500,000	18,403,224	Complied	Note 4
Total	**34,827,224**	**100%**											

Note 1: The Target Company has confirmed that the balance amount towards paid-up capital was received over a period of time. However, since these records pertain many years in the history, they were not available with the Target Company and not made available for our review to confirm the same. For the purpose of disclosing and for ease of presentation, we have presumed that full amounts were received at the time of issue of shares except for 39,073 equity shares pertaining to the rights issue in 2006 where Rs. 5 towards face value is still pending.

Note 2: In addition to the equity issuances, 10,000 13.5% Cumulative Redeemable Preference Shares of Rs.100 each were issued on December 29th, 1982 to Pradeshiya Industrial Corporation of Uttar Pradesh (“PICUP”) & Uttar Pradesh State Industrial Development Corporation Ltd. (“UPSIDC”) redeemable either in whole or part thereof at any time after 12 years from the date of allotment but in any event not later 15 fifteen years from date of allotment. Accordingly, these preference shares were redeemed at par on 1.4.1997. Thus, currently, there are no outstanding preference shares.

Note 3: The Promoters have filed an exemption application on Aug 30, 2011 for the shares acquired under the Rights Issue in excess of their entitlement

Note 4: 13,903,224 comprises of 2,250,000 shares acquired by the Promoters (Current) and 11,653,224 equity shares acquired by the Investor Acquirers.

6.4 All the equity shares of the Target Company are currently listed on the BSE. The equity shares have been voluntarily delisted from the Uttar Pradesh Stock Exchange with effect from November 28, 2003 and from the Delhi Stock Exchange with effect from January 23, 2004. The scrip has not been suspended from BSE at any point of time.

6.5 The Board of the Target Company has passed a resolution that the authority granted by the shareholders for making a rights issue will not be exercised till the completion of the Offer. Accordingly, there are no outstanding securities that are convertible into equity shares. Request to refer to paragraph 3.2.2 and 3.2.3 regarding the partly paid-up shares and the calculation of Offer Size.

6.6 The details of the changes in shareholding, in the Target Company, of the promoter group (including some members who may no longer be part of the Promoter Group) and the Investor Acquirers as and when it took place, is as follows:

Reporting Period Ended / Date	Opening Balance - promoter group	Opening Capital	Opening % holding - promoter group	No of shares - Acquired (Net)	Mode of Acquisition (Memorandum/ IPO/ FPO/ Market Purchases/ Preferential Allotment/ Rights Issue/ Bonus Shares/ Inter-se-transfer etc.,)	No of shares - sold (Net)	Closing holding - Promoter Group	Closing Capital	Closing % holding - promoter group	Increase / Decrease in percentage holding - promoter group (+/- %)	Compliance status (whether open offer made/ inter-se-report filed/ disclosure under Reg 6, 7 & 8 made etc.,
15-Nov-97	2,140,310	4,106,000	52.13%	-		-	2,140,310	4,106,000	52.13%	-	
31-Mar-98	2,140,310	4,106,000	52.13%	-		-	2,140,310	4,106,000	52.13%	0.00%	
24-Sep-98	2,140,310	4,106,000	52.13%	-		-	2,140,310	4,106,000	52.13%	0.00%	
31-Mar-99	2,140,310	4,106,000	52.13%	14,150	- 13,750 shares were acquired by Alankar Tandon and 400 shares by Savita Seth. - 5,000 shares held by Daya Vinod and 500 shares held by Rajshree Vinod have been removed from the Promoter Group, post the demise of Daya Vinod	(5,500)	2,148,960	4,106,000	52.34%	0.21%	NA
6-Sep-99	2,148,960	4,106,000	52.34%	500	- Shares acquired by Alankar Tandon	-	2,149,460	4,106,000	52.35%	0.01%	NA
31-Mar-00	2,149,460	4,106,000	52.35%	-		-	2,149,460	4,106,000	52.35%	0.00%	
28-Sep-00	2,149,460	4,106,000	52.35%	45,600	- 600 shares acquired by Alankar Tandon; - Inter-se transfer of 45,000 shares by Laxmi Tandon to Manas Tandon (22,000 shares) and Puneet Tandon (23,000 shares)	(45,000)	2,150,060	4,106,000	52.36%	0.01%	NA
31-Mar-01	2,150,060	4,106,000	52.36%	-		-	2,150,060	4,106,000	52.36%	0.00%	
27-Sep-01	2,150,060	4,106,000	52.36%	106,225	- 86,225 shares were purchased by Alankar Tandon from IFCI in an off-market transaction - Inter-se transfer of 10,000 shares by Nitya Tandon to Puneet Tandon - Inter-se transfer of 10,000 shares by Ruchi Tandon to Sweta Tandon	(20,000)	2,236,285	4,106,000	54.46%	2.10%	NA
31-Mar-02	2,236,285	4,106,000	54.46%	-		-	2,236,285	4,106,000	54.46%	0.00%	
21-Aug-02	2,236,285	4,106,000	54.46%	74,425	- 1,000 shares acquired by Alankar Tandon and 200 shares were acquired by Uma Kapoor; - Further there was an Inter-se sale of 73,225 shares by Alankar Tandon to various promoter group shareholders: - Akshat Tandon: 20,000 shares - Gaurav Tandon: 12,800	(73,225)	2,237,485	4,106,000	54.49%	0.03%	NA

Reporting Period Ended / Date	Opening Balance - promoter group	Opening Capital	Opening % holding - promoter group	No of shares - Acquired (Net)	Mode of Acquisition (Memorandum/ IPO/ FPO/ Market Purchases/ Preferential Allotment/ Rights Issue/ Bonus Shares/ Inter-se-transfer etc.,)	No of shares - sold (Net)	Closing holding - Promoter Group	Closing Capital	Closing % holding - promoter group	Increase / Decrease in percentage holding - promoter group (+/- %)	Compliance status (whether open offer made/ inter-se-report filed/ disclosure under Reg 6, 7 & 8 made etc.,
					shares - Neera Tandon: 5,925 shares - Puneet Tandon: 14,000 shares - Shail Tandon: 17,250 shares - Sweta Tandon: 3,250 shares						
31-Mar-03	2,237,485	4,106,000	54.49%	-		-	2,237,485	4,106,000	54.49%	0.00%	
18-Sep-03	2,237,485	4,106,000	54.49%	3,000	- Shares acquired by Alankar Tandon	-	2,240,485	4,106,000	54.57%	0.07%	NA
31-Mar-04	2,240,485	4,106,000	54.57%	200	- Shares acquired by Alankar Tandon	-	2,240,685	4,106,000	54.57%	0.00%	NA
27-Sep-04	2,240,685	4,106,000	54.57%	67,400	- Inter-se transfer from Alankar Tandon to Puneet Tandon	(67,400)	2,240,685	4,106,000	54.57%	0.00%	NA
31-Mar-05	2,240,685	4,106,000	54.57%	16,000	- Inter-se transfer of 16,000 shares from Puneet Tandon to Alankar Tandon - 200 shares were sold by Puneet Tandon	(16,200)	2,240,485	4,106,000	54.57%	0.00%	NA
24-Jun-05	2,240,485	4,106,000	54.57%	200	- Shares acquired by Puneet Tandon	-	2,240,685	4,106,000	54.57%	0.00%	NA
31-Mar-06	2,240,685	4,106,000	54.57%	72,500	- Acquisition of 5,500 shares by Alankar Tandon - Transposition of 67,000 shares (held in joint name) from Alankar Tandon to Sweta Tandon due to change of DP	(67,000)	2,246,185	4,106,000	54.70%	0.13%	NA
30-May-06	2,246,185	4,106,000	54.70%	7,168,489	- Acquisition of 71,68,489 shares in Rights Issue	-	9,414,674	16,424,000	57.32%	2.62%	- Inter-se exemption report was filed on 30-Aug-2011 Refer Note 4
26-Jun-06	9,414,674	16,424,000	57.32%	67,000	- Inter-se transfer of 67,000 shares by Sudhir Tandon to Akshat Tandon	(67,000)	9,414,674	16,424,000	57.32%	0.00%	- Inter-se exemption report was filed on 6-Sep-2011 Refer Note 4
31-Jul-06	9,414,674	16,424,000	57.32%	-		-	9,414,674	16,424,000	57.32%	0.00%	
31-Mar-07	9,414,674	16,424,000	57.32%	-	- Shares were sold by Indu Mehrotra	(9,150)	9,405,524	16,424,000	57.27%	-0.06%	
24-May-07	9,405,524	16,424,000	57.27%	140,000	- Inter-se acquisition of 1,40,000 shares by Sudhir Tandon from Manas Tandon (65,000 shares) and Shail Tandon (75,000) shares - 2,000 shares were sold by Sushil Khanna	(142,000)	9,403,524	16,424,000	57.25%	-0.01%	Inter-se exemption report filed in November 2011
11-Mar-08	9,403,524	16,424,000	57.25%	900,000	- Inter-se transfer of 9,00,000 shares by Hari Mohan Das Tandon to: - Neera Tandon (2,25,000 shares) - Akshat Tandon (2,25,000 shares) - Alankar Tandon (2,25,000 shares)	(900,000)	9,403,524	16,424,000	57.25%	0.00%	Inter-se exemption reports filed on 30-Aug-2011 Refer Note 4

Reporting Period Ended / Date	Opening Balance - promoter group	Opening Capital	Opening % holding - promoter group	No of shares - Acquired (Net)	Mode of Acquisition (Memorandum/ IPO/ FPO/ Market Purchases/ Preferential Allotment/ Rights Issue/ Bonus Shares/ Inter-se-transfer etc.,)	No of shares - sold (Net)	Closing holding - Promoter Group	Closing Capital	Closing % holding - promoter group	Increase / Decrease in percentage holding - promoter group (+/- %)	Compliance status (whether open offer made/ inter-se-report filed/ disclosure under Reg 6, 7 & 8 made etc.,
					- Gaurav Tandon (2,25,000 shares)						
28-Mar-08	9,403,524	16,424,000	57.25%	21,700	- Inter-se transfer of 20,900 shares by Uma Kapoor to Girish Tandon - Inter-se transfer of 800 shares by Om Nath Kapoor to Sulochani Devi Tandon	(21,700)	9,403,524	16,424,000	57.25%	0.00%	Inter-se exemption reports filed on 30-Aug-2011 Refer Note 4
31-Mar-08	9,403,524	16,424,000	57.25%	-		-	9,403,524	16,424,000	57.25%	0.00%	
1-Apr-08	9,403,524	16,424,000	57.25%	24,000	- Inter-se transfer of 24,000 shares by Indu Mehrotra to Ela Tandon	(24,000)	9,403,524	16,424,000	57.25%	0.00%	-Inter-se exemption report was filed on 6-Sep-2011
2-Apr-08	9,403,524	16,424,000	57.25%	809,457	- Inter-se transfer of 2,250 shares by Manas Tandon and 3,810 shares by Shail Tandon to Ela Tandon - Inter-se transfer of 6,19,797 shares to Badri Vishal Tandon by Sudhir Tandon (22,400 shares), Rupa Tandon (147,700 shares), Puneet Tandon (30,000 shares), Satish Tandon (152,700 shares), Hari Mohan Das Tandon (236,697 shares) and Bachaji Holdings Pvt. Ltd. (30,300 shares) - Inter-se transfer of 1,83,600 shares to Girish Tandon by Satish Tandon (1,33,600 shares) and Puneet Tandon (50,000 shares)	(809,457)	9,403,524	16,424,000	57.25%	0.00%	Inter-se exemption reports filed on 30-Aug-2011 Refer Note 4
8-Apr-08	9,403,524	16,424,000	57.25%	9,000	- Inter-se transfer of 9,000 shares by Arti Tandon to Badri Vishal Tandon	(9,000)	9,403,524	16,424,000	57.25%	0.00%	Inter-se exemption reports filed on 30-Aug-2011 Refer Note 4
28-Apr-08	9,403,524	16,424,000	57.25%	813,997	- Inter-se transfer of 4,21,848 shares to Badri Vishal Tandon by Sudhir Tandon (139,748 shares) and Puneet Tandon (282,100 shares) - Inter-se transfer of 96,874 shares to Neera Tandon by Sweta Tandon (87,874 shares) and Sudhir Tandon (9,000 shares) - Inter-se transfer of 99,200 shares to Alankar Tandon by Sudhir Tandon (9,000 shares) and Satish Tandon (90,200 shares) - Inter-se transfer of 96,875 shares to Akshat Tandon by Sweta Tandon (87,875 shares) and Sudhir Tandon (9,000 shares) - Inter-se transfer of 99,200 shares to Gaurav Tandon by	(813,997)	9,403,524	16,424,000	57.25%	0.00%	Inter-se exemption reports filed on 30-Aug-2011 Refer Note 4

Reporting Period Ended / Date	Opening Balance - promoter group	Opening Capital	Opening % holding - promoter group	No of shares - Acquired (Net)	Mode of Acquisition (Memorandum/ IPO/ FPO/ Market Purchases/ Preferential Allotment/ Rights Issue/ Bonus Shares/ Inter-se-transfer etc.,)	No of shares - sold (Net)	Closing holding - Promoter Group	Closing Capital	Closing % holding - promoter group	Increase / Decrease in percentage holding - promoter group (+/- %)	Compliance status (whether open offer made/ inter-se-report filed/ disclosure under Reg 6, 7 & 8 made etc.,
					Satish Tandon (90,200 shares) and Sudhir Tandon (9,000 shares)						
22-May-08	9,403,524	16,424,000	57.25%	300,000	- Inter-se transfer of 3,00,000 shares by Sudhir Tandon to Neera Tandon (1,50,000 shares) and Akshat Tandon (1,50,000 shares)	(300,000)	9,403,524	16,424,000	57.25%	0.00%	Inter-se exemption reports filed on 30-Aug-2011 Refer Note 4
12-Jun-08	9,403,524	16,424,000	57.25%	300,000	- Inter-se transfer of 3,00,000 shares by Sudhir Tandon to Gaurav Tandon (1,50,000 shares) and Alankar Tandon (1,50,000 shares)	(300,000)	9,403,524	16,424,000	57.25%	0.00%	Inter-se exemption reports filed on 30-Aug-2011 Refer Note 4
2-Jul-08	9,403,524	16,424,000	57.25%	300,000	- Inter-se transfer of 3,00,000 shares by Sudhir Tandon to Girish Tandon (1,50,000 shares),Meenu Tandon (75,000 shares), Alankar Tandon (25,000 shares), Alankar Udyog Pvt. Ltd. (25,000 shares) and Tandon Investments Pvt. Ltd. (25,000 shares)	(300,000)	9,403,524	16,424,000	57.25%	0.00%	Inter-se exemption reports filed on 30-Aug-2011 Refer Note 4
30-Sep-08	9,403,524	16,424,000	57.25%	-	- Sale of 300 shares by Indu Mehrotra	(300)	9,403,224	16,424,000	57.25%	0.00%	
20-Dec-08	9,403,224	16,424,000	57.25%	168,000	- Inter-se transfer of 1,57,600 shares by Sweta Tandon and 10,400 shares by Alankar Tandon to Sahitya Bhawan Pvt. Ltd	(168,000)	9,403,224	16,424,000	57.25%	0.00%	Inter-se exemption reports filed on 30-Aug-2011 Refer Note 4
24-Jan-09	9,403,224	16,424,000	57.25%	525,460	- Inter-se transfer of 2,28,929 shares by Sweta Tandon and 2,96,531 shares by Puneet Tandon to the following Promoter Group members: - Sulochani Devi Tandon: 20,000 shares - Meenu Tandon: 20,000 shares - Chavi Tandon: 20,000 shares - Alankar Udyog Pvt. Ltd.: 20,000 shares - Tandon Investment Pvt. Ltd.: 20,000 shares - Gaurav Tandon: 20,000 shares - Ela Tandon: 20,000 shares - Badri Vishal Tandon: 1,40,000 shares - Girish Tandon: 70,000 shares - Neera Tandon: 40,000 shares - Alankar Tandon: 40,000 shares - Akshat Tandon: 30,000 shares - Sahitya Bhawan Pvt. Ltd.: 65,460 shares	(525,460)	9,403,224	16,424,000	57.25%	0.00%	Inter-se exemption reports filed on 30-Aug-2011 Refer Note 4

Reporting Period Ended / Date	Opening Balance - promoter group	Opening Capital	Opening % holding - promoter group	No of shares - Acquired (Net)	Mode of Acquisition (Memorandum/ IPO/ FPO/ Market Purchases/ Preferential Allotment/ Rights Issue/ Bonus Shares/ Inter-se-transfer etc.,)	No of shares - sold (Net)	Closing holding - Promoter Group	Closing Capital	Closing % holding - promoter group	Increase / Decrease in percentage holding - promoter group (+/- %)	Compliance status (whether open offer made/ inter-se-report filed/ disclosure under Reg 6, 7 & 8 made etc.,
31-Mar-09	9,403,224	16,424,000	57.25%	-		-	9,403,224	16,424,000	57.25%	0.00%	
30-Jul-09	9,403,224	16,424,000	57.25%	-		-	9,403,224	16,424,000	57.25%	0.00%	
31-Mar-10	9,403,224	16,424,000	57.25%	-		-	9,403,224	16,424,000	57.25%	0.00%	
27-Sep-10	9,403,224	16,424,000	57.25%	-		-	9,403,224	16,424,000	57.25%	0.00%	
31-Mar-11	9,403,224	16,424,000	57.25%	-		-	9,403,224	16,424,000	57.25%	0.00%	
25-Jun-11	9,403,224	16,424,000	57.25%	13,903,224	- Preferential Allotment of 22,50,000 shares to Badri Vishal Tandon - Preferential Allotment of 11,653,224 shares to new promoters (Goenka Family) - Om Prakash Goenka: 46,93,224 shares - Gaurav Goenka: 17,40,000 shares - Girija Goenka: 17,40,000 shares - Kiran Goenka: 17,40,000 shares - Mirah Dekor Limited: 17,40,000 shares - Exclusion of 1,500 shares from Promoter Group on request from the respective members	(1,500)	23,304,948	34,827,224	66.92%	9.66%	Complied. (3 days delay by Promoter Acquirer for the above reporting) Open Offer made

Notes:

1. The above table shows the changes in the shareholding of persons constituting the promoter group including shareholding of persons who are no longer part of the present Promoter Group.
2. Consequent to a Memorandum of Understanding dated March 3, 2008 (the "**Family Settlement MoU**") signed between the two factions of the promoter group, the shares held by the group led by Sudhir Tandon have been transferred to the group led by Girish Tandon through inter-se transfer on various dates. However, the aggregate shareholding of the promoter group, consequent to these inter-se transfers, has not changed.
3. The promoter group acquired shares primarily through rights issue and inter-se transfers consequent to the Family Settlement MoU. These acquisitions were done during (i) the Financial Year 2007 (acquiring shares as part of their rights entitlement and acquiring additional shares over and above their rights entitlement to ensure minimum subscription in the rights issue) for which the report seeking exemption was not filed with SEBI and hence may be construed as triggering Regulation 11 of SEBI Takeover Code; (ii) in the Financial Year 2008 and 2009 through the inter-se transfers, amongst the promoter group of the Target Company, for which compliance with the reporting requirements as stipulated in Regulation 3 of the SEBI Takeover Code were not done. The Promoter Group have filed these reports with SEBI, seeking exemption for the acquisitions, on 30-Aug-2011, 6-Sep-2011 and 29-Nov-2011.
4. The documents provided to us as compliance under Regulation 7 are not in the format prescribed under the SEBI Takeover Code. SBPML has stated that the Promoter Group have reported to them and the stock exchanges and based on the same, SBPML have reported to the stock exchange, though the same may not be as per the formats prescribed under the SEBI Takeover Code. Except for certain instances of non-compliances as disclosed above and in paragraph 6.11, applicable legal provisions, in particular the provisions of the SEBI Takeover Code, as in force at the relevant times were complied with, wherever applicable, by the Promoter Group and SBPML, at the time of each change in the Promoters Group shareholding.
5. PAC does not hold any shares in the Target Company.

6.7 As per the information disclosed to the BSE, the audited financial highlights of the Target Company for the past 3 years are as given below:

(All figures in Rs. Lacs except EPS)

INCOME STATEMENT*	Year ended		
(Rs. Lakhs)	31-Mar-12	31-Mar-11	31-Mar-10
	Audited	*Audited*	*Audited*
Income from operations	9,447.85	12,271.43	12,591.69
Other Income	248.26	237.36	212.38
Total Income	9,696.11	12,508.79	12,804.07
Total Expenditure.	10,511.06	11,674.30	11,686.24
Profit Before Depreciation, Interest and Tax	(814.95)	834.49	1,117.83
Depreciation	620.14	608.93	593.83
Interest	1,664.41	1,351.38	1,171.07
Profit / (Loss) Before Tax	(3,099.50)	(1,125.82)	(647.07)
Provision for Tax & Fringe Benefit Tax	1,400.00	(77.81)	(183.45)
Profit / (Loss) After Tax	(1,699.50)	(1,048.01)	(463.62)

BALANCE SHEET*	As of		
(Rs. Lakhs)	31-Mar-12	31-Mar-11	31-Mar-10
	Audited	*Audited*	*Audited*
SOURCES OF FUNDS			
Paid up share capital	3,480.77	1,640.45	1,640.45
Reserves and Surplus (excluding revaluation reserves)	333.15	333.15	333.15
Profit & Loss Account (Dr. balance)	(3,560.84)	(1,861.34)	(813.33)
Networth	**253.08**	**112.26**	**1,160.27**
Share Application Money	-	500.00	-
Secured loans	13,598.85	10,550.50	9,234.07
Unsecured loans	4,307.48	2,858.99	1,858.22
Deferred Tax Liability	-	-	77.81
Total	**18,159.41**	**14,021.75**	**12,330.37**
USE OF FUNDS			
Net fixed assets (including Capital work in progress)	11,473.71	10,695.71	9,460.27
Investments	2.95	2.95	2.95
Net current assets	6,682.75	3,323.09	2,867.15
Total miscellaneous expenditure not written off	-	-	-
Total	**18,159.41**	**14,021.75**	**12,330.37**

OTHER FINANCIAL DATA*	31-Mar-12	31-Mar-11	31-Mar-10
Dividend per Equity Share (% of face value)	NIL	Nil	Nil
Earnings per Share ("EPS") (Rs.)	(5.50)	(6.38)	(2.82)
Return on Net Worth (%)	(671.53)	(933.55)	(39.96)
Book Value per Equity Share (Rs)	0.73	0.68	7.06

**Certificate dated May 30, 2012, from CA. P.L. Gupta, (Membership Number: 9444), Partner, P.L. Gupta & Co., Chartered Accountants (Firm Registration no. 011575C), 26/52 Birhana Road, Kanpur - 208001, Tel: 0512 – 2395756*

6.8 Reasons for fall/rise in total income and PAT for SBPML in the last 3 financial years

a. *Results for financial year 2012 compared to financial year 2011:*

During the year, net income from operations decreased by 23.01% to Rs. 9,447.85 lakhs as compared to Rs. 12,271.43 lakhs in 2010-11. During the year, the loss after tax increased by 62.16% to Rs. 1,699.50 lakhs as compared to Rs. 1,048.01 lakhs in 2010-11. The increase in loss after tax was primarily due to high interest cost, steep fall in margin of news print due to severe depression in demand and high level of duty free imports. Further the prices of fuel and raw materials increased abruptly thereby increasing the cost of production. During the year in reference, Company faced severe cash crunch because of high interest rates charged by the banks & repayment of Loans. In order to make the operation profitable, the Company is implementing a Chemical Recovery Plant and upgrading its existing manufacturing facility.

b. *Results for financial year 2011 compared to financial year 2010:*

During the year, net income from operations decreased by 2.54% to Rs. 12,271.43 lakhs as compared to Rs. 12,591.69 lakhs in 2009-10. During the year, the loss after tax increased by 126.05% to Rs. 1,048.01 lakhs as compared to Rs. 463.62 lakhs in 2009-10. The increase in loss after tax was primarily due to decrease in prices of news print by more than 40% owing to severe depression in paper market. Further the prices of fuel and raw material increased abruptly thereby increasing the cost of production.

6.9 SBPML has the following contingent liabilities for the year ended March 31, 2012:

(Source: Certificate dated May 30, 2012, from CA. P.L. Gupta, (Membership Number: 9444), Partner, P.L. Gupta & Co., Chartered Accountants (Firm Registration no. 011575C), 26/52 Birhana Road, Kanpur - 208001, Tel: 0512 – 2395756)

Contingent Liabilites not provided for	**March 31, 2012 Rs. lacs**	**March 31, 2011 Rs. lacs**
(a) Guarantees given by Banks	304.25	51.00
(b) Outstanding letter of credit	1,457.19	522.36
(c) Capital contracts remaining to be executed	190.40	434.94
(d) The Income Tax assessments of the company have been completed upto Assessment Year 2009-10. The Income Tax authorities had disallowed certain concessions / allowances available to the company. The company has filed appeals against such disallowances before appropriate authorities. Pending decision, the provision for Income Tax already made in the past has been considered to be adequate enough to meet the liabilities if any.		

6.10 SBPML has confirmed that it is regularly complying with the required filings for shareholding pattern every quarter under clause 35 of the Listing Agreement, corporate governance report under clause 49 of the Listing Agreement, unaudited results every quarter under clause 41 of the Listing Agreement and audited results at the year end followed by limited review report by the Auditor as well as certificate from the Practicing Company Secretary under clause 47 of the Listing Agreement every half year except that there was a delay in filing the financials for the quarter ended September 2011 which was filed on January 19, 2012. No penal action has been initiated against SBPML by BSE in respect of the compliance related to the listing agreement. The equity shares of SBPML were never suspended for trading by BSE on which it is currently listed. As intimated by BSE, SBPML is not in compliance with clause 54 of the Listing Agreement regarding maintaining of a functional website. The Target Company has however confirmed that as on the date of this Letter of Offer the Target Company has a functional website and is in compliance with the requirements of clause 54 of the Listing Agreement. As on date, there are no outstanding instruments in the Target Company that may be converted into Equity Shares.

6.11 **Compliance with Chapter II of the SEBI Takeover Code by the Promoter Group and SBPML:** As per the information provided by SBPML, the Investor Acquirers, the PAC, the Promoter Group and SBPML have complied with the applicable provisions of Chapter II of SEBI Takeover Code except in case of the following instances:

6.11.1 **Compliances under Regulation 6, 7 and 8**

6.11.1.1 **Compliances under Regulation 6 and 8**

By the promoters/Sellers/major shareholders/Acquirers/ Persons Acting in Concert, separately (as may be applicable)

Sl. No.	**Regulation/ Sub-regulation**	**Due Date for compliance**	**Actual date of compliance**	**Delay, if any (in no. of days) Col. 4- Col. 3**	**Remarks**
1	**2**	**3**	**4**	**5**	**6**
1	6(1)	20-Apr-97	9-Sep-97	142	
2	6(3)	20-Apr-97	9-Sep-97	142	
3	8(1)	21-Apr-98	5-May-98	14	
4	8(2)	21-Apr-98	5-May-98	14	
5	8(1)	15-Oct-98	4-Oct-98	-	24-Sep-98 Record Date / AGM Date for FY 98
6	8(2)	15-Oct-98	4-Oct-98	-	24-Sep-98 Record Date / AGM Date for FY 98
7	8(1)	21-Apr-99	21-Apr-99	-	
8	8(2)	21-Apr-99	21-Apr-99	-	
9	8(1)	27-Sep-99	26-Sep-99	-	6-Sep-99 Record Date / AGM Date for FY 99
10	8(2)	27-Sep-99	26-Sep-99	-	6-Sep-99 Record Date / AGM Date for FY 99
11	8(1)	21-Apr-00	7-Apr-00	-	
12	8(2)	21-Apr-00	7-Apr-00	-	

13	8(1)	19-Oct-00	18-Oct-00	-	28-Sep-00	Record Date / AGM Date for FY 00
14	8(2)	19-Oct-00	18-Oct-00	-	28-Sep-00	Record Date / AGM Date for FY 00
15	8(1)	21-Apr-01	21-Apr-01	-		
16	8(2)	21-Apr-01	21-Apr-01	-		
17	8(1)	18-Oct-01	17-Oct-01	-	27-Sep-01	Record Date / AGM Date for FY 01
18	8(2)	18-Oct-01	17-Oct-01	-	27-Sep-01	Record Date / AGM Date for FY 01
19	8(1)	21-Apr-02	18-Apr-02	-		
20	8(2)	21-Apr-02	18-Apr-02	-		
21	8(1)	11-Sep-02	6-Sep-02	-	21-Aug-02	Record Date / AGM Date for FY 02
22	8(2)	11-Sep-02	6-Sep-02	-	21-Aug-02	Record Date / AGM Date for FY 02
23	8(1)	21-Apr-03	12-Apr-03	-		
24	8(2)	21-Apr-03	12-Apr-03	-		
25	8(1)	9-Oct-03	9-Oct-03	-	18-Sep-03	Record Date / AGM Date for FY 03
26	8(2)	9-Oct-03	9-Oct-03	-	18-Sep-03	Record Date / AGM Date for FY 03
27	8(1)	21-Apr-04	15-Apr-04	-		
28	8(2)	21-Apr-04	15-Apr-04	-		
29	8(1)	18-Oct-04	9-Oct-04	-	27-Sep-04	Record Date / AGM Date for FY 04
30	8(2)	18-Oct-04	9-Oct-04	-	27-Sep-04	Record Date / AGM Date for FY 04
31	8(1)	21-Apr-05	12-Apr-05	-		
32	8(2)	21-Apr-05	12-Apr-05	-		
33	8(1)	15-Jul-05	6-Jul-05	-	24-Jun-05	Record Date / AGM Date for FY 05
34	8(2)	15-Jul-05	6-Jul-05	-	24-Jun-05	Record Date / AGM Date for FY 05
35	8(1)	21-Apr-06	21-Apr-06	-		
36	8(2)	21-Apr-06	21-Apr-06	-		
37	8(1)	21-Aug-06	9-Jul-06	-	31-Jul-06	Record Date / AGM Date for FY 06
38	8(2)	21-Aug-06	9-Jul-06	-	31-Jul-06	Record Date / AGM Date for FY 06
39	8(1)	21-Apr-07	14-Apr-07	-		
40	8(2)	21-Apr-07	14-Apr-07	-		
41	8(1)	15-Oct-07	27-Sep-07	-	24-Sep-07	Record Date / AGM Date for FY 07
42	8(2)	15-Oct-07	27-Sep-07	-	24-Sep-07	Record Date / AGM Date for FY 07
43	8(1)	21-Apr-08	10-Apr-08	-		
44	8(2)	21-Apr-08	10-Apr-08	-		
45	8(1)	21-Oct-08	10-Oct-08	-	30-Sep-08	Record Date / AGM Date for FY 08
46	8(2)	21-Oct-08	10-Oct-08	-	30-Sep-08	Record Date / AGM Date for FY 08
47	8(1)	21-Apr-09	21-Apr-09	-		
48	8(2)	21-Apr-09	21-Apr-09	-		
49	8(1)	20-Aug-09	18-Aug-09	-	30-Jul-09	Record Date / AGM Date for FY 09
50	8(2)	20-Aug-09	18-Aug-09	-	30-Jul-09	Record Date / AGM Date for FY 09
51	8(1)	21-Apr-10	12-Apr-10	-		
52	8(2)	21-Apr-10	12-Apr-10	-		
53	8(1)	18-Oct-10	9-Oct-10	-	27-Sep-10	Record Date / AGM Date for FY 10
54	8(2)	18-Oct-10	9-Oct-10	-	27-Sep-10	Record Date / AGM Date for FY 10
55	8(1)	21-Apr-11	15-Apr-11	-		
56	8(2)	21-Apr-11	15-Apr-11	-		
57	8A (1)	10-Feb-09	10-Feb-09	-		
58	8A (2)	10-Feb-09	10-Feb-09	-		
59	8A (3)	NA	NA	-		
60	30(1)*	09-Apr-12	03-Apr-12	-	-	-
61	30(2)*	09-Apr-12	03-Apr-12	-	-	-

* applicable regulation under SEBI Takeover Code 2011

SEBI would initiate necessary action for non compliance of these regulations

By the Target Company

Sl. No.	Regulation/ Sub-regulation	Due Date for compliance	Actual date of compliance	Delay, if any (in no. of days) Col. 4- Col. 3	Remarks
1	2	3	4	5	6
1	6(2)	20-May-97	9-Sep-97	112	
2	6(4)	20-May-97	9-Sep-97	112	
3	8(3)	30-Apr-98	5-May-98	5	
4	8(3)	24-Oct-98	4-Oct-98	-	24-Sep-98 Record Date for FY 98
5	8(3)	30-Apr-99	21-Apr-99	-	
6	8(3)	6-Oct-99	1-Oct-99	-	6-Sep-99 Record Date for FY 99
7	8(3)	30-Apr-00	7-Apr-00	-	
8	8(3)	28-Oct-00	24-Oct-00	-	28-Sep-00 Record Date for FY 00
9	8(3)	30-Apr-01	24-Apr-01	-	
10	8(3)	27-Oct-01	29-Oct-01	2	27-Sep-01 Record Date for FY 01
11	8(3)	30-Apr-02	18-Apr-02	-	
12	8(3)	20-Sep-02	6-Sep-02	-	21-Aug-02 Record Date for FY 02
13	8(3)	30-Apr-03	12-Apr-03	-	
14	8(3)	18-Oct-03	9-Oct-03	-	18-Sep-03 Record Date for FY 03
15	8(3)	30-Apr-04	15-Apr-04	-	
16	8(3)	27-Oct-04	9-Oct-04	-	27-Sep-04 Record Date for FY 04
17	8(3)	30-Apr-05	12-Apr-05	-	
18	8(3)	24-Jul-05	6-Jul-05	-	24-Jun-05 Record Date for FY 05
19	8(3)	30-Apr-06	29-Apr-06	-	
20	8(3)	30-Aug-06	9-Jul-06	-	31-Jul-06 Record Date for FY 06
21	8(3)	30-Apr-07	14-Apr-07	-	
22	8(3)	24-Oct-07	27-Sep-07	-	24-Sep-07 Record Date for FY 07
23	8(3)	30-Apr-08	10-Apr-08	-	
24	8(3)	30-Oct-08	10-Oct-08	-	30-Sep-08 Record Date for FY 08
25	8(3)	30-Apr-09	29-Apr-09	-	
26	8(3)	29-Aug-09	18-Aug-09	-	30-Jul-09 Record Date for FY 09
27	8(3)	30-Apr-10	12-Apr-10	-	
28	8(3)	27-Oct-10	9-Oct-10	-	27-Sep-10 Record Date for FY 10
29	8(3)	30-Apr-11	15-Apr-11	-	
30	8A (4)	10-Feb-09	10-Feb-09	-	

SEBI would initiate necessary action for non compliance of these regulations

6.11.1.2 **Compliances under Regulation 7**

		Filings under Regulation 7(1) / 7(1A)			Filings under Regulation 7(3)					
Financial Year	**Date of Acquisition**	**Due Date of Compliance**	**Actual Date of Compliance**	**Delay (Days)**	**Due Date of Compliance**	**Actual Date of Compliance**	**Delay (Days)**	**Details**	**% Acquired**	**Remarks**
By Promoter Group										
FY 2006-07										
	30-May-06	1-Jun-06	31-May-06	-	7-Jun-06	31-May-06	-	- Increase in Promoters' shareholding due to acquisition in rights issue	2.62%	Breached the 2% reporting requirement. See Note 1 Inter-se exemption report was filed on 30-Aug-2011

	26-Jun-06	28-Jun-06	26-Jun-06	-	3-Jul-06	28-Jun-06	-	- Inter-se transfer of 67,000 shares by Sudhir Tandon to Akshat Tandon	0.41%	Cumulative acquisition in excess of 2% in the same FY. See Note 1 Inter-se exemption report was filed on 6-Sep-2011
FY 2007-08										
	11-Mar-08	13-Mar-08	11-Mar-08	-	18-Mar-08	14-Mar-08	-	- Inter-se transfer of 9,00,000 shares by Hari Mohan Das Tandon to - Neera Tandon (2,25,000 shares) - Akshat Tandon (2,25,000 shares) - Alankar Tandon (2,25,000 shares) - Gaurav Tandon (2,25,000 shares)	5.48%	Breached the 2% reporting requirement. See Note 1 Inter-se exemption report was filed on 30-Aug-2011
	28-Mar-08	30-Mar-08	28-Mar-08	-	4-Apr-08	4-Apr-08	-	- Inter-se transfer of 20,900 shares by Uma Kapoor to Girish Tandon - Inter-se transfer of 800 shares by Om Nath Kapoor to Sulochani Devi Tandon	0.13%	Cumulative acquisition in excess of 2% in the same FY. See note 1 Inter-se exemption report was filed on 30-Aug-2011
FY 2008-09										
	2-Apr-08	4-Apr-08	2-Apr-08	-	9-Apr-08	4-Apr-08	-	- Inter-se transfer of 2,250 shares by Manas Tandon and 3,810 shares by Shail Tandon to Ela Tandon - Inter-se transfer of 6,19,797 shares to Badri Vishal Tandon by Sudhir Tandon (22,400 shares), Rupa Tandon (147,700 shares), Puneet Tandon (30,000 shares), Satish Tandon (152,700 shares), Hari Mohan Das Tandon (236,697 shares) and Bachaji Holdings Pvt. Ltd. (30,300 shares) - Inter-se transfer of 1,83,600 shares to Girish Tandon by Satish Tandon (1,33,600 shares) and Puneet Tandon (50,000 shares)	4.93%	Cumulative acquisition in excess of 2% in the same FY. See note 1 Inter-se exemption report was filed on 30-Aug-2011
	8-Apr-08	10-Apr-08	8-Apr-08	-	15-Apr-08	9-Apr-08	-	- Inter-se transfer of 9,000 shares by Arti Tandon to Badri Vishal Tandon	0.05%	Cumulative acquisition in excess of 2% in the same FY. See note 1 Inter-se exemption report was filed on 30-Aug-2011

	28-Apr-08	30-Apr-08	28-Apr-08	-	5-May-08	28-Apr-08	-	- Inter-se transfer of 4,21,848 shares to Badri Vishal Tandon by Sudhir Tandon (139,748 shares) and Puneet Tandon (282,100 shares) - Inter-se transfer of 96,874 shares to Neera Tandon by Sweta Tandon (87,874 shares) and Sudhir Tandon (9,000 shares) - Inter-se transfer of 99,200 shares to Alankar Tandon by Sudhir Tandon (9,000 shares) and Satish Tandon (90,200 shares) - Inter-se transfer of 96,875 shares to Akshat Tandon by Sweta Tandon (87,875 shares) and Sudhir Tandon (9,000 shares) - Inter-se transfer of 99,200 shares to Gaurav Tandon by Satish Tandon (90,200 shares) and Sudhir Tandon (9,000 shares)	4.96%	Cumulative acquisition in excess of 2% in the same FY. See note 1 below Inter-se exemption report was filed on 30-Aug-2011
	22-May-08	24-May-08	22-May-08	-	29-May-08	22-May-08	-	- Inter-se transfer of 3,00,000 shares by Sudhir Tandon to Neera Tandon (1,50,000 shares) and Akshat Tandon (1,50,000 shares)	1.83%	Cumulative acquisition in excess of 2% in the same FY. See note 1 below Inter-se exemption report was filed on 30-Aug-2011
	12-Jun-08	14-Jun-08	12-Jun-08	-	19-Jun-08	12-Jun-08	-	- Inter-se transfer of 3,00,000 shares by Sudhir Tandon to Gaurav Tandon (1,50,000 shares) and Alankar Tandon (1,50,000 shares)	1.83%	Cumulative acquisition in excess of 2% in the same FY. See note 1 below Inter-se exemption report was filed on 30-Aug-2011
	2-Jul-08	4-Jul-08	2-Jul-08	-	9-Jul-08	2-Jul-08	-	- Inter-se transfer of 3,00,000 shares by Sudhir Tandon to Girish Tandon (1,50,000 shares), Meenu Tandon (75,000 shares), Alankar Tandon (25,000 shares), Alankar Udyog Pvt. Ltd. (25,000 shares) and Tandon Investments Pvt. Ltd. (25,000 shares)	1.83%	Cumulative acquisition in excess of 2% in the same FY. See note 1 below Inter-se exemption report was filed on 30-Aug-2011
	20-Dec-08	22-Dec-08	20-Dec-08	-	27-Dec-08	20-Dec-08	-	- Inter-se transfer of 1,57,600 shares by Sweta Tandon and 10,400 shares by Alankar Tandon to Sahitya Bhawan Pvt. Ltd	1.02%	Cumulative acquisition in excess of 2% in the same FY. See note 1 below Inter-se exemption report was filed on 30-Aug-2011
	24-Jan-09	26-Jan-09	24-Jan-09	-	31-Jan-09	24-Jan-09	-	- Inter-se transfer of 2,28,929 shares by Sweta Tandon and 2,96,531 shares by Puneet Tandon to the following Promoter Group members: - Sulochani Devi Tandon: 20,000 shares - Meenu Tandon: 20,000 shares - Chavi Tandon: 20,000 shares - Alankar Udyog Pvt. Ltd.: 20,000 shares - Tandon Investment Pvt. Ltd.: 20,000 shares - Gaurav Tandon: 20,000 shares	3.20%	Cumulative acquisition in excess of 2% in the same FY. See note 1 below Inter-se exemption report was filed on 30-Aug-2011

								- Ela Tandon: 20,000 shares - Badri Vishal Tandon: 1,40,000 shares - Girish Tandon: 70,000 shares - Neera Tandon: 40,000 shares - Alankar Tandon: 40,000 shares - Akshat Tandon: 30,000 shares - Sahitya Bhawan Pvt. Ltd.: 65,460 shares		
FY 2011-12										
	25-Jun-11	27-Jun-11	30-Jun-11	3	7-Jul-11	30-Jun-11	-	- Preferential Allotment of 22,50,000 shares to Badri Vishal Tandon	6.46%	Complied with
By Investor Acquirers										
	25-Jun-11	27-Jun-11	27-Jun-11	-	4-Jul-11	27-Jun-11	-	- Preferential Allotment of 11,653,224 shares to new promoters (Goenka Family) - Om Prakash Goenka: 46,93,224 shares - Gaurav Goenka: 17,40,000 shares - Girija Goenka: 17,40,000 shares - Kiran Goenka: 17,40,000 shares - Mirah Dekor Limited: 17,40,000 shares	33.46%	Complied with
By Financial Investors										
	25-Jun-11	27-Jun-11	27-Jun-11	-	4-Jul-11	27-Jun-11	-	- Preferential Allotment of 45,00,000 shares to financial investors: - Mohit Chaturvedi: 15,00,000 shares - Bina Chaturvedi: 15,00,000 shares - Ganges Leasing & Finance Company Pvt. Ltd: 15,00,000 shares	12.92%	Complied with

Note 1: The documents provided to us as compliance under Regulation 7 are not in the format prescribed under the SEBI Takeover Code. SBPML has stated that the Promoter Group have reported to them and the stock exchanges and based on the same, SBPML have reported to the stock exchange, though the same may not be as per the formats prescribed under the SEBI Takeover Code. Consequent to signing of the Family Settlement MoU, some of the transactions pertain to inter-se transfers amongst the members of the promoter group (including some members who may no longer be part of the Promoter Group) to re-align the shareholdings amongst the promoter group. The Promoter Group have filed these reports with SEBI, seeking exemption for the acquisitions, on 30-Aug-2011, 6-Sep-2011 and 29-Nov-2011.

SEBI would initiate necessary action for non compliance of these regulations.

6.11.2 **Compliances under Regulation 3**

a. As mentioned above, consequent to signing of the Family Settlement MoU, to re-align the shareholdings amongst the promoter group (including some members who may no longer be part of the Promoter Group), there are certain inter-se transfers amongst the members of the promoter group.

b. Further, the Promoter Group have subscribed to additional shares over and above their entitlement in the rights issue made by SBPML in 2006.

The relevant filings under Regulation 3 have not been made within the stipulated time period. The Promoter Group have filed these reports with SEBI, seeking exemption for the acquisitions, on 30-Aug-2011, 6-Sep-2011 and 29-Nov-2011.

Details of these acquisitions and filings of the inter-se reports with SEBI are as follows:

Sr. No.	Date of Acquisition	Mode of Acquisition	Shares Acquired	% of equity Capital	Date of filing the Report with SEBI
1.	30-May-06	Rights Issue	7,168,489	2.72%	30-Aug-2011
2.	26-Jun-06	Inter-se	67,000	0.41%	6-Sep-2011
3.	24-May-07	Inter-se	140,000	0.85%	29-Nov-2011

4.	11-Mar-08	Inter-se	900,000	5.48%	30-Aug-2011
5.	28-Mar-08	Inter-se	21,700	0.13%	30-Aug-2011
6.	1-Apr-08	Inter-se	24,000	0.15%	6-Sep-2011
7.	2-Apr-08	Inter-se	809,457	4.93%	30-Aug-2011
8.	8-Apr-08	Inter-se	9,000	0.05%	30-Aug-2011
9.	28-Apr-08	Inter-se	813,997	4.96%	30-Aug-2011
10.	22-May-08	Inter-se	300,000	1.83%	30-Aug-2011
11.	12-Jun-08	Inter-se	300,000	1.83%	30-Aug-2011
12.	2-Jul-08	Inter-se	300,000	1.83%	30-Aug-2011
13.	20-Dec-08	Inter-se	168,000	1.02%	30-Aug-2011
14.	24-Jan-09	Inter-se	525,460	3.20%	30-Aug-2011

6.12 The Promoter Group and SBPML have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act.

6.13 The Board of Directors of SBPML, as on the date of the Public Announcement, was as under:

Sr No	Name, Residential Address and DIN	Date of Appointment	Designation	Category	Qualifications	Experience
1	Shri Girish Tandon *33, Dayanand Marg, Allahabad 211 002* DIN: 00109528	06.07.1979	Managing Director	Promoter Executive	Master of Business Administration	Mr. Tandon is the Managing Director of the Company looks after the day to day management of the Company
2	Shri Alankar Tandon *33, Dayanand Marg, Allahabad 211 002* DIN: 00110512	28.04.2008	Executive Director	Promoter Executive	Commerce Graduate	Over 14 years of experience in Capital Market and Financial Business and three years with SBPML
3	Shri Badri Vishal Tandon *33, Dayanand Marg, Allahabad 211 002* DIN: 00108408	06.07.1979	Chairman	Non Independent Non Executive	B.A, L.L.B	Over 30 years experience as Advocate, High Court, Allahabad
4	Shri C M Krishna *168, Mandakini Enclave, P.O.Kalkaji, New Delhi 110019* DIN: 00109574	01.05.1998	-	Independent Non-Executive	M.A (Economics), L.L.B	Over 35 years working experience in various Indian companies, at senior managerial positions.
5	Shri K A Pai *17, Deepa Apartment, Malviya Road, Vile Parle (E), Mumbai 400057* DIN: 00109607	30.10.1999	-	Independent Non-Executive	Graduate of Chemistry	Over 45 years of experience in various paper mills especially the mills using non conventional raw materials
6	Brig.(Retd.) R.L.Singh SC *'OMKARA' 43A Godavari Garden, Yapral Secundrabad* DIN: 02237679	21.6.2008	-	Independent Non-Executive	Master's Degree in Management	Retired Brigadier of the Indian Army. Vast experience of management of medium and large body of personnel in the Army.
7	Shri Murari Jalan *1402, Al Salemiya Tower Al Maktoum Road, Dubai, U.A.E.* DIN: 00250670	21.06.2008	-	Independent Non-Executive	Graduate	Entrepreneur with businesses spread all over Russia, Brazil, UAE and India
8	Shri Chaitanya Mehta M/s. Dhruve Liladhar & Co. Advocates, Solicitors and Notary, *13-A/B, Ismail Building, 3rd Floor, 381, Dr. D. N. Road, Flora Fountain,*	18.05.2011	-	Independent Non-Executive	Solicitor & Notary	A solicitor and notary and in practice for more than two decades; also the head partner in Dhruve Liladhar & Co

Sr No	Name, Residential Address and DIN	Date of Appointment	Designation	Category	Qualifications	Experience
	Mumbai - 400 001 DIN: 02654247					

Note: 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

6.14 The Promoter Group has 3 persons representing them on the Board of Directors of the Target Company. The Investor Acquirers or the PAC do not hold any directorship on the Board of Directors of the Target Company. As per the SSA, the Investor Acquirers reserve the right to appoint directors on the Board of Directors of the Target Company. However, any such appointment will be in compliance with the applicable provisions of the SEBI Takeover Code.

6.15 **Corporate Governance:** As per the certificate dated May 30, 2012, issued by P.L.Gupta & Co., Chartered Accountants through its Partner Mr. P.L.Gupta (Membership no.9444), SBPML is in compliance with the requirements of corporate governance as required by the listing agreement. The certificate inter-alia states as follows:

"*In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.*"

6.16 There are no mergers / demergers / spin offs involving SBPML during the last 3 years.

6.17 Following is a brief summary of the various legal proceedings involving SBPML:

a) Cases filed by SBPML:

Sl No	Name of Parties	Court/ Forum	Amount (Rs. lakhs)	Nature of Litigation	Status
1.	a. State of Uttar Pradesh, b. Krishna Gopal Mittal c. M/s. Mittal Prakashan Mandir	Sessions Judge, Allahabad	15.00	Criminal Revision Petition	The dispute was in relation to dishonouring of cheque presented by a customer to SBPML for a total amount of Rs. 15 lakhs. The Magistrate directed the respondents to pay SBPML a sum of Rs. 7.5 lakhs and deposit a sum of Rs. 7.5 lakhs with the court. Aggrieved by the order SBPML has preferred a revision petition before the Sessions Judge. The matter is currently pending before the Sessions Judge.
2.	Commissioner of Central Excise, Lucknow	Customs, Excise and Service Tax Appellate Tribunal, New Delhi	11.41	Appeal with the Custom Excise and Service Tax Appellate Tribunal	The Commissioner of Central Excise denied CENVAT credit amounting to Rs. 5.7 lakhs availed of from the service tax paid on account of input services received from M/s. Ernst & Young Pvt Ltd. and imposed a penalty of Rs. 5.7 lakhs and also ordered for recovery of interest on the said amount. Accordingly this appeal was preferred by SBPML. The Appellate Tribunal has waived the pre-deposit of other dues and has stayed the recovery till disposal of appeal.
3.	State of Uttar Pradesh, through Secretary Institutional Finance, Uttar Pradesh Government, Lucknow	High Court of Judicature, Allahabad	N.A.	Writ Petition	The Deputy Commissioner (Assessment) Trade Tax, Allahabad ("**Deputy Commissioner**") issued a show cause notice for re-opening the assessment orders for certain years. SBPML has approached the court for issue of suitable writs for quashing the orders of the Deputy Commissioner and estopping the Deputy Commissioner from completing the assessment proceedings. The writ is dismissed by the Honble' High Court of Judicature, Allahabad vide their order dated 13.01.12. The Target Company is in the process of filing a Special Leave

					Petition in the Honble' Supreme Court of India.
4.	State of Uttar Pradesh and Ors. through Deputy Commissioner (Assessment) Trade Tax, Allahabad	High Court of Judicature, Allahabad	N.A.	Writ Petition	SBPML received a notice from Deputy Commissioner (Assessment) Trade Tax, Allahabad ("**Deputy Commissioner**") requiring the petitioner to deposit State Development Tax failing which penalty proceedings would be imposed. SBPML approached the Court to issue suitable writs for prohibition, restraining / prohibiting the Deputy Commissioner (from taking any action for realization of State Development Tax and quashing the notice. The court vide order dated March 21, 2012 has dismissed the petition. The Target Company is in the process of filing a Special Leave Petition in the Honble' Supreme Court of India.
5.	State of Uttar Pradesh and Ors. through Deputy Commissioner (Assessment) Trade Tax, Allahabad	High Court of Judicature, Allahabad	N.A.	Writ Petition	That u/s 4B of the UP Trade Tax Act, a recognition certificate was granted to SBPML in respect of purchase of High Speed Diesel (HSD) wef 20.04.2000 SBPML received an Order from Deputy Commissioner (Assessment) Trade Tax, Allahabad ("**Deputy Commissioner**") on 19.10.2011, amending the Recognition Certificate retrospectively wef 10.08.2000. SBPML filed a writ petition in High Court of Juridicature, Allahabad challenging the aggrieved order of Deputy Commissioner (Assessment) Trade Tax Allahabad. The High Court vide Order dated 29.09.2011 granted stay on the operation of said order. The Matter is pending before Allahabad High Court.
6.	The Commissioner, Commercial Tax Uttar Pradesh	The Commercial Taxes Tribunal , Allahabad	NA	Second Appeal with Commercial Taxes Tribunal	The second appeal is being filed under Section 57 of U P Value Added Tax Act, 2008 aggrieved by the order dated 05.12.2011 by Additional Commissioner Appeal -1 Commercial Tax Allahabad. SBPML has deposited the admitted Tax on due date by cheque, as the cheque was encashed on a different date assessing authority imposed the penalty in contravention of Law. The matter is before the Appellate Authority for disposal.

b) Litigations filed by SBPML:

Sl No	**Name of Parties**	**Court/ Forum**	**Amount (Rs.)**	**Nature of Litigation**	**Status**
1.	Siya Ram Sakya	Industrial Tribunal at Lucknow	N.A.	Pending order before the Industrial Tribunal at Lucknow	On account of gross negligence of the petitioner, SBPML suffered high losses. After conducting a domestic enquiry against the petitioner the petitioner was suspended with effect from December 10, 1991. On account of failure to reach a settlement during the conciliation proceedings before the Assistant Labour Commissioner, the matter was referred to the Industrial Tribunal at Lucknow. The matter is currently pending before the Industrial Tribunal, Lucknow and the next date of hearing is July 4, 2012.
2.	Akhil Kumar and others	Civil Judge, Junior Division, Rae Bareli	N.A.	Civil dispute	The dispute was regarding the erection of electric poles on the plaintiff's land. During the pendency of the suit SBPML removed the electric poles from the plaintiff's land and re-routed them to their factory without encroaching on the plaintiff's land. The matter is currently pending before the court for final disposal and the next date of hearing is July 4, 2012.

3.	Santosh Kumar	Civil Judge Senior Division, Rae Bareli	Rs. 4,99,158 along with interest of 18% and pension for the rest of his life	Civil dispute	The petitioner being a contract labour has obtained a medical certificate from the Chief Medical Officer, Rae Bareli, stating that he has suffered a hundred percent disability in an accident caused during his term of employment at the factory of SBPML and filed the present suit before the court. The matter is pending before the court and next date of hearing July 16, 2012.
4.	Shankar Saran and others	Sadar District Magistrate, Rae Bareli	N.A.	Civil dispute	The complainant has claimed that even though the ownership of a disputed plot vests in him, SBPML has taken unlawful possession of plot. The matter is currently pending before the court and the next date of hearing is July 18, 2012.

6.18 Compliance Officer of the Target Company

Ms. Babita Jain, Address: 33, Dayanand Marg, Allahabad–211002, Uttar Pradesh, E-mail id: babitajain@shbhawani.com, Tel: (+91) (532) 2548401 /8404 / 8406 Fax: (+91) (532) 2548425.

6.19 The shareholding and voting rights pattern of SBPML prior to and following the acquisition under the SSA, the Preferential Issue and the Offer, is as under:

Shareholding pattern based on the issued equity shares is as follows:

	Shareholders category	Shareholding immediately preceding signing of the SSA/ the Preferential Issue	Shares acquired under the Preferential Issue/ SSA which triggered the SEBI Takeover Code	Shareholding post the Preferential Issue	Shares to be acquired in the Offer (Assuming full acceptances)	Shareholding after the acquisition under the SSA and the Offer
		(A)	**(B)**	**(C)**	**(D)**	**(E)=(A)+(B)+(D)**
1)	**Promoter Group**					
(a)	**Parties to the SSA**					
(i)	*Mr. Badri Vishal Tandon (Karta of Ram Mohan Das Tandon (HUF)) – Promoter Acquirer*	1,411,347 8.59% (4.05%)	2,250,000 6.46%	3,661,347 10.51%	Note 3	Note 3
(ii)	*Other members of the Promoter Group*	7,990,377 48.65% (22.94%)	- -	7,990,377 22.94%	- -	7,990,377 22.94%
(b)	**Promoters other than (a)(i) and (a) (ii) above**	-	-	-	-	-
	Total 1 (a) and (b)	**9,401,724** **57.24%** **(27.00%)**	**2,250,000** **6.46%**	**11,651,724** **33.46%**	**Note 3**	**Note 3**
2)	**Investor Acquirers**					
(a)	**Acquirers**					
	(i) Mr. Omprakash Goenka	-	4,693,224 13.48%	4,693,224 13.48%	Note 3	Note 3
	(ii) Mrs. Kiran Goenka	-	1,740,000 5.00%	1,740,000 5.00%	Note 3	Note 3
	(iii) Mr. Gaurav Goenka	-	1,740,000 5.00%	1,740,000 5.00%	Note 3	Note 3
	(iv) Mrs. Girija Goenka	-	1,740,000 5.00%	1,740,000 5.00%	Note 3	Note 3
	(v) Mirah Dekor Limited	-	1,740,000 5.00%	1,740,000 5.00%	Note 3	Note 3
(b)	**Persons Acting in Concert**	-	**-**	-	-	-
	Total 2(a) and (b)	- -	11,653,224 33.46%	11,653,224 33.46%	Note 3	Note 3
	Total 1 and 2	**9,401,724** 57.24% (27.00%)	**13,903,224** 39.92%	**23,304,948** 66.92%	**6,965,445** 20.00%	**30,270,393** 86.92%

	Shareholders category	Shareholding immediately preceding signing of the SSA/ the Preferential Issue	Shares acquired under the Preferential Issue/ SSA which triggered the SEBI Takeover Code	Shareholding post the Preferential Issue	Shares to be acquired in the Offer (Assuming full acceptances)	Shareholding after the acquisition under the SSA and the Offer
		(A)	**(B)**	**(C)**	**(D)**	**(E)=(A)+(B)+(D)**
3)	**Parties to the agreement other than (1) and (2)**	-	-	-	-	-
4)	**Public* (other than the Investor Acquirers, PAC, Promoter Acquirer and the Promoter Group)**					
a)	Mutual Funds and UTI	- 0.00% (0.00%)		- 0.00%		
b)	Financial Institutions / Banks	1,400 0.01% (0.00%)		1,400 0.00%		
c)	Bodies Corporate	699,293 4.26% (2.01%)	1,500,000 4.31%	2,199,293 6.31%		
d)	Individuals	6,305,278 38.39% (18.10%)	3,000,000 8.61%	9,305,278 26.72%		
e)	NRIs	16,305 0.10% (0.05%)		16,305 0.05%		
	Total 4 (a)+(b)+(c)+(d)+(e)	**7,022,276** 42.76% (20.16%)	**4,500,000** 12.92%	**11,522,276** 33.08%	**(6,965,445)** -(20.00%)	**4,556,831** 13.08%
	Grand Total (1+2+3)	**16,424,000** 100.00% (47.16%)	**18,403,224** 52.84%	**34,827,224** 100.00%		**34,827,224** 100.00%

* Total number of Public shareholders as on June 25, 2011 is 3,504

Note 1: In column (A), (i) the percentage figures appearing immediately below the number of equity shares are calculated with reference to the issued equity shares of SBPML as on June 24, 2011, immediately preceding sigining of the SSA and Preferntial Issue; and (ii) the percentage figures in brackets are with reference to the Emerging Equity Shares. The percentage figures in all other columns have been calculated with reference to the Emerging Equity Shares.

Note 2: The Offer is being made to Public Shareholders (i.e. shareholders of the Target Company excluding the Promoter Group, the PAC and Investor Acquirers).

Note 3: The Investor Acquirers and the PAC will be the Co-Promoters of Target Company along with the Promoter Group and the distribution of the equity shares, validly tendered and accepted in the Offer, amongst the Acquirers (i.e. the Promoter Acquirer and the Investor Acquirers) and the PAC will be decided by the Acquirers and the PAC subsequently.

Consequent to SBPML having partly paid shares which are not entitled to voting rights, the shareholding pattern based on the voting rights is as follows:

	Shareholders category	Voting rights immediately preceding signing of the SSA/ the Preferential Issue	Voting rights acquired under the Preferential Issue/SSA which triggered the SEBI Takeover Code	Voting rights post the Preferential Issue	Voting rights to be acquired in the Offer (Assuming full acceptances)	Voting rights after the acquisition under the SSA and the Offer
		(A)	**(B)**	**(C)**	**(D)**	**(E)=(A)+(B)+(D)**
1)	**Promoter Group**					
(a)	**Parties to the SSA**					
(i)	*Mr. Badri Vishal Tandon (Karta of Ram Mohan Das Tandon (HUF)) – Promoter Acquirer*	1,411,347 8.61% (4.06%)	2,250,000 6.47%	3,661,347 10.52%	Note 3	Note 3
(ii)	*Other members of the Promoter Group*	7,990,377 48.77% (22.97%)	- -	7,990,377 22.97%	- -	7,990,377 22.97%
(b)	**Promoters other than (a)(i) and (a) (ii) above**	-	-	-	-	-
	Total 1 (a) and (b)	**9,401,724** 57.38% (27.03%)	**2,250,000** **6.47%**	**11,651,724** **33.49%**	**Note 3**	**Note 3**
2)	**Investor Acquirers**					
(a)	**Acquirers**					
	(i) Mr. Omprakash Goenka	-	4,693,224 13.49%	4,693,224 13.49%	Note 3	Note 3
	(ii) Mrs. Kiran Goenka	-	1,740,000 5.00%	1,740,000 5.00%	Note 3	Note 3
	(iii) Mr. Gaurav Goenka	-	1,740,000 5.00%	1,740,000 5.00%	Note 3	Note 3
	(iv) Mrs. Girija Goenka	-	1,740,000 5.00%	1,740,000 5.00%	Note 3	Note 3
	(v) Mirah Dekor Limited	-	1,740,000 5.00%	1,740,000 5.00%	Note 3	Note 3
(b)	**Persons Acting in Concert**	-	**-**	-	-	-
	Total 2(a) and (b)	- -	11,653,224 33.50%	11,653,224 33.50%	Note 3	Note 3
	Total 1 and 2	**9,401,724** 57.38% (27.03%)	**13,903,224** 39.97%	**23,304,948** 66.99%	**6,965,445** 20.02%	**30,270,393** 87.01%
3)	**Parties to the agreement other than (1) and (2)**	-	-	-	-	-
4)	**Public* (other than the Investor Acquirers, PAC, Promoter Acquirer and the Promoter Group)**					

	Shareholders category	Voting rights immediately preceding signing of the SSA/ the Preferential Issue	Voting rights acquired under the Preferential Issue/SSA which triggered the SEBI Takeover Code	Voting rights post the Preferential Issue	Voting rights to be acquired in the Offer (Assuming full acceptances)	Voting rights after the acquisition under the SSA and the Offer
		(A)	**(B)**	**(C)**	**(D)**	**(E)=(A)+(B)+(D)**
a)	Mutual Funds and UTI	- 0.00% (0.00%)		- 0.00%		
b)	Financial Institutions / Banks	1,400 0.01% (0.00%)		1,400 0.00%		
c)	Bodies Corporate	699,293 4.27% (2.01%)	1,500,000 4.31%	2,199,293 6.32%		
d)	Individuals	6,266,205 38.24% (18.01%)	3,000,000 8.62%	9,266,205 26.64%		
e)	NRIs	16,305 0.10% (0.05%)		16,305 0.05%		
	Total 4 (a)+(b)+(c)+(d)+(e)	**6,983,203** 42.62% (20.07%)	**4,500,000** 12.94%	**11,483,203** 33.01%	**(6,965,445)** -(20.02%)	**4,517,758** 12.99%
	Grand Total (1+2+3+4)	**16,384,927** 100.00% (47.10%)	**18,403,224** 52.90%	**34,788,151** 100.00%		**34,788,151** 100.00%

* Total number of Public shareholders as on June 25, 2011 is 3,504

Note 1: In column (A), (i) the percentage figures appearing immediately below the number of voting shares are calculated with reference to the issued equity shares of SBPML as on June 24, 2011, immediately preceding sigining of the SSA and Preferential Issue; and (ii) the percentage figures in brackets are with reference to the Emerging Voting Shares. The percentage figures in all other columns have been calculated with reference to the Emerging Voting Shares.

Note 2: The Offer is being made to Public Shareholders (i.e. shareholders of the Target Company excluding the Promoter Group, the PAC and Investor Acquirers).

Note 3: The Investor Acquirers and the PAC will be the Co-Promoters of Target Company along with the Promoter Group and the distribution of the equity shares, validly tendered and accepted in the Offer, amongst the Acquirers (i.e. the Promoter Acquirer and the Investor Acquirers) and the PAC will be decided by the Acquirers and the PAC subsequently.

7. OFFER PRICE AND FINANCIAL ARRANGEMENTS

7.1 Justification of the Offer Price

7.1.1 The equity shares of the Target Company are listed on the Bombay Stock Exchange Limited (the "**BSE**"). Based on the information available, the Equity Shares are infrequently traded on the BSE within the meaning of explanation (i) to Regulation 20 (5) of SEBI Takeover Code.

Name of Stock Exchange	Total number of Shares traded during the preceding six calendar months ended May 30, 2011	Total number of listed Shares	Annualised trading turnover (in terms of % of total listed Shares)	Trading Status in terms of the SEBI Takeover Code
BSE	327,598	1,64,24,000	3.99%	Infrequently Traded

(Source: BSE website)

7.1.2 The Equity Shares of the Target Company are listed on the Bombay Stock Exchange Limited (the "BSE"). Based on the information available, the Equity Shares are infrequently traded on the BSE within the meaning of explanation (i) to Regulation 20 (5) of SEBI Takeover Code. In terms of the SEBI Takeover Code the Offer Price is justified in view of the following:

(a)	Negotiated Price	:	Not Applicable
(b)	Highest Price paid by the Investor Acquirers, the PAC and the Promoter Acquirer, including by way of allotment in a public or rights or preferential issue during the 26 weeks period prior to the date of Public Announcement	:	Rs. 10 per Equity Share
		:	
	Other Parameters		
	Return on Net worth – FY 2011(%) [1]	:	(934)%
	Book Value per Equity Share as on Mar 31, 2011 (Rs.) (for fully paid-up equity share) [2]	:	0.70
	Book Value per Equity Share as on Mar 31, 2011 (Rs.) (for partly paid-up equity share) [3]		Nil
	Earnings per Equity Share(EPS) – FY 2011(Rs.) [4]	:	(6.38)
	Industry Average P/E Multiple for Paper Industry [5]	:	8.6
	Offer Price P/E Multiple [6]	:	NA

Notes:

1) Return on networth is calculated as Profit /(Loss) After Tax divided by Networth of the Target Company after adjusting the miscellaneous expenditure, if any

2) Book Value per equity share (fully paid) = Total equity capital + Reserves & Surplus divided by Total number of equity shares.

3) For calculating the Book Value for partly paid-up equity shares, the Book Value arrived above is reduced by the amount outstanding towards the face value. Since the number cannot be negative, its mentioned as Nil

4) Earnings per share is arrived at by dividing the Profit/(Loss) after Tax by total number of equity shares

5) Source: Capital Market Journal Vol XXVI/09 dated Jun 27-Jul-2011, Industry: Paper. Calculated as Market Price divided by EPS of trailing twelve months. The Industry PE is not strictly comparable as the Industry segment covered by the Capital Market consists of companies, which have varied and different businesses compared to the Target Company and also vary widely in terms of financial parameters with Target Company.

6) Calculated as Offer Price / EPS of FY 2011. Since EPS is negative, the same is not applicable.

7.1.3 The calls-in-arrears for partly paid-up equity share is Rs. 6.25 per equity share (comprising of Rs. 5 towards the face value and Rs. 1.25 towards the share premium). As per the provision of Regulation 20 (10) of the SEBI Takeover Code, the offer price for partly paid-up equity share is calculated by reducing the amount outstanding on the partly paid-up share payable towards the face value from the offer price of Rs.10 for each fully paid-up equity share.

7.1.4 No amount has been paid as Non-Compete Fees.

7.1.5 The above pricing is arrived at in terms of Regulation 20(5), Regulation 20(10) read with Explanation (ii) to Regulation 20(11) of the SEBI Takeover Code.

7.1.6 Further, M/s. S.Kakkar & Co., Chartered Accountants (Firm registration no. 000407C) through their Partner Rajat Kapoor, Membership no. 076434 having their office at 17/33 C, M.G.Marg (1st Floor), Near Indian Coffee House, Civil Lines, Allahabad-211001, Tel: 2427248, have vide their report dated June 25, 2011 stated that based on the decision of the Honourable Supreme Court of India in the case of Hindustan Lever Employees Union v/s Hindustan Lever Limited, 1995 (83 Com Case 30), the value per Equity Share of the Target Company would be Rs. 0.35 per Equity Share.

7.1.7 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.

7.1.8 In view of the above, in the opinion of the Manager to the Offer, the Acquirers and the PAC, the Offer Price is justified.

7.1.9 If the Acquirers or the PAC acquire any Equity Shares after the date of the PA and up to 7 working days prior to the closure of the Offer at a price higher than the Offer Price, then the highest price paid for such acquisition shall be payable for all the equity shares accepted under the Offer.

7.2 Financial Arrangement

7.2.1 The total funds required for the Offer i.e. the acquisition of upto 69,65,445 equity shares from the Public Shareholders at Rs. 10.81 (Rupees Ten and Paise Eighty One Only) per fully paid-up equity share is Rs. 7,52,96,461/- (Rupees Seven Crore Fifty Two Lacs Ninety Six Thousand Four Hundred and Sixty One) assuming that full acceptance for the Offer is received (the "**Maximum Consideration**"). The Acquirers and the PAC have made firm financial arrangements in the form of internal accruals for financing the acquisition of equity shares under the Offer, in terms of Regulation 16 (xiv) of the SEBI Takeover Code.

7.2.2 By way of security of performance under the SEBI Takeover Code, Mirah Dekor Limited, Mr. Badri Vishal Tandon (Karta of Ram Mohan Das Tandon (HUF)), the Manager to the Offer and IDBI Bank Limited, a banking company incorporated under the Companies Act and whose registered office is IDBI Tower, WTC Complex, Cuffe Parade, Mumbai- 400005, Maharashtra, India and acting through its branch at Warden Road (hereinafter referred to as the "**IDBI Bank**") have entered into an open offer escrow agreement, dated June 25, 2011 (the "**Open Offer Escrow Agreement**") in accordance with Regulation 28 read with second proviso to Regulation 22(7) of the SEBI Takeover Code.

7.2.3 Pursuant to the Open Offer Escrow Agreement, Mirah Dekor Limited has caused a lien to be marked against the fixed deposit to the extent of Rs.1.75 crores (Rupees One Crore Seventy Five Lacs) and a cash deposit to the extent of Rs. 14.15 lacs,(Rupees Fourteen Lacs and Fifteen Thousand) aggregating to Rs.189.15 lacs (Rupees One Crore Eighty Nine Lacs and Fifteen Thousand only) (the "**Escrow Amount**") opened with the IDBI Bank in favour of the Manager to the Offer. The Escrow Amount is more than 25% of the Maximum Consideration payable under the Offer. The Manager to the Offer is empowered to issue instructions to realize the value of the Escrow Amount, in terms of the applicable provisions of the SEBI Takeover Code.

7.2.4 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 June 25, 2011 and May 29, 2012 that the Acquirers have adequate liquid financial resources to fulfill all financial obligations arising out of the Offer.

7.2.5 Based on th**e above, the** Manager to the Offer is satisfied about the ability of the Acquirers and the PAC to implement the Offer in accordance with the SEBI Takeover Code as firm financial arrangements are in place to fulfill the obligations under the SEBI Takeover Code.

8. TERMS AND CONDITIONS OF THE OFFER

8.1 The Offer is subject to the receipt of approval from FIPB and under the Foreign Exchange Management Act, 1999 ("FEMA") and/or the rules and regulations framed thereunder, from the Reserve Bank of India ("RBI"), if required, for the acquisition of equity shares by the Acquirers or the PAC from non-resident persons who have validly tendered their equity shares under the Offer.

8.2 **Statutory Approvals:** To the best of the knowledge of the Acquirers and the PAC, as on date, there are no other statutory approvals required to implement the Offer, other than those indicated above. If any other statutory approvals become applicable, the Offer would be subject to such statutory approvals. The Acquirers and the PAC, in terms of Regulation 27 of SEBI Takeover Code, will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused. To the best of their knowledge no approvals are required from Financial Institutions/Banks by the Acquirers and the PAC for the Offer.

8.3 In case of delay in receipt of the above statutory approvals, SEBI has the power to grant extension of time to the Acquirers and the PAC for payment of consideration to the shareholders of the Target Company, subject to the

Acquirers and the PAC agreeing to pay interest for the delayed period as directed by SEBI in terms of proviso to Regulation 22(12) of the SEBI Takeover Code. Further, if the delay occurs on account of willful default or neglect or inaction or non-action by the Acquirers and the PAC in obtaining the requisite approvals, Regulation 22(13) of the SEBI Takeover Code will also become applicable and the amount held in the Escrow Account shall be subject to forfeiture and be dealt with in the manner provided in clause (e) of sub-regulation (12) of Regulation 28 of the SEBI Takeover Code apart from the Acquirers and the PAC also being liable for penalty as provided in the SEBI Takeover Code. The Acquirers and the PAC shall complete all procedures relating to the Offer within a period of 15 days from the closure of this Offer.

8.4 **Locked in Share:** Subject to the conditions governing this Offer as mentioned herein, the acceptance of this Offer by the Shareholders of the Target Company must be absolute and unqualified. Any acceptance to this offer which is conditional and incomplete in any respect will be rejected without assigning any reason whatsoever. The Acquirers and the PAC shall accept locked in shares if any under the Offer subject to the continuation of the residual lock in period in the hands of the Acquirers/the PAC.

8.5 Eligibility for accepting the Offer

8.5.1 All eligible owners of equity shares, registered or unregistered including beneficial owners (excluding the Investor Acquirers, the PAC, the Promoter Acquirer and the existing Promoter Group of SBPML), (i) who own Equity Shares of SBPML anytime before June 25, 2012 (the "**Offer Closing Date**"), (ii) all the Shareholders whose names appeared in the register of Shareholders on the Specified Date and (iii) beneficial owners of the dematerialized Shares whose names appear as beneficiaries on the records of the respective depositories at the close of the business hours on the Specified Date are eligible to participate in the Offer.

8.5.2 Eligible persons can participate in the Offer by offering their shareholding in whole or in part. The acceptance must be unconditional and should 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. The Acquirers and the PAC shall accept locked-in equity shares, if any, under the Offer subject to the continuation of the residual lock-in periods in their hands. No indemnity is required from the unregistered owners.

9. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

9.1 The Offer is being made to the Public Shareholders of SBPML and a Letter of Offer specifying the detailed terms and conditions of the Offer, together with the duly completed Form of Acceptance-cum-Acknowledgement (the "**FOA**") and the Form of Withdrawal, will be mailed to the Public Shareholders of SBPML, whose names appear on the Register of Members of SBPML, and to the beneficial owners of the equity shares, whose names appear as beneficiaries on the records of the respective depositories, at the close of business hours on July 8, 2011 (the "**Specified Date**").

9.2 Accidental omission to dispatch Letter of Offer to any member entitled to this Open Offer or non-receipt of this Letter of Offer by any member entitled to this Offer shall not invalidate the Offer in any manner whatsoever.

9.3 The Offer is subject to terms and conditions set in this Letter of Offer that has been sent to the Public Shareholders.

9.4 Except for the Equity Shares issued under the Preferential Issue, there are no equity shares of the Target Company that are currently locked-in.

9.5 Any equity shares of SBPML that are the subject matter of litigation or are held in abeyance due to pending court cases, attachment order(s)/ restriction from Court/ Forum/ ITO / relevant statutory authorities, etc., wherein the shareholder(s) may be precluded from transferring the equity shares during the pendency of the said litigation are liable to be rejected if directions/orders of the court / forum / ITO / relevant statutory authorities etc permitting transfer of these equity shares are not received together with the equity shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the relevant statutory authorities for further action at their end.

9.6 The acceptance of the Offer made by the Acquirers and the PAC is entirely at the discretion of the Public Shareholders of the Target Company. The Acquirers and the PAC do not accept any responsibility for the decision of any shareholder to either participate or to not participate in the Offer. The Acquirers and the PAC will not be responsible in any manner for any loss of share certificate(s) and Offer acceptance documents during transit and the shareholders of the Target Company are advised to adequately safeguard their interest in this regard.

9.7 Incomplete acceptances, including non-submissions of necessary enclosures, if any, are liable to be rejected. Further, in case of any lacunae and/or defect or modifications in the documents/forms submitted, the acceptance is liable to be rejected.

9.8 The Acquirers and the PAC will acquire the equity shares, free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter. The equity shares that are subject to any charge, lien or encumbrance are liable to be rejected.

9.9 The instructions and provisions that will be contained in the FOA and Form of Withdrawal will constitute an integral part of the terms of this Offer.

9.10 Public Shareholders of SBPML who wish to tender their equity shares under this Offer should enclose the following documents duly completed so that the same are received by the registrar to the offer i.e. Skyline Financial Services Private. Limited. (the "**Registrar to the Offer**" or "**Registrar**") at the collection centre (as mentioned in paragraph 9.16 of this LoF) either by hand delivery on week days or by registered post so as to reach on or before close of business hours on the Offer Closing Date in accordance with the instructions specified in the Form of Acceptance. **The documents should not be sent to the Manager to the Offer, or the Acquirers or the PAC or the Target Company**.

a) For equity shares held in physical form:

(i) Registered Shareholders should enclose:

- FOA duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificates
- 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 SBPML and duly witnessed at the appropriate place. Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a Magistrate/ Notary Public/ Bank Manager under their Official Seal. The details of buyer should be left blank failing which, the same will be invalid under the Offer.

In case of non receipt of the aforesaid documents, but receipt of the original share certificate(s) and transfer deed(s) duly signed, the Offer shall be deemed to be accepted.

- Notwithstanding that the signature(s) of the transferor(s) has/have been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, such equity shares are liable to be rejected under this Offer even if the Offer has been accepted by a bona fide owner of such shares.

(ii) Unregistered owners should enclose:

- FOA duly completed and signed in accordance with the instructions contained therein
- Original share certificate(s)
- Original broker contract note
- Valid share transfer deed(s)/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.

The details of the buyer will be filled upon verification of the FOA and the same being found valid. All other requirements for valid transfer will be preconditions for acceptance.

b) For equity shares held in demat form:

Beneficial owners should enclose:

- FOA 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 their relevant Depository Participant ("DP") in favour of the special depository account (please see below) before the close of business hours on Offer Closing Date. The credit for the delivered shares should be received in the special depository account on or before the Offer Closing Date.

9.11 The Registrar to the Offer has opened a special depository account whose details are as follows:

Depository Participant ("DP") Name	KK Securities Limited
DP ID	IN300468
Client ID	10082611
Account Name	SBPML Open Offer-Escrow Demat Account
Depository	National Securities Depository Limited

9.12 For each delivery instruction, the beneficial owner should submit a separate duly completed FOA. Beneficial owners having their beneficiary accounts with CDSL have to use inter-depository delivery instruction slip for the purposes of crediting their equity shares in favour of the special depository account with NSDL. In case of non receipt of the aforesaid documents, but receipt of the equity shares in the special depository account, the Offer shall be deemed to be accepted. The Forms of Acceptance of such demat equity shares not credited in favor of the special depository account, before the Offer Closing Date will be rejected.

9.13 Public Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the equity shares in respect of which the FOA 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):

- Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.
- Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).
- No objection certificate from any lender, if the equity shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
- In case of companies, the necessary certified corporate authorizations (including board and/or general meeting resolutions).

9.14 The share certificate(s), share transfer form, FOA and other documents, if any should be hand delivered only to the Registrar to the Offer, at the collection centre mentioned in paragraph 9.16. **They should not be sent to the Manager to the Offer or the Acquirers or the PAC or the Target Company.** The above-mentioned documents can be hand delivered during business hours to the collection centre (as mentioned in paragraph 9.16) on all days except Sundays and public holidays.

9.15 The minimum marketable lot for the purposes of acceptance, for both physical and demat shares, would be one equity share.

9.16 All owners of equity shares, registered or unregistered who wish to avail of and accept the Offer can 'hand deliver' the FOA along with all the relevant documents to the Registrar to the Offer at the collection centre situated at Skyline Financial Services Private Limited, 123, Vinobapuri, Lajpat Nagar – II, New Delhi - 110 024, Tel:+91 11 2983 8501, +91 11 2983 0625 Fax: +91 11 2984 8352, Email: virenr@skylinerta.com, Contact Person: Virender Rana in accordance with the procedure as set out in this LoF. The collection centre mentioned herein would be open during the Offer period on all working days (except Sundays and Bank Holidays) during business hours i.e. from Monday to Saturday: 9:30 AM to 5:30 PM. Shareholders are advised to ensure that the FOA and other documents are complete in all respects; otherwise the same are liable to be rejected.

9.17 Public Shareholders who cannot hand-deliver their documents at any of the collection center referred above may send the same by registered post / speed post, at their own risk, to the Registrar to the Offer at their office SKYLINE FINANCIAL SERVICES PRIVATE. LIMITED., D-153A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi – 110 020 Tel: +91 11 2681 2682, 83, 84, Fax: +91 11 2681 2682 Contact Person: Virender Rana, Email: virenr@skylinerta.com, and not to any other collection centre so that the same are received before the close of business hours on the Offer Closing Date.

9.18 In case of non-receipt of the Letter of Offer / FOA / Form of Withdrawal eligible Public Shareholders and unregistered owners (including beneficial owners) may download the same from SEBI's website http://www.sebi.gov.in or obtain a copy of the same by writing to the Registrar to the Offer at the collection centre set out in paragraph 9.16 of this LoF clearly marking the envelope "**Shree Bhawani Paper Mills Limited - Open Offer**" by providing suitable documentary evidence of acquisition / ownership of shares.

9.19 In case of non-receipt of the Letter of Offer / FOA / Form of Withdrawal eligible Public Shareholders and unregistered owners (including beneficial owners) may also submit their acceptance on plain paper, as follows:

- Public Shareholders holding equity shares in physical form should state their name, address, folio number, number of shares held, distinctive numbers, number of equity shares offered, bank particulars along with original share certificate(s), duly signed & witnessed transfer form(s). The details of buyer should be left blank failing which, the same will be invalid under the Offer. Unregistered owners should also enclose original broker contract note and valid share transfer deed(s) as received from market. Unregistered shareholders should not sign the transfer deed. The transfer deed should be valid for transfer. No indemnity is required from unregistered shareholders.
- Beneficial owners should state their name, address, DP name, DP ID, beneficiary account number, number of equity shares held, number of equity shares offered, bank particulars, photocopy of the delivery instructions in "Off-market" mode or a counterfoil of the delivery instructions in "Off-market" mode duly acknowledged by the DP in favour of the special depository account, as may be relevant.

9.20 The acceptance should be signed by all the shareholders as per the registration details available with SBPML / Depositories and should be sent to the Registrar to the Offer in an envelope clearly marked "Shree Bhawani Paper Mills Limited - Open Offer" on or before the close of business on the Offer Closing Date.

9.21 In case any person has submitted equity shares in physical form for dematerialisation and such dematerialisation has not yet been effected, the concerned shareholder may apply in the Offer as per instructions mentioned above together with a photocopy of the completed dematerialization request form acknowledged by the shareholder's DP. Such shareholders should ensure that the process of getting the equity shares dematerialised is completed well in time so that the credit of the equity shares to the special depository account is completed on or before the close of business hours on the Offer Closing Date, failing which such an acceptance would be rejected. A copy of delivery instructions acknowledged by the Depository Participant in favour of the special depository account should be forwarded to the collection centre where the FOA and other documents were tendered, before the close of business on the Offer Closing Date. Alternatively, if the equity shares sent for dematerialization are yet to be processed by the Public Shareholders' DP the shareholders can withdraw their dematerialization request and tender the equity share certificates in the Offer as per procedure mentioned in paragraph 9.10 of this Letter of Offer.

9.22 In case any person has lodged equity shares of SBPML for transfer and such transfer has not yet been effected, the concerned person may apply as per the instructions to be contained in the Letter of Offer, together with the acknowledgement of the lodgement of equity shares for transfer. Such persons should also instruct SBPML and/or its registrar & transfer agents to send the transferred equity share certificate(s) directly to the Registrar at the address mentioned in 9.17. The person should ensure that the share certificate(s) reach the designated collection centre on or before the close of business hours on the Offer Closing Date.

9.23 While tendering equity shares under the Offer, shareholders are requested to provide their Permanent Account Number ("PAN") at the appropriate place in the FOA.

9.24 Compliance with tax and other regulatory requirements:

9.24.1 While tendering equity shares under the Offer, NRIs/OCBs/foreign and other non resident shareholders will be required to submit the RBI approvals, if any (specific or general) that they would have obtained for acquiring shares. Further, OCB shareholders, if any, are also required to submit approval from RBI for tendering equity shares in the Offer. In case the RBI approvals are not submitted, the Acquirers and the PAC reserve the right to reject the equity shares tendered. While tendering their equity shares under the Offer, NRIs, OCBs and other non resident shareholders will be required to submit a NOC / TCC / Certificate for deduction of tax at lower rate indicating the rate of tax to be deducted by the Acquirers/the PAC before remitting the consideration and any interest, from Income Tax authorities under the Income Tax Act. In case the aforesaid NOC / TCC is not submitted, the Acquirers/the PAC will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholders, on the entire consideration amount and any interest payable to such shareholders. The Acquirers and the PAC also reserve the right to reject such tenders from non-resident shareholders, where the aforesaid NOC / TCC is not submitted. As per the extant provisions of the Income Tax Act, no deduction of tax at source shall be made before remitting the consideration for equity shares tendered under the Offer by FIIs as defined in the Income Tax Act for shares held under "Investment / Capital Account" by FIIs. This exemption is not available for payment of consideration in respect of equity shares held by FIIs under their "Trade Accounts". However interest payment for delay in payment of consideration, if any, will not be exempt from tax.

9.24.2 While tendering equity shares under the Offer, shareholders are requested to provide their Permanent Account Number ("PAN") at the appropriate place in the FOA. The copy of PAN card also has to be attached as evidence. In the event PAN is not obtained or the PAN is not mentioned in the FOA or the copy of the PAN is not attached tax at least @ 20% plus surcharge and education cess or at the rate in force or at the rate specified in the relevant provisions of the Income Tax Act, 1961, whichever is higher will be deducted at source.

9.24.3 No tax is required to be deducted at source in case of payment to resident Shareholders in respect of any income which is capital gain/business income arising on surrender of shares under the Offer.

9.24.4 While tendering equity shares under the Offer, shareholders are required to indicate the status whether Resident/Non - Resident in the FOA / Form of Withdrawal. In case of ambiguity, incomplete or conflicting information or the information not being provided to the Acquirers/the PAC, it would be assumed that the shareholder is a non resident shareholder and taxes shall be deducted at the maximum rate as may be applicable to the relevant category to which the shareholder belongs under the Income Tax Act, 1961, on the entire consideration and interest if any, payable to such shareholder.

9.24.5 The rate of deduction of tax in case of non resident is dependent on few factors. Since the Acquirers/the PAC as a payer does not have in house information in respect of various Public Shareholder, all Public Shareholders are required to specify, in the FOA, the following particulars:

- Whether he/she is resident or non-resident;
- As a non-resident which category the Shareholder belongs i.e. non resident Indian, overseas corporate body/non domestic company, FII registered as a company, FII other than a company, any other non resident;
- Whether the shares are held on Investment account / Capital account or on trade account;
- In case of non resident Indians whether he/she is a citizen of India or a person of Indian origin and if yes, the Shares were acquired by the individual himself with convertible foreign exchange or by bank certificate and to be supported by relevant documents as applicable; and
- Date of acquisition of shares (to be supported by extract of relevant portion of demat a/c).

9.24.6 Pursuant to the provisions of Section 2 (37A) (iii) of the Income Tax Act, 1961 ("IT Act") for the purposes of deduction of tax under section 195 of the IT Act, the rate or rates of income tax specified in this regard in the Finance Act of the relevant year i.e. 2012-2013 or the rates of income tax specified in an agreement entered into by the Central Government under Section 90 of the IT Act or an agreement notified by the Central Government under Section 90A of the IT Act, whichever is applicable by virtue of the provisions of Section 90 or Section 90A, as the case may be i.e. whichever beneficial, would be applicable rate of TDS. Any shareholder claiming benefit under any Double Taxation Avoidance Agreement (DTAA) will have to furnish tax residency certificate to be eligible for claiming the benefit.

9.24.7 In the event that any Public Shareholder requires the Acquirers and the PAC to not deduct tax or to deduct tax at a lower rate on a lower amount it he/it would need to obtain certificate from the Income Tax authorities either under Section 195 (3) or Section 197 of the IT Act and submit the same to Acquirer/PAC while submitting the bid form. In absence of any such certificate from the Income Tax authorities, the Acquirers/the PAC will deduct tax at the rates in force on the entire consideration amount and any interest payable to such shareholders.

9.24.8 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.

In order to enjoy the said exemption, the FIls would have to provide an undertaking stating their residential status, that it does not have a permanent establishment in India, the amount received by them constitutes capital gains and does not constitute business income for them and that similar gains have been taxed as capital gains by the tax authorities in India in the past.

FIIs should certify their residential status with appropriate evidence in the Form of Acceptance along with details whether the equity shares are held by them on investment / capital account or on trade account.

If the FII is a company, tax will be deducted at source at 40% on the Offer Price, if shares are held on trade account and it is established that the FII has a permanent establishment in India or if the FII fails to certify in the Form of Acceptance that the Shares are held by it on investment / capital account. If the aforesaid amount of gross proceeds exceeds Rs. 1,00,00,000/-, the aforesaid rate will be increased by a surcharge of 2% of the sum. The amount so arrived at will be further increased by an education cess of 3% of the aggregate of the tax and surcharge to be deducted in all cases. If the FII is a person other than a company, then tax will be deducted at the rate of 30%, if shares are sold on trade account and will be further increased by education cess of 3% of such sum.

However, where the consideration to be paid is for shares held in trade account and in case of interest payment, if any, for delay in payment of consideration, if any, will not be governed by this provision. For these two type of payments in the case of FII and for interest payments to NRIs, OCBs and other non resident, the concerned shareholders will be required to submit Certificate either for no deduction of tax at source or 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/the PAC before remitting the consideration, failing which the Acquirers and the PAC will arrange to deduct tax at an appropriate 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.

The Non-Resident Shareholders would have to submit the following documents to support the declarations made by them in the Form of Acceptance:
i. Self-attested copy of PAN card;
ii. Nil / lower withholding tax certificate from the Indian Income Tax authorities' u/s 195(3) or u/s 197 under the IT Act;
iii. Self-attested declaration in respect of residential status, status of shareholders (e.g. individual, company, trust, or any other - please specify) and period of holding of shares (i.e. whether shares tendered are a long term capital assets or short term capital assets as defined under the IT Act);
iv. In case shares tendered comprise both long term capital assets and short term capital asset, then break-up of the same;
v. Tax residency certificate, where the shareholder intends to avail the beneficial provisions under the Tax Treaty;
vi. Banker certificate certifying inward remittance in case of Non-resident Indians;
vii. Self-attested declaration to the effect that the shares are held on capital / investment account or Trade account;
viii. SEBI Registration Certificate in case of FIIs.

9.24.9 No tax will be deducted on the Offer Price payable to the resident Shareholders. In case of resident Shareholders of the Target Company, Acquirers/PAC will deduct the tax on the interest component exceeding Rs. 5,000/‐ (Rupees five thousand only) at the applicable current prevailing rates, if applicable. If the resident Shareholder of the Target Company requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, such Shareholder will be required to submit No Objection Certificate from the income tax authorities indicating the rate at which tax is to be deducted by Acquirer/the PAC or a self declaration in Form 15G or Form 15H as may be applicable. Shareholders of the Target Company eligible to receive interest component exceeding Rs. 5,000/‐ (Rupees five thousand only) would be required to submit their Permanent Account Number for income tax purposes. Further, no tax is to be deducted on interest amount in the case of resident Shareholder being a Mutual Fund as per Section 10(23D) of the Income Tax Act, 1961 or a Bank/an entity specified under Section 194A(3)(iii) of the Income Tax Act, 1961 if it submits a copy of relevant registration or notification along with the Form of Acceptance ‑ cum ‑ Acknowledgement.

9.24.10 The Acquirer/the PAC will have the right to deduct tax at source wherever applicable at the rates prescribed at the time of making payment. If there is any change in the rates of tax then the Acquirer/the PAC will have a right to apply the amended rates prevailing at the time of making the payment. Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective Assessing Officers in their case, and the appropriate course of action that they should take. The Acquirer, the PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The tax rates and other provisions may undergo changes.

9.25 If the aggregate of the valid responses to the Offer exceeds the Offer Size, then the Acquirers/the PAC shall accept equity shares on a proportionate basis from the valid acceptances, as per Regulation 21(6) of the SEBI Takeover Code.

9.26 Unaccepted share certificates, transfer forms and other documents, if any, will be returned by Registered Post / Speed Post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder (in case of joint shareholders). Equity shares held in dematerialised form, to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective DP as per the details furnished by the beneficial owner in the FOA or otherwise. It will be the responsibility of the shareholders to ensure that the unaccepted equity shares are accepted by their respective depository participants when transferred by the Registrar to the Offer. Shareholders holding equity shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit, if any, in their DP account. Shareholders should ensure that their depository account is maintained till the Offer formalities are completed.

9.27 Shareholders, while tendering their equity shares in the Offer may indicate an option to receive the payment of Offer consideration through electronic form by indicating in the space provided in the FOA. The payment consideration for equity shares accepted under the Offer, in such cases, may be made through NECS, Direct Credit, RTGS or NEFT, as applicable, at specified centres where clearing houses are managed by the Reserve Bank of India, wherever possible. In other cases, payment of consideration would be made through cheque / demand draft / pay order sent by Registered post / Speed Post. Shareholders who opt for receiving consideration through electronic form are requested to give the authorization for electronic mode of transfer of funds in the FOA, provide the MICR / IFSC code of their bank branch and enclose a cancelled cheque or a photocopy of a cheque associated with the particular bank account, along with the FOA. In case of joint holders, payments will be made in the name of the first holder/ unregistered owner.

9.28 For the purposes of electronic transfer, in case of shareholders opting for electronic payment of consideration and for purposes printing on the cheque / demand draft / payorder for the other cases, the bank account details will be directly taken from the Depositories' database, wherever possible. A shareholder tendering equity shares in the Offer, is deemed to have given consent to obtain the bank account details from the Depositories, for this purpose. Only if the required details cannot be obtained from the depositories' database then the particulars provided by the shareholders would be used. It is advised that shareholders provide bank details in the FOA, so that the same can be incorporated in the cheque/demand draft/pay order, if the same data is not available from the Depositories' database. It will be the responsibility of the tendering shareholders to ensure that correct bank account details are recorded with the Depositories and mentioned in the FOA.

9.29 For shareholders, who do not opt for electronic mode of transfer and for those shareholders, whose payment consideration is rejected / not credited through NECS/Direct Credit/RTGS/NEFT, due to any technical errors or incomplete/incorrect bank account details, payment consideration will be dispatched through Speed Post/Registered Post. Such consideration payment will be made by cheques, pay orders or demand drafts payable at par at places where the address of the shareholder is registered. It is advised that Public Shareholders provide bank details in the FOA, so that the same can be incorporated in the cheque/demand draft/pay order. It will be the responsibility of the tendering shareholders to ensure that correct bank account details are mentioned with the Depositories and in the FOA.

9.30 In terms of Regulation 22(5A) of the SEBI Takeover Code, equity shareholders desirous of withdrawing the acceptance tendered by them in the Offer, may do so up to 3 (three) working days prior to the Offer Closing Date. The withdrawal option can be exercised by submitting the prescribed documents as per the instructions below, so as to reach the Registrar to the Offer at the collection centre where the original tender was submitted on or before June 20, 2012.

a) The withdrawal option can be exercised by submitting the Form of Withdrawal, enclosed with the Letter of Offer, duly signed by all the registered holders as per their specimen signature recorded with SBPML for shareholders in case of physical holdings/ with the Depository in case of electronic holdings, so as to reach the Registrar to the Offer at the collection centre where the original tender was submitted, on or before June 20, 2012.

b) The withdrawal option can be exercised by submitting the Form of Withdrawal attached to this Letter of Offer, duly completed together with Acknowledgement slip in original / copy of the submitted FOA in case delivered by Registered A.D. and a photocopy of delivery instructions in "Off-market" mode or counterfoil of the delivery instruction in "Off-market" mode, duly acknowledged by the DP.

c) In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by making an withdrawal on plain paper along with the following details:

I. In case of physical shares: Name, address, distinctive numbers, folio number and number of equity shares tendered, number of equity shares withdrawn.

II. In case of dematerialised shares: Name, address, number of equity shares tendered, number of equity shares withdrawn, DP name, DP ID, Beneficiary Account no., and a photocopy of delivery instructions 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.

d) Shareholders who have tendered equity shares in physical form and wish to partially withdraw their tenders, should also enclose valid share transfer form(s) for the remaining equity shares (i.e. equity shares not withdrawn) duly signed as transferors by all registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with SBPML and duly witnessed at the appropriate place.

e) The withdrawal of equity shares will be available only for the share certificates/ equity shares that have been received by the Registrar to the Offer/ special depository account.

f) The intimation of returned equity shares to the shareholders will be at the address as per the records of SBPML or the Depositories as the case may be.

g) In case of partial withdrawal of equity 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 SBPML.

h) Partial withdrawal of tendered equity shares can be done only by the registered shareholders / beneficial owners. In case of partial withdrawal, the earlier FOA will stand revised to that effect.

i) Shareholders holding equity shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.

9.31 The Registrar to the Offer will hold in trust the shares/share certificates, equity shares lying in credit of the special depository account, FOA, and the transfer form(s), if any, on behalf of the Public Shareholders of SBPML who have accepted the Offer, until the Acquirers and the PAC complete the Offer obligations in accordance with the SEBI Takeover Code.

9.32 Securities transaction tax will not be applicable to the equity shares accepted in the Offer.

10. DOCUMENTS FOR INSPECTION

The following material documents are available for inspection by shareholders of SBPML at the office of the Manager to the Offer at 6th Floor, Nirmal Building, Nariman Point, Mumbai 400 021, from 10.30 a.m. to 1.00 p.m. on any day, except Saturdays, Sundays and public holidays, from the date of opening of the Offer until the Offer Closing Date:

10.1 Copy of the Certificate of Incorporation and the Memorandum and Articles of Association of the Target Company

10.2 Certificate of Incorporation, Memorandum and Articles of Association of Mirah Dekor Limited

10.3 Certificate dated June 25, 2011 and May 24, 2012, from M/s. S.Kakkar & Co., Chartered Accountants (Firm registration no. 000407C) through their Partner S.C. Kakkar, Membership no. 12119 having their office at 17/33 C, M.G.Marg (1st Floor), Near Indian Coffee House, Civil Lines, Allahabad-211001, Tel: 2427248, certifying the networth of Mr. Badri Vishal Tandon (Karta of Ram Mohan Das Tandon (HUF)) as on March 30, 2011 and March 30, 2012 respectively.

10.4 Certificate dated June 25, 2011 and May 2, 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, certifying the networth of the individuals forming part of the Investor Acquirers namely Mr. Omprakash Goenka, Mrs. Kiran Goenka, Mr. Gaurav Goenka and Mrs. Girija Goenka as on March 31, 2011 and March 31, 2012 respectively.

10.5 Certificate dated June 25, 2011 and May 29, 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: +91 22 2344 5847, certifying that the Acquirers have adequate liquid financial resources to fulfill all financial obligations arising out of the Offer.

10.6 A Copy of the SSA dated June 25, 2011 between Mr. Omprakash Goenka (for and on behalf of the Investor Acquirers), the Target Company and Mr. Girish Tandon (for and on behalf of the Promoter Group)

10.7 Copy of published Public Announcement dated June 28, 2011 and the Corrigendum to the Public Announcement dated May 30, 2012

10.8 Copies of annual reports of the Target Company for the financial year ended March 31, 2010 and March 31, 2011 and Certificate dated May 30, 2012, for the financial information pertaining to financial year ended March 31, 2012, from CA. P.L. Gupta, (Membership Number: 9444), Partner, P.L. Gupta & Co., Chartered Accountants (Firm Registration no. 011575C), 26/52 Birhana Road, Kanpur - 208001, Tel: 0512 – 2395756.

10.9 Copies of annual reports of Mirah Dekor Limited for the financial year ended March 31, 2009, March 31, 2010 and March 31, 2011; Copy of certified financial information of Mirah Dekor Limited pertaining to 9 months period ended Dec 31, 2011 – as certified by 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 vide their certificate dated May 2, 2012.

10.10 Copies of annual reports of Mirah Power Private Limited for the financial year ended March 31, 2010 and March 31, 2011; Copy of certified financial information of Mirah Power Private Limited pertaining to 9 months period ended Dec 31, 2011 – as certified by 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 vide their certificate dated May 25, 2012.

10.11 Copies of annual reports of Royal Twinkle Star Club Limited for the financial year ended March 31, 2009, March 31, 2010 and March 31, 2011; Certificate dated May 29, 2012 on the financial information of Royal Twinkle Star Club Limited 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.

10.12 Copy of the Open Offer Escrow Agreement dated June 25, 2011 between Mirah Dekor Limited, Mr. Badri Vishal Tandon (Karta of Ram Mohan Das Tandon (HUF)), the Manager to the Offer and IDBI Bank Limited;

10.13 Letters from the IDBI Bank Limited dated June 28, 2011 and May 29, 2012, confirming the amount kept in the escrow account and a lien in favour of the Manager to the Offer.

10.14 Copy of the Family Settlement Memorandum of Understanding dated March 3, 2008 executed between the Girish Tandon Group and the Sudhir Tandon Group

10.15 Letter dated November 29, 2011 – details regarding change in cumulative shareholding of the promoter group and built-up of the individual members of the promoter group

10.16 A copy of the agreement dated June 25, 2011 entered into by the Acquirers with the Registrar to the Offer

10.17 A copy of the agreement dated June 25, 2011 entered into by the Registrar to the Offer with depository participant for opening a special depository account for the purposes of the Offer.

10.18 A copy of the letter from SEBI in terms of proviso to Regulation 18(2)

11. DECLARATIONS BY THE ACQUIRERS AND THE PAC

The Acquirers, the PAC and their respective directors, where applicable, severally and jointly accept responsibility for the information contained in this Letter of Offer (other than information in relation to the Target Company, which has been compiled from publicly available sources or received from the Target Company). The Acquirers and the PAC are severally and jointly responsible for fulfilment of their obligations in terms of the SEBI Takeover Code.

For Mirah Dekor Limited

Sd/-
Authorised Signatory
Name: Mr. Om Prakash Goenka

Sd/-
Mr. Om Prakash Goenka

Sd/-
Mrs. Kiran Goenka

Sd/-
Mr. Gaurav Goenka

Sd/-
Mrs. Girija Goenka

Sd/-
Mr. Badri Vishal Tandon (Karta of Ram Mohan Das Tandon (HUF))

For Mirah Power Private Limited

Sd/-
Authorised Signatory
Name: Mr. Om Prakash Goenka

For Royal Twinkle Star Club Limited

Sd/-
Authorised Signatory
Name: Mr. Om Prakash Goenka

Place: Mumbai

Date: May 31, 2012

Encl:
1. Form of Acceptance-cum-Acknowledgement
2. Form of Withdrawal
3. Transfer deed for shareholders holding equity shares in physical form

TEAR ALONG THIS LINE

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrar to the Offer at their address given overleaf)

FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

(To be filled in by the shareholder)

Folio No./ DP ID / Client ID	Sr. No.	No. of Shares held		OFFER SCHEDULE	
				OPENS ON	Wednesday, June 6, 2012
				CLOSES ON	Monday, June 25, 2012
				LAST DATE OF WITHDRAWAL	Wednesday, June 20, 2012

From,

Name : ____

Address : ____

____

____

Status : Resident / Non-Resident

Tel No. : __________________ Fax No.: __________________ E-mail: ________________________________

To,
SKYLINE FINANCIAL SERVICES PRIVATE. LIMITED
D-153A, 1st Floor, Okhla Industrial Area, Phase - I,
New Delhi – 110 020

Dear Sir/Madam,

SUB: Open Offer to acquire 69,65,445 equity shares of face value Rs. 10/- each ("Shares") representing 20.02 % of Emerging Voting Rights of Shree Bhawani Paper Mills Limited ("SBPML" or "Target Company") by Mr. Omprakash Goenka, Mrs. Kiran Goenka, Mr. Gaurav Goenka, Mrs. Girija Goenka, Mirah Dekor Limited, Mr. Badri Vishal Tandon (Karta Of Ram Mohan Das Tandon (HUF)), Mirah Power Private Limited and Royal Twinkle Star Club Limited from the shareholders of the Target Company (the "Offer") at 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), pursuant to the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto upto the date of Public Announcement (the "SEBI Takeover Code")

I/We refer to the Letter of Offer for acquiring the equity shares held by me/us in Shree Bhawani Paper Mills Limited.

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

SHARES HELD IN PHYSICAL FORM

1) I/We hold the following shares in physical form and accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my / our Shares as detailed below:

Sr. No.	Folio No.	Certificate No.	Distinctive Nos.		No. of Shares
			From	To	
				Total	

(In case of insufficient space, please use an additional sheet and authenticate the same)

SHARES HELD IN DEMAT FORM

I/We hold the following equity shares in dematerialized form and accept the Offer and enclose a photocopy of the Depository Delivery Instruction(s) duly acknowledged by DP in respect of my/our equity shares as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	Total No. of Shares

I/We have done an off-market transaction for crediting the equity shares to the Special Depository Account with KK Securities Limited, opened with NSDL, as "SBPML Open Offer-Escrow Demat Account " **whose particulars are,**

DP Name: KK Securities Limited	DP ID: IN300468	Client ID: 10082611

Public Shareholders having their Beneficiary account with CDSL have to use **INTER-DEPOSITORY INSTRUCTION SLIP** for the purpose of crediting their shares in favour of Special Depository Account with NSDL.

TEAR ALONG THIS LINE

LOCKED-IN SHARES HELD IN DEMAT FORM

I/We hold the following locked-in equity shares in dematerialized form and accept the Offer and enclose a photocopy of the Depository Delivery Instruction(s) Slip / Form (as specified by depository) duly acknowledged by DP for signature verification in respect of my/our equity shares as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	Total No. of Shares

I/We hereby authorize you to initiate corporate action process for transfer of locked in shares to Special Depository Account.

I/We have enclosed the following documents (Please tick as appropriate, if applicable):

☐ Power of Attorney duly attested

☐ Corporate Authorisation in case of Companies along with Board Resolution and Specimen Signatures of Authorised Signatories.

☐ Certificate under Section 195(3) or 197 under the Income Tax Act, 1961 from the Income Tax Authorities for NRIs/OCBs/Foreign Shareholders as applicable

☐ No Objection Certificate from the lender in respect of shares which are under any charge, lien or encumbrance

☐ Death Certificate/ Succession Certificate (duly attested)

☐ Others (please specify) ___________________

For all shareholders
I / We, confirm that our residential status for the purposes of income tax is:

☐ Resident ☐ Non-resident Indian ☐ Non-domestic company ☐ Foreign Institutional Investors
☐ Other persons who are not resident in India

For FII shareholders
I / We, confirm that the income arising from the transfer of shares tendered by me/ us is in the nature of: *(select whichever is applicable)*:

☐ Capital Gains ☐ Any other income

I/We confirm that the equity shares of SBPML are held by me/us on ☐ Investment/Capital Account OR ☐ Trade Account
(select whichever is applicable in your case)

I / We, have enclosed the following documents:

☐ No Objection Certificate (NOC) / Tax Clearance Certificate (TCC) from Income Tax Authorities ☐ Banker certificate certifying inward remittance
☐ SEBI Registration Certificate for FIIs ☐ Self attested copy of PAN card
☐ Previous RBI approvals for holding the shares of SBPML hereby tendered in the Offer

In case the equity shares are held on trade account, kindly enclose a certificate stating that you are a tax resident of your country of residence/ Incorporation and that you do not have a "permanent establishment" in India in terms of the Double Taxation Avoidance Agreement (DTAA) entered into between India and your country of residence.
In order to avail the benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a certificate stating that you are a tax resident of your country of incorporation in terms of the DTAA entered into between India and your country of residence.

FII should enclose an undertaking stating
- Their residential status,
- That it does not have a permanent establishment in India
- That the amount received by them constitutes capital gains and does not constitute business income for them and that similar gains have been taxed as capital gains by the tax authorities in India in the past
- Whether the equity shares are held by them on investment / capital account or on trade account.

For other Non-resident shareholders (except FIIs)
I / We, have enclosed the following documents:

☐ Self attested copy of PAN card ☐ No Objection Certificate (NOC) / Tax Clearance Certificate (TCC) from Income Tax Authorities
☐ Banker certificate certifying inward remittance ☐ RBI approval for acquiring shares of Shree Bhawani Paper Mills Limited tendered herein

For non- resident Indians, in case the Shares have been acquired / purchased with or subscribed to in convertible foreign exchange or by bank certificate and to be supported by relevant documents as applicable, the shareholder should produce necessary evidence to this effect and also certify himself as having not opted out of Chapter XH-A of the IT Act

For Resident shareholders
I / We, have enclosed the following documents:

☐ Self attested copy of PAN card
☐ Self declaration form in Form 15G / Form 15H, if applicable to be obtained in duplicate copy
☐ No Objection Certificate (NOC) / Tax Clearance Certificate (TCC) from Income Tax Authorities (applicable only for interest payment, if any)
☐ For Mutual fund/Banks/Notified Institution under Section 194A(3)(iii)(f) of the Income Tax Act, 1961, copy of relevant Registration or notification (applicable only for interest payment, if any)

I/We confirm that the equity shares of SBPML which are being tendered herewith by me/us under this Offer, are free from liens, charges and encumbrances of any kind whatsoever.
I/We note and understand that the original share certificate(s) and the valid share transfer deed(s) will be held in trust for me/us by the Registrar to the Offer until the Acquirers/the PAC make payment of the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers/the PAC will pay the consideration only after verification of the documents and signatures
I/We note and understand that the Shares would lie in the said A/c. i.e."SBPML Open Offer-Escrow Demat Account" until the Acquirers/the PAC make payment of the purchase consideration as mentioned in the Letter of Offer.

I/We authorize the Acquirers and the PAC to accept the shares so offered, which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer;
I/We confirm that in case of non-receipt of the aforesaid documents, but receipt of the Shares in the Special Depository Escrow Account, the Acquirers and the PAC may deem the Offer to have been accepted by me/us; and
I/We further authorize the Acquirers and the PAC to return to me/us, the equity share certificate(s) in respect of which the offer is not found valid / not accepted, specifying the reasons thereof and in the case of dematerialized shares, to the extent not accepted will be released to my Depository Account at my sole risk.
I/We authorize the Acquirers/the PAC or the Manager to the Offer or the Registrar to the Offer to send by Registered Post / Speed Post, the draft/cheque, in settlement of the amount to the sole/first holder at the address mentioned above.

Yours faithfully,

Signed and Delivered Place: Date:

	Full name(s) of the holder	**PAN Number**	**Signature(s)**
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of Joint holdings, all holders much sign. In case of Bodies Corporate a stamp of the Company should be affixed and necessary Board Resolution should be attached.

So as to avoid fraudulent encashment in transit, the shareholder(s) holding shares in physical form may provide details of bank account of the first / sole shareholder and the consideration payment will be drawn accordingly. For shares that are tendered in electronic form, the bank particulars as recorded with the Depository Participant and stated below will be printed on the cheque, demand draft. Shareholders are advised to update their Bank Account details including Account Number, MICR code and other demographic details with their depository participant to ensure the payment is credited correctly to their Bank Account. Please indicate the preferred mode of receiving the payment consideration. (Please tick)

1) Electronic Mode: ________________________________ 2) Physical Mode: ________________________________
In case of any change in Bank Details, please indicate below

Particulars Required	**Details**
Name of the Bank	
Branch	
A/c. No. and Type	
9 Digit MICR Code	
IFSC Code (for RTGS / NEFT transfers)	

For Shares that are tendered in dematerialized form, the bank account details as obtained from the beneficiary position download to be provided by the Depositories will be considered and the consideration will be paid in accordance with the said bank particulars.

Details for RTGS / NEFT (Please enclose a cancelled cheque or a photocopy of the cheque)
In addition to above Bank Details, Shareholders opting for the RTGS/ NEFT/NECS option should provide the following details:
Payment through RTGS (Yes/No): _____________
Payment through NEFT (Yes/No): _____________
Payment through NECS (Yes/No): _____________
IFSC Code of the Branch where account is maintained: _____________

Note: All future correspondence, if any, in connection with this Offer, should be addressed to Registrar to the Offer :
SKYLINE FINANCIAL SERVICES PRIVATE. LIMITED, D-153A, 1st Floor, Okhla Industrial Area, Phase - I,
New Delhi – 110 020; Contact Person: Mr. Virender Rana, Tel: (+91) (11) 2681 2682, 83, 84, Fax: (+91) (11) 2681 2682, Email: virenr@skylinerta.com
Payment for accepted shares / the unaccepted shares, if any, will be dispatched / credited by, July 10, 2012.

INSTRUCTIONS

1. In the case of dematerialized shares, the Public Shareholders are advised to ensure that their equity shares are credited into the special depository account, before the closure of the Offer. The Form of Acceptance cum Acknowledgement of such demat shares not credited into the special depository account, before the Offer Closing Date will be rejected.

2. Shareholders should enclose the following :
   I. All shareholders, besides providing their PAN No. in the Form of Acceptance, should also enclose a **self attested copy of their PAN Cards** in their applications.
   II. For equity shares held in demat form:
   Free shares -
   - **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).
   - **Photocopy of the delivery instruction** in ‘Off-Market’ mode or counterfoil of the delivery instruction in ‘Off-market’ mode, duly acknowledged by the DP
     - Photocopy of the inter-depository delivery instruction slip if the beneficiary holders having an account with Central Depository Services (India) Ltd.
   - For each Delivery Instruction, the beneficial owner should submit separate Form of Acceptance

TEAR ALONG THIS LINE

Locked-in shares –

- Delivery Instruction Slip or Form (as specified by Depository) for the lock-in shares proposed to be tendered with the signature thereon verified by their depository participant.
- After the closure of the Offer, the Target Company shall initiate the process of transferring locked-in equity shares into the Special Depository Account through an appropriate corporate action and only those shares that get transferred in this process shall be considered for acceptance in the Open Offer.

In case of non-receipt of the equity shares in special depository account but receipt of the aforementioned documents, the equity shares tendered shall be treated as invalid and the form of acceptance shall not be considered for acceptance in Open Offer.

III. For equity shares held in physical form :-

(a) **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 (s)/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 SBPML and duly witnessed at the appropriate place. A blank Share Transfer form is enclosed along with the Letter of Offer. Attestation, where required (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Bank Manager under their Official Seal. The details of buyer should be left blank failing which, the same will be invalid under the Offer.

In case of registered shareholder, non-receipt of the aforesaid documents, but receipt of the share certificates along with the duly completed transfer deed(s)/form(s), the Offer shall be deemed to be accepted.

Notwithstanding that the signature(s) of the transferor(s) has/have been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, such equity shares are liable to be rejected under this Offer even if the Offer has been accepted by a bona fide owner of such shares.

(b) Unregistered owners should enclose:

- **Form of Acceptance-cum-Acknowledgement** duly completed and signed in accordance with the instructions contained therein.
- **Original Share Certificate(s).**
- **Original broker contract note.**
- In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and the transfer deed(s).
- **Valid Share Transfer Deed(s)/Form(s)** as received from the market. The details should be left blank. The details of the Acquirers/the PAC as transferee will be filled by the Acquirers/the PAC upon verification of the Form of Acceptance and the same being found valid. All other requirements for valid transfer will be precondition for acceptance.

3. The share certificate(s) share transfer form(s), the Form of Acceptance-cum-Acknowledgement and other documents, if any should be sent only to the Registrar to the Offer and not to the Manager to the Offer or the Acquirers or the PAC of SBPML
4. Shareholders having their beneficiary account in CDSL have to use "INTER DEPOSITORY DELIVERY INSTRUCTION SLIP" for the purpose of crediting their shares in the favour of the special depository account with NSDL.
5. Non-Resident shareholders should enclose a copy of the permission received from RBI for the squity shares held by them in SBPML. If, the shares are held under General Permission of RBI, the non-resident shareholder should furnish a copy of the relevant notification / circular pursuant to which the shares are held and state whether the shares are held on repatriable or non-repatriable basis.
6. NRIs, OCBs and foreign shareholders are required to furnish Bankers Certificates certifying inward remittance of funds for acquisition of shares of SBPML.
7. Non-resident shareholders should enclose No Objection Certificate / Exemption Certificate from the Income Tax Authorities under Income Tax Act, 1961, indicating the tax to be deducted, if any, by the Acquirers and the PAC before remittance of consideration. Otherwise tax will be deducted, at maximum marginal rate as may be applicable to the category and status of the shareholder, on the full consideration payable by the Acquirers and the PAC.
8. FIIs are requested to enclose the SEBI Registration Letter; OCBs are requested to enclose Form OAC of the current year. (In case OCBs tender shares a specific RBI approval needs to be obtained)

Collection Centre

	Collection Centre	**Address of Collection Centres**	**Contact Person**	**Phone No.**	**Fax No.**	**Mode of Delivery**
1	New Delhi	Skyline Financial Services Private Limited, 123, Vinobapuri, Lajpat Nagar – II, New Delhi – 110024	Virender Rana	+91 11 2983 8501 +91 11 2983 0625	+91 11 2984 8352	Hand Delivery

Collection timings for all the locations mentioned above will be 9:30 am to 5:30 pm Monday to Saturday (except Public Holidays).

Shareholders who cannot hand deliver their documents at the collection centers 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 SKYLINE FINANCIAL SERVICES PRIVATE. LIMITED., D-153A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi – 110 020 Tel: +91 11 2681 2682, 83, 84, Fax: +91 11 3085 7562 and not to any other collection centre so that the same are received on or before the close of business hours on the Offer Closing Date.

Checklist of documents to be submitted by the Shareholders

(to be read along with Letter of Offer)

Registered Shareholders

I. **Physical Form**

- Form of Acceptance duly completed and signed
- Original Share Certificate(s)
- Valid Share Transfer Deed(s) duly signed as transferors by all shareholder(s) and duly witnessed.
- Self attested copy of PAN Card of the accountholders

II. **Dematerialised Form (including locked-in shares)**

- Form of Acceptance duly completed and signed
- Photocopy of the Delivery Instructions or counterfoil of the Delivery Instructions in "Off-Market" mode, duly acknowledged by the DP.
- Photocopy of the Inter-depository Delivery Instruction Slip (for beneficiary owners maintaining an account with CDSL)
- Self attested copy of the PAN card of the accountholders
- For locked in shares - Delivery Instruction Slip or Form (as specified by Depository) with signature duly verified by the depository participant

TEAR ALONG THIS LINE

Unregistered Shareholders

- Form of Acceptance duly completed and signed in accordance with the instructions contained therein
- Valid Share Transfer form(s) as received from the market duly stamped and executed in their favour as proposed transferee along with another valid transfer form duly signed as transferor(s) by the said purposed transferee and witnessed.
- Original Share Certificate(s)
- Original broker contract note, if any
- Photocopy of the acknowledgement of lodgement or receipt by the Registrars.
- Self attested copy of the PAN card of the proposed transferees

III. **Non-Resident Shareholders**

- Self-attested copy of PAN card;
- Nil / lower withholding tax certificate from the Indian Income Tax authorities' u/s 195(3) or u/s 197 under the IT Act;
- Self-attested declaration in respect of residential status, status of shareholders (e.g. Individual, Firm, Company, Trust, or any other - please specify) and period of holding of shares (i.e. whether shares tendered are a long term capital assets or short term capital assets as defined under the IT Act);
- In case shares tendered comprise both long term capital assets and short term capital asset, then break-up of the same;
- Tax residency certificate, where the shareholder intends to avail the beneficial provisions under the Tax Treaty;
- Banker certificate certifying inward remittance in case of Non-resident Indians;
- Self-attested declaration to the effect that the shares are held on capital / investment account or Trade account;
- SEBI Registration Certificate in case of FIIs

TEAR ALONG THIS LINE

– TEAR ALONG THIS LINE –

ACKNOWLEDGEMENT SLIP
Shree Bhawani Paper Mills Limited - Open Offer

(To be filed in by the shareholder)

FOLIO NO. / DPID : ______________________________ Client ID : ______________________________ Sr. No. : ___________________________

Received from Mr./Ms.____

Form of Acceptance along with (Please put tick mark in the box, whichever is applicable)

☐ **Physical Form:** _________ number of Certificate for ____________________ number of Shares along with Transfer Deed.

☐ **Demat Form (including locked-in shares)** : Copy of DP Delivery Instruction Slip / Inter-Depository Delivery Instruction Slip / Form for transfer of locked-in shares with signature verified by DP (as applicable) ______________ number of Shares

Signature of official and Date of Receipt	Stamp of Collection Centre

TEAR ALONG THIS LINE

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– TEAR ALONG THIS LINE –

All queries in this regard to be addressed to the Registrar to the Offer
at the following address quoting your Reference Folio No. / DPID / Client Id

Skyline Financial Services Private Limited,
(Unit: Shree Bhawani Paper Mills Limited Open Offer)
D-153A, 1st Floor,
Okhla Industrial Area, Phase - I, New Delhi – 110 020
Tel: (+91) (11) 2681 2682, 83, 84, Fax: (+91) (11) 2681 2682
Contact Person: Virender Rana,
Email: virenr@skylinerta.com

TEAR ALONG THIS LINE

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrar to the Offer at their address given overleaf)

FORM OF WITHDRAWAL

(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

(To be filled in by the shareholder)

From,

Name : ____

Address : ____

____

____

Tel No. : __________________ Fax No.: __________________

E-mail: ____

OFFER SCHEDULE	
OPENS ON	**Wednesday, June 6, 2012**
LAST DATE OF WITHDRAWAL	**Wednesday, June 20, 2012**
CLOSES ON	**Monday, June 25, 2012**

THIS FORM SHOULD BE USED BY THE SHAREHOLDERS ONLY FOR EXERCISING THE WITHDRAWAL OPTION AS PROIVDED IN THE LETTER OF OFFER.

To,

SKYLINE FINANCIAL SERVICES PRIVATE. LIMITED

D-153A, 1st Floor, Okhla Industrial Area, Phase - I,

New Delhi – 110 020

Dear Sir/Madam,

SUB: Open Offer to acquire 69,65,445 equity shares of face value Rs. 10/- each ("Shares") representing 20.02% of Emerging Voting Rights of Shree Bhawani Paper Mills Limited ("SBPML" or "Target Company") by Mr. Omprakash Goenka, Mrs. Kiran Goenka, Mr. Gaurav Goenka, Mrs. Girija Goenka, Mirah Dekor Limited, Mr. Badri Vishal Tandon (Karta Of Ram Mohan Das Tandon (HUF)), Mirah Power Private Limited and Royal Twinkle Star Club Limited from the shareholders of the Target Company (the "Offer") at 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), pursuant to the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto upto the date of Public Announcement (the "SEBI Takeover Code")

Withdrawal of the equity shares tendered in the Offer

I/We refer to the Letter of Offer for acquiring the equity shares held by me/us in Shree Bhawani Paper Mills Limited.

I/We, the undersigned have read the Letter of Offer, understood its content and unconditionally accept the terms and conditions and procedure as mentioned therein.

I/We, the undersigned, have read the procedure for withdrawal of equity shares tendered by me/us in the Offer as mentioned in the Letter of Offer an unconditionally agree to the terms and conditions mentioned therein.

I/We hereby consent unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/We further authorise the Acquirers and the PAC to return to me/us, the tendered equity 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 Acquirer/PAC/Manager to the Offer/Registrar to the Offer.

I/We note that this Form of Withdrawal should reach the Registrar to the Offer at any of the collection centers mentioned in the Letter of Offer or below as per the mode of delivery indicated therein no later than 5:30 PM on or before the last date of withdrawal.

I/We note that the Acquirers/PAC/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 delay in non-receipt of Shares held in the dematerialised form in the Depository account due to inaccurate/incomplete particulars/instructions.

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

The particulars of the tendered Share(s) that I/We wish to withdraw are detailed below:

Sr. No.	Folio No.	Certificate No.	Distinctive Nos.		No. of Shares
			From	To	
TENDERED					
1					
2					
3					
4					
				Total	
WITHDRAWN					
1					
2					
3					
4					
				Total	

(In case of insufficient space, please use an additional sheet and authenticate the same)

I/We hold the following Shares in dematerialized form and have tendered the equity shares in the Offer and had done an off-market transaction for crediting the equity shares to the Special Depository Account with KK Securities Limited, opened with NSDL, as "SBPML Open Offer-Escrow Demat Account " **whose particulars are,**

DP Name: KK Securities Limited	DP ID: IN300468	Client ID: 10082611

Please find enclosed a photocopy of the Depository Delivery Instruction(s) duly acknowledged by the Depository Participant.

TEAR ALONG THIS LINE

I/We hold the following locked-in equity shares in dematerialized form and have filled the Depository Delivery Instruction(s) Slip / Form (as specified by depository) duly acknowledged by DP for signature verification for crediting the locked-in Shares to the Special Depository Account with KK Securities Limited, opened with NSDL, as "SBPML Open Offer-Escrow Demat Account " **whose particulars are:**

DP Name: KK Securities Limited	DP ID: IN300468	Client ID: 10082611

Please find enclosed a photocopy of the Depository Delivery Instruction(s) / Form (as specified by depository) duly acknowledged by DP for signature verification.

The particulars of the account from which my/our Shares have been tendered (including locked-in Shares) that I/We wish to withdraw, are as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	Total No. of Shares Tendered
Name of the Beneficiary			No of Shares to be withdrawn*	

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 dematerialised Shares (including locked-in Shares), I/We confirm that the signatures have been verified by the DP as per their records and the same have been duly attested.

*In case of dematerialised Shares being locked-in Shares, we request you not to initiate corporate action for transfer of Shares to Special Depository Account.

Yours faithfully,

Signed and delivered

	Full name(s) of the holders	Signature(s)	VERIFIED AND ATTESTED BY US. PLEASE AFFIX THE STAMP OF DP (IN CASE OF DEMAT SHARES) / BANK (IN CASE OF PHYSICAL SHARES)
First/Sole Holder			
Joint Holder 1			
Joint Holder 2			
Joint Holder 3			

Note: In case of Joint holdings, all holders much sign. In case of Bodies Corporate a stamp of the Company should be affixed and necessary Board Resolution should be attached.

Place :

Date :

TEAR ALONG THIS LINE

INSTRUCTIONS

1. Shareholders are advised to ensure that the Form of Withdrawal should reach the Registrar to the Offer at any of the Collection Centers mentioned in the Letter of Offer as per the mode of delivery indicated therein on or before the last date of withdrawal .Any receipt of Form of Withdrawal post last date of withdrawal would not be accepted / considered for withdrawal from the Offer.
2. The withdrawal of Shares will be available only for the Share certificates/the Shares that have been received by the Registrar to the Offer/ Special Depository Escrow Account.
3. The intimation of returned Shares to the Shareholders will be at the address as per the records of the Target Company/Depository as the case may be.
4. The Form of Withdrawal should be sent only to the Registrar to the Offer.
5. Request for withdrawal from unregistered shareholders can be considered to the extent the equity shares tendered and received are found to be valid
6. Separate Request for withdrawal should be submitted for each Folio / DP Id Client Id
7. In case of partial withdrawal of Shares tendered in physical form, if the original share certificates are required to be split, the same will be returned on receipt of share certificates from the Target Company. The facility of partial withdrawal is available only to registered shareholders.
8. Shareholders holding Shares in dematerialised form are requested to issue the necessary standing instruction for receipt of the credit in their DP account.
9. The Form of Withdrawal and other related documents should be submitted so as to reach the Registrar to the Offer at the collection centre where the original tender was submitted, no later than 5:30 pm on or before the last date of withdrawal.
10. Applicants who cannot hand deliver their documents at the Collection Center, may send their documents only by Registered Post, at their own risk, to the Registrar to the Offer at Skyline Financial Services Private Limited, D-153A, 1st Floor, Okhla Industrial Area, Phase - I, New Delhi – 110 020; Contact Person: Mr. Virender Rana, Tel: (+91) (11) 2681 2682, 83, 84, Fax: (+91) (11) 2681 2682, Email: virenr@skylinerta.com, so as to reach the Registrar no later than 5:30 PM on or before the last date of withdrawal.
11. Collection Centre

	Collection Centre	**Address of Collection Centres**	**Contact Person**	**Phone No.**	**Fax No.**	**Mode of Delivery**
1	New Delhi	Skyline Financial Services Private Limited, 123, Vinobapuri, Lajpat Nagar – II, New Delhi - 110024	Virender Rana	+91 11 2983 8501 +91 11 2983 0625	+91 11 2984 8352	Hand Delivery

Collection timings for all the locations mentioned above will be 9:30 AM to 5:30 PM Monday to Saturday (except Public Holidays).

– TEAR ALONG THIS LINE –

ACKNOWLEDGEMENT SLIP
Shree Bhawani Paper Mills Limited - Open Offer

(To be filed in by the shareholder)

FOLIO NO. / DPID : ______________________________ Client ID : ______________________________ Sr. No. : ___________________________

Received from Mr./Ms.____

Form of Withdrawal alongwith Acknowledgement / Delivery Instructions / Copy of Form of Acceptance

☐ **For Physical Form –**
Physical Shares:
No. of Shares tendered ____________________ / Withdrawal request for ____________________ shares
Fresh Transfer Form for ____________________ shares (in case of partial withdrawal)

☐ **Demat Form –**
Demat Shares
No. of Shares tendered___________________ / Withdrawal request for _____________ shares

Signature of official and Date of Receipt	**Stamp of Collection Centre**

TEAR ALONG THIS LINE

THIS PORTION HAS BEEN INTENTIONALLY LEFT BLANK

– TEAR ALONG THIS LINE –

All queries in this regard to be addressed to the Registrar to the Offer
at the following address quoting your Reference Folio No. / DPID / Client Id

Skyline Financial Services Private Limited,
(Unit: Shree Bhawani Paper Mills Limited Open Offer)
D-153A, 1st Floor,
Okhla Industrial Area, Phase - I, New Delhi – 110 020
Tel: (+91) (11) 2681 2682, 83, 84, Fax: (+91) (11) 2681 2682
Contact Person: Virender Rana,
Email: virenr@skylinerta.com