DETAILED PUBLIC STATEMENT FOR THE ATTENTION OF THE EQUITY SHAREHOLDERS OF

SOUTHERN FUEL LIMITED

Registered Office: 187A, Mettupalayam Road, Kavundampalayam, Coimbatore 641 030.

OPEN OFFER FOR ACQUISITION OF 3,24,850 (THREE LAKHS TWENTY FOUR THOUSAND EIGHT HUNDRED FIFTY) EQUITY SHARES FROM THE PUBLIC SHAREHOLDERS OF SOUTHERN FUEL LIMITED (HEREINAFTER REFERRED TO AS "TARGET COMPANY" OR "SFL") BY MR. RAMESH KUMAR SHARMA & MRS. KAUSHAL SHARMA (HEREINAFTER COLLECTIVELY REFERRED TO AS "THE ACQUIRERS")

This Detailed Public Statement ("**DPS**") is being issued by VC Corporate Advisors Pvt. Ltd., the Manager to the Offer ("**Manager**"), on behalf of the Acquirers i.e., Mr. Ramesh Kumar Sharma and Mrs. Kaushal Sharma, in compliance with regulation 13(4) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto ("**SEBI (SAST) Regulations**") pursuant to the Public Announcement ("**PA**") filed on 16.11.2012 with the BSE Limited ("BSE"), Calcutta Stock Exchange Limited ("CSE"), Bangalore Stock Exchange Limited ("BgSE"), the Securities and Exchange Board of India ("**SEBI**") and the Target Company in terms of regulation 3(1) & 4 of the SEBI (SAST) Regulations.

I. THE ACQUIRERS, SELLERS, TARGET COMPANY AND OFFER:

A. INFORMATION ABOUT THE ACQUIRERS:

A.1. Shri Ramesh Kumar Sharma, son of Late Mangilal Sharma, aged about 58 years, resides at 762, Sector 5, Sathwara Colony, Gandhidham 370201, Dist. Kutch. Shri Ramesh Kumar Sharma is a B.Com graduate and has an experience of over 35 years in the field of Coke Manufacturing and trading activates. His Net Worth as on 31.03.2011 is Rs. 127.52 Lacs as certified by Mr. Dilip Saboo, (Firm Registration No. 129814W & Membership No. 132257), Proprietor of M/s. Saboo & Associates, Chartered Accountants, having office at Shop no. 8, Sonali Owners Association Building, plot no. 317, ward 12/B, near LIC Office, Gandhidham, Kutch 370 201 vide their certificate dated 21st November, 2012.

A.2. Smt. Kaushal Sharma, wife of Shri Ramesh Kumar Sharma, aged about 58 years, resides at 762, Sector 5, Sathwara Colony, Gandhidham 370201, Dist. Kutch. Smt. Sharma is a under graduate. Her Net Worth as on 31.03.2011 is Rs. 37.75 Lacs as certified by Dilip Saboo, (Firm Registration No. 129814W & Membership No. 132257), Proprietor of M/s. Saboo & Associates, Chartered Accountants, having office at Shop no. 8, Sonali Owners Association Building, plot no. 317, ward 12/B, near LIC Office, Gandhidham, Kutch 370 201 vide their certificate dated 21st November, 2012.

A.3. There is no Person Acting in Concert ("PAC") along with the Acquirers.

A.4. None of the Acquirers have been prohibited by SEBI from dealing in the securities, in terms of direction issued under Section 11B of SEBI Act 1992 as amended or under any other Regulations made under the SEBI Act.

A.5. There are no persons on the Board of the Target Company, representing the Acquirers.

A.6. The Acquirers doesn't have any relationship &/or interest in the Target Company including with its Directors, Promoters & key employees.

A.7. Apart from 31,30,150 (Thirty One Lacs Thirty Thousand One Hundred Fifty Only) equity shares which the Acquirers intend to acquire through Share Purchase Agreement ("SPA") dated 16.11.2012, the Acquirers do not hold any equity shares/ voting rights of SFL as on date of this DPS.

B. INFORMATION ABOUT THE SELLERS:

B.1. The details of the Sellers are as follows:

Name of the Sellers	Address of Sellers	No. and % age of Shares / Voting Rights held before entering into the SPA dated 16.11.2012	No. and % age of Shares / Voting Rights proposed to be sold through the SPA dated 16.11.2012
Shivamani & Company Pvt. Ltd. (Formerly Shivamani & Co. Pvt. Ltd.)	187 A, Mettupalayam Road, Kavundampalayam, Coimbatore-641030	31,00,000 (89.73%)	NIL
Mr. K. Vijay Anandh	99, Bhasyakaralu Street, R. S. Puram, Coimbatore-641002	14,850 (0.43%)	NIL
Mr.C.V.Kaleesswaran	99, Bhasyakaralu Street, R. S. Puram, Coimbatore-641002	15,300 (0.44%)	NIL

B.2. The Sellers form part of the Promoter Group of the Target Company. They do not belong to any group.

B.3. None of Sellers as mentioned above has been prohibited by the SEBI from dealing in the securities, in terms of direction issued under Section 11B of SEBI Act, 1992, as amended or under any other Regulations made under the SEBI Act.

C. INFORMATION ABOUT THE TARGET COMPANY:

C.1. Southern Fuel Limited ("SFL") was originally incorporated under the provisions of the Companies Act, 1956 on 23.04.1993 as a Private Limited Company under the name and style "Southern Fuels Private Limited" with the Registrar of Companies, Karnataka. The CIN of the SFL is L02310TZ1993PLC012154. Presently the registered office of the Target Company is situated at 187A, Mettupalayam Road, Kavundampalayam, Coimbatore 641 030, Tel. No: (0422) 2443370, Fax No: (0422) 2440074 and E-mail Id: info@southernfuel.net .

C.2. The Authorised Share Capital of SFL is Rs. 4,00,00,000 comprising of 40,00,000 Equity Shares of Rs.10/- each. The Issued, Subscribed & Paid-up Capital of the SFL is Rs. 3,45,50,000/- comprising of 34,55,000 fully paid-up equity shares of Rs. 10/- each. SFL has already established its connectivity with both the National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL). The ISIN of SFL is INE261K01019.

C.3. SFL is engaged in the business of manufacturing LAM COKE from Coking coal. The manufacturing plant of SFL is located at A-82, SIPCOT Industrial Complex, Melur Post, Tuticorin 628 002. The manufacturing operations of the Target Company have been suspended from November 2011.

C.4. As on date the Target Company does not have partly paid-up equity shares. There are no outstanding warrants or option or similar instrument, convertible into equity shares at a later stage. No shares are subject to any lock in obligations.

C.5. The equity shares of SFL are listed at BSE Limited ("BSE"), Calcutta Stock Exchange Limited ("CSE") and Bangalore Stock Exchange Limited ("BgSE"). As per available information, the trading in the equity shares of SFL are presently suspended on BSE and CSE .

C.6. Brief audited standalone Financial Information of the Target Company for the year ended 31st March, 2010, 31st March, 2011 and 31st March 2012 are as follows:

(Rs. In Lacs)

Particulars	Year ended 31.03.2010 (Audited)	Year ended 31.03.2011 (Audited)	Year ended 31.03.2012 (Audited)
Total Revenue	2537.52	2957.54	3722.98
Net Income i.e. Profit/ (Loss) After Tax	21.14	82.74	(413.36)
EPS	0.61	2.39	(11.96)
Net worth /Shareholder' Funds	363.60	446.34	32.97

C.7. The present Board of Directors of SFL is Mr. CV Kaleesswaran, Mr. K. Vijay Anandh, Mr. P Parthiban and Mr. M Karuppasamy.

D. DETAILS OF THE OPEN OFFER:

D.1. The Acquirers are making an Open Offer to acquire 3,24,850 equity shares of Rs. 10/- each representing 9.40% of total equity and voting share capital of the Target Company, at a price of Rs. 3/- (Rupees Three Only) per equity share (the "**Offer Price**") payable in cash (the **"Offer"** or **"Open Offer"**), subject to the terms and conditions mentioned hereinafter.

D.2. This Open Offer is being made to all the equity shareholders of the Target Company as on **27.12.2012** ("**Identified Date**"), other than parties to the SPA.

D.3. The payment of consideration shall be made to all the shareholders, who have tendered their shares in acceptance of the Open Offer, within ten working days of the expiry of the Tendering Period. Credit for consideration will be paid to the shareholders who have tendered shares in the Open Offer by crossed account payee cheques/ pay order/ demand drafts/electronic transfer. It is desirable that shareholders provide bank details in the Form of Acceptance cum Acknowledgment, so that the same can be incorporated in the cheques / demand draft / pay order.

D.4. As on the date of DPS, no other statutory approvals are required to be obtained for the purpose of the Open Offer. If any other statutory approvals are required or become applicable, the Offer would be subject to the receipt of such other statutory approvals.

D.5. This Offer is not conditional upon any minimum level of acceptance in terms of the regulation 19(1) of the SEBI (SAST) Regulations and not a Competitive Bid in terms of the Regulation 20 the SEBI (SAST) Regulations.

D.6. This Offer is not pursuant to any global acquisition resulting in an indirect acquisition of shares of the Target Company.

D.7. The Manager to the Offer, VC Corporate Advisors Private Limited, does not hold any equity shares in the Target Company as on the date of DPS. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the equity shares of the Target Company during the Offer Period.

D.8. The equity shares will be acquired by the Acquirers free from all lien, charges and encumbrances and together with all the rights attached to including all the rights to dividend, bonus, and right offer declared thereof.

D.9. This Offer is subject to receipt of statutory and other approvals as mentioned in Schedule VI of this DPS. In terms of regulation 23(1)(a) of the SEBI (SAST) Regulations, if the statutory approvals are not received, the Open Offer will stand withdrawn.

E. The Acquirers do not have any plans to dispose off or otherwise encumber any significant assets of the target Company or its subsidiary in the succeeding two years from the date of closure of the Open Offer, except in the ordinary course of business of the Target Company and except to the extent required for the purpose of restructuring and/or rationalization of the business, assets, investments, liabilities or otherwise of the Target Company. In the event any substantial asset of the Target Company is to be sold, disposed off or otherwise encumbered other than in the ordinary course of business, the Acquirers undertake that it shall do so only upon the receipt of the prior approval of the shareholders of the Target Company through special resolution in terms of regulation 25(2) of SEBI (SAST) Regulations and subject to the provisions of applicable law as may be required.

F. The acquisition of 9.40% of the fully paid-up equity and voting share capital of SFL, as eligible pursuant to SEBI (SAST) Regulations, under the offer, together with the equity shares being acquired under the SPA, will result in the public shareholding in SFL falling below the level required for continued listing. To the extent the post offer holding of the Acquirers in SFL exceeds the maximum permissible non public shareholding under Securities Contract (Regulation) Rules, 1957 as amended ("SCRR") the Acquirers undertakes to reduce its shareholding to the level stipulated in the SCRR within the time specified in the SCRR and the Listing Agreement.

II. BAKGROUND TO THE OFFER

(i) The Acquirers have entered into the Share Purchase Agreement dated 16.11.2012 with the present Promoters of the Target Company viz, Shivamani & Company Private Limited, Mr. Mr. K. Vijay Anandh and Mr. C. V. Kaleesswaran (hereinafter collectively referred to as the "Sellers") to acquire from them in aggregate 31,30,150 (Thirty One Lacs Thirty Thousand One Hundred Fifty Only) equity shares of Rs. 10/- each representing 90.60% of the fully paid-up equity and voting share capital of the Target Company at a price of Rs. 2/- per fully paid-up equity share payable in cash ("Negotiated Price") for a total consideration of Rs. 62,60,300/- (Rupees Sixty Two Lacs Sixty Thousand Three Hundred Only). Pursuant to the execution of the SPA, this mandatory Open Offer is being made by the Acquirers in compliance with the regulation 3(1) & 4 of the SEBI (SAST) Regulations.

(ii) The prime object of the Offer is to acquire substantial acquisition of shares/voting rights accompanied with the change in control and management of the Target Company.

(iii) This Open Offer is for acquisition for the remaining 9.40% of total equity and voting share capital of the Target Company. After the completion of this Open Offer and pursuant to transfer of equity shares so acquired under SPA, the Acquirers shall hold the majority of the Equity Shares by virtue of which they shall be in a position to exercise effective management and control over the Target Company.

(iv) Subject to satisfaction of the provisions under the Companies Act, 1956 and/ or any other Regulation(s), the Acquirers intend to make changes in the management of the Target Company.

(v) The Acquirers proposes to continue and expand the existing business of the Target Company. The main purpose of the above mentioned acquisitions is to acquire substantial equity shares and control over the Target Company. Through this acquisition, the Acquirers also intend to reap the benefits available to a company listed on the Stock Exchange having pan India presence.

III. SHAREHOLDING AND ACQUISITION DETAILS:

The Current and proposed shareholding of the Acquirers in the Target Company and the details of their acquisition are as follows:

Sr. No.	Particulars	Mr. Ramesh Kumar Sharma		Mrs. Kaushal Sharma	
		No. of Equity Shares	% of Shares/ Voting Rights	No. of Equity Shares	% of Shares/ Voting Rights
1.	Shareholding before PA, i.e. 16.11.2012	Nil	0.00%	Nil	0.00%
2.	Shareholding on the PA date as acquired through SPA dated 16.11.2012	15,65,075	45.30%	15,65,075	45.30%
3.	Shares to be acquired in the Open Offer (assuming full acceptances)*	1,62,425	4.70%	1,62,425	4.70%
4.	Shares acquired between the PA date and the DPS date	Nil	0.00%	Nil	0.00%
5.	Post Offer shareholding (**) (On Diluted basis, as on 10th working day after closing of tendering period)	17,27,500	50.00%	17,27,500	50.00%

** Assuming all the equity shares which are offered are accepted in the Open Offer.*

The Acquirers does not hold any equity shares in the Target Company before the execution of the SPA.

IV. OFFER PRICE:

(i) The equity shares of SFL are listed at BSE, CSE and BgSE. As per available information, the trading in the equity shares of SFL are presently suspended on BSE and CSE. The marketable lot for equity shares is 1 (One) equity shares. This acquisition of shares is direct acquisition as per the regulation 3(1) & 4 of the SEBI (SAST) Regulations, 2011

(ii) Since there has been no trading in the equity shares of the Target Company for the last 1-2 years, the equity shares are deemed to be infrequently traded within the meaning of explanation provided in terms of regulation 2(1)(j) of the SEBI (SAST) Regulations, 2011 and therefore the Offer Price has been determined taking into account the parameters as set out under regulation 8(2) of the SEBI (SAST) Regulations, 2011, as under:

Sr. No.	Particulars	Price (In Rs. per share)
1.	Negotiated Price under the SPA	Rs. 2/- per equity share
2.	The Volume- Weighted Average Price paid or payable for acquisitions by the Acquirer during 52 weeks immediately preceding the date of PA	Not Applicable
3.	Highest price paid or payable for acquisitions by the Acquirer during 26 weeks immediately preceding the date of PA.	Not Applicable
4.	The Volume-Weighted Average Market Price of shares for a period of sixty trading days immediately preceding the date of the PA, i.e. 29.09.2012, as traded on the Stock Exchange where the maximum volume of trading in the shares of the Target Company are recorded during such period	Not Applicable
5.	**Other Financial Parameters as at 31st March 2012:**	
	a) Return on Net Worth (%)	(1258.95%)
	b) Book Value Per Share	0.95
	c) Earnings Per Share	(11.96)

(iii) In view of the parameters considered and presented in the table above, in the opinion of the Acquirers and Manager to the Offer, the Offer Price of Rs. 3/- (Rupees Three Only) per equity share is justified in terms of regulation 8 (2) of the SEBI (SAST) Regulations.

There have been no corporate actions in the Target Company warranting adjustment of relevant price parameters.

(iv) As on date there is no revision in Open Offer price or Open Offer size. In case of any revision in the Open Offer price or Offer Size, the Acquirers shall comply with regulation 18 of the SEBI (SAST) Regulations and all other applicable provisions of the SEBI (SAST) Regulations.

(v) If there is any revision in the Offer Price on account of future purchases / competing offers, it will be done only up to the period prior to three (3) working days before the date of commencement of the tendering period and would be notified to shareholders.

V. FINANCIAL ARRANGEMENTS

(i) The Acquirers have adequate financial resources and have made firm financial arrangements for the implementation of the Offer in full out of its own sources/ net worth and no borrowings from any Bank and/ or Financial Institutions are envisaged. Mr. Dilip Saboo, Proprietor of M/s. Saboo & Associates (Firm Registration No. 129814W & Membership No. 132257), Chartered Accountants, having office at Shop no. 8, Sonali Owners Association Building, plot no. 317, ward 12/B, near LIC Office, Gandhidham, Kutch 370 201 has certified vide certificate dated 21.11.2012 that sufficient resources are available with the Acquirers for fulfilling the obligations under this "Offer" in full.

(ii) The maximum consideration payable by the Acquirers assuming full acceptance of the Offer would be Rs. 9,74,550/- (Rupees Nine Lacs Seventy Four Thousand Five Hundred Fifty Only). In accordance with regulation 17 of the SEBI (SAST) Regulations, the Acquirers have opened an Escrow Account under the name and style of "SFL OPEN OFFER ESCROW ACCOUNT" with HDFC Bank Limited, Central Plaza, 2/6, Sarat Bose Road, Kolkata-700 020 ("**Escrow Banker**") and made therein a cash deposit of Rs. 10,00,000/- (Rupees Ten Lacs Only) being more than 100% of the total consideration payable in the Open Offer, assuming full acceptance.

(iii) The Manager to the Offer is authorized to operate the above mentioned Escrow Account to the exclusion of all others and been duly empowered to realize the value of the Escrow Accounts in terms of the SEBI (SAST) Regulations.

(iv) Based on the aforesaid financial arrangements and on the confirmations received from the Escrow Banker and the Chartered Accountant, the Manager to the Offer is satisfied about the ability of the Acquirers to implement the Offer in accordance with the SEBI (SAST) Regulations. The Manager to the Offer confirms that the firm arrangement for the funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

VI. STATUTORY AND OTHER APPROVALS

(i) The Offer is subject to receiving the necessary approval(s), if any, from Reserve Bank of India, under the Foreign Exchange Management Act, 1999 and subsequent amendments thereto, for acquiring equity shares tendered by non-resident shareholders, if any.

(ii) As on the date of this DPS, there are no other statutory approvals and/ or consents required. However, the Offer would be subject to all-statutory approvals as may be required and / or may subsequently become necessary to acquire at any later date.

(iii) The Acquirers, in terms of regulation 23 of the SEBI (SAST) Regulations, will have a right not to proceed with the Offer in the event the statutory approvals indicated above are refused. In the event of withdrawal, a public announcement will be made within 2 working days of such withdrawal, in the same newspapers in which this DPS has appeared.

(iv) In case of delay in receipt of any statutory approval, the SEBI may, if satisfied that delay receipt of the requisite approvals was not due to any willful default or neglect of the Acquirers or failure of the Acquirers to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirers agreeing to pay interest to the shareholders as directed by the SEBI, in terms of regulation 18(11) of the SEBI (SAST) Regulations. Further, if delay occurs on account of willful default by the Acquirers in obtaining the requisite approvals, regulation 17(9) of the SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable to forfeiture.

(v) No approval is required from any bank or financial institutions for this Offer.

VII. TENTATIVE SCHEDULE OF ACTIVITY:

Activities	Date	Day
Date of the PA	16.11.2012	Friday
Publication of Detailed Public Statement in newspapers	23.11.2012	Friday
Last date of a Competing Offer	17.12.2012	Monday
Identified Date*	27.12.2012	Thursday
Date by which the Letter of Offer will be dispatched to the shareholders	03.01.2013	Thursday
Last date by which Board of the Target Company shall give its recommendation	08.01.2013	Tuesday
Advertisement of Schedule of Activities for Open Offer, status of statutory and other approvals in newspapers and sending the same to SEBI, Stock Exchanges and Target Company	09.01.2013	Wednesday
Date of commencement of tendering period	10.01.2013	Thursday
Date of closing of tendering period	23.01.2013	Wednesday
Date by which communicating rejection/ acceptance and payment of consideration for applications accepted	07.02.2013	Thursday

**Identified Date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All owners (registered or unregistered) of equity shares of the Target Company (except the Acquirers and the parties to the SPA) are eligible to participate in the Offer any time before the Closure of the Offer.*

VIII. PROCEEDURE FOR TENDERING THE SHARES IN CASE OF NON RECEIPT OF LETTER OF OFFER

(i) All owners of Equity Shares (except the Acquirers and the parties to the SPA) whether holding Equity Shares in dematerialized form or physical form, registered or unregistered, are eligible to participate in the Offer any time before closure of the tendering period.

(ii) Persons who have acquired the Equity Shares of the Target Company but whose names do not appear in the register of members of the Target Company on the Identified Date or unregistered owners or those who have acquired the Equity Shares of the Target Company after the Identified Date or those who have not received the Letter of Offer, may also participate in this Offer by submitting an application on a plain paper giving details regarding their shareholding and confirming their consent to participate in this Offer as per the terms and conditions of this Offer. The application is to be sent to S.K.D.C. Consultants Limited ("Registrar to the Offer") at the address mentioned below so as to reach the Registrar to the Offer on or before 23.01.2013 (i.e. the date of closing of the tendering period):

a. In the case of shares held in physical form, the name, address, number of shares held, number of shares offered, distinctive numbers and folio number together with the original share certificate/s and valid transfer deeds. Persons who have acquired shares of the Target Company should send to the Registrar to the Offer, the original contract note issued by a registered share broker of a recognized stock exchange through whom such shares were acquired and/or such other documents as may be specified; or

b. In the case of shares held in dematerialized form, the Registrar to the Offer viz, S.K.D.C. Consultants Limited is in the process of opening a Special Depository Participant Account for the purpose of crediting the shares tendered in the Open Offer. The detail of the Special Depository Participant Account will be mentioned in the subsequent announcement and also in the Letter of Offer.

(iii) The Letter of Offer alongwith a form of acceptance cum acknowledgement would also be available at the SEBI`s website, www.sebi.gov.in, and shareholders can also apply by downloading such forms from the said website.

(iv) No indemnity is needed from the unregistered shareholders.

IX. DETAILED PROCEDURE FOR TENDERING THE EQUITY SHARES IN THE OPEN OFFER WILL BE AVAILABLE IN THE LETTER OF OFFER

X. OTHER INFORMATION:

(i) The Acquirers accept full responsibility jointly and severally for the information contained in the Public Announcement & Detailed Public Statement and also for the obligations of the Acquirers laid down in the SEBI (SAST) Regulations.

(ii) The Acquirers have appointed S.K.D.C. Consultants Limited, as the Registrar to the Offer, having office at Kanapathy Towers, 3rd Floor, 1391/A1, Sathy Road, Ganapathy, Coimbatore 641 006, Tel No.: (422) 6549995; Fax No.: (422) 2539837, E-mail-Id: info@skdc-consultants.com. The Contact Person is Mr. Jayakumar K.

(iii) The Acquirers have appointed VC Corporate Advisors Private Limited as Manager to the Open Offer pursuant to regulation 12 of the SEBI (SAST) Regulations.

(iv) This Detailed Public Statement will also be available on SEBI's website at www.sebi.gov.in.

Issued by Manager to the Offer:

Manager to the Offer:

VC CORPORATE ADVISORS PRIVATE LIMITED
SEBI Registration No. INM000011096
(Contact Person: Mr. Anup Kumar Sharma)
31,Ganesh Chandra Avenue,
2nd Floor, Suite No. 2C,
Kolkata-700 013
Phone No: (033) 2225-3940
Fax: (033) 2225-3941
E-mail: mail@vccorporate.com

On behalf of Mr. Ramesh Kumar Sharma & Mrs. Kaushal Sharma ("Acquirers")

Place: Kolkata **Date: 23.11.2012**

Size: 33cm x 42cm