

## OFFER LETTER

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

This Offer Letter ("Offer Letter") is being sent to you as a Shareholder of THE PALANI ANDAVAR MILLS LIMITED ("the Company"). In case you have recently sold your shares in the Company, please hand over this Offer Letter and the accompanying documents to the member of the stock exchange through whom the sale was affected.

#### OFFER LETTER For DELISTING OF EQUITY SHARES

**To: Shareholders of The Palani Andavar Mills Limited**

**Registered Office: 236, Dhally Road, Udumalpet 642 126, Tirupur Dist. India**

**From: Mrs. Girija Parthasarathy and Mr. P Sanjay Krishna ("Acquirers")**

**Both Residing at: 236 A, Dhally Road, Udumalpet 642 126, Tirupur Dist. India**

Inviting you to tender your fully paid-up Equity Shares of Rs. 10/- each of The Palani Andavar Mills Limited, through the Reverse Book Building Process in accordance with Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

**Floor Price: Rs. 140 (One Hundred and Forty) per Equity Share of Face Value of Rs. 10 each.**

MANAGER TO THE OFFER

REGISTRAR TO THE OFFER



1<sup>st</sup> Floor, Khivraj Complex 1,  
No. 480 Anna Salai, Nandanam, Chennai 600 035;  
Phone: 044 – 24313094 – 97;  
Fax No.: 044 – 24313093;  
E-Mail: [mbachennai@indbankonline.com](mailto:mbachennai@indbankonline.com)  
Contact Person: Ms S Rajalakshmi.



Kanapathy Towers, 3<sup>rd</sup> Floor,  
1391/A14, Sathy Road, Ganapathy, Coimbatore 641 006;  
Phone: 0422 – 6549995, 2539835 – 836;  
Fax No: 0422 – 2539837;  
E-Mail: [info@skdc-consultants.com](mailto:info@skdc-consultants.com)  
Contact Person: Mr. K Jayakumar.

If you wish to tender your Equity Shares to the Acquirers you should:

- Read this Offer Letter and instruction herein;
- Complete and sign the accompanying Bid Form in accordance with the instruction therein and in this Offer Letter.
- Ensure that (a) you have credited to the specified Special Depository Account (details of which are set out in this Bid Letter) and obtained a copy of your Depository Participant Instruction in relation thereto, or (b) In case of shares held in physical form, executed the transfer deed. Alternately you may mark a pledge for the Manager to the Offer in favour of the said Special Depository Account and enclose along with their Bid, a photocopy of the pledge instructions to your depository participant with the due acknowledgement of such depository participant.
- Submit the required document as mentioned in paragraph 14(23) of this Offer Letter to one of the Bid Centres set out in the enclosed Bid Letter. If you are resident in areas where no Bid Centre is located, you may send the above by registered post/ speed post/ courier (at your risk and cost) to the bidding center at Chennai as per the details set out in this Offer Letter, such that it is received before 3.00 pm on the Bid Closing Date, namely, on 08<sup>th</sup> August 2013.
- **THE SCHEDULE OF ACITIVITES IS GIVEN BELOW**

Sl. No.	Event	Date	Day
1	Public Announcement (PA) by the Acquirers	15-07-13	Monday
2	"Specified Date"*	19-07-13	Friday
3	Preparation and Posting of Letter of Offer (LoF)	26-07-13	Friday
4	Opening of the Bid	05-08-13	Monday
5	Last Date for upward revision or withdrawal of Bids (3:00 PM)	07-08-13	Wednesday
6	Closing of the Bid	08-08-13	Thursday
7	Post Offer Public Announcement**	14-08-13	Wednesday
8	Payment to the Shareholders#	16-08-13	Friday
9	Last Date for return to Public Shareholders of Offer Shares tendered but not acquired under the Delisting Offer	16-08-13	Friday
10	Application to the Stock Exchanges for Final Approval	19-08-13	Monday

\*Specified Date is only for the purpose of determining the name of the Shareholders as on such date to whom the Offer Letter will be sent. However, all owners (Registered or Unregistered) of the Equity Shares of the Company are eligible to participate in the Delisting Offer any time Before the Bid Closing Date.

\*\* Announcement of Discovered Price/Exit Price and the Acquirers Acceptance/Non Acceptance of the Discovered Price/Exit Price.

# Subject to the acceptance of the Discovered Price/Exit Price by the Acquirers.

## TABLE OF CONTENTS

Sl. No.	Particulars	Page Number
1.	BACKGROUND OF THE DELISTING OFFER	1
2.	OBJECT OF THE OFFER	2
3.	BACKGROUND OF THE ACQUIRERS	2
4.	BACKGROUND OF THE COMPANY	2
5.	STOCK EXCHANGE FROM WHICH THE EQUITY SHARES ARE SOUGHT TO BE DELISTED	3
6.	MANAGER TO THE OFFER	3
7.	REGISTRAR TO THE OFFER	3
8.	STOCK EXCHANGE DATA	3
9.	DETERMINATION OF FLOOR PRICE	4
10.	DETERMINATION OF THE EXIT PRICE	4
11.	CONDITIONS OF THE OFFER	4
12.	DISCLOSURE REGARDING THE MINIMUM ACCEPTANCE CONDITION FOR SUCCESS OF THE OFFER	5
13.	DATES OF OPENING AND CLOSING OF BID PERIOD	5
14.	DETAILS OF TRADING MEMBER, BIDDING CENTRES AND BIDDING PROCEDURE	5
15.	PERIOD FOR WHICH THE DELISTING OFFER SHALL BE VALID	9
16.	DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN	9
17.	PROPOSED SCHEDULE OF ACTIVITIES	10
18.	STATUTORY APPROVALS	10
19.	TAX DEDUCTED AT SOURCE	11
20.	CERTIFICATION BY BOARD OF DIRECTORS OF THE COMPANY	12
21.	COMPLIANCE OFFICER	12
22.	DISCLAIMER CLAUSE OF THE STOCK EXCHANGES	12
23.	GENERAL DISCLAIMER	12

## DEFINITIONS & ABBREVIATIONS

Terms	Definitions
<b>Bid Period</b>	The period during which the Public Shareholders may tender their Equity Shares to the Acquirers in the RBP
<b>Bid Opening Date</b>	05 <sup>th</sup> August 2013, Monday
<b>Bid Closing Date</b>	08 <sup>th</sup> August 2013, Friday
<b>BSE</b>	The Bombay Stock Exchange Limited
<b>Company</b>	The Palani Andavar Mills Limited
<b>Delisting Offer / Offer</b>	This offer made by the Acquirers to the Public Shareholders in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
<b>Delisting Regulations</b>	Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
<b>Discovered Price</b>	The price at which the maximum number of Equity Shares have been tendered in the RBP.
<b>Escrow Bank</b>	Indian Bank, Chennai
<b>Exit Price</b>	The price eventually offered to Public Shareholders, which shall not be less than the Discovered Price.
<b>Floor Price</b>	Rs. 140 (One Hundred and Forty) per equity share of Face Value Rs. 10/-
<b>Manager to the Offer</b>	Indbank Merchant Banking Services Limited
<b>MSE</b>	The Madras Stock Exchange Limited
<b>Offer Letter</b>	This Offer Letter issued by the Acquirers dated 16 <sup>th</sup> July 2013.
<b>Offer Shares</b>	87240 Equity Shares representing the 15.04% of the Equity Share Capital of the Company
<b>PA</b>	Public Announcement as published in newspapers on 15 <sup>th</sup> July 2013
<b>PAN</b>	Permanent Account Number
<b>Acquirers</b>	Mrs. Girija Parthasarathy & Mr. P Sanjay Krishna
<b>Promoter Group</b>	Mrs. Girija Parthasarathy, Mr. P Sanjay Krishna & Mr. R Mahendran
<b>Public Shareholders</b>	All the Shareholders of the Company other than the Promoters
<b>RBP</b>	Reverse Book Building Process
<b>Registrar to the Offer</b>	SKDC Consultants Limited
<b>Specified Date</b>	19 <sup>th</sup> July 2013
<b>Stock Exchanges</b>	BSE Limited and MSE Limited, together referred to as Stock Exchanges
<b>TDS</b>	Tax Deduction at Source
<b>Trading Member</b>	Indbank Merchant Banking Services Limited

**Dear Shareholder,**

**Invitation to tender Equity Shares held by you in the Company**

The Acquirers are pleased to invite you to tender, on the terms and subject to the conditions set out below, Equity Shares held by you in the Company pursuant to the Delisting Regulations.

**1. BACKGROUND OF THE OFFER**

- 1.1 The Palani Andavar Mills Limited is a public limited company incorporated on 25<sup>th</sup> April 1933. The company is registered in India under the Indian Companies Act, 1913, as amended till date with its Registered Office located at 236, Dhally Road, Udumalpet 642 126.
- 1.2 The paid-up equity share capital of the company is Rs.58,00,000 (Rupees Fifty Eight Lakhs only) ("Equity Capital") comprising of 5,80,000 (Five Lakhs Eighty Thousand) fully paid up equity shares having face value of Rs. 10 (Rupees Ten) each ("Equity Shares"). The equity shares are listed on the Madras Stock Exchange Limited ("MSE") and the Coimbatore Stock Exchange Limited ("CSX").
- 1.3 The Acquirers are members of the promoter group of the company. Mrs. Girija Parthasarathy holds 308360 (Three Lakhs Eight Thousand Three Hundred Sixty) fully paid up equity shares representing 53.17% and Mr. P Sanjay Krishna holds 184240 (One Lakh Eighty Four Thousand Two Hundred Forty) fully paid up equity shares representing 31.77%, both effectively totaling to 84.94% of the paid up equity share capital of the company. Further Mrs. Girija Parthasarathy is the present Managing Director of the Company. Thus the Acquirers are the controlling shareholders and promoters of the company and are therefore eligible to make the Delisting Offer, in terms of the Delisting Regulations.
- 1.4 The Acquirers have made the Public Announcement ("PA") to the public shareholders (defined to mean all the shareholders other than the Promoter Group Members and hereinafter referred to as "Public Shareholders") in order to:
  - 1.4.1 To acquire, in accordance with the Delisting Regulations and on the terms and conditions set out in Paragraph 10 (Conditions of the Delisting Offer) in the PA, upto 87240 (Eighty Seven Thousand Two Hundred Forty) equity shares representing 15.04% of the Equity Capital of the Company ("Offer Shares") from the Public Shareholders of the Company.
  - 1.4.2 Proposes to delist the Equity shares of the Company from the MSE and CSX, pursuant to the Delisting Regulations.
  - 1.4.3 Consequent to the Delisting Offer and upon the number of shares acquired in the offer being a minimum of 50% (Fifty Percent) of the offer shares i.e. 43620 (Forty Three Thousand Six Hundred Twenty) and fulfillment of other conditions stipulated under the Delisting Regulations, the Company will seek to voluntarily delist its Equity Shares from the MSE and the CSX for the reasons set out in Paragraph 2 (Necessity and the Objects of the Delisting Offer) to the Public Announcement.
- 1.5 On 8<sup>th</sup> March 2013, the Acquirers informed the Company of their intention to make the Delisting Offer ("Delisting Proposal") and requested the Board of Directors ("BoD") of the Company:
  - 1.5.1 To convene a meeting to consider and approve the Delisting Proposal, in accordance with Regulation 8(1) (a) of the Delisting Regulations, and upon the Board so approving, immediately informing the Stock Exchanges of such consideration and approval.
  - 1.5.2 To take requisite steps and place the Delisting Proposal before the shareholders of the Company for their consideration and approval by a Special Resolution to be passed through postal ballot in accordance with Regulation 8(1) (b) of the Delisting Regulations.
  - 1.5.3 To seek in-principle approval of the MSE and the CSX for delisting the Equity Shares in accordance with Regulation 8(1) (c) of the Delisting Regulations.
  - 1.5.4 And to take all such actions and measures as may be necessary in connection with the Delisting Proposal.
- 1.6 The BoD by its resolution dated 27<sup>th</sup> March 2013 took on record the Delisting Proposal received from the Acquirers and approved the same. The BoD also consented to seek the approval of the public shareholders of the Company for the Delisting Proposal by way of Postal Ballot in accordance with the provisions of Section 192A of the Companies Act read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, and to seek in-principle delisting approval from the MSE and CSX, subject to Acquirers compliance with all the applicable laws, including the Delisting Regulations.
- 1.7 In this regard, a special resolution was passed by the shareholders of the Company through Postal Ballot, in accordance with the provisions of Section 189 (2) and 192 (A) (2) of the Companies Act read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011. The result of this special resolution passed through Postal Ballot was declared on May 2, 2013, approving the proposed delisting of the Equity Shares from the MSE and CSX in accordance with the Companies Act and the Delisting Regulations. The votes cast by the public shareholders in favour of the Delisting Offer were 47730 (Forty Seven Thousand Seven Hundred Thirty) being more than 14 times the number of votes cast by the Public Shareholders against the Delisting Offer 3400 (Three Thousand Four Hundred).
- 1.8 The MSE has issued its in-principle approval for the Delisting Offer, subject to compliance with Delisting Regulations, through its letter MSE/LD/PSK/738/142/13 dated 24<sup>th</sup> May 2013. The CSX vide their letter dated 10<sup>th</sup> May 2013, has informed that they have ceased to exist as a recognized stock exchange as per SEBI order No. WTM/RKA/MRD/12/2013 dated 03.04.2013. Further, the name of the exchange has been changed to Coimbatore Enterprises and Holdings Limited.

1.9 As on date, the Madras Stock Exchange does not have its own trading platform. Hence the Company has tied up with the Bombay Stock Exchange (BSE) for providing the trading platform. BSE vide its letter DCS/COMP/IV/131/2013-14 dated 26<sup>th</sup> June 2013 has given its approval for using its trading platform for the proposed reverse book building process.

1.10 The Public Announcement as required under Regulation 10 (1) of the Delisting Regulations was issued on 15<sup>th</sup> July 2013, in the following newspapers:

Newspaper	Language	Editions
The Business Standard	English	All Editions.
The Business Standard	Hindi	All Editions.
Makkal Kural	Tamil	Chennai & Coimbatore

2. **OBJECTS OF THE OFFER**

2.1 The objective of the Acquirers in making the Delisting Offer: i) is to obtain full ownership of the Company, which will provide increased operational flexibility to support Company's business and ii) the Company's shares are listed only on the MSE and the CSX. The shares of the company are not being traded in both the exchanges. Further, CSX has ceased to exist as a Stock Exchange. This Delisting Offer will provide an exit opportunity to the Public Shareholders of the Company.

2.2 The Acquirers believes that the delisting of the Equity shares will provide the public shareholders an exit opportunity from the Company at a price arrived by the Book Building Process (defined below) in accordance with the Delisting Regulations, and will provide liquidity, which is otherwise not available in the shares of the Company.

3. **BACKGROUND OF THE ACQUIRERS**

3.1 **Mrs. Girija Parthasarathy**, is the present Managing Director of the Company. She is a graduate from the University of Madras and has wide knowledge, experience and expertise in the Textile sector. She was the Joint Managing Director of the company from 01.07.1984 to 30.06.1993 and is the Managing Director of the company since 01.07.1993. Under her guidance, the company has achieved remarkable progress and growth.

3.2 **Mr. P Sanjay Krishna** is the Vice President of the Company. He was appointed as Executive Trainee on 01.06.1994 and promoted as Vice President on 01.07.1998. At present, he is looking after production and technical aspects of the Company and is responsible for ensuring production of requisite quality of yarn.

4. **BACKGROUND OF THE COMPANY**

4.1 The Palani Andavar Mills Limited ("the Company") is a public company, incorporated under the Companies Act on 25<sup>th</sup> April 1933 in Tamil Nadu. The Registered Office of the Company is at 236, Dhally Road, Udumalpet 642 126, Tirupur District. The Company Identification Number (CIN) is L17111TZ1933PLC000139.

4.2 The Company is into the business of Yarn Spinning.

4.3 The Company does not have any subsidiaries.

4.4 The Equity Shares of the Company are listed on the MSE and CSX. The shares of the Company are not traded on the MSE and the CSX. The shares of the Company were last traded on the MSE on 6<sup>th</sup> March 2000. The same has been confirmed by MSE through their e-mail dated 11<sup>th</sup> February 2013 and their letter dated 14<sup>th</sup> June 2013. The details of trading on the CSX are not available.

4.5 A summary of the key audited financials for the financial years ending March 31, 2013, March 31, 2012 and March 31, 2011 are given below:

Particulars	Year ended March 31 (Rs. in Lakhs)		
	2013	2012	2011
Net Sales	1842.61	1650.62	2212.60
Other Income	9.81	18.63	3.17
Total Revenue	1852.42	1669.25	2215.77
Profit / (Loss) before Tax	171.18	(63.96)	325.87
Profit / (Loss) after Tax	87.05	(83.23)	215.91
Paid Up Share Capital	58.00	58.00	58.00
Net Fixed Assets	580.38	459.48	475.14
Current Assets	982.38	633.69	1158.21
Current Liabilities	481.27	91.92	548.05
Net Worth	948.31	861.26	944.49
Net Asset Value	163.50	148.49	162.84
Earnings Per Share	15.01	-14.35	37.23

Source: Annual Report of the Company for the Financial Years ended March 31, 2013, 2012 and 2011.

4.6 As on date of the Public Announcement and the Letter of Offer, the Company does not have any outstanding instruments or securities which are convertible into same class of equity shares that are sought to be delisted.

4.7 The authorized share capital of the Company is Rs. 3,00,00,000 (Rupees Three Crores) comprising of 28,50,000 (Twenty Eight Lakhs Fifty Thousand) Equity Shares of Rs. 10 (Ten) each and 15,000 (Fifteen Thousand) 11% (Eleven percent)

Redeemable Cumulative Preference Shares of Rs. 100 (One Hundred) each. The Issued, Subscribed and Paid Up equity share capital of the Company is Rs. 58,00,000 (Rupees Fifty Eight Lakhs) comprising of 5,80,000 (Five Lakh Eighty Thousand) fully paid up Equity Shares of Rs. 10 (Ten) each.

4.8 The Shareholding pattern of the Company, as on 15<sup>th</sup> July 2013 is as under:

Shareholders Category	Number of Equity Shares	Percentage
Promoter Group (A)	492760	84.96
<b>Non Promoter Shareholding</b>		
Financial Institutions / Banks	200	0.03
Bodies Corporate	1070	0.18
Individuals	82870	14.29
Directors & their Relatives	3000	0.52
Hindu Undivided Families	100	0.02
Sub Total (B)	87240	15.04
<b>TOTAL (A+B)</b>	<b>580000</b>	<b>100.00</b>

Source: Company

4.9 The likely post-delisting capital structure of the Company, assuming that all equity shares outstanding with the Public Shareholders are acquired pursuant to the Delisting Offer, is as follows:

Shareholder(s)	No. of Equity Shares	% of Equity Capital
Promoter Group	492760	84.96
Acquirer	87240	15.04
Non Promoter Shareholding	-	-
<b>TOTAL</b>	<b>580000</b>	<b>100.00</b>

#### 5. STOCK EXCHANGE FROM WHICH THE EQUITY SHARES OF THE SHARES ARE SOUGHT TO BE DELISTED

5.1 The Equity Shares are proposed to be delisted from the MSE in accordance with the Delisting Regulations. Public Shareholders should note that as per the Delisting Regulations:-

5.1.1 No application for listing shall be made in respect of the Equity Shares which have been delisted pursuant to this Delisting Offer, for a period of five years from the delisting, except where a recommendation in this regard has been made by the Board for Industrial and Financial Reconstruction under the Sick Industrial Companies (Special Provisions) Act, 1985.

5.1.2 Any application for listing made in future by the Company in respect of delisted Equity Shares shall be deemed to be an application for fresh listing of such Equity Shares and shall be subject to provisions of law relating to listing of equity shares of unlisted companies.

#### 6. MANAGER TO THE OFFER

6.1 The Acquirers have appointed INDBANK MERCHANT BANKING SERVICES LIMITED, a company incorporated and registered under the Companies Act, having its Registered Office at 1<sup>st</sup> Floor, Khivraj Complex 1, No. 480 Anna Salai, Nandanam, Chennai 600 035, India and registered with Securities and Exchange Board of India ("SEBI") **Permanent Registration No: INM000001394** as the Manager to the Delisting Offer ("**Manager**").

6.2 The Manager to the Offer does not hold any Equity Shares of the Company.

#### 7. REGISTRAR TO THE OFFER

The Acquirers have appointed **SKDC CONSULTANTS LIMITED**, a company incorporated and registered under the Companies Act, having its Registered Office at P B No. 2016, Kanapathy Towers, 3<sup>rd</sup> Floor, 1391/ A-1, Sathy Road, Ganapathy, Coimbatore 641 006, India; Phone No: 0422 – 6549995,2539835-836; Fax No: 0422 - 2539837 and registered with Securities and Exchange Board of India ("SEBI"), **Permanent Registration No: INR000000775** as the Registrar to the Delisting Offer ("**Registrar**").

#### 8. STOCK EXCHANGE DATA

8.1 The shares of the Company are listed on the MSE and the CSX. The shares of the Company are not traded on the MSE or the CSX.

8.2 The monthly high and low prices of the equity shares of the Company and the trading volume (number of equity shares) on the MSE for the 6 calendar months preceding the date of the PA are as under:

Period	MSE		
	High	Low	Volume
June 2013	NA	NA	NA
May 2013	NA	NA	NA
April 2013	NA	NA	NA
March 2013	NA	NA	NA
February 2013	NA	NA	NA
January 2013	NA	NA	NA

- 8.3 The shares of the Company were last traded on the MSE on 06<sup>th</sup> March 2000. The same has been confirmed by MSE through their e-mail dated 11<sup>th</sup> February 2013 and their letter dated 14<sup>th</sup> June 2013.
- 8.3 The details of trading on the CSX are not available.
- 8.4 The CSX vide their letter dated 10<sup>th</sup> May 2013, has informed that they have ceased to exist as a recognized stock exchange as per SEBI order No. WTM/RKA/MRD/12/2013 dated 03.04.2013. Further, the name of the exchange has been changed to Coimbatore Enterprises and Holdings Limited.
- 9. DETERMINATION OF FLOOR PRICE**
- 9.1 The Acquirers propose to acquire the Offer Shares of the Company pursuant to a "Reverse Book Building Process (RBP)" conducted in accordance with the Delisting Regulations.
- 9.2 As on date, the Madras Stock Exchange does not have its own trading platform. Hence the Company has tied up with the Bombay Stock Exchange (BSE) for providing the trading platform. BSE vide its letter DCS/COMP/IV/131/2013-14 dated 26<sup>th</sup> June 2013 has given its approval for using its trading platform for the proposed reverse book building process.
- 9.3 As per the explanation provided in Regulation 15 (2) of the Delisting Regulations, the Equity Shares of the Company are infrequently traded, therefore in accordance with the applicable provisions of Regulation 15 (3) of the Delisting Regulations, the floor price for the Equity shares was determined by the Acquirers in consultation with the Manager to the Offer to be Rs. 140 (Rupees One Hundred and Forty Only) per equity share ("**Floor Price**")
- 9.4 The Floor price was arrived as per the **Valuation Report** given Mr. N Ramesh Natarajan (Membership No: 200/23443), Partner M/s. VKS Aiyer & Co., Chartered Accountants (ICAI Regn. No: 000066S), by their report dated 15<sup>th</sup> March 2013.
- 9.5 The Acquirers have not acquired any Equity Shares (a) during the twenty six weeks prior to the date on which the Stock Exchanges were notified of the meeting of the Board of Directors held to consider the Offer i.e. the twenty six week period prior to 27<sup>th</sup> March 2013; and (b) between 27<sup>th</sup> March 2013 and the date of the Public Announcement.
- 10. DETERMINATION OF EXIT PRICE**
- 10.1 All Public Shareholders can tender Offer Shares of the Company during the Bid Period (as hereinafter defined).
- 10.2 The minimum price per Equity Share payable by the Acquirers for the Offer Shares they acquire pursuant to the Delisting Offer, as determined in accordance with the Delisting Regulations, will be the price at which the maximum number of Offer Shares are tendered ("**Discovered Price**") pursuant to the RBP conducted in the manner specified in Schedule II of the Delisting Regulations.
- 10.3 The Acquirers are under no obligation to accept the Discovered Price. The Acquirers may at their sole discretion acquire the Offer Shares subject to the conditions mentioned in paragraph 11 below at the Discovered Price or at a price higher than Discovered Price. Such price at which Delisting Offer is accepted by the Acquirers (being not less than the Discovered Price) is referred to as the exit price ("**Exit Price**").
- 10.4 The Acquirers shall announce the Discovered Price and their decision to accept or reject the Discovered Price and if accepted also announce the Exit Price as applicable, in the same newspapers in which the PA appeared in accordance with the timetable set out herein.
- 10.5 Once the Acquirers accept the Exit Price, the Acquirers will acquire, subject to the terms and conditions of the PA, including but not limited to fulfillment of the conditions mentioned in paragraph 11 below, all the Offer Shares tendered at a price not exceeding the Exit Price, for a cash consideration equal to the Exit Price for each such Offer Share tendered.
- 10.6 If the Acquirers do not accept the Discovered Price, the Acquirers will have no right or obligation to acquire any Offer Shares tendered pursuant to the Delisting Offer and the Delisting Offer shall not be proceeded with. The Offer Shares of all the Public Shareholders, who have tendered their Offer Shares in the Special Depository Account or have submitted the physical shares certificates of the Offer Shares (along with share transfer deeds) will be returned, and in case of the Offer Shares are pledged, the pledge thereon shall be released by the Manager to the Offer in accordance with the Delisting Regulations.
- 11. CONDITIONS OF OFFER**
- 11.1 The acquisition of the Offer Shares by the Acquirers is conditional upon:
- 11.1.1 the Acquirers deciding in their sole and absolute discretion to accept the Discovered Price or offer an Exit Price higher than the Discovered Price. It may be noted that notwithstanding anything contained in the PA, the Acquirers reserve the right to reject the Discovered Price;
- 11.1.2 a minimum number of Offer Shares being tendered at or below the Exit Price so as to cause the shareholding of the Acquirers along with other promoter in the Company to reach a minimum of Equity Shares, equivalent to 536380 (Five Lakhs Thirty Six Thousand Three Hundred Eighty) constituting 92.48% of the total issued Equity Shares of the Company as per Regulation 17(a) of Delisting Regulations;
- 11.1.3 the Acquirers obtaining all statutory approvals, as stated in paragraph 18 of the Public Announcement and this Offer Letter, and;
- 11.1.4 there being no amendments to the Delisting Regulations or other applicable laws or regulations or conditions imposed by any regulatory/ statutory authority/ body or order from a court or competent authority which would in the sole opinion of

the Acquirers, prejudice the Acquirers from proceeding with the Delisting Offer, provided that withdrawal on this count shall be subject to the receipt of regulatory approvals, if any, required for the same.

**12. DISCLOSURE REGARDING THE MINIMUM ACCEPTANCE CONDITION FOR SUCCESS OF THE OFFER**

As per Regulation 17 of the Delisting Regulations, the Delisting Offer made shall be deemed to be successful if post the offer, the shareholding of the Promoters taken together with the Offer Shares accepted in the Book Building Process at or below the Exit Price, reaches at least **536380 (Five Lakhs Thirty Six Thousand Three Hundred Eighty) Equity Shares constituting 92.48% of the Equity Capital** of the Company.

**13. DATES OF OPENING AND CLOSING OF THE BID PERIOD**

13.1 The period during which the Public Shareholders may tender their Offer Shares to the Acquirers in the RBP (the "Bid Period") shall commence at 9.00 a.m. on August 5, 2013 (the "Bid Opening Date") and close at 3.00 p.m. on August 8, 2013 (the "Bid Closing Date").

13.2 Bids received after 3.00 p.m. on the Bid Closing Date may not be considered for the purpose of determining the Discovered Price payable for the Offer Shares by the Acquirers pursuant to the RBP.

13.3 This letter inviting Public Shareholders to tender their Offer Shares to the Acquirers by way of submission of "Bids" (the "Offer Letter") containing the necessary forms and detailed instructions for submitting Bids is being dispatched to Public Shareholders as per the proposed time table set out in paragraph 17 below. The Bid Letters would only be dispatched to those Public Shareholders whose names appear on the Register of Members of the Company or the depository on the Specified Date (as defined in paragraph 17 below).

**14. DETAILS OF THE TRADING MEMBER, BIDDING CENTRES AND BIDDING PROCEDURE**

14.1 Public Shareholders may tender their Offer Shares through an online electronic system facility, which will be provided by the BSE. The Acquirers have appointed Indbank Merchant Banking Services Limited, a company registered under the provisions of the Act and having its registered office at 1<sup>st</sup> Floor, Khivraj Complex 1, No. 480 Anna Salai, Nandanam, Chennai 600 035 ("**Trading Member**") for the purpose of the Offer.

14.2 The Public Shareholders are required to submit their Bids only through the Trading Member.

14.3 The details of centers of the Trading Member where the Bids shall be submitted by Hand Delivery ("**Bid Centers**") are as follows:

Sl. No.	Bid Centre/ City	Address	Contact Person	Phone Number
1.	Chennai	1 <sup>st</sup> Floor, Khivraj Complex 1, No. 480 Anna Salai, Nandanam, Chennai 600 035	Mr. V S Srinivasan	044 – 24313094 -97
2.	Mumbai	Varma Chambers, Ground Floor, 11 Homeji St, Fort, Mumbai 400 001	Mr. Abhishek Gupta	022 - 22662236
3.	Delhi	Indian Bank Zonal Office, RBS Branch, Upper Ground Floor, World Trade Centre, Babar Road, New Delhi 110 001	Mr. Rakesh Jain	011 – 43537660 / 23414286
4.	Kolkatta	Indian Bank, 3/1, R N Mukherjee Road, Sriram Chambers, Kolkatta 700 001	Mr. Ajit Kumar Das	033 – 22624958
5.	Udumalpet	Indian Bank, 130 Palani Main Road, Udumalpet 642 126	Mr. R Muthukumar	04252 – 222293
6.	Coimbatore	1 <sup>st</sup> Floor, 31 Variety Hall Road, Coimbatore 641 001	Mr. K Suresh	0422 – 2391616 / 2394343
7.	Ahmedabad	Indian Bank, Maruti House, Opp. Popular, Old High Court Way, Ashram Road, Ahmedabad 380 009	Mr. Sudip Kapadia	079 - 40076020

14.4 Public Shareholders may submit their Bids by completing the bid forms accompanying their Offer Letters ("**Bid Forms**") along with other relevant documents, as mentioned in the Bid Form, and submitting these Bid Forms to the Trading Member at any of the Bid Centers set out above by hand delivery on or before the Bid Closing Date. Bid Forms submitted by hand delivery must be delivered to the Bid Centers on working days during 9.00 am to 3.00 pm.

14.5 Public Shareholders who are submitting their Bids by registered post or speed post or courier (at their own risk and cost) has to ensure that their Bids are delivered to Trading Member at the Bid Center in CHENNAI, at the above mentioned address on or before closing hours of the Bid Closing Date. Under no circumstances should the Bids be dispatched to the Acquirers or the Company, or to the Registrar to the Offer or to the Manager to the Offer. If duly filled Bid Forms arrive before the Bidding Period opens, the Bid will still be valid. However, the Trading Member will not submit the Bid until the commencement of the Bidding Period.



14.6 The Manager to the Offer has opened a Special Depository Account, the details of which are as follows:

Special Depository Account Name	IBMBS LTD – THE PALANI ANDAVAR MILLS LTD - DELISTING OFFER
Name of the Depository Participant	Indbank Merchant Banking Services Limited
DP Identification Number	IN300597
Client Identification Number	10293879

- 14.7 **In order for Bids to be valid, Public Shareholders, who hold Offer Shares in dematerialized form, should transfer their Offer Shares from their respective depository accounts to the Special Depository Account of the Manager to the Offer prior to submission of their Bid. All transfers should be in off- market mode. A photocopy of the delivery instructions or counterfoil of the delivery instructions submitted to the depository participant of the Public Shareholder's depository account and duly acknowledged by such depository participant crediting the Public Shareholder's Offer Shares to the Special Depository Account, should be attached to the Public Shareholder's Bid Form.**
- 14.8 Alternately Public Shareholders may mark a pledge for the same in favour of the Manager to the Offer giving reference to the Special Depository Account. A photocopy of the pledge creation form submitted to the depository participant of the Public Shareholder's depository account and duly acknowledged by such depository participant for the creation of the pledge on the Public Shareholder's Offer Shares in favour of the Manager to the Offer, should be attached to the Public Shareholder's Bid Form.
- 14.9 Public Shareholders who hold their Offer Shares through Central Depository Services Limited will have to execute an inter-depository delivery instruction for the purpose of crediting their Offer Shares in favor of the Special Depository Account of the Manager to the Offer.
- 14.10 **It is the responsibility of Public Shareholders to ensure that their Offer Shares are credited to the Special Depository Account/ pledged in favor of the Manager to the Offer giving reference to the Special Depository Account on or before 3:00 pm on the Bid Closing Date.**
- 14.11 **In order for Bids to be valid, the Public Shareholders who hold Offer Shares in physical form should send their Bid Form together with the share certificate(s) and duly executed transfer deed to the Trading Member who shall immediately after entering their Bids on its system send them to the Registrar /the Company for confirming their genuineness. The Registrar / the Company shall deliver the certificates which are found to be genuine to the Manager to the Offer. The bids in respect of the certificates which are found to be not genuine shall be deleted from the system.**
- 14.12 The Manager to the Offer will hold in trust the Offer Shares /Share Certificates, Offer Shares lying in credit of the Special Depository Account and the transfer form(s) or pledged Offer Shares, until the Acquirers complete their obligations under the Offer in accordance with the Delisting Regulations.
- 14.13 The International Securities Identification Number (ISIN) for the Equity Shares of the Company is **INE375G01015**.
- 14.14 If any Public Shareholder fails to receive or misplaces the Offer Letter, a copy may be obtained by writing to the Registrar to the Offer at their address given in paragraph 14, clearly marking the envelope "THE PALANI ANDAVAR MILLS LIMITED DELISTING OFFER". Alternatively, such Public Shareholder may obtain copies of Bid Forms from the Bid Centers mentioned above. The Offer Letter shall also be available on the website of BSE Limited, <http://www.bseindia.com> and also on the website of the Registrar to the Offer, at [www.skdc-consultants.com](http://www.skdc-consultants.com) and at the website of the Manager to the Offer, [www.indbankonline.com](http://www.indbankonline.com) / Offer Documents.
- 14.15 The Offer Shares to be acquired under this Offer are to be acquired free from all liens, charges and encumbrances and together with all rights attached thereto. Offer Shares that are subject to any charge, lien or encumbrance are liable to be rejected.
- 14.16 It shall be the responsibility of the Public Shareholders tendering in the Offer to obtain all requisite approvals, consents (including corporate, statutory, governmental (whether state or central) and regulatory approvals) prior to tendering their Offer Shares in the Offer and the Acquirers shall take no responsibility for the same. The Public Shareholder should attach a copy of any such approval to the Bid, if applicable.
- 14.17 The Public Shareholders should also provide all relevant documents, which are necessary to ensure transferability of the Offer Shares failing which the Bid may be considered invalid and may be liable to be rejected. Such documents may include (but not be limited to):
- 14.17.1 Duly attested death certificate and succession certificate (in case of single shareholder) by the legatee in case the original shareholder to whom the Offer has been made has expired on or before the Bid Closing Date.
- 14.17.2 Duly attested power of attorney if any person apart from the shareholder has signed bid form or transfer deed(s) under such power of attorney.
- 14.17.3 In case of companies, the necessary certified corporate authorizations along with Board Resolution and specimen signatures of authorized signatories, copy of Memorandum and Articles of Association.
- 14.17.4 In case of any other registered entity authorization certificates, specimen signatures of authorized signatories and any other certificates and / or documents that may be required.
- 14.18 In accordance with Clause 5 of Schedule II of the Delisting Regulations, Public Shareholders who have tendered their Offer Shares by submitting Bids pursuant to the terms of the PA and the Offer Letter, may withdraw or revise their Bids upwards not later than one day before the Bid Closing Date. Downward revision of Bids shall not be permitted. Any such request for revision or withdrawal of the Bids should reach the Trading Member at the Bid Centers on or before 3.00 p.m. as on one day before Bid Closing Date i.e. 7<sup>th</sup> August 2013. Any such request for revision or withdrawal Bids received after 3.00 p.m. on one day before the Bid Closing Date shall not be accepted.
- 14.19 Shareholders who obtain shares after the Specified Date may request for the Offer Letter as per paragraph 14.14 above.
- 14.20 Multiple bids from the same depository account are liable to be rejected.

- 14.21 If the Offer is successful, all the Public Shareholders whose Bids are verified to be genuine shall, subject to paragraphs 10 and 11, be paid the Exit Price, subject to deduction of tax at source, where applicable, within 10 working days from the closure of the Offer by way of a crossed account payee cheque/ demand draft/ pay order/ ECS/RTGS/NEFT/Direct Credit. All cheques/demand drafts will be drawn in the name of the first holder, in case of joint holder(s), and will be dispatched to the shareholders by registered post, at the shareholder's sole risk, and at the address registered with the Company. Post the completion of payment of the Exit Price, the Offer Shares in dematerialized form will be transferred from the Special Depository Account to the dematerialized account of the Acquirers by the Manager to the Offer. Further, the pledge created on the Offer Share shall be invoked by the Manager to the Offer and such Offer Shares shall be credited in the Special Depository Account, and thereafter shall be transferred from the Special Depository Account to the dematerialized account of the Acquirers. The share certificates along with duly executed share transfer deed(s) pertaining to the Offer Shares in the physical form shall be submitted by the Manager to the Offer to the Board of Directors of the Company and such shares shall be transferred in the name of the Acquirers.
- 14.21 Share certificates for any invalid bid, will be dispatched to the shareholders by registered post, at the shareholder's sole risk within the period specified in paragraph 17. Offer Shares tendered in dematerialized form for any invalid Bid will be credited back to the respective beneficiary account with their respective Depository Participants (DPs) as per the details furnished by the respective shareholders in the Bid Form.
- 14.22 Where the Offer fails in the circumstances stated in paragraphs 10 and 11 of this Offer Letter:-
- 14.22.1 The Offer Shares deposited or pledged by a Public Shareholder shall be returned or released to shareholder within ten working days from the Bid Closing Date in terms of the Proposed Timetable as set out in paragraph 17 below;
- 14.22.2 No final application shall be made to the Stock Exchanges for delisting of the Equity Shares; and
- 14.22.3 The Escrow Account (as defined in paragraph 16.2 of this Offer Letter) shall be closed.
- 14.23 Shareholders are requested to submit the below mentioned documents, as applicable, along with the Bid Form:

Category	Procedure	
	Physical	Demat
Individual / HUF	<ol style="list-style-type: none"> <li>1. The Bid Form duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the share certificate.</li> <li>2. Original Share Certificate(s) and</li> <li>3. Valid share transfer deed(s) duly signed as transferor(s) by all the registered shareholders (in case of joint holdings) in the same order and as per specimen signatures registered with and duly witnessed at the appropriate place(s). Note: In order to avoid rejection (thumb impressions, signature difference, etc.), it is recommended to get it attested, by a magistrate/notary public/bank manager under their official seal.</li> </ol>	<ol style="list-style-type: none"> <li>1. Bid Form duly filled and signed by the Registered Shareholder.</li> <li>2. The duly executed copy of the delivery instruction slip.</li> </ol>
Corporate	<ol style="list-style-type: none"> <li>1. The Bid Form duly completed and signed in accordance with the instructions contained therein, by an authorized signatory.</li> <li>2. Original Share Certificate(s) and</li> <li>3. Valid share transfer deed(s) duly signed as transferors by an authorized signatory as per specimen signatures registered with the company.</li> <li>4. True copy of the board resolution certified by a director or a company secretary of the company providing authority to the signatory to deal with sale of shares.</li> </ol>	<ol style="list-style-type: none"> <li>1. Bid Form duly filled and signed by an unauthorized signatory.</li> <li>2. The duly executed copy of the delivery instruction slip.</li> </ol>
Power of Attorney ("POA")	<ol style="list-style-type: none"> <li>1. The Bid Form duly completed and signed in accordance with the instructions contained therein, by all shareholders /POA shareholders whose names appear on the share certificate.</li> <li>2. Original share certificate(s) and</li> <li>3. Valid share transfer deed(s) duly signed as transferors by all POA holders in the same order and as per specimen signatures registered with the company and duly witnessed at the appropriate place(s).</li> </ol>	<ol style="list-style-type: none"> <li>1. Bid Form duly filled and signed by the POA holders.</li> <li>2. The duly executed copy of the delivery instruction slip.</li> <li>3. Attested Copy of POA only if not registered with the Company or its registrar/transfer agent.</li> </ol>

	4. Attested copy of POA only if not registered with the Company or its registrar/ transfer agent. (Note: It is recommended to attach a photocopy of the same).	
Custodian	<ol style="list-style-type: none"> <li>1. The Bid Form duly completed and signed in accordance with the instructions contained therein, by all shareholders / whose names appear on the Share Certificate.</li> <li>2. Original Share Certificate(s) and</li> <li>3. Valid share transfer deed(s) duly signed as transferors by all POA holders in the same order and as per specimen signatures registered with the company and duly witnessed at the appropriate place(s).</li> <li>4. Attested copy of POA only if not registered with the Company or its registrar/ transfer agent. (Note: It is recommended to attach a photocopy of the same).</li> </ol>	<ol style="list-style-type: none"> <li>1. Bid Form duly filled and signed by the POA holders.</li> <li>2. The duly executed copy of the delivery instruction slip.</li> </ol>
Non Resident Indian ("NRI")	<ol style="list-style-type: none"> <li>1. The Bid Form duly completed and signed in accordance with the instructions contained therein, by all shareholders whose names appear on the Share Certificate or POA holder.</li> <li>2. Original Share Certificate(s) and</li> <li>3. Valid share transfer deed(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 and duly witnessed at the appropriate place(s). Note: In order to avoid rejection (thumb impressions, signature difference, etc.), it is recommended to get it attested, by a magistrate/ notary public/ bank manager under their official seal.</li> <li>4. Should enclose a no objection certificate ("NOC") and tax clearance certificate ("TCC") under Section 195(3) or Section 197 of the Income Tax Act, 1961 from the Income Tax Authority or alternatively a certificate from chartered accountant certifying if the shares are held on a long term or short term basis for the purpose of determining capital gains tax. (In case this certificate is not provided, then by default, short term capital gains tax shall be applicable).</li> <li>5. Should enclose a copy of the permission received from the Reserve Bank of India ("RBI") for the Equity Shares held by them. If the Equity Shares are held under the general permission of RBI, the nonresident shareholder should furnish a copy of the relevant notification/circular pursuant to which the Equity Shares are held and state whether the Equity Shares are held on repatriable or non-repatriable basis.</li> <li>6. Copy of Permanent Account Number ("PAN") card (Self Attested).</li> <li>7. Copy of POA (Power of Attorney), required only if not registered with the Company or Registrar / Transfer Agent.</li> </ol>	<ol style="list-style-type: none"> <li>1. Bid Form duly filled and signed by the registered share holder or the POA holder.</li> <li>2. The duly executed copy of the delivery instruction slip.</li> <li>3. NRIs tendering shares desiring to have the proceeds credited to a NRE account/FCNR account shall submit the RBI approvals for acquiring equity shares tendered in the Offer.</li> <li>4. Should enclose a no objection certificate ("NOC") and tax clearance certificate ("TCC") under Section 195(3) or Section 197 of the Income Tax Act, 1961 from the Income Tax Authority or alternatively a certificate from chartered accountant certifying if the shares are held on a long term or short term basis for the purpose of determining capital gains tax. (In case this certificate is not provided, then by default, short term capital gains tax shall be applicable).</li> <li>5. Should enclose a copy of the permission received from the Reserve Bank of India ("RBI") for the Equity Shares held by them. If the Equity Shares are held under the general permission of RBI, the nonresident shareholder should furnish a copy of the relevant notification/circular pursuant to which the Equity Shares are held and state whether the Equity Shares are held on repatriable or non-repatriable basis.</li> <li>6. Copy of POA (Power of Attorney), required only if not registered with the Company or Registrar/Transfer Agent.</li> </ol>
Foreign Institutional Investor	<ol style="list-style-type: none"> <li>1. The Bid Form duly completed and signed in accordance with the instructions contained therein, by an authorized signatory on the share certificate.</li> </ol>	<ol style="list-style-type: none"> <li>1. Bid Form duly filled and signed by an authorized signatory.</li> </ol>

<p>("FII") / Overseas Corporate Body ("OCB")</p>	<ol style="list-style-type: none"> <li>2. Original Share Certificate(s) and</li> <li>3. Valid share transfer deed(s) duly signed as transferors by an authorized signatory under their official seal.</li> <li>4. Self attested copy of PAN Card.</li> <li>5. NOC and TCC from Income Tax Authority.</li> <li>6. SEBI Registration Certificate.</li> <li>7. FII Certificate (self attested declaration certifying the nature of income arising from sale of shares, whether capital gains or otherwise and also stating their residential status, that it does not have a permanent establishment in India).</li> <li>8. Certificate from a Chartered Accountant (along with proof such as demat account statement) certifying that the shares have been held for more than one year along with the acquisition cost, if applicable.</li> <li>9. The non-resident shareholder may also provide a bank certificate certifying inward remittance to avail concessional rate of tax deducted at source for long term capital gains under section 115E of Income Tax Act, 1961.</li> <li>10. Should enclose a copy of the permission received from the RBI for the Equity Shares held by them. If the Equity Shares are held under the general permission of RBI, the non-resident shareholder should furnish a copy of the relevant notification / circular pursuant to which the Equity Shares are held and state whether the Equity Shares are held on repatriable or non-repatriable basis.</li> <li>11. Copy of POA only if not registered with the Company or Registrar/Transfer Agent.</li> </ol>	<ol style="list-style-type: none"> <li>2. The duly executed copy of the delivery instruction slip.</li> <li>3. NOC and TCC from the Income Tax Authority.</li> <li>4. FII Certificate (self attested declaration certifying the nature of income arising from sale of shares, whether capital gains or otherwise and also stating their residential status, that it does not have a permanent establishment in India).</li> <li>5. Certificate from a Chartered Accountant (along with proof such as demat account statement) certifying that the shares have been held for more than one year along with the acquisition cost, if applicable.</li> <li>6. The non-resident shareholder may also provide a bank certificate certifying inward remittance to avail concessional rate of tax deducted at source for long term capital gains under section 115E of Income Tax Act, 1961.</li> <li>7. Should enclose a copy of the permission received from the RBI for the Equity Shares held by them. If the Equity Shares are held under the general permission of RBI, the non-resident shareholder should furnish a copy of the relevant notification / circular pursuant to which the Equity Shares are held and state whether the Equity Shares are held on repatriable or non-repatriable basis.</li> <li>8. Copy of POA only if not registered with the Company or Registrar/Transfer Agent.</li> </ol>
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**15. PERIOD FOR WHICH THE DELISTING OFFER SHALL BE VALID**

The Public Shareholders may submit their Bids to the Acquirers during the Bid Period. Additionally, once the Equity Shares have been delisted, the Public Shareholders, whose Offer Shares have not been acquired by the Acquirers, or who did not tender their shares in the Delisting Offer, may offer their Offer Shares for sale to the Acquirers at the Exit Price for a period of one year following the date of the delisting ("Exit Window"). Such Public Shareholders may tender their Offer Shares by submitting the required documents to the Registrar to the Offer during the Exit Window

**16. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN**

16.1 The estimated consideration payable, the Floor Price being Rs. 140 (Rupees One Hundred Forty) per Equity Share multiplied by the number of Offer Shares outstanding with the Public Shareholders is Rs. 1,22,13,600 ( Rupees One Crore Twenty Two Lakhs Thirteen Thousand and Six Hundred only) (the "**Escrow Amount**") (which may be increased from time to time,).

16.2 In accordance with Regulations 11(1) and 11(3) of the Delisting Regulations, the Acquirers, Indian Bank ("**Escrow Bank**") and the Manager to the Offer have entered into an Escrow Agreement dated 25<sup>th</sup> June 2013, subsequent to which the Acquirers have opened an Escrow Account with Indian Bank, Nandanam Branch presently situated at Khivraj Complex 1, No. 480, Anna Salai, Nandanam, Chennai 600 035 (the "**Escrow Bank**"), **Account Number 6138924819** (the "**Escrow Account**") in the name of "**THE PALANI ANDAVAR MILLS LIMITED DELISTING ESCROW A/C**", and have deposited an aggregate amount of Rs. 1,23,00,000/- (Rupees One Crore Twenty Three Lakhs only), which is more than the estimated consideration payable as calculated in paragraph (16.1) above, and marked a lien in favor of the Merchant Banker on this Cash Deposit.

16.3 Following the determination of the Discovered Price, and the issuance of the Public Announcement under Regulation 18, the Acquirers will comply with the requirements of Regulation 11(2) of the Delisting Regulations and deposit such amount to the Escrow Account as may be required under the Delisting Regulations.

- 16.4 In the event that the Acquirers accept the Discovered Price as the Exit Price or offer a higher Exit Price, the Acquirer shall deposit such additional amount to the Escrow Account (and the definition of "Escrow Amount" shall be deemed to include such increase, if any) as may be required to acquire all of the Shares validly tendered in the Offer at the Exit Price.
- 16.5 Further in the above mentioned case, the Acquirer and the Manager to the Offer, shall instruct the Escrow Bank to open a special account ("Special Account"), which shall be used for payment to the Public Shareholders who have tendered Offer Shares in the Delisting Offer. The Manager to the Offer shall instruct the Escrow Bank to transfer the entire amount due and payable as consideration in respect of the Offer Shares tendered in the Delisting Offer at the Discovered Price or Exit Price (as appropriate to the Special Account opened with the Escrow Bank).

**17. PROPOSED SCHEDULE OF ACTIVITIES**

Sl. No.	Event	Date	Day
1	Public Announcement (PA) by the Acquirers	15-07-13	Monday
2	"Specified Date"*	19-07-13	Friday
3	Preparation and Posting of Letter of Offer (LoF)	26-07-13	Friday
4	Opening of the Bid	05-08-13	Monday
5	Last Date for upward revision or withdrawal of Bids (3:00 PM)	07-08-13	Wednesday
6	Closing of the Bid	08-08-13	Thursday
7	Post Offer Public Announcement**	14-08-13	Wednesday
8	Payment to the Shareholders#	16-08-13	Friday
9	Last Date for return to Public Shareholders of Offer Shares tendered but not acquired under the Delisting Offer	16-08-13	Friday
10	Application to the Stock Exchanges for Final Approval	19-08-13	Monday

\*Specified Date is only for the purpose of determining the name of the Shareholders as on such date to whom the Offer Letter will be sent. However, all owners (Registered or Unregistered) of the Equity Shares of the Company are eligible to participate in the Delisting Offer any time Before the Bid Closing Date.

\*\*Announcement of Discovered Price/Exit Price and the Acquirers Acceptance/Non Acceptance of the Discovered Price/Exit Price.

# Subject to the acceptance of the Discovered Price/Exit Price by the Acquirers.

**18. STATUTORY APPROVALS**

- 18.1 By virtue of the Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("OCBs") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. The Acquirers understand that the Company has no OCBs (as understood in terms of applicable Indian foreign exchange laws), as its shareholders and in the event that any OCBs tender their Equity Shares in the Offer then it shall be the responsibility of such OCBs to obtain the approval of the RBI, prior to tendering the Offer Shares held by them in the Delisting Offer.
- 18.2 In the event that any Non Resident Indians ("NRIs") tender their Equity Shares in the Offer, then it shall be the responsibility of such NRIs to obtain the requisite approval, including approval from RBI, prior to tendering the Offer Shares held by them in the Delisting Offer.
- 18.3 In the case of shareholders who are nationals of Islamic Republic of Pakistan, the Custodian of Enemy Property in India, Mumbai, is the authorized person who can tender their Equity Shares in the Offer. It shall be the responsibility of the custodian to obtain the requisite approvals from the Government of India prior to tendering the Offer Shares in the Delisting Offer.
- 18.4 In terms of RBI circular No.: RBI/2011-12/247 A.P. (DIR Series) Circular No. 43 dated November 4, 2011, prior approval of RBI is not required for the transfer of shares from a Non Resident to Resident under the foreign direct investment scheme where the pricing guidelines under the Foreign Exchange Management Act, 1999 are not met provided that the price of the shares is computed as per the Delisting Regulations. However, it shall be the responsibility of the Non Resident shareholders tendering the Offer Shares in the Delisting Offer to comply with any restriction or conditions imposed on such Non Resident or obtain any approvals, consents or regulatory approvals that are required by such Non Resident to tender the Offer Shares in the Delisting Offer.
- 18.5 The Company has obtained the approval of its members, by way of a special resolution through postal ballot, the results of which was declared on 2<sup>nd</sup> May 2013 and notified to MSE on 3<sup>rd</sup> May 2013, approving the delisting of the Company's equity shares from the MSE pursuant to the Delisting Regulations. The votes cast by the Public Shareholders in favour of the Delisting Offer were more than 14 times the number of votes cast by the Public Shareholders against it.
- 18.6 The Company has received the in-principle approval for the Delisting Offer from the MSE vide its letter MSE/LD/PSK/738/142/13 dated 24<sup>th</sup> May 2013.

- 18.7 To the best of the Acquirers' knowledge, as of the date of the Public Announcement and this Offer Letter, there are no other statutory or regulatory approvals required to acquire the Offer Shares and implement the Delisting Offer, other than as indicated above. If any statutory or regulatory approvals become applicable, the acquisition of Offer Shares by the Acquirers and the Delisting Offer will be subject to receipt of such statutory or regulatory approvals.
- 18.8 It shall be the responsibility of the Public Shareholders tendering their shares in the Delisting Offer to obtain all requisite approvals, consents (including corporate, statutory, governmental (state or central), or regulatory approvals), if any, prior to tendering the Offer Shares held by them in the Delisting Offer, and the Acquirers shall take no responsibility for the same. The Public Shareholders should attach a copy of any such approval, consent to the Bid Form, wherever applicable.
- 18.9 The Acquirers reserve the right not to proceed with the Delisting Offer in the event the approvals indicated above are not obtained or conditions which the Acquirers consider in their sole discretion to be onerous are imposed in respect of such approvals.
- 18.10 In the event that receipt of the requisite statutory and regulatory approvals are delayed, the Acquirers may, with such permission as may be required, make changes to the proposed timetable or may delay the Delisting Offer and any such change shall be intimated by the Acquirers by issuing an appropriate corrigendum in all the newspapers where the Public Announcement was published.

## **19. TAX DEDUCTED AT SOURCE**

- 19.1 Summary of key provisions related to tax deduction at source ("TDS") under the Income Tax Act, 1961 ("the IT Act")
- 19.1.1 All shareholders would either be classified as resident or non-resident, which status is to be determined on the basis of criteria laid down in Section 6 of the IT Act.
- 19.1.2 Section 195(1) of the IT Act, inter alia states that any person responsible for paying to a non-resident, not being a company, or to a foreign company, any interest or any other sum chargeable under the provisions of the IT Act, is required to deduct tax at source (including surcharge and education cess wherever applicable) at the rates in force.
- 19.1.3 Since, under the current provisions of the IT Act, the consideration payable under the Offer would be chargeable to tax as capital gains, or business profits (as the case may be), the Acquirers will need to deduct tax at source at the rates in force on the gross consideration payable as computed on the basis of the Exit Price determined as per Delisting Offer to the following categories of shareholders:
- Non Resident Indians; or
  - Overseas Unincorporated Bodies; or
  - Overseas Corporate Bodies / Non-Domestic Companies; or
  - Foreign Institutional Investors (FII)
- 19.1.4 FIIs enjoy exemption from tax deduction at source on capital gains under Section 196D (2) of the IT Act and hence no tax shall be deducted on consideration payable to FIIs. FIIs should enclose copy of their SEBI registration certificate along with the Bid Form, failing which payment of the consideration shall be subject to deduction of tax at source. All categories of shareholders above would need to certify in the application form whether the equity shares are held by them on investment/ capital account or trade account.
- 19.2 No tax shall be deducted at source from the payment of consideration made to resident Public Shareholders.
- 19.3 For the purpose of determining as to whether the capital gains are short-term or long-term in nature, the Acquirers shall take the following actions based on the information obtained from the Company.
- 19.3.1 In the case of Equity Shares held in physical forms that are registered with the Company in the name of the Shareholder, the date of registration of the Equity Shares with the Company shall be taken as the date of acquisition.
- 19.3.2 In the case of Equity Shares held in physical form and where the tenderer of shares is not the registered shareholder, the capital gain shall be assumed to be short-term in nature.
- 19.3.3 In case of unavailability of information with the Company/Acquirers or in case of any ambiguous, incomplete or conflicting information, the capital gains shall be considered to be short-term in nature and the tax shall be deducted accordingly. In a case where tax is deductible at source, position summarized above is applicable in case of shareholders who have obtained Permanent Account Number ("PAN") under the IT Act and furnish PAN in the Bid Form. Copy of PAN card is also required to be attached as evidence.
- 19.4 However, in case PAN is not obtained or PAN is not mentioned in Bid Form or copy of PAN card is not attached, tax at the rate of 20% or at the rate in force or at the rate specified in the relevant provisions of the IT Act, whichever is higher, will be deducted at source in accordance with provisions of Section 206AA of the IT Act.
- 19.5 **The Acquirers, the Company and the Manager to the Offer / any of their affiliates do not accept any responsibility for the accuracy or otherwise of the above advice. Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective income tax assessing authorities in their case, and the appropriate course of action that they should take. The tax rates and other provisions specified above are based on the current position in law and may undergo changes.**

**20. CERTIFICATION BY THE BOARD OF DIRECTORS**

**The BoD has confirmed that:**

The Company has not raised capital by issuing securities during the Five (5) years immediately preceding the date of this Public Announcement; and

All material information which is required to be disclosed: (i) under the provisions of the listing agreements executed by the Company with the MSE pertaining to continuous listing have been disclosed to MSE and; (ii) terms of the letter MSE/LD/PSK/738/142/13 dated 24<sup>th</sup> May 2013 issued by MSE will be complied with.

**21. COMPLIANCE OFFICER**

The Compliance Officer of the Company is Mr. V Sridhar, Vice President & Company Secretary, Phone: +91 04252 – 223831, 224503; Fax: +91 04252 224546; E-mail: [Sridhar@palaniandavarmills.in](mailto:Sridhar@palaniandavarmills.in)

In case the Public Shareholders have any queries concerning the non-receipt of credit or payment for Offer Shares on delisting processes and procedure, they may address the same to the Registrar to the Offer, or the Manager to the Offer.

**22. DISCLAIMER CLAUSE OF THE STOCK EXCHANGES**

**22.1 Disclaimer Clause of the MSE**

It is to be distinctly understood that the approval given by MSE should not in any way be deemed or construed that the compliance with various statutory and other requirements by The Palani Andavar Mills Limited and Indbank Merchant Banking Services Limited etc. are cleared or approved by MSE; nor does MSE in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does MSE have any financial responsibility or liability nor does MSE take responsibility in any way for the financial or other soundness of the Company, its promoters or its management.

It is also to be distinctly understood that the approval given by MSE should not in any way be deemed or construed to mean that the PA and the Letter of Offer have been cleared or approved by MSE, nor does MSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the announcements, nor does MSE warrant that the securities will be delisted. That every person who desires to avail of the exit opportunity may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against MSE or against the Investor Protection Fund set up by MSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such offer and tender of securities through book building process whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

**22.2 Disclaimer Clause of the BSE**

It is to be distinctly understood that the permission given by BSE to use their electronic automated facilities and infrastructure for “Online reverse book building facility for delisting of securities” should not in any way be deemed or construed that the compliance with various statutory and other requirements by The Palani Andavar Mills Limited and Indbank Merchant Banking Services Limited etc. are cleared or approved by BSE; nor does BSE in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does BSE have any financial responsibility or liability nor does BSE take responsibility in any way for the financial or other soundness of the Company, its promoters or its management.

It is also to be distinctly understood that the approval given by BSE should not in any way be deemed or construed to mean that the PA and the Letter of Offer have been cleared or approved by BSE, nor does BSE in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the announcements, nor does BSE warrant that the securities will be delisted. That every person who desires to avail of the exit opportunity may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE or against the Investor Protection Fund set up by BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such offer and tender of securities through book building process whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

**23. GENERAL DISCLAIMER**

Every person who desires to avail of the Delisting Offer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Acquirers, the Manager to the Delisting Offer, the Registrar to the Delisting Offer or the Company whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such Delisting Offer and tender of securities through the Book Building Process in accordance with the Delisting Regulations.

Signed

Sd/-  
Mrs. Girija Parthasarathy

Sd/-  
Mr. P Sanjay Krishna

Date: 16.07. 2013

Place: Udumalpet

Enclosures:

1. Bid Cum Acceptance Form
2. Bid Revision/Withdrawal Form
3. Share Transfer Deed (for Physical Shareholders)





## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Please read this document along with the Public Announcement published on 15<sup>th</sup> July 2013 ("PA") and the Offer Letter dated 16<sup>th</sup> July 2013, issued by Mrs. Girija Parthasarathy and Mr. P Sanjay Krishna, collectively referred to as ("Acquirers"), since the terms and conditions of the PA and the Offer Letter are deemed to have been incorporated in and form part of this document.

If there is any conflict between the provisions of this Bid Form and the PA or the Offer Letter, the provisions of the PA or the Offer Letter shall prevail. Unless the context otherwise requires, expressions in this Bid cum Acceptance Form / Bid Form have the same meaning as defined in the PA and Offer Letter. Please send this Bid Form with enclosures to any of the Bid Centers as per the mode of delivery mentioned in the Offer Letter so as to reach on or before 3.00 p.m. on the Bid Closing Date.

DELISTING OFFER*			
Bid Opening Date	August 5, 2013	Monday	9:00 AM
Last Date for Revision	August 7, 2013	Wednesday	3:00 PM
Bid Closing Date	August 8, 2013	Thursday	3:00 PM
Floor Price Per Share	Rs. 140/- (One Hundred and Forty only)		

\*The dates are subject to, among other things, the Acquirers obtaining necessary approvals, if any, prior to the Bid Opening Date.

## BID CUM ACCEPTANCE FORM

IN RESPECT OF EQUITY SHARES OF FACE VALUE OF RS. 10/-EACH OF

### THE PALANI ANDAVAR MILLS LIMITED

Pursuant to the Delisting Offer by the Acquirers.

(To be filled by the Trading Member)

Bid Center	Application Number	Date

Dear Sir(s),

Re: Delisting Offer for fully paid up Equity Shares of The Palani Andavar Mills Limited (" the Company") by the Acquirers through reverse book building process ("Delisting Offer"). The Floor Price for the Delisting Offer has been determined as Rs.140.00/- per Equity Share.

1. I/We, having read and understood the terms and conditions set out below, in the PA and in the Offer Letter, hereby tender my/our Equity Shares in response to the Delisting Offer.
2. I/We understand that the trading member to whom this Bid cum Acceptance Form is sent, is authorized to tender the Equity Shares on my/our behalf and the Equity Shares tendered under the Delisting Offer shall be held in trust by the Manager to the Offer until the time of the dispatch of payment of consideration calculated at Discovered/ Exit Price and/or the unaccepted Equity Shares are returned.
3. I/ We hereby undertake the responsibility for the Bid Form and the Equity Shares tendered under the Delisting Offer and I/ we hereby confirm that the Acquirers or Manager to the Offer or the Registrar to the Offer or the Trading Member shall not be liable for any delay/loss in transit resulting into delayed receipt or non-receipt of the Bid Form along with all requisite documents, by the Trading Member or delay/ failure in credit of Equity Shares to the Special Depository Account within due time, due to inaccurate/incomplete particulars/instructions or any reason whatsoever.
4. I/ We understand that this Bid is in accordance with the SEBI (Delisting of Equity Shares) Regulations, 2009 and any amendments thereto ("Delisting Regulations") and all other applicable laws, by way of reverse book building process and the Acquirers are not bound to accept the Discovered Price.
5. I/We also understand that the payment of consideration will be done after due verification of Bids, documents and signatures.
6. I/We also understand that the consideration will be paid by the Acquirers only if the Bid is valid in accordance with the Offer Letter and the Delisting Regulations.
7. I/We hereby confirm that I/ we have never sold or parted/dealt with in any manner with the Equity Shares tendered under the Delisting Offer and these Equity Shares are free from any lien, equitable interest, charges & encumbrances, whatsoever.
8. I/We hereby declare that there are no restraints/injunctions, or other order of any nature which limits/ restricts my/ our rights to tender these Equity Shares and I/ we are the absolute and only owner(s) of these Equity Shares and are legally entitled to tender the Equity Shares under the Delisting Offer.
9. I/ We authorize the Acquirers, Manager to the Offer and Registrar to the Offer to send the payment of consideration by way of crossed account payee cheque/demand draft/pay order through registered post or ordinary post or speed post, at my risk to the address registered with the Company/Depository Participant or by ECS/RTGS/NEFT/Direct Credit, as the case maybe.

10. I/ We undertake to return the amount received by me/us inadvertently, immediately.
11. I/ We agree that upon acceptance of the Equity Shares by the Acquirers, tendered by me/ us under the Delisting Offer, I/ we would cease to enjoy all right, title, claim and interest whatsoever, in respect of such Equity Shares of the Company.
12. I/ We authorize the Acquirers to accept the Equity Shares so offered, which they may decide to accept in consultation with the Manager to the Offer and in terms of the Offer Letter.
13. I/ We agree that if for any reason, the income tax authorities raise a tax claim on the Acquirers and seek to recover tax on the Delisting Offer from the Acquirers (where such tax claim pertains to, or is relatable to, my/ our tax liability) I/we agree to indemnify the Acquirers for the same.
14. I/We further authorize the Acquirers to return to me/us, the Equity Share certificate(s) in respect of which the offer is found not valid or is not accepted, specifying the reasons thereof and in the case of dematerialized Equity Shares, to the extent not accepted will be released to my depository account at my/our sole risk.
15. I/ We hereby undertake to execute any further documents, give assurance and provide assistance, which may be required in connection of the Delisting Offer and agree to abide by the decisions taken in accordance with the applicable laws, rules and regulations.
16. I/ We acknowledge and confirm that all the particulars/statements given herein are true and correct.

1.	Name (in BLOCK LETTERS) (Please write the names of the joint holders in the same order as appearing in the share certificate(s)/ demat account)	<b>Holder</b>	<b>Name</b>	<b>PAN No.</b>	
		Sole/First			
		Second			
		Third			
2.	Contact Number(s), E Mail ID	Tel./Mobile No:			
		E-Mail ID:			
3.	Full Address of the First Holder (with Pin Code)				
4.	Type of Investors (Please tick the box to the right of the appropriate category)	Individual	<input type="checkbox"/>	NRI – Repatriable	<input type="checkbox"/>
		HUF	<input type="checkbox"/>	NRI – Non Repatriable	<input type="checkbox"/>
		Domestic Company	<input type="checkbox"/>	FII	<input type="checkbox"/>
		Mutual Funds/Banks / FIs	<input type="checkbox"/>	Foreign Company	<input type="checkbox"/>
		OCB	<input type="checkbox"/>	Others (Please Specify)	<input type="checkbox"/>
5	<b>A. FOR SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM</b> Details of original share certificate(s) along with duly filled, signed transfer deed(s), as enclosed				

S. No.	Folio No.	Share Certificate(s) No.	Distinctive Number		Number of Shares
			From	To	
(If the space provided is inadequate please attach a separate continuation sheet)				<b>TOTAL</b>	

<b>5</b>	<b>B. FOR SHAREHOLDERS HOLDING SHARES IN DEMATERIALIZED FORM</b>	
<b>Details of Demat Account and Delivery Instruction executed in favour of Special Depository Account</b>		
Name of Depository Participant		
Depository Participant's ID No.		
Client ID No.		
Date of Execution/Acknowledgement of Delivery Instruction (Copy Enclosed)		
Number of Equity Shares (in figures)		
Number of Equity Shares (in words)		
<b>6. Other Enclosures, as applicable</b> <b>(Please tick the box to the right of the appropriate category)</b>	Power of Attorney <input type="checkbox"/>	Corporate Authorisation <input type="checkbox"/>
	Death Certificate <input type="checkbox"/>	Others (Please Specify) <input type="checkbox"/>

**7. DETAILS OF BANK ACCOUNT**

In order to avoid any fraudulent encashment in transit of the cheque, pay order or demand draft issued by the Acquirers or by ECS/RTGS/NEFT/ Direct Credit towards the consideration payable for the Equity Shares tendered under this Bid Form, please fill the following details of the sole shareholder's bank account (or, in the case of joint holders, the first-named holder's bank account) and any consideration payable will be paid by issuing an instrument carrying the details of the bank account so provided. If you do not provide the following details or the details provided are different from those received electronically from your depository participant, any consideration payable will be sent to the first/ sole shareholder based on details obtained from the first/ sole shareholders' depository participant (however, there will be no obligation on the Acquirers or Manager to the Offer or Registrar to do the same), or without such details. A shareholder tendering Shares in the Delisting 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 below would be used.

<b>Name of the Bank</b>	
<b>Branch Address</b>	
<b>City and Pin Code of the Branch</b>	
<b>Account Number</b>	
<b>Savings/Current/Others (Please Specify)</b>	
<b>MICR Code</b>	
<b>IFSC Code</b>	

*(Please note that for fund transfer in electronic mode, the transfer would be done at your risk based on the data provided above by you.)*

**8 Details of Bid and Equity Shares tendered pursuant to the Delisting Offer.**

You should insert the number of Equity Shares you wish to tender and the price per Equity Share at which you are tendering the same (your "Bid Price") in the space provided below. If your Bid Price is less than the Floor Price which is Rs. 140.00 per Equity Share, you will be deemed to have tendered your Equity Shares at Rs. 140.00 per Equity Shares.

**I/We hereby tender to the Acquirer, the number of Equity Shares at the Bid Price as specified below:**

Particulars	Figure in Numbers		Figure in Words
Number of Equity Shares			
Bid Price per Equity Share (Rs.)			
Signature			
	Sole/First Holder	Second Holder	Third Holder

*Note: In case of joint holdings, all holders must sign in the same order and as per the specimen signature registered as per the details available with the Company. In case of Bodies Corporate a stamp of the Company should be affixed and necessary board resolution authorizing the submission of this Bid Form should be attached*

**TAX CERTIFICATION (NON RESIDENT INDIANS (“NRIs”)/ OVERSEAS CORPORATE BODIES (“OCBs”) / FOREIGN INSTITUTIONAL INVESTORS (“FIIs”)/ NON-RESIDENT SHAREHOLDERS ONLY**

Please refer to the Offer Letter for details regarding tax to be deducted at source. Shareholders are also 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.

I/ We certify that the Equity Shares referred to in Box 5 are held: (please tick (✓))

<input type="checkbox"/>	On Investment/Capital Account	<input type="checkbox"/>	On Trade Account / to be taxed as Business Profits
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I/We certify that the tax deduction on the Equity Shares referred to in Box 5 is to be deducted on account of (please tick (✓))

Short Term Gains	<input type="checkbox"/>	Long Term Gains	<input type="checkbox"/>	Business Profits	<input type="checkbox"/>
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Note: Where the Equity Shares tendered comprise both long term capital assets and short term capital asset please furnish a statement showing computation of the break up into short term capital gains and long term capital gains. In the case of Non Resident Indians (NRIs) only, where the Equity Shares have been acquired/ purchased with or subscribed to in convertible foreign exchange and the shareholder wants to certify himself as having opted/ not opted out of Chapter XII-A of the Income Tax Act, 1961 then please tick (ü) in the appropriate box below:

I certify that:

- I have not opted out of Chapter XII-A of the Income Tax Act, 1961
- I have opted out of Chapter XII-A of the Income Tax Act, 1961

**PERMANENT ACCOUNT NUMBER :**

(For Tax Deduction at Source purposes)

I/We have enclosed the following documents that are applicable to me/us (Please tick (✓))

No objection certificate/Tax clearance certificate from income tax authorities u/s 195(3) or u/s 197 of the Income Tax Act, 1961	<input type="checkbox"/>
--	--------------------------

Previous RBI approvals for holding the Equity Shares referred to in Box 5 of this Bid Form	<input type="checkbox"/>
--	--------------------------

Self-Attested Copy of Permanent Account Number (PAN) Letter / PAN Card	<input type="checkbox"/>
--	--------------------------

Copy of relevant pages of demat account if the shares have been held for more than twelve months prior to the date of acceptance of Equity Shares under the Offer	<input type="checkbox"/>
---	--------------------------

Tax Residence Certificate provided by the Income Tax Authority of foreign country of which the shareholder is a tax resident, wherever applicable	<input type="checkbox"/>
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SEBI registration certificate (including sub – account of FII), in case of FII	<input type="checkbox"/>
--	--------------------------

**Notes :**

- a. 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.
- b. In order to avail the benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a Tax Residency 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.
- c. Non-resident shareholders should enclose a copy of the permission received from RBI for the Equity Shares held by them. If the Equity Shares are held under the general permission of RBI, the non-resident shareholder should furnish a copy of the relevant notification/ circular pursuant to which the Equity Shares are held and state whether the Equity Shares are held on repatriable or non-repatriable basis.
- d. Non-resident shareholders (including NRIs, OCBs and FIIs) should enclose No Objection Certificate/ tax clearance certificate from Income Tax Authorities u/s 195(3) or u/s 197 of the Income Tax Act, 1961, indicating the tax to be deducted, if any, by the Acquirers 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.
- e. NRIs, OCBs, FIIs and non-resident shareholders are required to furnish Bankers Certificates certifying inward remittance of funds for their original acquisition of Equity Shares of The Palani Andavar Mills Limited.
- f. NRIs holding shares on non-repatriable basis and OCBs shall also enclose a copy of the permission received from the RBI, if any, for tendering their Equity Shares in the Offer.
- g. FIIs (including sub-account) are requested to enclose the SEBI Registration Letter.
- h. Non-resident shareholders (including NRIs, OCBs and FIIs) should also enclose a consent letter indicating the details of transfer i.e. number of Equity Shares to be transferred, the name of the investee company whose shares are being transferred i.e. “The Palani Andavar Mills Ltd.” and the price at which the Equity Shares are being transferred i.e. “Price determined accordance with the SEBI (Delisting of Equity Shares) Regulations, 2009” duly signed by the shareholder or his/its duly appointed agent and in the latter case, also enclose the power of attorney.
- i. OCBs are requested to enclose Form OAC of the current year.

**CHECK LIST (please tick (✓))**

DEMAT SHAREHOLDERS	PHYSICAL SHAREHOLDERS
1. BID CUM ACCEPTANCE FORM.	1. BID CUM ACCEPTANCE FORM
2. COPY OF ACKNOWLEDGED DEMAT SLIP /COPY OF ACKNOWLEDGED PLEDGE CREATION SLIP.	2. ORIGINAL SHARE CERTIFICATE OF THE COMPANY
3. INTER DEPOSITORY DELIVERY INSTRUCTION SLIP IN CASE OF SHARES HELD THROUGH CDSL.	3. VALID SHARE TRANSFER DEED
4. TAX RESIDENCY CERTIFICATE, WHERE APPLICABLE.	4. TAX RESIDENCY CERTIFICATE, WHERE APPLICABLE
5. CERTIFICATE U/S 197 OF THE INCOME TAX ACT 1961, WHERE APPLICABLE.	5. CERTIFICATE U/S 195(3) / 197 OF THE INCOME TAX ACT, 1961 WHERE APPLICABLE
6. SELF ATTESTED COPY OF PAN CARD	6. COPY OF PAN CARD
7. OTHER DOCUMENTS, AS APPLICABLE	7. OTHER DOCUMENTS, AS APPLICABLE

**Notes:**

1. **All documents/remittances sent by / to the shareholders will be at their risk and shareholders are advised to adequately safeguard their interests in this regard.**
2. **Please read these notes along with the entire contents of the PA and the Offer Letter, particularly the section titled "DETAILS OF TRADING MEMBER, BIDDING CENTRES AND BIDDING PROCEDURE" (Section 14) of the Offer Letter.**
3. In the case of shareholder(s) other than individuals, any documents, such as a copy of a power of attorney, board resolution, authorization, death certificate, etc., as applicable and required in respect of support/verification of this Bid Form shall also be provided; otherwise, the Bid shall be liable for rejection.
4. **Please refer to paragraph 14.23 of the Offer Letter for details of documents.**
5. The number of Equity Shares tendered under the Delisting Offer should match with the number of Equity Shares specified in the transfer deed(s) enclosed or Equity Shares credited in the Special Depository Account under the respective client ID number.
6. In case, the Bid Price is less than the Floor Price of Rs. 140.00, it will be deemed that the Equity Shares have been tendered at the Floor Price.
7. The consideration shall be paid in the name of sole/ first holder.
8. In case, the Bid Forms are not complete in all respects, the same may be liable for rejection.
9. The Bid Forms received/tendered before the commencement of the Bidding Period shall remain valid.
10. **FOR EQUITY SHARES HELD IN DEMATERIALIZED FORM:**
  - a. Before submitting this Bid Form to the Trading Member, please issue necessary instructions to your depository participant (with whom you hold the depository account in which the Equity Shares of The Palani Andavar Mills Limited are presently held) to credit your Equity Shares into the **Special Depository Account of the Manager to the Offer** (whose details are below), so as to enable the Trading Member to tender your Equity Shares in the Delisting Offer pursuant to this Bid cum Acceptance Form. Please ensure that your Equity Shares are credited into the Special Depository Account in **OFF MARKET MODE**.
  - b. Alternatively, you may instruct the Depository Participant to mark a pledge in favour of the Manager to the Offer in respect of the Equity Shares tendered.
  - c. A photocopy of the delivery instruction or counterfoil of the delivery instruction slip furnished to your depository participant (duly acknowledged by such depository participant) as proof of credit of your Equity Shares to the Special Depository Account ("**Depository Participant Instruction**") should be attached to this Bid Form

**DETAILS OF THE SPECIAL DEPOSITORY ACCOUNT ARE GIVEN BELOW:**

Special Depository Account Name	IBMBS LTD – THE PALANI ANDAVAR MILLS LTD – DELISTING OFFER
Name of the Depository Participant	INDBANK MERCHANT BANKING SERVICES LIMITED
Depository	NATIONAL SECURITIES DEPOSITORY LIMITED
DP Identification Number	IN300597
Client Identification Number	10293879
ISIN for the Equity Shares of the Company	INE375G01015

- d. Shareholders having their beneficiary account with Central Depository Services (India) Ltd. have to use inter depository delivery instructions for the purpose of crediting their Equity Shares in favour of the Special Depository Account with the Special Depository Account of the Manager to the Offer.
- e. It is the sole responsibility of shareholders to ensure that their Equity Shares are credited to or pledged in favour of the Special Depository Account on or before 3.00 P.M. on the Bid Closing Date.

**11. FOR EQUITY SHARES HELD IN PHYSICAL FORM:**

Before submitting this Bid Form to the Trading Member, you must execute valid share transfer deed(s) in respect of the Equity Shares intended to be tendered under the Delisting Offer and attach thereto all the relevant physical share certificate(s). The share transfer deed(s) shall be signed by the shareholder (or in case of joint holdings by all the joint holders in the same order) in accordance with the specimen signature(s) recorded with the Company and shall also be duly witnessed. A copy of any signature proof may be attached to avoid any inconvenience. In case, the sole/any joint holder has died, but the share certificate(s) are still in the name of the deceased person(s), please enclose the requisite documents, i.e., copies of death certificate/will/ probate/succession certificate and other relevant papers, as applicable.

**12. FOR UNREGISTERED SHAREHOLDERS : Un Registered shareholders should enclose, as applicable,**

- a. This Bid Form, duly completed and signed in accordance with the instructions contained therein.
- b. Original Share Certificate(s).
- c. Original Broker Contract Note.
- d. Valid Share Transfer Form(s) as received from the market, duly stamped and executed as the transferee(s) along with blank transfer form duly signed as transferor(s) and witnessed at the appropriate place.

All other requirements for valid transfer will be preconditions for acceptance.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 <p>1<sup>st</sup> Floor, Khivraj Complex 1, No. 480 Anna Salai, Nandanam, Chennai 600 035; Phone: 044 – 24313094 – 97; Fax No.: 044 – 24313093; E-Mail:mbachennai@indbankonline.com Contact Person: Ms S Rajalakshmi</p>	 <p>Kanapathy Towers, 3<sup>rd</sup> Floor, 1391/A14, Sathy Road, Ganapathy, Coimbatore 641 006; Phone: 0422 – 6549995, 2539835 – 836; Fax No: 0422 – 2539837; E-Mail: <a href="mailto:info@skdc-consultants.com">info@skdc-consultants.com</a> Contact Person: Mr. K Jayakumar.</p>

13. **FOR SUBMITTING THE BID FORM BY HAND DELIVERY:** Please submit this Bid cum Acceptance Form together with other necessary documents referred to above by Hand Delivery to the Trading Member at any one of the Bid Centers mentioned in the Offer Letter.

14. **FOR SUBMITTING THE BID FORM BY POST/COURIER:** In case you reside in an area where no Bid Centres are located, you may also submit your Bid Form by registered post (at your own risk and cost) so as to ensure that the Bid Form is delivered marked “The Palani Andavar Mills Limited – Delisting Offer” to the Trading Member – Indbank Merchant Banking Services Limited, 1<sup>st</sup> Floor, Khivraj Complex 1, No. 480 Anna Salai, Nandanam, Chennai 600 035 on or before 3.00 p.m. on the Bid Closing Date. Under no circumstances should the Bid Form be dispatched to the Acquirers or the Company, or to the Registrar to the Offer or to the Manager to the Offer. If duly filled Bid Forms arrive before the Bidding Period opens, the Bid will still be valid, however the Trading Member will not submit the Bid Form until the commencement of the Bidding Period.

**ACKNOWLEDGEMENT SLIP**

Received from \_\_\_\_\_ a Bid Cum Acceptance form for \_\_\_\_\_ fully paid up equity shares of THE PALANI ANDAVAR MILLS LIMITED, at a Bid Price of Rs. \_\_\_\_\_ per equity share.

DEMAT SHAREHOLDER		PHYSICAL SHAREHOLDER	
DP ID NO.		FOLIO NUMBER	
CLIENT ID NO.		SHARE CERTIFICATE NO.	
NUMBER OF SHARES		NUMBER OF SHARES	

Received but not verified share certificate(s) and share transfer deeds.

ACKNOWLEDGEMENT		
APPLICATION NUMBER	DATE	SIGNATURE & STAMP

## THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Please read this document along with the Public Announcement published on 15<sup>th</sup> July 2013 ("PA") and the Offer Letter dated 16<sup>th</sup> July 2013, issued by Mrs. Girija Parthasarathy and Mr. P Sanjay Krishna, collectively referred to as ("Acquirers"), since the terms and conditions of the PA and the Offer Letter are deemed to have been incorporated in and form part of this document. Unless the context otherwise requires, expressions in this Bid Revision/Withdrawal Form/ Bid Form have the same meaning as defined in the PA and the Offer Letter.

DELISTING OFFER*			
Bid Opening Date	August 5, 2013	Monday	9:00 AM
Last Date for Revision	August 7, 2013	Wednesday	3:00 PM
Bid Closing Date	August 8, 2013	Thursday	3:00 PM
Floor Price Per Share	Rs. 140/- (One Hundred and Forty only)		

\*The dates are subject to, among other things, the Acquirers obtaining necessary approvals, if any, prior to the Bid Opening Date.

## BID REVISION/ WITHDRAWAL FORM

IN RESPECT OF EQUITY SHARES OF FACE VALUE OF RS. 10/-EACH OF

### THE PALANI ANDAVAR MILLS LIMITED

Pursuant to the Delisting Offer by the Acquirers.

(To be filled by the Trading Member)

Bid Center	Application Number	Date

I/We hereby revoke any offer made in any Bid Form submitted prior to the date of this Bid Revision / Withdrawal Form in respect of the Equity Shares of The Palani Andavar Mills Limited ("the Company"). I/We hereby make a new offer to tender the number of Equity Shares set out or deemed to be set out herein and on and subject to the terms and conditions, as applicable.

1.	<b>Name (in BLOCK LETTERS)</b> (Please write the names of the joint holders in the same order as appearing in the share certificate(s)/ demat account)	<b>Holder</b>	<b>Name</b>	<b>PAN No.</b>
		Sole/First		
		Second		
		Third		
2	<b>TO BE FILLED IN ONLY IF THE NUMBER OF EQUITY SHARES HAVE BEEN INCREASED AS COMPARED TO NUMBER OF EQUITY SHARES TENDERED IN THE PREVIOUS BID FOR SHAREHOLDERS HOLDING EQUITY SHARES IN PHYSICAL FORM.</b> (The details are applicable only for additional offer shares tendered with a view to increase the number of Offer Shares tendered). Details of original share certificate(s) along with duly filled, signed transfer deed(s), as enclosed.			

S. No.	Folio No.	Share Certificate(s) No.	Distinctive Number		Number of Shares
			From	To	
(If the space provided is inadequate please attach a separate continuation sheet)				<b>TOTAL</b>	

**3. TO BE FILLED IN ONLY IF THE NUMBER OF EQUITY SHARES HAS BEEN INCREASED AS COMPARED TO NUMBER OF EQUITY SHARES TENDERED IN THE PREVIOUS BID FOR SHAREHOLDERS HOLDING EQUITY SHARES IN DEMATERIALISED FORM.**  
 (The details are applicable only for additional offer shares tendered with a view to increase the number of Offer Shares tendered). Details of demat account and delivery instruction executed in favour of Special Depository Account.

Name of Depository Participant	
Depository Participant's ID No.	
Client ID No.	
Date of Execution/Acknowledgement of Delivery Instruction (Copy Enclosed)	
Number of Equity Shares	

<b>4. Other Enclosures (as applicable)</b>	Power of Attorney <input type="checkbox"/>	Corporate Authorisation <input type="checkbox"/>
	Death Certificate <input type="checkbox"/>	Others (Please Specify) <input type="checkbox"/>

**5. Details of Previous Bid and Equity Shares tendered pursuant to the Delisting Offer**

Application No. (Please ensure that you have submitted a copy of the acknowledgement of the original Bid Form along with this Bid Revision/ Withdrawal Form)		
<b>Particulars</b>	<b>Figure in Numbers</b>	<b>Figure in Words</b>
Number of Equity Shares		
Bid Price per Equity Share (in Rs.)		

**6. REVISION OF BIDS**

**Details of Revised Bid and Equity Shares tendered pursuant to the Delisting Offer**

<b>Particulars</b>	<b>Figure in Numbers</b>	<b>Figure in Words</b>
Number of Equity Shares		
Bid Price per Equity Share (in Rs.)		

**7. WITHDRAWAL OF BID**

I/We hereby confirm that I/We would like to withdraw the offer acceptance as evidenced by submission of my/our Bid. Form as detailed in point 5 above and would like to treat that Bid as null and void.

YES  NO   
 (Please tick the appropriate box)

Signature			
	Sole/First Holder	Second Holder	Third Holder



CHECK LIST (please tick (✓))	
DEMAT SHAREHOLDERS	PHYSICAL SHAREHOLDERS
1. BID REVISION/WITHDRAWAL FORM.	1. BID REVISION/WITHDRAWAL FORM
2. COPY OF TRADING MEMBER ACKNOWLEDGEMENT SLIP OF THE ORIGINAL BID.	2. COPY OF TRADING MEMBER ACKNOWLEDGEMENT SLIP OF THE ORIGINAL BID.
3. SELF ATTESTED COPY OF PAN CARD	3. SELF ATTESTED COPY OF PAN CARD
4. OTHER DOCUMENTS, AS APPLICABLE.	4. OTHER DOCUMENTS, AS APPLICABLE.
Notes:	
<ol style="list-style-type: none"> <li><b>All documents/remittances sent by/to the shareholders will be at their risk and shareholders are advised to adequately safeguard their interests in this regard.</b></li> <li>The shareholders may withdraw or revise their Bids upwards not later than one day before the closure of the Bidding Period. Downward revision of Bids shall not be permitted.</li> <li>You must submit this Bid Revision/ Withdrawal Form to the same Trading Member and the same Bid Centre through whom your original Bid Form was submitted. Please ensure that you enclose a copy of the acknowledgement slip relating to your previous Bid.</li> <li>Please refer to paragraph 14.23 of the Bid Letter for details of documents</li> <li>Please note that all the information, terms and conditions contained in the original Bid Form shall remain valid, except which has been revised under Bid Revision/ Withdrawal Form.</li> <li>In case you wish to tender additional dematerialized shares, please ensure that you have instructed your depository participant (of the depository account in which your Equity Shares are presently held) to deposit your additional Equity Shares into the Special Depository Account of the Manager to the Offer. Alternatively, you may instruct the depository participant for marking a pledge in favour of the Manager to the Offer in respect of the additional Equity Shares tendered. In case you wish to tender additional physical Equity Shares, please ensure that you attach the additional share certificates and the transfer deed along with the Bid Revision/ Withdrawal Form. Please ensure that the number of Equity Shares tendered under the Bid Revision/ Withdrawal Form is equal to the total number of Equity Shares pledged/deposited into the Special Depository Account of the Manager to the Offer or the number indicated in the share certificate(s) attached and the transfer deed executed.</li> <li>The shareholders holding Equity Shares in dematerialized form are requested to tender the Equity Shares under the Delisting Offer by crediting the Equity Shares to the following Special Depository Account in <b>OFF-MARKET MODE</b>:</li> </ol>	

DETAILS OF THE SPECIAL DEPOSITORY ACCOUNT ARE GIVEN BELOW:	
Special Depository Account Name	IBMBS LTD – THE PALANI ANDAVAR MILLS LTD – DELISTING OFFER
Name of the Depository Participant	INDBANK MERCHANT BANKING SERVICES LIMITED
Depository	NATIONAL SECURITIES DEPOSITORY LIMITED
DP Identification Number	IN300597
Client Identification Number	10293879
ISIN for the Equity Shares of the Company	INE375G01015

8. In case of shareholder(s) other than individuals, copy of power of attorney, board resolution, authorization, etc. as applicable and required in respect of support/ verification of this Bid Revision/ Withdrawal Form, shall also be provided, otherwise, the same shall be liable for rejection.
9. The number of Equity Shares tendered under the Delisting Offer should match with the number of Equity Shares specified in the share certificate(s) enclosed or Equity Shares credited in the Special Depository Account under the respective client ID number.
10. The consideration shall be paid in the name of sole/first holder.
11. In case the Bids are not complete in all respects, the same may be liable for rejection.
12. **FOR SUBMITTING THE BID REVISION / WITHDRAWAL FORM BY HAND DELIVERY:** Please submit this Bid Revision / Withdrawal Form together with other necessary documents referred to above by hand delivery to the same Trading Member and at the same Bid Center where the original Bid Form was submitted. Please refer to the Offer Letter – paragraph 14.3 for the list of Bid Centers.
13. **FOR SUBMITTING THE BID FORM BY POST/COURIER:** In case you reside in an area where no Bid Center is located and/or you had originally tendered your Equity Shares under the Delisting Offer by post/ courier, you may submit your Bid Revision / Withdrawal Form by registered post, speed post/courier (at your own risk and cost) so as to ensure that the Bid Revision / Withdrawal Form is delivered to the Trading Member on or before 3.00 p.m. on one day before Bid Closing Date. Any such request for revision or withdrawal of Bids received after 3.00 p.m. one day before the Bid Closing Date may not be accepted. Under no circumstances should the Bid Revision/ Withdrawal Form be dispatched to the Acquirers or the Company, or to the Registrar to the Offer or to the Manager to the Offer.

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
 <p>1<sup>st</sup> Floor, Khivraj Complex 1, No. 480 Anna Salai, Nandanam, Chennai 600 035; Phone: 044 – 24313094 – 97; Fax : 044 – 24313093; E-Mail:mbachennai@indbankonline.com Contact Person: Ms S Rajalakshmi</p>	 <p>Kanapathy Towers, 3<sup>rd</sup> Floor, 1391/A14, Sathy Road, Ganapathy, Coimbatore 641 006; Phone: 0422 – 6549995, 2539835 – 836; Fax No: 0422 – 2539837; E-Mail: <a href="mailto:info@skdc-consultants.com">info@skdc-consultants.com</a> Contact Person: Mr. K Jayakumar.</p>
<p>14. <b>FOR SUBMITTING THE BID FORM BY HAND DELIVERY:</b> Please submit this Bid cum Acceptance Form together with other necessary documents referred to above by Hand Delivery to the Trading Member at any one of the Bid Centers mentioned in the Offer Letter.</p> <p>15. <b>FOR SUBMITTING THE BID FORM BY POST/ COURIER:</b> In case you reside in an area where no Bid Centers are located, you may also submit your Bid Form by registered post (at your own risk and cost) so as to ensure that the Bid Form is delivered marked “The Palani Andavar Mills Limited – Delisting Offer” to the Trading Member – Indbank Merchant Banking Services Limited, 1<sup>st</sup> Floor, Khivraj Complex 1, No. 480 Anna Salai, Nandanam, Chennai 600 035 on or before 3.00 p.m. on the Bid Closing Date. Under no circumstances should the Bid Form be dispatched to the Acquirers or the Company, or to the Registrar to the Offer or to the Manager to the Offer. If duly filled Bid Forms arrive before the Bidding Period opens, the Bid will still be valid, however the Trading Member will not submit the Bid Form until the commencement of the Bidding Period.</p>	

### ACKNOWLEDGEMENT SLIP

Received from \_\_\_\_\_ a Bid Revision/ Bid Withdrawal form for \_\_\_\_\_ fully paid up equity shares of THE PALANI ANDAVAR MILLS LIMITED, at a Bid Price of Rs. \_\_\_\_\_ per equity share.

DEMAT SHAREHOLDER		PHYSICAL SHAREHOLDER	
DP ID NO.		FOLIO NUMBER	
CLIENT ID NO.		SHARE CERTIFICATE NO.	
NUMBER OF SHARES		NUMBER OF SHARES	

Received but not verified share certificate(s) and share transfer deeds.

ACKNOWLEDGEMENT		
APPLICATION NUMBER	DATE	SIGNATURE & STAMP