

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

EXIT OFFER LETTER

To The Public Shareholders Of

SREE KARPAGAMBAL MILLS LIMITED

Registered Office:Cholapuram South P. O. Pin 626139, Rajapalayam, Tamil Nadu, India.

CIN: U17111TN1956PLC003369;

Tel: +91-4563-284985; **Fax:** +91-4563-284652; **Email:**info@karpagambal.com; **Website:** www.karpagambal.com

Date: August 8, 2017

Dear Shareholder(s),

We are pleased to send you this “Exit Offer Letter” being the equity shareholder of SreeKarpagambal Mills Limited (“SKML”/“Company”) pursuant to applicable provisions of SEBI Circular no. SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016 (“SEBI Circular”) in respect of companies moved to Dissemination Board of Stock Exchanges.

Exit Offer at a price of Rs.389.81/- per equity share (‘Exit Offer Price’)

As you may be aware, the equity shares of face value of `10 each (“**Equity Shares**”) of the Company were listed on **Madras Stock Exchange** (“MSE”)and **Bangalore Stock Exchange** (“BgSE”). The Company has been placed on the Dissemination Board (“**DB**”) of National Stock Exchange of India Limited (“**NSE**”/ “**Stock Exchange**”) with effect from March 27, 2015.

I, **Mr. A. Palaniappan** (hereinafter referred to as the “**Acquirer**”), being the promoter of SKML, on behalf of himself and/or entities forming part of promoter group, in terms of applicable provisions of SEBI Circular intend to provide an exit opportunity and have appointed Hem Securities Limited (“**Independent Valuer**”), a category I Merchant Banker and an empaneled Registered Valuer on NSE as Independent Valuer, to carry out valuation of equity shares of the Company and carry out the process of “**Exit Offer**”.

Presently, the Promoters along with entities forming part of the promoter group hold 1,33,788 Equity Shares representing 66.89% of the total equity share capital and the public shareholders (“**Public Shareholders**”) hold 66,212 Equity Shares representing 33.11% of the total equity share capital.

Justification of Exit Offer Price

As per the valuation report dated July 27, 2017 (“**Valuation Report**”) submitted by the Independent Valuer, the fair value of Equity Shares of SKML works out to Rs. 389.81/- (Rupees Three Hundred Eighty Nine and Paise Eighty One only) per Equity Share. The Fair Value has been arrived at by applying the Discounted Cash Flow Method (DCF) and Net Asset Value Method. Based on the Valuation Report, the Acquirer on behalf of himself and/or entities forming part of promoter group are making an offer to acquire the Equity Shares from the public shareholders at an exit price of `389.81/- (Rupees Three Hundred Eighty Nine and Paise Eighty One only) per Equity Share.

Rationale for making the Exit Offer

There has been extremely limited or no ‘trading’ in Equity Shares of the Company on MSE &BgSE or on DB of NSE in past many years. The public shareholding of the Company is 33.11% of the total equity share capital. The exit option offered is in the interest of the shareholders as they will have an exit opportunity and get a fair value for their Equity Shares.

In view of above, the Acquirer propose to acquire all the Equity Shares from the Public Shareholders representing 33.11% of total equity share capital by giving an exit opportunity at Rs. 389.81/- per EquityShare as determined in consultation with the Independent Valuer and in accordance with SEBI Circular and guidelines issued by the Stock Exchange.

OFFER PROCESS

We hereby request you to kindly comply with the requirements as mentioned herein, to avail of the exit offer.

Tendering of Shares

- a. All Public Shareholders, whether holding Equity Shares in dematerialized form or physical form, are eligible to participate in this Exit Offer at any time during the tendering period of this Exit Offer.
- b. The Public Shareholders who wish to tender their Equity Shares pursuant to this Exit Offer will be required to send their application form in the manner specified in this Exit Offer Letter to Cameo Corporate Services Limited (“**Registrar to the Exit Offer**”), in accordance with the instructions contained in this Exit Offer Letter and Application Form.

- c. The Public Shareholders who wish to tender their Equity Shares in this Exit Offer will have to deliver the relevant documents as mentioned below and such other documents as specified in the Exit Offer Letter at the Registrar to the Exit Offer's office either by hand delivery or by registered post or by courier between **10.00 a.m. and 5.00 p.m.** on any Working Day during the Tendering Period. **The documents should not be sent to the Company or the Acquirer or the Independent Valuer or the Manager to the Exit Offer.**
- d. Persons who have not received the Exit Offer Letter, may also tender their Equity Shares by downloading the Exit Offer Letter from the Company's Website (www.karpagambal.com) which would be available from five (5) days before opening of the Exit Offer.
- e. Such application should be sent to the Registrar to the Exit Offer together with the relevant share certificate(s) and duly stamped transfer forms (if the Equity Shares are held in physical form) or a photocopy of the DP instruction slip duly acknowledged by the DP (in the case of Equity Shares held in dematerialized form) in "off-market" mode and/or such other documents as specified in this Exit Offer Letter
- f. **Public Equity Shareholders holding Equity Shares in dematerialized form shall deliver the following documents**
 - i. Application Form duly completed and signed in accordance with the instructions contained therein, as per the records of the depository.

Photocopy or counterfoil of the filled delivery instruction slip in "off-market" mode duly acknowledged by the DP for transferring the Equity Shares in the designated depository account ("**Special Depository Account**"), as per the instruction given below shall be submitted to Registrar to the Exit Offer at **Cameo Corporate Services Limited "Subramanian Building" #1, Club House Road, Chennai - 600 002, India**, before the closure of tendering period i.e. Friday, September 01, 2017:

Depository Participant Name	Stock Holding Corporation of India Ltd
DP ID	IN301330
Client ID	21861105
Account Name	CAMEO CORPORATE SERVICES LTD ESCROW A/C SREE KARPAGAMBAL MILLS LTD EXIT OFFER
Depository	National Securities Depository Limited

It is the sole responsibility of the Public Shareholders to ensure credit of their respective Equity Shares in the depository account above, prior to the expiry of tendering period of the offer.

- ii. For each delivery instruction, the beneficial owner should submit a separate application form. Public Shareholders having their beneficiary account in Central Depository Services (India) Limited (CDSL)] will have to use "Inter-Depository" delivery instructions slip for the purpose of crediting their equity shares in favour of the aforesaid designated depository account with CDSL. The ISIN of Equity Shares is INE965M01011. The Public Shareholders who have sent their physical Equity Shares for dematerialization need to ensure that the dematerialization process is completed in sufficient time to ensure that the credit in the designated depository account is received on or before closure of the Exit Offer.
- iii. In case of corporate shareholder, a copy of the PAN card, power of attorney, corporate authorization (including board resolution / specimen signature) and no objection certificate / tax clearance certificate from income tax authorities, as applicable.

In case the aforesaid documents have not been submitted but the Equity Shares have been transferred to the designated depository account, the Equity Shares shall be deemed to have been accepted for all Public Shareholders.

- g. **Public Equity Shareholders who are holding Equity Shares in the physical form and who wish to tender their respective Equity Shares in the offer are required to submit the following**
 - i. Duly completed and signed Application Form addressed to the Registrar to the Exit Offer,
 - ii. The Original Share Certificate(s),
 - iii. Valid transfer deed(s), and
 - iv. Self-attested copies of PAN card of all the transferor(s)
 - v. Banker's attestation of signature of the transferor(s)
 - vi. Copy of any one of the KYC document, viz., Aadhaar Card, Voter Id, Driving License, Passport etc.
 - vii. Board resolution, MOA & AOA along with KYC of authorized signatory, in case of Body corporate
 - viii. Such other documents as may be specified in the Application Form.

These documents shall be sent either by hand delivery on weekdays or by registered post or by courier to the Registrar to the Exit Offer at the below mentioned address, so as to reach on or before the closure of the tendering period i.e not later than Friday, September 01, 2017 in accordance with the instruction specified in the Exit Offer Letter and the Application Form:

Registrar to the Exit Offer:

Cameo Corporate Services Limited

"Subramanian Building"

#1, Club House Road

Chennai - 600 002, India

Contact Person: Ms. Sreepriya K

Tel.: 044-28460390 (5 Lines)

Email: investor@cameoindia.com

Website: www.cameoindia.com

SEBI Registration: INR00003753

In case of non-receipt of the duly completed Application Form, but receipt of other documents including the original share certificates, valid share transfer deeds and PAN, prior to the closure of the Tendering Period i.e. not later than Friday, September 01, 2017, the Acquirer may, in their sole discretion, deem the Equity Shares to have been accepted under the Exit Offer.

Settlement

The payment for accepted Equity Shares will be made within fifteen (15) working days from the date of closure of this Exit Offer by way of pay order/demand draft/RTGS/NEFT or any other permitted electronic mode of transfer. In case of joint holders, payments will be made in the name of the first holder.

Public Shareholders who opt to receive consideration through electronic means are requested to give the authorization for electronic mode of transfer of funds in the application form, provide the Magnetic Ink Character Recognition / Indian Financial System Code of their bank branch and enclose a cancelled cheque or a photocopy of a cheque associated with the particular bank account, along with the Application Form.

For Public Shareholders who do not opt for electronic mode of transfer, payment consideration will be made by pay orders or demand drafts payable at par at places where the address of the Public Equity Shareholder is registered and will be dispatched to the shareholder(s) by registered post.

For the purposes of electronic transfer, in case of Public Shareholders opting for electronic payment of consideration and for the purposes of printing on the demand draft / pay-order for the other cases, the bank account details will be taken directly from the Depositories' database, wherever possible. A Public Shareholder tendering Equity Shares in the Offer is deemed to have given consent to obtain the bank account details from the Depositories for this purpose. Only if the required details cannot be obtained from the Depositories' database will the particulars provided by the Public Shareholders be used.

The Acquirer shall certify to the satisfaction of NSE that appropriate procedure has been followed for providing exit to Public Shareholders of the Company. Subsequently, NSE upon satisfaction shall remove the Company from the dissemination board.

Liability of the Promoter Post Exit Offer

The Acquirer of SKML on behalf of himself and/or entities forming part of promoter entities are liable to acquire the Equity Shares of public shareholders who have not offered their Equity Shares under Exit Offer upto a period of one (1) year from the closure date of the Exit Offer period i.e. Monday, September 03, 2018 at the same price as determined by the Independent Valuer.

In regards to tendering of shares by the Public Shareholders who have not participated in during Monday, August 28, 2017 to Friday, September 01, 2017, may do so within one (1) year from the closure date of Exit Offer period i.e. Monday, September 03, 2018 by submitting the duly filled Application Form with the accompanying documents to the Registrar to the Exit Offer via hand delivery or the registered post or the courier. Upon receipt of duly filled valid Application Forms (together with necessary enclosures) and receipt of the shares in the Special Depository Account mentioned hereinabove / receipt of physical share certificates (along with duly filled in transfer deeds, as applicable) by the Registrar to the Exit Offer, the Registrar to the Exit Offer shall dispatch the demand draft to the respective Public Shareholder or the bank shall be instructed to make electronic funds transfer to the respective Public Shareholders (as the case may be), who have validly tendered their shares in the Exit Offer, on a monthly basis, within 10 working days of the end of the relevant

calendar month (“**Monthly Payment Cycle**”). Payments will be made only to those Public Shareholders who have validly tendered their Equity Shares, by following the instructions laid out in the Exit Offer Letter and the enclosed Application Form. Note that the Acquirer reserves the right to make the payment earlier.

Exit Offer Period

You may tender your application form with the accompanying documents to the Registrar to the Exit Offer at the above mentioned address on all working days during normal working hours (excluding public holiday) from **Monday, August 28, 2017 to FridaySeptember01, 2017 (both days inclusive)**.

Public Shareholder’s participation in the Exit Offer is voluntary. Public Shareholderscan choose to participate, in part or in full and get cash in lieu of the Equity Sharesaccepted under the Exit Offer or they may choose to hold the Equity Shares.

Exit Offer Schedule:

Date of Opening of Offer	Monday August 28, 2017
Date of Closing of Offer	FridaySeptember01, 2017
Last Date for Payment of Consideration	Thursday, September 21, 2017

If you seek any clarification/information in connection with this Exit Offer Letter you may please consult the Manager to the Exit Offer at under mentioned address.



IDBI CAPITAL MARKETS & SECURITIES LIMITED

(Formerly known as IDBI Capital Market Services Limited)

3rd Floor, Mafatlal Centre, Nariman Point, Mumbai- 400 021

Contact person: Mr. Sooraj Bhatia / Mr. Subodh Gandhi

Tel: +91 (22) 4322 1212 | **Fax:** 91 (22) 22850785

Email: skml@idbicapital.com | **Website:** www.idbicapital.com

SEBI Registration No.: INM000010866 | **Validity Period:** Permanent Registration

For and on behalf of all the entities forming part of the Promoter Group of SKML

Sd/-

A. Palaniappan

Place: Rajapalayam.

Date: August 8, 2017

APPLICATION FORM
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR
IMMEDIATE ATTENTION

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

EXIT OFFER

OPENS ON: Monday, August 28, 2017

CLOSES ON: Friday, September 01, 2017

From:

Name:

Address:

Tel No.:

Fax No.:

E-mail:

To,

Cameo Corporate Services Limited

"Subramanian Building"

#1, Club House Road

Chennai - 600 002. Tamil Nadu.

Sub: Exit Offer to the Public Shareholders of SreeKarpagambal Mills Limited ("SKML"/"Company") by Mr. A. Palaniappan ("Acquirer") on behalf of himself and/or entities forming part of promoter group to acquire equity shares of face value of Rs10/- each ("Equity Shares") at the Exit Price of Rs389.81/- ("Exit Price") per equity share ("Exit Offer").

Dear Sirs,

1. I/We refer to the Exit Offer Letter dated August 8, 2017 ("**Exit Offer Letter**") for acquiring the Equity Shares held by me/us in SreeKarpagambal Mills Limited.
2. I/We the undersigned, have read the Exit Offer Letter and understood its contents including the terms and conditions as mentioned therein.
3. I/We hereby tender/offer my/ our Equity Shares in response to the Exit Offer in terms and conditions set out below and in the Exit offer Letter.
4. I/ We hereby affirm and warrant that the Equity Shares comprised in this tender/ offer are offered for Exit Offer by me / us are free from all liens, equitable interest, charges and encumbrance.
5. I/We declare and warrant that there are no restraints / injunctions or other order(s)/ covenants of any nature which limits / restricts in any manner my / our right to tender Equity Shares for the Exit Offer and that I / we am / are legally entitled to tender/ offer the Equity Shares for the Exit Offer.
6. I/We agree that the consideration for the accepted Equity Shares will be paid to the Shareholder as per the terms and conditions set out in the Exit Offer Letter and circulars issued by the SEBI.
7. I/We also understand that the payment of consideration will be done after due verification of Application Form, documents and signatures.
8. I/We undertake to return to the Acquirer any Exit Offer consideration that may be wrongfully received by me / us.
9. I/We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Acquirer to effect the Exit Offer in accordance with the SEBI Circular
10. I/We authorise the Acquirer to the Exit Offer and Registrar to the Exit Offer to send the payment of consideration by way of Cheque/demand draft through registered post or ordinary post or courier, or electronic credit as the case may be, and at the address registered with the Company.
11. I/We agree that upon acceptance of the Equity Shares by the Acquirer, tendered by me/us under the Exit 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 further authorize the Acquirer to return to me/us, the Equity Share certificate(s) in respect of which the Application Form is not found valid/not accepted, specifying the reasons thereof and in the case of dematerialised Equity Shares, to the extent not accepted will be released to my depository account at my/our sole risk.
13. I/We acknowledge and confirm that all the particulars/statements given are true and correct.

For Equity Shares held in Physical Form:

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

Sr. No.	Folio No.	Certificate No.	Distinctive No(s)		No. of Shares
			From	To	
Total number of Equity Shares					

(In case of the space provided is inadequate, please attach a separate sheet with the details)

I/We note and understand that the original share certificate(s) and valid share transfer deed will be held in trust for me/us by the Registrar to the Exit Offer until the time the Acquirer pay the purchase consideration as mentioned in the Exit Offer Letter. I/We also note and understand that the Acquirer will pay the purchase consideration only after verification of the documents and signatures.

For Equity Shares held in Demat Form:

I/We hold shares in demat form and accept the Exit Offer and enclose photocopy of the Delivery Instruction Slip duly acknowledged by DP in respect of my / our Equity Shares as detailed below:

Depository Participant Name	DP ID	Client ID	No. of Shares	Name of Beneficiary

I/We have done an off market transaction for crediting the shares to the Escrow Account named “CAMEO CORPORATE SERVICES LTD ESCROW A/C SHREE KARPAGAMBAL MILLS LTD EXIT OFFER” with the following particulars:

Depository Participant Name: Stock Holding Corporation of India Ltd, **DP ID No.:** IN301330, **Beneficiary Account No.:** 21861105. Shareholders whose shares are held in a beneficiary account with “CDSL” should use an “Inter Depository Delivery Instruction” to transfer their shares to the designated depository account with NSDL.

I/We note and understand that the shares would lie in the designated depository account until the time the Acquirer makes payment of purchase consideration as mentioned in the Exit Offer Letter.

I/We authorise the Acquirer / Manager to the Exit Offer to send the pay order / demand draft by registered post, in settlement of the amount to the sole/first holder at the address mentioned below:

Bank Account Details:

Name of the Bank	:								
Branch	:								
Account Number	:								
Saving / Current / Others (please specify)	:								
IFSC Code (For RTGS / NEFT Transfers)#	:								
9 Digit MICR Code (For ECS Credit)#	:								

#Refer para on settlement on page 3 of Exit Offer Letter

Note: The shareholder(s) may provide details of bank account of the first/sole shareholder and the consideration vide electronic transfer / demand draft / pay order will be drawn accordingly.

Yours Faithfully,

	First / Sole Holder	Joint Holder 1	Joint Holder 2	Joint Holder 3
Full Name(s) of the Shareholder				
Signature				
PAN No.				
Address of the Sole / First Equity Shareholder				
Tele No. / Email ID. of the Sole / First Equity Shareholder				

Note: Incase of joint holdings, all holders must sign. A corporation must affix its common seal.

Place:

Date:

-----TEAR HERE-----

Folio No.:	Sr. No.	Cameo Corporate Services Ltd. – SKML – Exit Offer	(Acknowledgement Slip)
Received from Mr. / Ms.			(Signature of Official and Date of Receipt)
Address			
Application form, #----- Number of Share Certificates for ----- ----- shares / # Copy of Delivery Instruction Slip to (DP) for ----- shares			

Delete whichever not applicable

INSTRUCTION FOR TENDERING EQUITY SHARES UNDER THE EXIT OFFER

1. Please read the enclosed Exit Offer Letter carefully before filling this Application Form.
2. A shareholder / member desiring to tender shares is requested to complete the enclosed application form for Exit Offer (the form), in all respect.
3. The form shall be completed and signed by the shareholder. In case of joint holders, the form should be signed by all the shareholders in the order of their holding. The signature should match with the specimen signature registered with the Company. The form shall be rejected if the signature on the form does not match with the specimen signature registered with the Company. The form incomplete in any manner whatsoever shall be liable to be rejected.
4. A member may sign the form through an Attorney appointed specially for this purpose, in such case an attested true copy of the Power of Attorney should be attached to the form.
5. Shareholders should enclose the following:
 - a. **Procedure for Shares held in Physical Form –**
Registered Shareholders should enclose:
 - Application Form duly completed and signed in accordance with the instructions contained therein, by sole/ joint shareholders whose name(s) appears on the Share certificate(s) and in the same order in which their name(s) appear in the register of Shareholders and as per the specimen signature lodged with the Company;
 - Original Share certificate(s);
 - Valid Transfer Deed(s) duly signed as transferor(s) by the sole/joint Shareholder(s) in the same order and as per specimen signatures lodged with the Company and duly witnessed at the appropriate place. The Transfer Deed should be left blank, except for the signatures as mentioned above. A blank share transfer form is enclosed along with this Exit Offer Letter.
 - Self-attested copies of PAN card of all the transferor(s)
 - Banker's attestation of signature of the transferor(s)
 - Copy of any one of the KYC document, viz., Aadhar card, Voter Id, Driving license, Passport etc.
 - Board resolution, MOA & AOA alongwith KYC of authorized signatory, in case of Body corporate
 - b. **Procedure for Shares held in Demat Form –**
Beneficial owners should enclose:
 - Application Form duly completed and signed in accordance with the instructions contained therein, by sole/ joint Shareholders whose names appear in the beneficiary account and in the same order therein;
 - A photocopy or counterfoil of the delivery instructions in “off market” mode, duly acknowledged by the beneficial owners' DP and completed as per the details of the designated depository account.
6. Please ensure that your EquityShares are credited into the Escrow Account in OFF-MARKET MODE. For each delivery instruction the beneficial owner should submit separate Application Form.
7. Failure to credit your Equity Shares into the correct Special Depository Account may result in rejection.
8. The shareholders may attach any additional document(s) with this application which they deem fit to supplement his/ her application.
9. All documents/ remittances sent by Shareholders will be at their own risk. Shareholders are advised to safeguard adequately their interests in this regard.
10. Public Shareholder's participation in the Exit Offer is voluntary. Public Shareholders can choose to participate, in part or in full and get cash in lieu of the Equity Shares accepted under the Exit Offer or they may choose to hold the Equity Shares

Form No. SH-4
Securities Transfer Form
[Pursuant to section 56 of the Companies Act, 2013 and sub-rule (1) of rule 11 of the Companies (Share Capital and Debentures) Rules 2014]

Date of Execution ___/___/_____

FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN: U17111TN1956PLC003369

Name of the company (in full): SREE KARPAGAMBAL MILLS LIMITED

Name of the Stock Exchange where the company is listed, if any: NA

DESCRIPTION OF SECURITIES:

Kind/ Class of Securities (1)	Nominal value of each unit of security (2)	Amount called up per unit of security (3)	Amount paid up per unit of security (4)
Equity	Rs. 10/-	Rs.10/-	Rs.10/-

No. of securities being transferred		Consideration received(Rs.)	
In figures	In words	In words	In figures

Distinctive number	From						
	To						
Corresponding Certificates Nos.							

Transferor's Particulars-

Registered Folio Number:

Name (s) in full

signature(s)

I, hereby confirm that the transferor has signed before me

Signature of Witness:

Name and address:

Attestation:

I hereby attest the signature of the Transferor(s) herein mentioned.

Signature:

Name, Address & Seal.

Transferee's Particulars

Name in Full	Father's/ Mother's/ Spouse name	Address & E-mail id	Occupation	Existing Folio No. (if any)	Signature
(1)	(2)	(3)	(4)	(5)	(6)

Folio No. of Transferee:

Specimen Signature of Transferee

.....

Value of stamp affixedRs:.....

Enclosures:

- (1) Certificate of shares or debentures or other securities
- (2) If no certificate is issued, letter of allotment.
- (3) Others, specify.....

Stamps:

<p>For office use only</p> <p>Checked by.....</p> <p>Signature tallied by.....</p> <p>Entered in the Register of Transfer on vide Transfer No.....</p> <p>Approval Date.....</p> <p>Power of attorney/Probate/Death Certificate/Letter of Administration Registered onat</p> <p>No.....</p>
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SREE KARPAGAMBAL MILLS LIMITED

PURSUANT TO SEBI CIRCULAR NO. SEBI/HO/MRD/DSA/CIR/P/2016/110
DATED OCTOBER 10, 2016

Registered Office: Cholapuram South P. O. Pin - 626139, Rajapalayam, Tamil Nadu, India
CIN: U17111TN1956PLC003369; Tel.: +91-4563-284985; Fax: +91-4563-284652;
Email: info@karpagambal.com; Website: www.karpagambal.com

This Public Announcement ("PA") is being issued by Mr. A. Palaniappan (hereinafter referred to as the "Acquirer"), the promoter of Sree Karpagambal Mills Limited ("SKML"/"Company"), to Public Shareholders of the Company in accordance with Securities and Exchange Board of India ("SEBI") Circular no. SEBI/HO/MRD/DSA/CIR/P/2016/110 dated October 10, 2016 ("SEBI Circular") in respect to the proposed exit offer ("Exit Offer").

I. BACKGROUND

SKML is public limited company incorporated under provisions of Companies Act, 1956 having its registered office at Cholapuram South P. O. Pin - 626139, Rajapalayam, Tamil Nadu, India. The Company is engaged in manufacturing and sale of textile yarn and fabric. The equity shares of face value of ₹ 10/- each ("Equity Shares") of the Company were listed on the Madras Stock Exchange ("MSE") and Bangalore Stock Exchange ("BgSE") which have been de-recognised by SEBI. Consequently, the Company has been placed on the Dissemination Board ("DB") of National Stock Exchange of India Limited ("NSE"/"Stock Exchange") with effect from March 27, 2015.

Shareholding of SKML as on June 30, 2017: Out of the total 2,00,000 Equity shares issued by SKML, 1,33,788 Equity Shares (66.89%) are held by the promoter & promoter group and the balance 66,212 Equity Shares (33.11%) are held by Public Shareholders.

Financial Overview: For the financial year ended March 31, 2017, SKML had earned a total income of ₹ 150.69 crores with a loss after tax of ₹ 2.45 crores. The network of SKML as on March 31, 2017 was ₹ 24.65 crores.

The Acquirer on behalf of himself and/or entities forming part of the promoter group, have in term of applicable provisions of SEBI Circular, expressed their intention to provide an exit opportunity to the Public Shareholders of the Company and have submitted the "Plan of Action" to NSE on June 30, 2017. The Acquirer has appointed Hem Securities Limited ("Independent Valuer") an approved valuer from the list of empanelled valuers on the NSE as the Independent Valuer to carry out valuation of Equity Shares of the Company.

The Acquirer now seeks to acquire 66,212 (Sixty Six Thousand Two Hundred Twelve Only) Equity Shares representing 33.11% of the paid-up capital equity share capital of the Company from the Public Shareholders of the Company. Subsequently to the completion of the process, the Company shall make an application to NSE for removal of its name from the DB of NSE.

This PA is being issued in terms of the SEBI Circular. The Acquirer will inform the Public Shareholders by way of a notice in the same newspaper in which the present PA is published, of material changes, if any, to the information set out in this PA.

II. EXIT OFFER PRICE AND JURISDICTION

The Acquirer has appointed Independent Valuer for the purpose of determining the exit price of the Equity Shares of the Company. As per the valuation report dated July 27, 2017 ("Valuation Report") submitted by the Independent Valuer, the Fair Value per Equity Shares of the Company works out to ₹ 389.81 (Rupees Three Hundred Eight Nine and Paise Eighty One only) per Equity Share. The Fair Value has been arrived at by applying the Discounted Cash Flow Method and Net Asset Value Method. Based on the Valuation Report, the Acquirer is making an offer to acquire the Equity Shares from the Public Shareholders at an exit price of ₹ 389.81 (Rupees Three Hundred Eight Nine and Paise Eighty One only) per Equity Share ("Exit Price").

Public Shareholder's participation in the Exit Offer is voluntary. Public Shareholders can choose to participate, in part or in full and get cash in lieu of the Equity Shares accepted under the Exit Offer or they may choose to hold the Equity Shares.

III. ACTIVITY SCHEDULE FOR EXIT OFFER

Date of Opening the Exit Offer	Monday, August 28, 2017
Date of Closing the Exit Offer	Friday, September 01, 2017
Last Date of Payment of Consideration	Thursday, September 21, 2017

IV. LIABILITIES OF THE ACQUIRER

The Acquirer on behalf of the him and/or entities forming part of the promoter group are liable to acquire the Equity Shares of Public Shareholders who have not offered their Equity Shares under this Exit Offer up to a period of one (1) year from the completion of the Exit Offer, at the same Exit Price as determined by the Independent Valuer.

V. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

The Exit Offer Letter along with the application form is being dispatched to all Public Shareholders of the Company. In case of non-receipt of the Exit Offer Letter and the application form, such Public Shareholders of the Company may download the same from the Company's website i.e. www.karpagambal.com.

The payment for Equity Shares accepted under the Exit Offer will be made within fifteen (15) working days from the date of closing of Exit Offer by way of pay order/demand draft/RTGS/NEFT or any other permitted electronic mode of transfer. In case of joint holders, payments will be made in the name of the first holder.

The Acquirer shall certify to the satisfaction of NSE that appropriate procedure has been followed for providing exit to Public Shareholders of the Company. Subsequently, NSE upon satisfaction shall remove the Company from the DB.

MANAGER TO THE EXIT OFFER

IDBI CAPITAL MARKETS & SECURITIES LIMITED

(Formerly known as IDBI Capital Market Services Limited)

3rd Floor, Mafatlal Centre, Nariman Point, Mumbai - 400 021.

Contact Person: Mr. Sooraj Bhatia;

Tel.: +91 (22) 4322 1212; Fax: +91 (22) 2285 0785;

Email: skml@idbicapital.com; Website: www.idbicapital.com;

SEBI Registration No.: INM000010866; Validity Period: Permanent Registration

For and on behalf of all the entities forming part of the
Promoter Group of SKML

Place : Rajapalayam
Date : August 07, 2017

Sd/-
A. Palaniappan