



THE SOUTH INDIA PAPER MILLS LIMITED

Regd. Office & Factory : Chikkayana Chatra, Nanjangud - 571 302, Karnataka State, India

Corporate & Marketing Office : # 1205 / 1206, Prestige Meridian II, M.G Road, Bangalore - 560 001.

Ref: Open offer / 2026

15.10.2026

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

Dear Sir / Madam,

Scrip Code: 516108

Sub: Submission of recommendation by the Committee of Independent Directors pursuant to Regulation 26(7) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("SEBI (SAST) Regulations").

Ref: Public announcement dated 18th August, 2026, detailed public statement dated 25th August, 2026, draft letter of offer dated 02nd September 2026 and the letter of offer dated 13th October, 2026 made by Nandini Modi and Kirit Modi ("**Acquirers**") along with PACs to the public shareholders to acquire upto 48,75,000 (Forty Eight Lakhs Seventy Five Thousand only) fully paid-up equity shares with a face value of Rs. 10/- (Rupees Ten) each, representing 26% (twenty six percent) of the Voting Share Capital of the Target Company at an offer Price of Rs. 120/- per share ("**Open Offer**").

We enclose herewith the written reasoned recommendation approved by the Committee of Independent Directors of the Company (Target Company), at its meeting held on 15th October 2026, relating to the Open Offer, pursuant to Regulation 26(7) of the SEBI (SAST) Regulations. The same will also be published in the following newspapers:

Sr. No	Newspapers	Language	Editions
1	Financial Express	English	All India
2	Jansatta	Hindi	All India
3	Udaykala	Kannada	Bangalore
4	Mumbai Lakshdeep	Marathi	Mumbai

We are also forwarding a copy of above recommendation to the Securities and Exchange Board of India (SEBI) and Indcap Advisors Private Limited, the Manager to the Open Offer.

SIPM

CIN (Corporate Identity No.) L85110KA1959PLC001352

FACTORY : PHONE : (91) (08221) 228265-67

CORPORATE : PHONE : (91) (080) 41123605

E-mail : marketing@sipaper.com Grams : PAPERMILLS Website : www.sipaper.com

We request you to kindly take the above on record in terms of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and SEBI (SAST) Regulations 2011.

This is for your information and record.

Thanking you,

Yours faithfully

For The South India Paper Mills Limited

**Vidya
Bhat**

Digitally signed
by Vidya Bhat
Date: 2026.10.15
19:59:13 +05'30'

Vidya Bhat

Company Secretary & Compliance Officer

ACS 29436

Encl: As above



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RECOMMENDATIONS OF THE COMMITTEE OF THE INDEPENDENT DIRECTORS

Recommendations of the Committee of Independent Directors, constituted by the Board of Directors of The South India Paper Mills Limited (hereinafter referred to as 'IDC') on the open offer made by Mrs Nandini Modi and Mr Kirit Modi (the Acquirers) and the Persons Acting in concert (PAC's) to the public shareholders of The South India Paper Mills Limited (Target Company) for acquisition of upto 48,75,000 (Forty Eight lakh Seventy Five Thousand) Equity shares constituting 26% of fully paid up Equity share capital of the Target Company, under Regulation 26(7) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof (SEBI SAST Regulations)

1.	Date	15 th October 2026
2.	Name of the Target Company (TC)	The South India Paper Mills Limited
3.	Details of the offer pertaining to the TC	Open offer by the Acquirers and PACs for acquisition of 48,75,000 fully paid-up equity shares of face value Rs 10 each, representing 26% of the Voting Share Capital of the Company, at a price of ₹120/- (Rupees One Hundred and Twenty only) per equity share, payable in cash, aggregating to a Maximum Offer Consideration of ₹58,50,00,000/-, pursuant to the Public Announcement dated 18 th August 2026 and Detailed Public Statement dated 25 th August 2026, made in terms of Regulations 3(1) and 4 of the SEBI (SAST) Regulations, 2011 consequent to the Share Purchase Agreement dated 18 th August 2026 entered into among the Acquirers and the Sellers
4.	Name of the Acquirer(s) and Persons Acting in Concert(PAC's) with the Acquirer	Acquirers: Mrs Nandini Modi and Mr Kirit Modi , Persons Acting in Concert (PAC's) Sachin Kirit Modi, Swapnil Kirit Modi,

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Handwritten signature/initials.

		Riddhi Sachin Modi, Bhuvni Swapnil Modi, Rihaan Sachin Modi, Rigid Containers Private Limited and Fortune Packaging LLP
5.	Name of the Manager to the offer	Indcap Advisors Private Limited, Suite #1201, 12 th Floor, Aurora Waterfront, GN 34/1, Sector V, Salt Lake City, Kolkata – 700091, West Bengal, India; Tel. No.: +91 33 4069 8001; Email id: openoffers@indcap.in; Website: www.indcap.in; Investor grievance id: investors@indcap.in; SEBI Registration No.: INM000013031;
6.	Members of the Committee of Independent Directors (IDC)	Mr Meenakshi Sundaram Shivakumar - Chairman Mr Nagaraja Srivatsa – Member Mr Gomatam Ravi - Member Mrs Gargi Ojha - Member
7.	IDC Member's relationship with the TC (Director, Equity Shares owned, any other contract/ relationship), if any	The Members of the IDC are Independent Directors of the Company None of the members of the IDC hold any equity shares / Securities of the Target Company, except for Mr Gomatam Ravi who holds 1,000 Equity shares of Rs 10 each, of the Company. Except as mentioned below, none of the members of the IDC have entered into any contract or have any relationship with the Target Company: (a) Mr. Meenakshi Sundaram Shivakumar is the Chairman of the Audit Committee, Nomination & Remuneration committee of the Target Company. (b) Mr. Nagaraja Srivatsa is the Chairman of the Stakeholders Relationship Committee , member of the Audit Committee, Nomination and Remuneration Committee & Risk Management committee (c) Mr. Gomatam



		Ravi is a member of the Audit committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Risk Management Committee of the Target Company. (d) Mrs Gargi Ojha is a member of the Stakeholder Relationship Committee and Corporate Social Responsibility Committee of the Target Company.
8.	Trading in the Equity Shares / other securities of the TC by IDC Members	None of the members of the IDC have traded in any of the Equity Shares/ securities of the Target Company during the: (a) 12 months period preceding the date of the Public Announcement and (b) period from the date of the Public Announcement and till the date of this recommendation.
9.	IDC Member's relationship with the acquirer (Director, Equity Shares owned, any other contract/ relationship), if any	None of the IDC Members have any contract / relationship with the Acquirers
10.	Trading in the Equity shares of Acquirer by IDC Members	Not applicable
11.	Recommendation on the Open Offer, as to whether the offer is fair and reasonable	The IDC is of the opinion that the Offer Price of Rs 120 (Rupees One Hundred and Twenty only) per Equity Share is in accordance with the applicable regulations of the SEBI (SAST) Regulations and accordingly the Open Offer is fair and reasonable.



12.	Summary of reasons for recommendation	The recommendation of the IDC set out in paragraph 11 above, is based on the following : (a) The IDC has taken into consideration the PA, DPS, DLOF and LOF issued on behalf of the acquirer by Indcap Advisors Private Limited (Manager to the Offer) (b) The Offer Price of Rs120/- (Rupees One Hundred and Twenty only) per Equity Share of Rs 10/- each being the highest of the following , is in terms of Regulation 8(2) of the SEBI (SAST) Regulations, 2011,: (a) The highest negotiated price per share of the Target Company for any acquisition under the agreements attracting the obligations to make a public announcement of this open offer i.e., the price per Equity Share under the SPA. (b) The volume-weighted average price paid or payable per Equity Share for acquisitions, whether by the Acquirer or by any person acting in concert with him, during the fifty-two weeks immediately preceding the date of the PA (c) The highest price paid or payable per Equity Share for any acquisition, whether by the Acquirers, during the 26 (Twenty-Six) weeks immediately preceding the date of the PA (d) The volume-weighted average market price per Equity Share for a period of 60 (Sixty) trading days immediately preceding the date of the PA as traded on BSE The Offer Price of ₹120/- (Rupees One Hundred and Twenty only) per fully paid-up Equity
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		Share of ₹10/- (Rupees Ten only) each, offered by the Acquirers and the PACs being the highest price among the selective criteria is in line with the Takeover Regulations and prima facie appears to be fair and reasonable based on the valuation report given by the Independent Valuer The members of IDC draw the attention of the shareholders to the closing market price of the Equity Shares on the BSE Limited ("BSE") as on 15th October 2026, being Rs 117.55 per Equity Share which is lower than the Offer Price. The public shareholders of the Target Company are advised to independently evaluate the open Offer, including the offer price, the risk factors detailed in the Letter of Offer, the Company's financial position and prospects, and prevailing and historical market prices, and to take their own informed investment decision about tendering their shares in the offer.
13.	Disclosure of the voting pattern	The recommendations were unanimously approved by the IDC members
14.	Details of Independent Advisors, if any	Mr Ravindranath Narayana Rao Registered Valuer (Reg No IBBI/RV/04/2019/11084) #522/C, 2nd Floor, 15th Main, 3 Stage, 4 Block, WCR, Basaveshwaranagar, Bangalore – 560 079 Email : ravishendige@gmail.com Ph No. 98452 58480
15.	Any other matter to be highlighted	Nil

**Abbreviations*

PA – Public Announcement dated 18th August 2026 in connection with the offer

DPS – Detailed Public Statement dated 25th August 2026 in connection with this offer published on behalf of the Acquirers on 25th August 2026

DLOF – Draft Letter of Offer dated 02nd September 2026 filed & submitted with SEBI pursuant to the provisions of Regulation 16 of the SEBI SAST Regulations

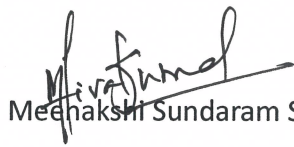
LOF – Letter of Offer along with Form of Acceptance and Form sh4 dated 13th October 2026

SPA – Share Purchase Agreement dated 18th August 2026

To the best of our knowledge and belief, the information contained in or accompanying this statement is, in all material respect, true and correct and not misleading, whether by omission of any information or otherwise, and includes all the information required to be disclosed by the Target Company under SEBI (SAST) Regulations, 2011.

For & On behalf of the Committee of Independent Directors of

The South India Paper Mills Limited



Meehakshi Sundaram Shivakumar

Chairman of the Independent Director's Committee

DIN :06445505

Date : 15-10-2026