

SHREE RAMA MULTI-TECH LIMITED

RAMNIVAS - 1 KHANPUR, AHMEDABAD - 380 001. GUJARAT, INDIA. TEL. : (079) 550-3690 FAX : (079) 550-3645 TELEX : (0121) 6258 RAMA IN

CA No. 04.2089 February 7, 2000

To
Registrar of Companies Gujarat,
Nr. Ankur Char Rasta,
Naranpura,
Ahmedabad


To. Kind At
Mr Raval


Dear Sir,

Please find enclosed herewith two copies of prospectus. Kindly acknowledge.

Thanking you,

Yours faithfully,
FOR SHREE RAMA MULTI-TECH LTD.

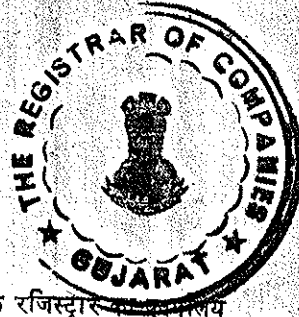

(R.H) SHAH
COMPANY SECRETARY
Encl. : as above.

Recd. two extra
copies as required

02/21/2000

प्रारूप II
FORM II

[विनियम 20 देखिए]
[See Regulation 20]

दस्तावेजों की प्राप्ति अभिस्वीकृत करते वाला ज्ञापन
Memorandum acknowledging receipt of documents



संख्या
No. 04-20880

कम्पनियों के रजिस्ट्रार का कार्यालय
OFFICE OF THE REGISTRAR OF COMPANIES

कम्पनियों का रजिस्ट्रार

परिसीमित से सम्बन्धित निम्नलिखित दस्तावेज की प्राप्ति अभिस्वीकार करता है।

The Registrar of companies acknowledges the receipt of the undermentioned document relating to.....

SHREE RAMA MULTI-TECH Limited.

दस्तावेज का वर्णन।

Description of document.

PROSPETUS. DT. 28.01.2000

स्टेशन

Station

AHMEDABAD,

28.01.2000

सारीख

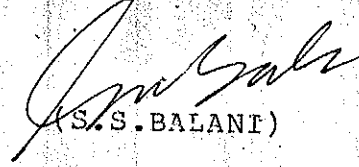
Date

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J. S. C-2.

प्रभासमुटेक-75 सिविल/88-89-भासमुटेक(सी-124)-24-8-89-5,000.

MGIPTC-75 Civil/88-89-GIPTC-(C-124)-24-8-89-5,000.


(S. S. BALANT)

कम्पनियों का रजिस्ट्रार
REGISTRAR OF COMPANIES

gujarat.

**SHREE RAMA MULTI-TECH LIMITED**

(Formed as a partnership firm in the name of Shree Rama Packaging in the year 1986 and was subsequently incorporated as a public limited company on December 17, 1993, under Part IX of the Companies Act, 1956)

Registered Office: RAMNIVAS - 1, KHANPUR, AHMEDABAD 380 001, GUJARAT, INDIA

Telephone no.: (079) 550 3690; Fax no.: (079) 550 3645

E-mail : srmtlahd@ad1.vsnl.net.in • Website : www.shreeramamulti-tech.com

Issue of 80,55,750 Equity Shares ("Issue") of Face Value of Rs. 5/- each, for cash at a premium of Rs. 115/- per equity share (i.e. at a price of Rs. 120/-) aggregating Rs. 9666.90 lakhs

AND

Offer for Sale by existing members ("Offerors") of 55,92,000 Equity Shares of Face Value of Rs. 5/- each, for cash at a price of Rs. 120/- per equity share aggregating Rs. 6710.40 lakhs (together referred to as the "Offer" aggregating to Rs. 16377.30 lakhs)

The Offer consists of Book Building Portion of 99,37,500 equity shares (55,92,000 equity shares as Offer for Sale and 43,45,500 equity shares as Issue) and Fixed Price Portion of 37,10,250 equity shares including 3,97,750 equity shares reserved for employees

RISKS IN RELATION TO FIRST OFFER

This being the first Offer of the Equity Shares of Shree Rama Multi Tech Limited (Shree Rama), there has been no formal market for the equity shares of Shree Rama. The Offer price (as has been determined and justified by the committee headed by the Book Running Lead Manager and comprising a representative from each of the syndicate members and the Issuer as stated under "Basis of Offer Price" on Page No. 56 should not be taken to be indicative of the market price of the equity shares after the equity shares are listed. No assurance can be given regarding an active or sustained trading in the equity shares of Shree Rama nor regarding the price at which the equity shares will be traded after listing.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Offer. For taking an investment decision, investors must rely on their own examination of the Issuer and the Offer including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India nor does the Securities and Exchange Board of India guarantee the accuracy or the adequacy of this document. The attention of investors is drawn to the statement of Risk Factors appearing on Page No. (iv) of the Offer Document.

ISSUERS' AND OFFERORS' ABSOLUTE RESPONSIBILITY

The Issuer and the Offerors, having made all reasonable inquiries, accepts responsibility for and confirms that this Offer Document contains all information with regard to the Issuer and the Offer, which is material in the context of the Offer, that the information contained in this Offer Document is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The equity shares are proposed to be listed at The Stock Exchanges at Ahmedabad, Mumbai and the National Stock Exchange of India Limited.

BOOK RUNNING LEAD MANAGER TO THE OFFER

DSP
Merrill Lynch

DSP MERRILL LYNCH LIMITED

Tulsiani Chambers, West Wing, 11th Floor

212 Backbay Reclamation

Mumbai 400 021

Maharashtra, India

Tel. No.: (022) 284 5275, Fax No.: (022) 204 8518

www.dspml.com

REGISTRAR TO THE OFFER

KARVY
CONSULTANTS LIMITED

"Karvy House",

46, Avenue 4, Street No. 1,
Banjara Hills, Hyderabad 500 034,
Andhra Pradesh, India.

Tel: (040) 331 2454, 332 0751

Fax: (040) 331 1968

E-mail: karvyhyd@karvy.com

OFFER SCHEDULE

Bid opens on : January 15, 2000

Bid closes on : January 21, 2000

Offer opens on : February 04, 2000

Book Built Portion closes on : February 04, 2000

Fixed Price Portion closes on : February 10, 2000

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DEFINITIONS / ABBREVIATIONS

The Act	The Companies Act, 1956.
Application Form	The form in terms of which the investors shall apply for the equity shares of the Company issued in the Fixed Price Portion.
Articles	Articles of Association of Shree Rama Multi-Tech Limited,
ASE	Ahmedabad Stock Exchange.
BA	Beneficiary Account
Bid	An offer by a prospective investor to subscribe to equity shares of the Company at a designated price, during the Bidding Period and includes all revisions and modifications thereto.
Bid Closing Date	The date after which the Syndicate Members to the offer would not accept any bids; any such date shall be notified through a notice in an English national newspaper, Hindi national newspaper and Regional language newspaper with wide circulation.
Bid cum Application Form	The form in terms of which the Bidder shall Bid for the equity shares of the Company and shall, upon allocation of the equity shares by the BRLM and filing of the Offer Document with the RoC, be considered as the application for allotment of the equity shares in terms of this Offer Document.
Bid Opening Date	The date on which the Syndicate Members to the offer would start accepting Bids; such date shall be the date notified and communicated through a notice in an English national newspaper, Hindi national newspaper and Regional language newspaper with wide circulation.
Bidder	Any prospective investor who makes a Bid in terms of this Offer Document.
Bidding Period	The period between the Bid Opening Date and the Bid Closing Date inclusive of both days and during which period prospective investors can submit their Bids.
Book Built Portion	The Offer less the Fixed Price Portion.
BRLM	Book Running Lead Manager, in this case being DSP Merrill Lynch Limited.
Brokers to the Fixed Price Portion	Brokers of all Stock Exchanges who have been registered with the respective stock exchange to act as Brokers.
Board	Board of Directors and Board Committees of Shree Rama Multi-Tech Limited.
BSE	The Stock Exchange, Mumbai.
CARE	Credit Analysis and Research Limited.
CAGR	Compounded Annual Growth Rate.
CAN	Confirmation of Allocation Note, means the note or advice or intimation for confirmation of shares sent to the Bidders who have been allocated shares in the Book Built Portion.
CEPS	Cash Earning Per Equity Share.
CDSL	Central Depository Services Ltd.
DP	Depository Participant.



SHREE RAMA MULTI-TECH LIMITED

Employee (s)	Employee(s) of Shree Rama Multi-Tech Limited.
EPCG	Export Promotion Capital Goods Scheme.
EPS	Earning Per Equity Share.
Escrow Account	Account opened with the Escrow Collection Bank and in whose favour the Bidder will issue cheques in respect of the Bid and in which account the cheques will be deposited by the Syndicate Members.
Escrow Collection Bank(s)	The banks at which the Escrow Account will be opened and which act as such, in terms of this Offer Document and the Escrow Agreement.
FCB	Fully Convertible Bonds.
FERA	Foreign Exchange Regulation Act, 1973.
FIPB	Foreign Investment Promotion Board.
Final Offer Document/ Offer Document	The Offer Document filed with the RoC containing inter alia the Issue price that is determined at the end of the Book Building process, and the number of equity shares to be issued, Issue price and other incidental information.
Fixed Price Portion	The portion of the Offer as is equivalent to 25% of the offer which is reserved for allocation to individual investors who have not participated in the Book Built Portion or to those investors who did not get any allocation in the Book Built Portion.
IDBI	Industrial Development Bank of India.
Issue	Issue of 80,55,750 Equity Shares of Rs. 5/- each, for cash at a premium of Rs. 115/- per equity share i.e. at a price of Rs. 120/- aggregating Rs. 9666.90 lakhs.
Offer	Issue of 80,55,750 Equity Shares of Rs. 5/- each, for cash at a premium of Rs. 115/- per equity share i.e. at a price of Rs. 120/- aggregating Rs. 9666.90 lakhs and Offer for Sale by existing members of 55,92,000 Equity Shares of Rs. 5/- each, for cash at a price of Rs. 120/- per equity share aggregating Rs. 6710.40 lakhs, together aggregating to Rs. 16,37,730 lakhs.
Offerors	<ol style="list-style-type: none">i. The HSBC Private Equity India Fund Limited (HPEIF).ii. CDC Financial Services (Mauritius) Limited.iii. South Asia Regional Fund (under CDC Group Management) (SARF).iv. NIF Investment Limited.v. Nippon Investment and Finance Co. Limited.
Offer Closing Date for Book Built Portion	The date on which the Book Built Portion closes for subscription from the public.
Offer Closing Date for Fixed Price Portion	The date on which the Fixed Price Portion closes for subscription by the public.
Offer Opening Date	The date on which the Book Built Portion opens for automatic subscription by Bidders who have received allocation and have paid at least the Offer Price for their allocation into the escrow account. This date shall also mean the date on which the Fixed Price Portion opens for subscription by the public.
Offer for Sale	Offer for Sale by existing members of 55,92,000 Equity Shares of Rs. 5/- each, for cash at a price of Rs.120/- per equity share aggregating Rs. 9666.90/-



SHREE RAMA MULTI-TECH LIMITED

Offer Document	This document which is inclusive of Preliminary Prospectus, Final Prospectus/Offer for Sale Document filed with SEBI and ROC.
Public Offer Account	Account opened with Bankers to the Offer for the purpose of transfer of monies from the Escrow Account on or after the Offer Opening Date.
Offer Period	The period between the Offer Opening Date and Offer Closing Date for Fixed Price Portion and including both these dates.
Offer Price	The Price determined by the Company in consultation with the BRLM on the Pricing Date after the Bidding Period and which will be set out in the Final Offer Document to be filed with the ROC at which equity shares of the Company would be allotted,
IT Act	Income Tax Act, 1961,
Memorandum	Memorandum of Association of Shree Rama Multi - Tech Limited.
NRI(s)	Non-Resident Indian(s).
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCB(s)	Overseas Corporate Body(ies).
Pay-in Period	For the Book Built Portion, Pay-in Period means the period commencing on the Bid Opening Date and extending till the Bid Closing Date, during which the bidders have to pay their maximum bid amount into the Escrow Account during the bidding period, unless such requirement is waived by the Syndicate Members. In case of requirement of payment during the Bidding Period is waived by the Syndicate Members the closure of the Pay-in Period for such Bidders, for payment into the Escrow Account, shall be within three days of communication of the allocation list to the Syndicate Member by the BRLM.
Pricing Date	The date on which the Company in consultation with the BRLM finalizes the Offer Price.
PLT	Plastic Laminated Tubes.
Issuer or Company or Shree Rama or SRML	Shree Rama Multi – Tech Limited.
RBI	Reserve Bank Of India.
Regional Stock Exchange	Ahmedabad Stock Exchange.
Registrars	Registrars to the Offer, Karvy Consultants Limited.
Revision Form	The form used by the Bidders to modify the quantity of shares or the Bid price in any of the Bid options as per their Bid Forms and as modified by their subsequent Revision Form(s), if any.
ROC	Registrar of Companies, Gujarat at Ahmedabad.
SEBI	Securities and Exchange Board of India.
SIA	Secretariat of Industrial Assistance.
SBI	State Bank of India.
Syndicate	The Book Running Lead Manager and Syndicate Member.
Syndicate Members	Collectively the Book Running Lead Manager and the Syndicate Members (as disclosed in the Offer Document) and are persons who are registered with SEBI and eligible to act as underwriters.
TRS	Transaction Registration Slip, means the slip or document registering the Bids, issued by the Syndicate Member to the Bidder as proof of registration of the Bid upon submission of the Bid Form in terms of this Offer Document.
NCD	Non Convertible Debenture.



RISK FACTORS AND MANAGEMENT PERCEPTIONS THEREOF

Internal to Shree Rama Multi-Tech Limited

1. The company is proceeding with the expansion based on assumptions regarding market demand for the company's products. Any change in market conditions could adversely affect the profitability of the project.
Management's Perception: The company has used its in-house market knowledge and experience in this sector while working out the project cost and its implementation schedule. The project has also been appraised by IDBI and the report indicates sufficient demand supply gap in the product segments Shree Rama operates.
2. The Company has not firmed up orders for plant and machinery amounting to Rs. 976.4 million out of total plant & machinery cost of Rs. 2,070 million.
Management's Perception: The company would place orders for the plant & machinery in a phased manner in line with the implementation schedule of the project.
3. Plant & Machinery aggregating to Rs. 1,875.7 million is proposed to be imported and any depreciation in the rupee would impact the project cost.
Management's Perception: The project cost has provided for a contingency of Rs. 236.3 million, (10% of the non-firm capital cost).
4. Out of the total project cost of Rs. 3,060.6 million, Rs. 1300 million is proposed to be raised through debt financing. Of which, amount aggregating Rs. 300 million have not been tied up.
Management Perception: The company has got a rating of CARE 'A' for NCD of Rs 300 million from CARE and the same will be raised at appropriate time.
5. The land acquired for the project at Pondicherry is yet to be registered in the name of the Company.
Management Perception: The Company has entered into an MoU for the land at Pondicherry with the seller. On completion of the sale, the Company will get the land registered in its name.
6. The land acquired for the project at Ambaliyara is yet to be registered in the name of the Company.
Management Perception: The Company is in the process of getting the land registered in its name.
7. The Company is yet to receive sanction for power for its proposed project at Pondicherry.
8. The Company has applied for No objection Certificate from the Pollution Control Board for the proposed project at Pondicherry.
9. The Company is yet to receive the Non Agricultural (NA) approval for the land for the project at Ambaliyara.
10. The Company is yet to receive sanction for power for proposed project at Ambaliyara.
11. The Company is yet to receive No objection Certificate from the Pollution Control Board of Gujarat for the proposed project at Ambaliyara.
12. The Company is yet to receive No objection Certificate from the Pollution Control Board of Gujarat for the proposed expansion at Motibhoyan.
Management Perception for 7 to 12: The Company has applied/will apply for receiving the necessary approvals. D. V. S. K. e
13. Shree Rama has export obligation of Rs. 4,100 million over the next 8 years starting from Dec. 1998 on account of imports (existing and proposed) under EPCG scheme.
Management Perception: Products of the Company are gaining acceptance in the export market. The Company has already exported goods worth Rs. 69 million in 1998-99 including deemed exports.
14. The proposed expansion/project is being partly financed by funds raised through the Issue, shortfall, if any is likely to adversely affect the project.
Management Perception: In case of any shortfall, the Company will meet the requirements through internal accruals.



SHREE RAMA MULTI-TECH LIMITED

15. The Working capital requirements are based on the Company's own estimates.

Management Perception: The Company has estimated the working capital requirements based on its experience in the present activity.

16. The Company has not provided for the decline in the market value of quoted investments aggregating to Rs. 0.4 million.

Management Perception: The amount involved is small and would not have any material effect.

17. The Company has a disputed income tax liability of Rs 2.25 million for the assessment year 1993/94 and 1994/95.

18. The Excise department has lodged claims amounting to Rs 63.75 million against the company.

19. The Company has disputed claims with the Customs authorities on classification of goods in various categories.

Management Perception for 17. To 19.: The company has contested these claims.

20. The company has the following contingent liabilities on its books as on September 30, 1999:

- a) Bills discounted with Bankers Rs. 28.94 Millions (Previous year Rs. 23.00 Millions).
- b) Letter of credit and guarantees Rs. 4.14 Millions (Previous year Rs. 95.92 Millions).
- c) Estimated amount of contracts remaining to be executed on capital account net of advances Rs. 665.81 Millions (Previous year Rs. 398.22 Millions).
- d) Corporate guarantee given by the Company to IDBI for term loan of Rs. 90.00 Millions (Previous year Rs. 90.00 Millions) of East West Polyart Ltd.

21. M/s Piyush Trading company has filed a suit for recovery of its dues for material supplied in 1993 for Rs. 45,000 against Sanket Estate & Finance Private Limited, one of the promoter.

Management Perception: The matter is contested by Sanket Estate & Private Limited and according to the directions received, a deposit of Rs. 30,000 has been made in the court on March 15, 1994. Since then, the matter is subjudiced and pending in court.

22. Income Tax department has raised demand of Rs. 1.32 million and interest of Rs 0.95 million for the assessment year 1996-97 against Vimpsan Investment Pvt. Ltd. (VIPL).

Management Perception: VIPL has filed appeal against the order based on some disallowances by the Income Tax Department. In the meanwhile, the demand has been adjusted by the Income Tax Department against refunds due to the Company in subsequent years.

23. Mr. Soparkar, Director of Shree Rama, was Director of Piramal Financial Services Limited (PFSL) from which he resigned on October 3, 1998. A cheque for Rs, 6,50,000 dated February 1, 1999 issued by PFSL had been dishonoured for which the payee has filed a criminal complaint under the Negotiable Instruments Act against PFSL and all its Directors in which Mr. Soparkar has been shown as a director.

Management Perception: Against the said order Mr. Soparkar has filed a petition before the Gujarat High Court under Section 482 of Criminal Procedure Code for quashing the proceeds against him, inter alia, on the ground that on the date of the cheque he was not a director of PFSL. The High Court has admitted his petition and granted ad interim stay of the proceedings against him.

24. Mr. Donald Peck, Director of Shree Rama, is also a Director on Board of Altus Organics Limited and M/s International Auto Limited. An amount of Rs. 3 million is unpaid by M/s Altus Organics Limited to Punjab State Industrial Development Corporation as the final amount of a one time settlement. There are three writs / demands against M/s International Auto Limited, totalling Rs. 3.8 million and relating to fuel surcharge dues, sales tax and excise duty.



25. The Company's minor computerised operations are susceptible to Year 2000 (Y2K) bug.

Management Perception: The Company's major operations have not faced any Y2K problems and it does not expect any problem in its minor computerised operations.

External to Shree Rama Multi - Tech Limited

1. Economic slowdown and changes in Government policies/regulations resulting in a change in the economic environment may affect the profitability of the Company.

Management Perception: In spite of the economic recession over the last couple of years, Shree Rama has been able to show strong growth.

2. The Company faces competition from other players in the market, thereby affecting product prices.

Management Perception: Competition is currently limited to a few players. Moreover, Shree Rama has integrated manufacturing operations, diversified mix of products, established relationships with key customers and technological collaborations with foreign companies which enable it to face competition.

Notes

1. Applicants are advised to refer to the paragraph on "Basis of Offer Price" mentioned in the Offer Document before making an investment decision in respect of this Offer.
2. Investors may please note that in the event of oversubscription in Fixed Price Portion, allotment/allocation shall be made on a proportionate basis in consultation with the regional stock exchange, the Ahmedabad Stock Exchange.
3. Shree Rama had no transactions/ dealings with the Companies/firms affiliated with the promoters of Shree Rama, except for corporate guarantee extended to East West Polyarts Ltd. with whom Promoters/Directors were associated in the past.

HIGHLIGHTS

- Existing profit making and dividend paying company - The net manufacturing sales and net profit have grown at a CAGR of 48.3% and 46.3% respectively for the period 1997-99.
- Integrated packaging solutions provider to the Personal Products / Fast Moving Consumer Good industry.
- Second largest player in Plastic Laminated Tubes (PLT) in India.
- Collaborations with foreign companies, such as, i) tube making technology – AISA, Switzerland, ii) multilayer film - Barrier Film Incorporation, USA, iii) laminate web manufacturing – Fujimori Kogyo, Japan, iv) printing – Taiyo Kikai Ltd., Japan.
- Expansion project is appraised by IDBI who have sanctioned Rs 500 million and disbursed Rs. 310 million towards the project.



A. PART I

1. GENERAL INFORMATION

SHREE RAMA MULTI-TECH LIMITED

(Formed as a partnership firm in the name of Shree Rama Packaging in the year 1986 and was subsequently incorporated as a public limited company on December 17, 1993, under Part IX of the Companies Act, 1956)

Registered Office:

RAMNIVAS - 1, KHANPUR, AHMEDABAD 380 001, Gujarat, India.

Telephone no.: (079) 550 3690; Fax no.: (079) 550 3645

E-mail : srmlahd@ad1.vsnl.net.in • Website : www.shreeramamulti-tech.com

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The Offer consists of Book Building Portion of 99,37,500 equity shares (55,92,000 equity shares as Offer for Sale and 43,45,500 equity shares as Issue) and Fixed Price Portion of 37,10,250 equity shares including 3,97,750 equity shares reserved for employees.

Authority for the Offer

- A. Pursuant to Section 81(1-A) of the Act, the present issue of 80,55,750 equity shares has been authorized vide a special resolution passed at the Extraordinary General Meeting of members of Shree Rama held on 18th September 1999
- B. The Board of Directors of HSBC Private Equity Management Mauritius Ltd., the investment manager of The HSBC Private Equity India Fund Limited had at its meeting held on 7th September, 1999 approved disinvestment of 15,46,000 equity shares held by them to the public through Offer for Sale.
- C. The Board of Directors of CDC Financial Services (Mauritius) Limited had at its meeting held on 17th September, 1999 approved disinvestment of 7,73,000 equity shares held by them to the public through Offer for Sale.
- D. The Board of Directors of International Venture Capital Management Limited, the Manager of South Asia Regional Fund (under CDC Group Management) had at its meeting held on 16th September 1999 approved disinvestment of 7,73,000 equity shares held by them to the public through Offer for Sale.
- E. The Board of Directors of NIF Investment Limited had at its meeting held on 22nd September 1999 approved disinvestment of 20,28,572 equity shares held by them to the public through Offer for Sale.
- F. The Board of Directors of Nippon Investment and Finance Company Limited had at its meeting held on 20th September 1999 approved disinvestment of 4,71,428 equity shares held by them to the public through Offer for Sale.

Disclaimer Clause

As required, a copy of this Offer Document has been submitted to the Securities and Exchange Board of India (hereinafter referred to as SEBI). It is to be distinctly understood that submission of the Offer Document to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or project for which the Offer is proposed to be made or for the correctness of any of the statements made or opinions expressed in the Offer Document. Book Running Lead Manager, DSP Merrill Lynch Limited, has certified that the disclosures made in the Offer Document are generally adequate and are in conformity with SEBI guidelines for disclosure and investor protection for the time being in force. This requirement is to facilitate investors to take an informed decision for making investment in the proposed Offer. It should also, be clearly understood that while the Issuer/Offerors are primarily responsible for the correctness, adequacy and disclosure of all the relevant information in the Offer Document, the Book Running Lead Manager is expected to exercise due diligence to ensure that the Company discharges its responsibility adequately in this behalf. Towards this purpose, the Book Running Lead Manager, DSP Merrill Lynch Limited has furnished to SEBI a due diligence certificate dated October 18, 1999 in accordance with SEBI (Merchant Bankers) Regulations, 1992 which reads as follows:

- "1. We have examined various documents including those relating to litigation like commercial disputes, patent disputes, disputes with collaborators etc. and other materials in connection with the finalization of the Offer Document pertaining to the said Offer;



2. On the basis of such examination and the discussions with the Company, its Directors and other officers, other agencies, independent verification of the statements concerning the objects of the Offer, projected profitability, price justification and the contents of the documents mentioned in the Annexure and other papers furnished by the Issuer/Offerors;

WE CONFIRM THAT

- a) the Offer Document forwarded to SEBI is in conformity with the documents, materials and papers relevant to the Offer;
 - b) all the legal requirements connected with the said Offer as also the guidelines, instructions, etc., issued by SEBI, the Government and any other competent authority in this behalf have been duly complied with; and
 - c) the disclosures made in the Offer Document are true, fair and adequate to enable the investors to make a well informed decision as to the investment in the proposed Offer.
3. We confirm that besides ourselves, all the intermediaries named in the Offer Document are registered with SEBI and that till date such registration is valid;
4. We have satisfied ourselves about the worth of the underwriters to fulfill their underwriting commitments."

All legal requirements pertaining to this Offer will be complied with at the time of registration of the Offer Document with RoC in terms of Section 56 of the Act.

The filing of this Offer Document does not, however, absolve Shree Rama from any liabilities under Section 63 of the Act or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Offer. SEBI, further, reserves the right to take up at any point of time, with the Book Running Lead Manager to the Offer, any irregularities or lapses in the Offer Document.

DISCLAIMER CLAUSE OF THE AHMEDABAD STOCK EXCHANGE

Ahmedabad Stock Exchange, has vide its letter dated 1/12/99 given its permission to Shree Rama to use its name in this Offer Document as one of the stock exchanges on which Shree Rama's securities are proposed to be listed. The ASE has scrutinized this Offer Document for their limited internal purpose of deciding on the matter of granting the aforesaid permission to Shree Rama. ASE does not in any matter -

- i) warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document, or
- ii) warrant that Shree Rama's securities will be listed or will continue to be listed on the Exchange, or
- iii) take any responsibility for the financial or other soundness of Shree Rama, its promoters, its management or any scheme or project of Shree Rama

It should not, for any reason be deemed or construed that this Offer Document has been cleared or approved by the ASE.

Every person who desires to apply for or otherwise acquires any securities of Shree Rama may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the ASE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGE, MUMBAI.

The Stock Exchange, Mumbai has vide its letter dated 13/12/99 given its permission to Shree Rama to use its name in this Offer Document as one of the stock exchanges on which Shree Rama's securities are proposed to be listed. The BSE has scrutinized this Offer Document for their limited internal purpose of deciding on the matter of granting the aforesaid permission to Shree Rama. BSE does not in any matter -

- i) warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document, or
- ii) warrant that Shree Rama's securities will be listed or will continue to be listed on the Exchange, or
- iii) take any responsibility for the financial or other soundness of Shree Rama, its promoters, its management or any scheme or project of Shree Rama

It should not, for any reason be deemed or construed that this Offer Document has been cleared or approved by the said exchange. Every person who desires to apply for or otherwise acquires any securities of Shree Rama may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the said exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

DISCLAIMER CLAUSE OF THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter dated November 19, 1999 permission to the Issuer/Offeror to use the Exchange's name in this Offer Document as one of the Stock Exchanges on which this Issuer's securities are proposed to be listed. The Exchange has scrutinised this Offer Document for its limited purpose of deciding on the matter of granting the aforesaid permission to this Issuer/Offeror. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Offer Document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Offer Document; nor does it warrant that this Issuer's/Offeror securities will be listed or continue to be listed on the Exchange; nor does it take responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.



Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of this Offer Document, alongwith the documents required to be filed under Section 60 of the Act, has been delivered for registration to the Registrar of Companies, Gujarat at Ahmedabad. A copy of the Offer Document has been filed with the Mumbai office of SEBI.

Listing

Initial Listing Application has been made by Shree Rama to the Stock Exchanges at Ahmedabad and Mumbai and National Stock Exchange of India Limited for permission to list the equity shares and for an official quotation of the equity shares of Shree Rama.

In case the permission to deal in and for official quotation of the equity shares is not granted by the above mentioned stock exchanges, the Issuer and the Offerors shall forthwith repay without interest, all monies received from applicants in pursuance of this Offer Document and if such money is not repaid within 8 days after the day from which the Issuer is liable to repay it, the Issuer and the Offerors shall pay interest as prescribed under section 73(2) of the Act.

Impersonation

Attention of the applicant is specifically drawn to sub-section (1) of Section 68A of the Act, which is reproduced below:

"Any person who-

- a) makes in a fictitious name an application to a company for acquiring, or subscribing for, any shares therein, or
- b) otherwise induces a company to allot or register any transfer of shares therein to him, or any other person in a fictitious name,

shall be punishable with imprisonment for a term which may extend to five years."

Minimum Subscription

The minimum subscription to be raised under the present Offer is 90% of the Public Issue amount i.e. Rs. 8700.21 lakhs. The minimum subscription will be exclusive of cheques returned unpaid or applications withdrawn. The Board of Directors shall proceed to make allotment/allocation on receipt of application money thereon in terms of this Offer Document.

If the Company does not receive the minimum subscription of 90% of the Public Issue amount including devolvement of Underwriters, if any, within 60 days from the Offer Closing Date for Fixed Price Portion, the Company shall forthwith refund the entire subscription amount received.

Utilisation of Offer Proceeds

The sum received in respect of the Offer will be kept in a separate bank account and Shree Rama or the Offerors will not have access to such funds unless allotment/allocation of equity shares has been made in consultation with the regional stock exchange and listing/trading approval has been received from all the stock exchanges where listing has been sought.

The Board of Directors of the Company certifies that -

- i) all monies received out of this Issue to the Public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Act.
- ii) details of all monies utilised out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in the Annual Report of Shree Rama indicating the purpose for which such monies had been utilised; and
- iii) details of all unutilised monies out of the Issue, if any, referred to in sub-item (i) shall be disclosed under an appropriate separate head in the Annual Report of Shree Rama indicating the form in which such unutilised monies have been invested.

Refund Orders

The Company and the Offerors shall despatch refund orders, if any of value upto Rs. 1500 Under Certificate of Posting and shall despatch refund orders above Rs. 1500, if any as well as Share Certificates, by registered post within ten weeks from the Date of closure of the Offer, in accordance with the Act, stock exchange requirements and SEBI Guidelines. The Company and the Offerors undertake that:

- a) allotment of securities relating to the Fixed Price Portion offered to the public shall be made within 15 days of the Offer Closing Date for Fixed Price Portion as far as possible, and
- b) allocation/allotment and transfer of securities relating to the Book Built Portion shall be made within 15 days of the Offer Closing Date for Book Built Portion and refunds will be made within 15 days of Bid Closing Date
- c) they shall pay interest at 15% per annum (for any delay beyond 15 days) (except for applicants applying through Stockinvest) if allotment and/or transfer has not been made and refund orders have not been despatched to investors within 15 days from the aforesaid dates.

The Company would make available adequate funds to the Registrars to the Offer for this purpose.

GOVERNMENT APPROVALS

The Company can undertake the activities as proposed in the objects of the issue. The Company is yet to receive approvals, namely, Non Agricultural (NA) approval for the land at Ambaliyara, Gujarat, approval for sanction of power at Pondicherry and Ambaliyara, Gujarat. The Company is yet to receive NOC from the Pollution Control Board of Gujarat for Ambaliyara and Motibhoyan and NOC from Pollution Control Board Pondicherry for Pondicherry project. No further



SHREE RAMA MULTI-TECH LIMITED

approvals apart from the aforesaid are required for carrying on the present as well as proposed objects of the Company. The Company is in the process of obtaining the various statutory approvals required for the project and would obtain them at the time of actual implementation.

OFFER PROGRAMME

BOOK BUILT PORTION

Bid Opening Date : January 15, 2000
Bid Closing Date : January 21, 2000
Offer Opening Date : February 04, 2000
Offer Closing Date for Book Built Portion : February 04, 2000

Bids and any revisions in Bids shall be accepted only during the Bidding Period between 10 a.m. and 3 p.m. at the Syndicate Members bidding centres mentioned on the bid form.

FIXED PRICE PORTION

The subscription list will open at the commencement of banking hours and will close at the close of banking hours on the days as mentioned below.

Offer Opening Date : February 04, 2000
Offer Closing Date for Fixed Price Portion : February 10, 2000

The Issuer and the Offerors accept full responsibility for the accuracy of the information given in this Offer Document and confirm that to the best of their knowledge and belief, there are no other facts the omission of which make any statement in this Offer Document misleading and they further confirm that they have made all reasonable enquiries to ascertain such facts.

BOOK RUNNING LEAD MANAGER TO THE OFFER

DSP
Merrill Lynch

DSP Merrill Lynch Limited
Tulsiani Chambers
West Wing, 11th Floor
212, Backbay Reclamation
Mumbai 400 021
Maharashtra, India
Tel.No.: (022) 284 5275
Fax. No.: (022) 204 8518

LEAD MANAGERS TO THE OFFER



Industrial Development Bank of India
IDBI Tower, Cuffe Parade
Mumbai 400 005.
Tel. No. (022) 218 9111
Fax No. (022) 218 1294



Khandwala Securities Limited,
Ground Floor, Vikas Building,
Green Street, Fort,
Mumbai - 400 023
Maharashtra, India
Tel. No. : (022) 264 2300
Fax. No. : (022) 261 5172

ADVISOR TO THE OFFER



HSBC Capital Markets India Private Ltd.
Ashoka Estate, 3rd Floor, 34, Barekhamba Road
New Delhi 110 001.
Tel. No.: (011) 373 1234;
Fax : (011) 373 7691

SYNDICATE MEMBER



Khandwala Securities Limited,
Ground Floor, Vikas Building,
Green Street, Fort,
Mumbai - 400 023
Maharashtra, India
Tel. No. : (022) 264 2300
Fax. No. : (022) 261 5172

REGISTRARS TO THE OFFER



Karvy Consultants Limited
"Karvy House"
46, Avenue 4, Street No.1
Banjara Hills
Hyderabad - 500 034
Andhra Pradesh, India
Tel.No.: (040) - 3312454/3320751 FaxNo.: (040) -
3311968
E-mail: karvyhyd@karvy.com

AUDITORS

C.C Chokshi & Co. (Chartered Accountants)
"Devpath", 7th floor
Behind Navarangpura,
Telephone Exchange
Off C.G. Road, Ellisbridge
Ahmedabad - 380006
Gujarat, India
Tel. No. - (079) 6561891/2091/1738
Fax No. - (079) 6565088

Manubhai & Co. (Chartered Accountants)
2nd Floor, 'B' wing, Premium House
Near Gandhigram Railway Station
Navarangpura
Ahmedabad - 380009
Gujarat, India
Tel. No. - (079) 6580956/66/
6582484/5064
Fax No. - (079) 6583573

FINANCIAL ADVISOR TO THE COMPANY

Mr. N. C. Vaishnav
B-6 Amijyot Apartments
Nr. Rajnagar Club
Ambawadi
Ahmedabad 380 006
Tel. No. - (079) 6463268



SHREE RAMA MULTI-TECH LIMITED

INTERNAL AUDITORS

Shah Mehta Majumdar
Chartered Accountants
504, Shikhar
Near Adani House
Navrangpura
Ahmedabad - 380009
Gujarat, India
Tel. No. - (079) 6568398/6449512
Fax No. - (079) 6560622

LEGAL ADVISORS

Mr. Saurabh N. Soparkar
Advocate
204, Akansha
Opp. Vadilal House, Shreemali Society,
Navrangpura, Ahmedabad - 380009
Gujarat, India
Tel. No. - (079) 6430707, 6404245
Fax No. - (079) 6563214

COMPLIANCE OFFICER

Mr. Bhupendra L. Patel,
Senior General Manager (Finance),
Shree Rama Multi-Tech Limited,
"Shikhar", 7th Floor,
Next to Vadilal House,
Navrangpura,
Ahmedabad - 380 009
Gujarat, India
Tel no. : (079) - 656 9855
Fax no. : (079) - 643 0600
E mail : srmtlahd@ad1.vsnl.net.in

COMPANY SECRETARY

Mr. Rajesh Shah
Ramnivas - 1, Khanpur
Ahmedabad 380 001
Gujarat, India
Telephone no.: (079) 550 3690
Fax no.: (079) 550 3645
E-mail : srmtlahd@ad1.vsn1.net.in

BANKERS TO THE COMPANY

State Bank of India
Commercial Branch,
Paramsiddhi Complex
Opp. V.S.Hospital,
Ellis Bridge
Ahmedabad -380006
Gujarat, India
Tel no. : (079) - 657 7380/386
Fax no. : (079) - 657 5692

**SBI Commercial and
International Bank Limited**
Maker Chambers III
Nariman Point
Mumbai - 400021
Maharashtra, India
Tel. No. - (022) 2841091
Fax No. - (022) 2870822

**The Kalupur Commercial
Co-operative Bank Ltd.**
Kalupur Bank Bhavan
Income Tax Char Rasta
Ashram Road
Ahmedabad - 380008
Gujarat, India
Tel. No. - (079) - 7544698/7544995
Fax No. - (079) - 754 2913

BANKERS ASSOCIATED WITH THE OFFER

ESCROW COLLECTION BANK

Deutsche Bank AG
Mumbai Branch, D.B. House
Hazarimal Somani Marg,
Fort, Mumbai 400 001.
Tel.: (022) 207 4720
Fax : (022) 207 5047

BANKERS TO THE OFFER

Corporation Bank
Veena Chambers
21, Dalal Street, Fort
Mumbai 400 001.

Deutsche Bank AG
Mumbai Branch, D.B. House
Hazarimal Somani Marg,
Fort, Mumbai 400 001.

Hongkong & Shanghai Banking Corporation
M. G. Road, Fort
Mumbai 400 001.

IDBI Bank Ltd.
Mittal Tower, 'C' Wing
Ground Floor, Nariman Point
Mumbai 400 021.

Oman International Bank S.A.O G.
201, Raheja Centre
Nariman Point
Mumbai 400 021.

State Bank of India
New Issue Division
Mumbai Main Branch
P.O. Box No. 13
Mumbai 400 023.

**SBI Commercial and
International Bank Limited**
Maker Chambers III
Nariman Point, Mumbai - 400021
Maharashtra, India

UTI Bank Ltd.
Universal Insurance Building
Sir P. M. Road,
Fort, Mumbai 400 001.

ICICI Bank Limited
215, Free Press House,
Nariman Point,
Mumbai 400 021.

Bank of Punjab Limited
7, Surya Mahal,
118, Nagindas Master Road,
Fort, Mumbai 400 023.

Credit Rating/Debtenture Trustee

This being an Offer of Equity Shares, no credit rating or appointment of Debtenture Trustees is required.



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BOOK BUILDING PROCESS

Book building refers to the collection of Bids from investors, which is based on an indicative price range, the Offer Price being finalised after the Bid Closing Date. The principal parties/intermediaries involved in a book building process are:

- (1) The Company and the Offerors
- (2) A Book Running Lead Manager who is a Category I Merchant Banker, in this case, DSP Merrill Lynch Limited. The Book Running Lead Manager is also the lead merchant banker.
- (3) Lead Managers who are Category I Merchant Bankers, in this case Industrial Development Bank of India Ltd. and Khandwala Securities Limited
- (4) Syndicate Members who are intermediaries registered with SEBI and eligible to act as underwriters. Syndicate Members are appointed by the Book Running Lead Manager.

The Company has decided to adopt the Book Building Process for obtaining subscription to the Book Building Portion of the present Offer. The process of Book Building under SEBI guidelines is relatively new and Investors are advised to make their own judgement about investment through this process prior to making a Bid or application in the Offer.

In this regard, the Company has appointed DSP Merrill Lynch Limited as the Book Running Lead Manager (BRLM); and Industrial Development Bank of India Ltd., Khandwala Securities Limited as the Lead Manager to the Offer and Khandwala Securities Limited as Syndicate Member. The BRLM has formed a Syndicate consisting of the Book Running Lead Manager and the Syndicate Members to procure subscription for the equity shares.

Underwriting

Book built portion

Prior to filing of the Final Offer Document with RoC, the Company would enter into Underwriting Agreements with the BRLM and the Syndicate Members for the equity shares proposed to be offered through the Book Building Portion. In terms of the Underwriting Agreements for the Book Built Portion, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations.

The details of underwriting for book built portion are as given below:

Sr. No.	Name & Address of Underwriter	Date of Agreement	Amount (Rs. millions)
1.	DSP Merrill Lynch Limited Tulsiani Chambers West Wing, 11th Floor 212, Backbay Reclamation Mumbai-400 021.		Rs. 596.25
2.	Khandwala Securities Limited, Ground Floor, Vikas Building, Green Street, Fort, Mumbai - 400 023		Rs. 596.25

In the opinion of the Board of Directors (based on a certificate given to it by BRLM) and in the opinion of the BRLM on the basis of the declarations by the Syndicate members / Underwriters, the resources of all the above mentioned Syndicate members / Underwriters are sufficient to enable to

them to discharge their respective underwriting obligations in full. All the above mentioned Syndicate members/ Underwriters are registered with SEBI under section 12 (i) of the SEBI act, 1992. All letters of underwriting mentioned above have been accepted by the Board of Directors of the Company at their meeting held on 22/1/2000 and letters of acceptance have been issued by the Company to the Syndicate members / Underwriters.

Fixed Price Portion

The equity shares proposed to be offered through the Fixed Price Portion are fully underwritten. The details of underwriting for Fixed Price Portion are as given below:

Sr. No.	Name & Address of Underwriter	Date of letter	Amount (Rs. millions)
1.	DSP Merrill Lynch Limited Tulsiani Chambers West Wing, 11th Floor 212, Backbay Reclamation Mumbai - 400 021.	28/1/2000	90.87
2.	Khandwala Securities Limited, Ground Floor, Vikas Building, Green Street, Fort, Mumbai - 400 023.		90
3.	JM Morgan Stanley Ltd., 141, Maker Chambers III, Nariman Point, Mumbai - 400 021.		19.2
4.	BNP Prime Peregrine India Pvt. Ltd., Turner Morrison Building, 3rd Floor, GN Vaidya Marg, Mumbai - 400 023.		36
5.	Karvy Investor Services Ltd., "Karvy House", 46, Avenue 4, Street No.1, Banjara Hills, Hyderabad - 500 034.		30
6.	Infrastructure Leasing & Financial Services Ltd., Mahindra Towers, 4th Floor, Dr. G.M. Bhosale Marg, Worli, Mumbai - 400 018.		72
7.	Enam Financial Consultants Pvt. Ltd., Merchant Banking Division, 24, B.D. Raja Bahadur Compound, Ambalal Doshi Marg, Mumbai - 400 001.		60
8.	Tata Finance Ltd., Dubash House, 15, J.N. Heredia Marg, Ballard Estate, Mumbai - 400 001.		30

In the opinion of the board of directors and in the opinion of the BRLM, the resources of all the above mentioned underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above mentioned underwriters are registered with SEBI under section 12(i) of the SEBI act, 1992. All letters of underwriting mentioned above have been accepted by the board of directors of the company at their meeting held on 22/1/2000 and letters of acceptance have been issued by the company to the underwriters.



CAPITAL STRUCTURE OF SHREE RAMA MULTI-TECH LIMITED

Number of shares	Description	Nominal Value(Rs.)	Aggregate Value (Rupees)
A. Authorised Capital			
14,00,00,000	Equity Shares of face value Rs. 5/- each	70,00,00,000	
30,00,000	Preference Shares of face value Rs. 100/- each	30,00,00,000	
B. Issued, Subscribed and Paid-up Capital			
4,49,44,250	Equity Shares of face value Rs. 5/- each fully paid-up	22,47,21,250	
10,00,000	15% Redeemable Preference Shares of face value Rs. 100/- each fully paid-up	10,00,00,000	
C. Present Offer*			
1. New Shares			
80,55,750	Equity Shares of face value Rs. 5/- each	4,02,78,750	96,66,90,000
<i>Out of which Reserved for Employees</i>			
3,97,750	Equity Shares of face value Rs. 5/- each	19,88,750	4,77,30,000
2. Offer For Sale			
55,92,000	Equity Shares of face value Rs. 5/- each	2,79,60,000	67,10,40,000
D. Paid-up Equity Share Capital and Share Premium after the Offer			
5,30,00,000	Equity Shares of face value Rs. 5/- each	26,50,00,000	
	Share Premium Account		
	- Before the Offer	132,94,93,308	
	- After the Offer	225,59,04,558	

* Including Book Building Portion of 99,37,500 equity shares (55,92,000 equity shares as Offer for Sale and 43,45,500 equity shares as Public Issue) and Fixed Price Portion of 37,10,250 equity shares including 3,97,750 equity shares reserved for employees

The Shares being offered for sale are from the following shareholders*

Name of Shareholder	Number of shares offered	Post Offer holding of Offerors	Post Offer Percentage
HSBC Private Equity India Fund Limited	15,46,000	57,18,886	10.79
CDC Financial Services (Mauritius) Limited	7,73,000	28,87,400	5.45
South Asia Regional Fund(under CDC Group Management)	7,73,000	28,87,400	5.45
NIF Investment Limited	20,28,572	19,03,940	3.59
Nippon Investment and Finance Company Limited	4,71,428	4,56,260	0.86

HSBC private Equity India Fund Limited has appointed Mr. A.G. Karkhanis as nominee director on the Board of Shree Rama.

* Offerors have obtained RBI approval for vide letter No. FID(I)1538 10.1.07.02.200(377)/99-2000, for Offer for Sale of shares held by them on repatriable basis.

Md. 26/11/99



SHREE RAMA MULTI-TECH LIMITED

Notes forming part of the Capital Structure:

1. The equity shares of Shree Rama of face value Rs. 10/- were split into two equity shares of face value Rs. 5/- each vide a special resolution passed at the Extraordinary General Meeting of members of Shree Rama held on 18th September 1999

No further splitting of shares will be done unless the shares of the Company are in compulsory demat form.

2. The capital history of Shree Rama is as follows:

Date of Allotment/ allocation	No. of equity shares	Issue Price per equity share* (Rs.)	Total paid-up capital (Rs.)	Consideration (Rs.)	Cummulative share premium account (Rs.)	Remarks, if any
17/12/93	3,50,000	10.00	35,00,000	35,00,000	Nil	Issued for consideration other than cash in lieu of assets taken over of partnership firm, at the time of incorporation of Company
31/01/95	29,75,000	10.00	2,97,50,000	2,97,50,000	Nil	Rights issue in the ratio of 17:2 of face value of Rs. 10/- each
06/02/95	13,83,900	25.00	1,38,39,000	3,45,97,500	2,07,58,500	Allotment by private placement at a premium of Rs. 15/- each (face value of Rs. 10/- each)
11/02/95	50,41,100	25.00	5,04,11,000	12,60,27,500	9,63,75,000	Allotment by private placement at a premium of Rs. 15/- each (face value of Rs. 10/- each)
12/03/97	48,000	75.00	4,80,000	36,00,000	9,94,95,000	Allotment by subscription agreement at a premium of Rs. 65/- per share to HPEIF (face value of Rs. 10/- each)
29/03/97	9,93,600	75.00	99,36,000	7,45,20,000	164,079,000	Allotment by subscription agreement at a premium of Rs. 65/- per share to HPEIF (face value of Rs. 10/- each)
31/03/97	1,08,009	51.50	1,080,090	55,62,464	16,85,61,374	Allotment at the premium of Rs. 41.50 arising from conversion of ZFCD to Vivro Financial Services Pvt. Ltd. (face value of Rs. 10/- each)
31/03/97	3,20,000	75.00	32,00,000	2,40,00,000	18,93,61,374	Allotment at the premium of Rs. 5.00 arising from conversion of ZFCD to IDBI
09/08/97	1	51.50	10	51.50	189,361,415	Allotment at the premium of Rs. 41.50 arising from conversion of ZFCD to Vivro Financial Services Pvt. Ltd. (face value of Rs. 10/- each)
09/08/97	6,25,000	75.00	62,50,000	4,68,75,000	22,99,86,415	Allotment by subscription agreement at a premium of Rs. 65/- per share to NIF (face value of Rs. 10/- each)
30/09/98	42,04,571	87.50	4,20,45,710	36,78,99,963	55,58,40,668	Allotment at a premium of Rs. 77.5 on conversion of 6% FCBs** (face value of Rs. 10/- each)



SHREE RAMA MULTI-TECH LIMITED

Date of Allotment/ allocation	No. of equity shares	Issue Price per equity share* (Rs.)	Total paid-up capital (Rs.)	Consideration (Rs.)	Cummulative share premium account (Rs.)	Remarks, if any
30/09/98	60,45,586	132.50	6,04,55,860	80,10,40,145	1,29,64,24,953	Allotment at a premium of Rs. 122.5 by subscription agreement*** (face value of Rs. 10/- each)
06/01/99	3,77,358	132.50	37,73,580	4,99,99,935	1,34,26,51,308	Allotment at a premium of Rs. 122.5 by subscription agreement to Packman Investment Limited (face value of Rs. 10/- each)
Total	2,24,72,125	-	22,47,21,250	1,56,73,72,558	1,34,26,51,308	
18/09/99	4,49,44,250		22,47,21,250	1,56,73,72,558	1,34,26,51,308	The equity shares of face value Rs. 10 were split into 2 equity shares of face value Rs. 5 each on September 18, 1999

** Allotment was to Khandwala Securities Ltd., Gujarat Lease Financing Ltd., Shree Developers Pvt. Ltd., Vimpsan Investment Pvt. Ltd.(Promoter), The HSBC Private Equity India Fund Limited (HPEIF), NIF Investment Limited and Nippon Investment and Finance Co. Limited.

*** Allotment was to Vimpsan Investment Pvt. Ltd.(Promoter), Sanket Estates & Finance Pvt. Ltd. (Promoter), The HSBC Private Equity India Fund Limited (HPEIF), NIF Investment Limited, Nippon Investment and Finance Co. Limited, CDC Financial Services (Mauritius) Limited and South Asia Regional Fund (under CDC Group Management).

**SHREE RAMA MULTI-TECH LIMITED**

3. The details of the ten largest shareholders as on 28-1-1998 the date of filing with the Registrar of Companies, are as under:

Sr. No.	Name of the Shareholder	Face Value (Rs.)	No. of Shares held	% of pre-offer paid up capital
1.	The HSBC Private Equity India Fund Ltd.	5/-	72,64,886	16.16%
2.	Vimpsan Investment Pvt.Ltd.	5/-	62,64,114	13.94%
3.	Sanket Estate & Finance Ltd.	5/-	51,30,800	11.42%
4.	NIF Investment Ltd.	5/-	39,32,512	8.75%
5.	CDC Financial Services (Mauritius) Ltd.	5/-	36,60,400	8.14%
6.	South Asia Regional Fund	5/-	36,60,400	8.14%
7.	Packman Investment Ltd.	5/-	14,92,716	3.32%
8.	Shree Developers Pvt. Ltd.	5/-	10,19,800	2.27%
9.	Nippon Investment and Finance Co. Ltd.	5/-	9,27,688	2.06%
10.	Gujarat Lease Finance Ltd.	5/-	6,85,714	1.53%
	Total		3,40,39,030	75.74%

4. The details of the ten largest shareholders as on 10 days prior to the date of filing with the Registrar of Companies, are as under:

Sr. No.	Name of the Shareholder	Face Value (Rs.)	No. of Shares held	% of pre-offer paid up capital
1.	The HSBC Private Equity India Fund Ltd.	5/-	72,64,886	16.16%
2.	Vimpsan Investment Pvt.Ltd.	5/-	62,64,114	13.94%
3.	Sanket Estate & Finance Ltd.	5/-	51,30,800	11.42%
4.	NIF Investment Ltd.	5/-	39,32,512	8.75%
5.	CDC Financial Services (Mauritius) Ltd.	5/-	36,60,400	8.14%
6.	South Asia Regional Fund	5/-	36,60,400	8.14%
7.	Packman Investment Ltd.	5/-	14,92,716	3.32%
8.	Shree Developers Pvt. Ltd.	5/-	10,19,800	2.27%
9.	Nippon Investment and Finance Co. Ltd.	5/-	9,27,688	2.06%
10.	Gujarat Lease Finance Ltd.	5/-	6,85,714	1.53%
	Total		3,40,39,030	75.74%

5. The details of the ten largest shareholders as on 28-1-1998 2 years prior to the date of filing with the Registrar of Companies, are as under:

Sr. No.	Name of the Shareholder	No. of Shares held Face Value of Rs. 10/-	Equivalent number of shares at face value of Rs. 5/-	% of pre-offer paid up capital
1.	Vimpsan Investment Pvt. Ltd.	20,00,000	40,00,000	8.89
2.	Sanket Estate & Finance Ltd.	20,00,000	40,00,000	8.89
3.	The HSBC Private Equity India Fund Ltd.	10,41,600	20,83,200	4.63
4.	NIF Investment Ltd.	5,06,000	10,12,000	2.25
5.	Norma Detergents Pvt. Ltd.	4,00,000	8,00,000	1.78
6.	Industrial Development Bank of India	3,20,000	6,40,000	1.42
7.	Khandwala Securities Ltd.	3,00,000	6,00,000	1.33
8.	Manish N Patel	2,55,000	5,10,000	1.13
9.	Naman Soaps & Detergents Pvt. Ltd.	2,40,000	4,80,000	1.06
10.	Navin Soaps & Detergents Pvt. Ltd.	2,40,000	4,80,000	1.06
	Total	73,02,600	14,605,200	32.44



SHREE RAMA MULTI-TECH LIMITED

6. The shareholding pattern of Shree Rama before and after allotment/allocation of equity shares against the Offer will be as follows:

Sr. No.	Category of the shareholders	Existing		After the Offer	
		No. of equity shares of Face Value of Rs.5/- per share	%	No. of shares of Face Value of Rs.5/- per share	%
1.	Promoters/Directors & relatives	1,32,59,914	29.50	1,32,59,914	25.02
2.	Friends and associates	83,05,834	18.48	83,05,834	15.67
3.	Foreign Corporate Bodies	1,94,45,886	43.27	1,38,53,886	26.14
4.	Other Indian Corporate Bodies	20,40,000	4.54	20,40,000	3.85
5.	Overseas Corporate Bodies (OCBs) / Non-resident Indians (NRIs)	18,92,716	4.21	18,92,716	3.57
6.	Public	0	0	1,32,50,000	25.00
7.	Employees	0	0	3,97,750	0.75
Total		44,944,250	100	53,000,000	100

7. Equity shares held by the promoters, representing 25% of the post-issue capital of Shree Rama, will be locked in. These shares will be locked in for a period of 2 years from the date of allotment in the present offer. The details of promoters holding, which will be locked in, are as under :

Sr. No.	Name of the Share holders	Date of Allotment	No. of equity shares offered for Lock-in Period	Issue Price per Equity Share (Rs.)	No. of equity shares offered for Lock-in Period after share split *	% of post - Offer paid - up capital
1.	Vimpsan Investment Pvt. Ltd	31.01.95	4,00,000	10	8,00,000	11.81%
		11.02.95	16,00,000	25	32,00,000	
		30.09.98	10,20,000	87.50	20,40,000	
		31.01.95	75,000	10	1,50,000	
		31.01.95	35,000	10	70,000	
			31,30,000		62,60,000	
2.	Sanket Estates & Finance Pvt. Ltd	31.01.95	5,00,000	10	10,00,000	9.67%
		11.02.95	15,00,000	25	30,00,000	
		30.09.98	4,50,000	87.50	9,00,000	
		31.01.95	1,12,000	10	2,24,000	
		11.02.95	500	25	1,000	
			25,62,500		51,25,000	
3.	Vikram R. Patel	17.12.93	35,000	10	70,000	0.78%
		31.01.95	1,60,000	10	3,20,000	
		11.02.95	12,500	25	25,000	
			2,07,500		4,15,000	
4.	Sharad C. Patel	17.12.93	17,500	10	35,000	0.66 %
		31.01.95	1,51,700	10	3,03,400	
		11.02.95	5,800	25	11,600	
			1,75,000		3,50,000	

**SHREE RAMA MULTI-TECH LIMITED**

Sr. No.	Name of the Share holders	Date of Allotment	No. of equity shares offered for Lock-in Period	Issue Price per Equity Share (Rs)	No. of equity shares offered for Lock-in Period after share split *	% of post – Offer paid – up capital
5.	Prakash R. Patel	17.12.93	17,500	10	30,000	0.70%
		31.01.95	1,54,500	10	3,09,000	
		11.02.95	10,500	25	21,000	
		11.02.95	2,500	25	5,000	
			1,85,000		3,70,000	
6.	Leena V. Patel	31.01.95	49,500	10	99,000	0.21%
		11.02.95	5,500	25	11,000	
			55,000		1,10,000	
7.	Smita S. Patel	31.01.95	49,500	10	99,000	0.21%
		11.02.95	5,500	25	11,000	
			55,000		1,10,000	
8.	Mona P. Patel	31.01.95	49,500	10	99,000	0.21%
		11.02.95	5,500	25	11,000	
			55,000		1,10,000	
9.	Anuja P. Patel	31.01.95	22,500	10	45,000	0.09%
		11.02.95	2,500	25	5,000	
			25,000		50,000	
10.	Shinali R. Patel	31.01.95	22,500	10	45,000	0.09%
		11.02.95	2,500	25	5,000	
			25,000		50,000	
11.	Kartavya S. Patel	31.01.95	45,000	10	90,000	0.19%
		11.02.95	5,000	25	10,000	
			50,000		1,00,000	
12.	Kruti S. Patel	31.01.95	22,500	10	45,000	0.09%
		11.02.95	2,500	25	5,000	
			25,000		50,000	
13.	Sejal V. Patel	31.01.95	22,500	10	45,000	0.09%
		11.02.95	2,500	25	5,000	
			25,000		50,000	
14.	Shaival V. Patel	31.01.95	45,000	10	90,000	0.19%
		11.02.95	5,000	25	10,000	
			50,000		1,00,000	
	TOTAL		66,25,000		1,32,50,000	25%

(*) : Current Face Value of Rs. 5/- each.

All the equity shares allotted so far are fully paid-up.



8. The equity shares held by the promoters under lock-in period shall not be sold / hypothecated / transferred during the lock-in period commencing from the date of allotment/allocation for a period of 2 years from the date of allotment/allocation in the present Offer.
9. The company has 309 permanent employees who will be eligible to apply for the shares reserved for Employees in this Offer. Unsubscribed portion, if any, of shares reserved for employees of Shree Rama will be added back to the net Offer to the public to the extent of such undersubscription in that category. Any oversubscription in the reserved category will be added to the subscriptions for the Fixed Price Portion.
10. The allotment of equity shares, in case of over-subscription in the Fixed Price Portion, will be on a proportionate basis. A minimum of 50% of the fixed price portion shall initially be made available for allotment to individual applicants who apply for less than or equal to 1,000 shares. The balance 50% of the fixed price portion shall initially be made available for allotment to individual applicants who apply for more than 1,000 shares. The unsubscribed portion of the net offer to any one of the above two categories shall be made available for allotment to applicants in the other category, if so required and allotment shall be made on a proportionate basis as per relevant SEBI guidelines.
11. The Company does not intend to retain any oversubscription in excess of the issue size.
12. The promoters, directors, relatives, friends, their associates, the Lead Managers, Advisors and Offerors, directly or otherwise, have not made any arrangement for buy-back of any equity shares offered through this Offer Document.
13. Shree Rama / Offerors have not raised any bridge loan against this Offer.
14. The promoters, directors and persons in promoter group have not transacted in any equity shares of the Company in the past six months.
15. Shree Rama has not issued any security / option which will entitle the holder to convert or receive new equity shares on a future date.
16. A Bidder can not make a bid for more than the number of shares offered through book building portion and An applicant can not make an application for more than the number of shares offered through the fixed price portion.



2. TERMS OF THE PRESENT OFFER

The equity shares now being issued are subject to the provisions of the Act, Memorandum and Articles of Association of the Company, terms of this Offer Document, the bid form, the revision form, the application form, the guidelines for listing of securities issued by the Stock Exchanges and Government of India and/or other statutory bodies and the guidelines for Disclosure and Investor Protection issued by the Securities and Exchange Board of India ("SEBI Guidelines") and the Depositories Act, 1996, as in force on the date of the offer and to the extent applicable.

AUTHORITY FOR THE OFFER

- A. Pursuant to Section 81(1-A) of the Act, the present issue of 80,55,750 equity shares has been authorized vide a special resolution passed at the Extraordinary General Meeting of members of Shree Rama held on 18th September 1999
- B. The Board of Directors of HSBC Private Equity Management Mauritius Ltd., the investment manager of The HSBC Private Equity India Fund Limited had at its meeting held on 7th September 1999 approved disinvestment of 15,46,000 equity shares held by them to the public through Offer for Sale.
- C. The Board of Directors of CDC Financial Services (Mauritius) Limited had at its meeting held on 17th September, 1999 approved disinvestment of 7,73,000 equity shares held by them to the public through Offer for Sale.
- D. The Board of Directors of International Venture Capital Management Limited, the Manager of South Asia Regional Fund (under CDC Group Management) had at its meeting held on 16th September 1999 approved disinvestment of 7,73,000 equity shares held by them to the public through Offer for Sale.
- E. The Board of Directors of NIF Investment Limited had at its meeting held on 22nd September 1999 approved disinvestment of 20,28,572 equity shares held by them to the public through Offer for Sale.
- F. The Board of Directors of Nippon Investment and Finance Company Limited had at its meeting held on 20th September 1999 approved disinvestment of 4,71,428 equity shares held by them to the public through Offer for Sale.

JURISDICTION

This Issue is made in India to persons resident in India (including Indian nationals resident in India who are majors, Hindu Undivided Families, companies, corporate bodies and societies registered under the applicable law in India and authorized to invest in the shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks and regional rural banks, co-operative banks (subject to RBI permission), Trust registered under Societies Registration Act, 1860, or any other Trust law and who are authorized under their constitution to hold and invest in

shares), NRIs, OCBs and FIIs (Registered with SEBI) as defined under Indian laws. This Offer Document does not, however, constitute an offer to sell or an invitation to subscribe to shares issued hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Offer Document comes is required to inform himself about and to observe any such restrictions. Any disputes arising out of this Issue will be subject to the courts of competent jurisdiction in Ahmedabad.

No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Offer Document has been submitted for approval and has been filed with the SEBI. Accordingly, the equity shares represented thereby may not be offered or sold, directly or indirectly, and this Offer Document may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Offer Document nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of Shree Rama since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

FACE VALUE / OFFER PRICE

Equity shares of face value of Rs. 5/- each are being offered at a price of Rs. 120/- per equity share. The tradeable lot is 100 equity shares.

Ranking of Equity Shares

The equity shares to be offered shall be subject to the Memorandum and Articles of Association of the Company and shall rank pari passu with the existing equity shares of the Company save and except that the holders of the equity shares now being issued will not be entitled to dividend, if any, declared or paid by the Company for any period prior to the date of allotment/allocation. They will be entitled to dividend, if any, declared or paid on the equity shares only in such proportion as is attributable to such part of the financial year after which such equity shares were allotted/allocated/transferred. The proportionate dividend, if any upto the date of allocation in this Offer on the shares being offered by the Offerors will be paid to the Offerors. The date of allotment for Equity Shares of the Fixed Price Portion shall be deemed date of allotment / transfer of shares for the Offer including the Book Built portion. All the shares being offered through this Offer Document will have similar rights inter-se with regard to dividend, and all other rights of shareholders from the date of allocation/allotment regardless of whether they have been allotted from the offer for sale portion, or the issue portion.

RIGHTS OF MEMBERS

- a) Right to receive dividend, if declared.
- b) Right to attend general meetings and exercise voting rights, unless prohibited by law.
- c) Right to vote either personally or by proxy.
- d) Right to receive offer for rights shares and be allotted bonus shares, if declared.
- e) Right to receive surplus on liquidation, if any.
- f) Other rights available under the Companies Act.



Nomination Facility to investor

As per Section 109 A of the Companies Act, 1956, the Sole applicant / Joint applicant may nominate, in the prescribed manner, a person to whom his share in the Company shall vest in the event of his death

Stamp Duty

The Stamp duty, if any payable on transfer of shares from the Offerors to the new shareholders will be payable by the Issuer.

Terms of Payment

Book Built Portion

The Bid must be for a minimum of 500 equity shares and in multiples of 100 equity shares thereafter. A Bidder can not make a bid for more than the number of shares offered through book building, further a bidder cannot bid at a bid price lower than the face value of the shares of the Company. The maximum bid price has to be paid at the time of bidding based on the highest bidding option of the Bidder or where bid is at cutoff price, the bidder would be required to make payment at the highest price in the indicative price band. Where payment of bid price at the time of bidding is waived at the discretion of the Syndicate Member or where there is a shortfall as a result of cutoff price being more than the highest price in the indicative price band, the offer price or the difference, as the case may be is to be paid within 3 days on communication by the BRLM of the list of Bidders who have been allocated equity shares to the Syndicate Members. Where a Bidder has been allocated lesser number of shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within 15 days from the Bid closing date.

The allocation and/or transfer of securities relating to the Book Built Portion shall be made within 15 days from the Offer Closing Date for Book Built Portion. The Company and the Offerors shall pay interest @15% p.a., (except to Bidders applying through stock invest) if allocation and/or transfer is not made within 15 days from the Offer Closing Date for Book Built Portion and refund orders are not despatched to the Bidders within 15 days of Bid Closing Date, for any delay beyond 15 days.

In relation to the Book Built Portion, the BRLM and the Company shall open an Escrow Account at the Escrow Collection Bank for the collection of the monies payable upon submission of the Bid Form or pursuant to allocation in the Book Built Portion. Each Bidder shall, with the submission of the Bid Form draw a cheque /demand draft/Stockinvest for the maximum amount of his bid in favour of the Escrow Account of the Escrow Collection Bank i.e. Name of Escrow bank A/c SRML- Book building offer and submit the same to the Syndicate Member(s). Bid form accompanied by cash shall not be accepted. Where the Bid is at cut-off price the investor will be required to make payment at the highest price in the indicative price band. The Syndicate Member(s) may at their discretion waive such payment at the time of the submission of the Bid Form, in which case the Offer Price or where there is a shortfall as a result of cut-off price being more than the highest price in the indicative price band, the offer price or

the difference, as the case may be is to be paid within 3 days on communication by the BRLM of the list of Bidders who have been allocated equity shares to the Syndicate Members. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled.

The Syndicate Member(s) shall deposit such cheque/demand draft/Stockinvest with the Escrow Collection Bank which will hold the monies for the benefit of the Bidders till such time as the Offer Opening Date. On the Offer Opening Date, the Escrow Collection Bank shall transfer the funds from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Offer Account with the Bankers to the Offer.

Fixed Price Portion

Application must be for a minimum of 100 equity shares and in multiples of 100 equity shares thereafter.

The details of amount payable on application and allotment are as under:

	Towards Capital (Rs. per share)	Towards Premium (Rs.)	Total Amount Payable (Rs.)
On Application	2.50	57.50	60.00
On Allotment	2.50	57.50	60.00
Total	5.00	115.00	120.00

In case of allotment of shares, any excess amount paid on application shall be adjusted towards the amount due on allotment and the balance amount, if any, will be refunded by the company to the applicants.

Allotment of securities relating to the Fixed Price Portion shall be made within 15 days from the Offer Closing Date for Fixed Price Portion. The Company and the Offerors shall pay interest @15% p.a. (except to applicants applying through stock invest) if allotment is not made and refund orders are not despatched to the investors within 15 days from the Offer Closing Date for Fixed Price Portion for any delay beyond 15 days.

Offer Structure

The Offer Size is divided into the Book Built Portion and the Fixed Price Portion.

The Offer consists of Book Building Portion of 99,37,500 equity shares (55,92,000 equity shares as Offer for Sale and 43,45,500 equity shares as Issue) and Fixed Price Portion of 37,10,250 equity shares including 3,97,750 equity shares reserved for employees.

Book Built Portion

The investors are required to submit their bids through one of the Syndicate members. The Company in consultation with the BRLM reserves the right to reject any Bid procured by any or all Syndicate Members without assigning any reason therefor.

Fixed Price Portion

The present Offer also contains a Fixed Price Portion. Investors who for any reason(s) could not participate in the Book Building Portion during the Bidding Period or did not receive



an allocation or CAN from the Syndicate Member through whom they participated, can apply for equity shares out of the Fixed Price Portion. However, investors who have been **successful in getting an allocation in the Book Building Portion cannot apply in the Fixed Price Portion.**

The equity shares to be offered under the Fixed Price Portion shall be made available at the Offer Price.

Investors may note that in case of over subscription in the Fixed Price Portion, allotment will be made on a proportionate basis, in consultation with the Regional Stock Exchange.

The Fixed Price Portion shall be available for subscription during the Offer period and not during the Bidding Period.

Forfeiture

Failure to pay the amount due on allotment on or before the appointed date will render the allottee(s) liable to pay interest thereon @ 12% p.a. on the amount outstanding from the date so appointed to the date of actual payment. It is to be noted that 30 days will be permitted for payment of allotment monies without interest. Failure to pay the amount as aforesaid shall also render the shares and the amount already paid (including premium) liable to forfeiture in accordance with the Articles. The Board shall be at liberty to re-issue the shares so forfeited to any other person(s) on the terms and conditions as they deem fit.

Procedure for Bidding

Bid Form

Bidders shall only use the Bid Form for the purpose of making a Bid in terms of this Offer Document. The Bidder shall have the option to make a maximum of three Bids in their Bid Form and such options shall not be considered as multiple applications. Upon the allocation of shares and dispatch of CAN and filing of Offer Document with the RoC, the Bid Form shall be considered as the application form and upon issue of shares shall function as an authority given to the Company by the Bidder to sign the transfer form or authority pursuant to which the shares in physical or Demat form will be transferred. On filing the Bid Form, the Bidder is deemed to have authorized the Company to make the necessary changes in the Offer Document and the Bid Form as would be required for filing of Offer Document with the RoC and as would be required by the RoC after such filing, without any prior or subsequent notice of such changes to the Bidder.

Who Can Bid

- a. Indian nationals resident in India who are majors, in single or joint names (not more than three)
- b. Hindu Undivided Families in the individual name of the Karta
- c. Non Resident Indians (NRIs), Overseas Body Corporates (OCBs) and Foreign Institutional Investors (FIIs registered with SEBI) on repatriation basis and non-repatriation basis subject to applicable laws
- d. Companies, Corporate Bodies and Societies registered under the applicable laws in India and authorized to invest in these shares

- e. Indian Financial Institutions, Commercial Banks and Regional Rural Banks, Co-operative Banks subject to permission from RBI, if any.
- f. Trust registered under Societies Registration Act, 1860, or any other Trust law and are authorized under their constitution to hold and invest in shares
- g. Indian Mutual Funds registered with SEBI

Procedure for Bidding

- a. The Syndicate Members will circulate copies of the Offer Document to their clients
- b. Investors desirous to have copies of the Offer Document can obtain the same from the Registered Office of the Company or the BRLM or from the Syndicate Members
- c. The Company & the BRLM shall declare the Bid Opening Date and Bid Closing Date and publish the same in three widely circulated newspapers (one each in English, Hindi and regional language). This advertisement shall contain the salient features of the Offer Document as specified under Form 2A, the method and process of bidding and the names and addresses of the Syndicate Members as well as bidding centre. The Syndicate Members shall start accepting Bids from the investors from the Bid Opening Date.
- d. Investors who are interested in subscribing to the Company's equity shares should approach any of the Syndicate Members to register their Bid.
- e. The Syndicate Member has the right to take the requisite Bid details (as required to be filled into the Book Building software) from Bidders based abroad without receiving the Bid Form, subject to the condition that their Bid Form will be collected by the Syndicate Member prior to the last date of the Pay-in period, in case the payment has been waived by the Syndicate Member. Such receipt of Bid details by the Syndicate Member will be construed to be equivalent to submission of the Bid Form for the purpose of Bidding.

Electronic Registration of Bids

- a. The Syndicate Member will register the Bids using the on-line facilities of NSE (National Stock Exchange of India Ltd.) and BSE (The Stock Exchange, Mumbai). There will be at least one NSE/BSE on-line connectivity to each of the bidding centres.
- b. NSE/BSE will offer a screen based facility for registering Bids for the Offer. This facility will be available on the terminals of Syndicate Members during the Bidding Period. Syndicate Members can also set up facilities for off-line electronic registration of bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for Book Building.
- c. At the time of registering the Bid, the Syndicate Member shall enter the following details of the investor in the on-line system:
 - Name of the investor



- Investor Category - Individual / Corporate/ NRI/OCB/ FII/MF/Trust/HUF etc.
 - Number of shares
 - Bid price (See the following Para)
 - Bid Form number
 - Whether payment made upon submission of Bid Form
- d. After the above data is entered, the system will generate a Unique Transaction Identification Code (UTIC), which will indicate the Syndicate Member's identity and the investor's registration with him. A system generated Transaction Registration Slip (TRS) (or the Order Confirmation Note) will be given to the investor as a proof of the registration of each Bid Option. It is the Bidders responsibility to obtain the TRS from the Syndicate Members. The registration of the Bid by the Syndicate Member does not guarantee that the shares shall be allocated either by the Syndicate Member or the Company or the BRLM.
- e. Such TRS by itself will not create any obligation of any kind.
- f. The Syndicate Member has the right to vet the Bid. Consequently, the Syndicate Member also has the right to accept the Bid or reject it without assigning any reason. In case the Syndicate Member does not waive the requirement of payment into the Escrow Account during the Bidding Period, the Bid of the Bidder shall not be rejected except on technical grounds.

Bids at Different Price Levels

- a. An indicative price band will be advertised prior to the Bid Opening Date for reference purposes of the Bidders. Such price band will only be indicative and the Company and the BRLM reserve the right to finalize the Offer Price at any level above or below this price band without prior approval of or intimation of the Bidders. A indicative price band prior to the Bid Opening date. The Offer price as determined by the Company in consultation with the BRLM may be above or below the indicative price band.
- Bidders will have to place their bids at a price, which may be within or above or below the indicative price band. The Bidders cannot bid below the face value of the equity shares of the Company.
- c. An investor will also have an option of putting a "Cut Off Price Bid" on the on-line system. Such a Bid would imply that the investor is willing to buy the Bid for quantity of equity shares, at whatever be the Offer Price subject to the Maximum Offer Price arrived at by the book building procedure, whether or not such Offer Price is within the Indicative Price Band mentioned above.

Escrow Mechanism

The Company shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidder shall make out the cheque or demand draft in respect of his or her Bid and/or revision. The Escrow Collection Banks will act in

terms of this Offer Document and an Escrow Agreement to be entered into between the BRLM, the Company, the Escrow Collection Bank and the Registrars to the Offer. The monies in the Escrow Account shall be maintained by the Escrow Collection Bank for and on behalf of the Bidders. The Escrow Collection Bank shall not exercise any lien over the monies deposited therein, and shall hold the monies therein in trust for the investors, and on or after the Offer Opening Date transfer the monies to the Public Offer account with the Bankers to the Offer in terms of the Escrow Agreement. The Bidders are informed that the Escrow Mechanism is not prescribed by SEBI and the same has been established as an arrangement between the Escrow Collection Bank(s), the Company, the Registrars to the Offer and the BRLM, to facilitate collections from the Bidders.

Bidding and payment into the Escrow Collection Account

- a. Each Bid Form will give the Bidder the choice to bid for up to three optional price and demand (i.e. number of shares bid for) levels. The price and demand options submitted by the Bidder in the Bid Form will be treated as optional demands from the Bidder and will not be cumulated. **After discovery of the Offer Price, the maximum number of shares bid for by a Bidder at or above the Offer Price will be considered for allocation and rest of the bid irrespective of the bid price will become automatically invalid.**
- b. The Bidder cannot bid on another Bid Form after his bids on one Bid Form have been submitted to any Syndicate Member. Submission of a second Bid Form to either the same or to another Syndicate Member will be treated as multiple bidding and is liable to be rejected either before entering the bid into the NSE/BSE bidding system, or at any point of time prior to the allotment/allocation and/or transfer of shares in the Offer.
- c. Along with the Bid Form, all Bidders will submit a cheque or draft payable to the Escrow Account or Stockinvest (subject to applicable laws/guidelines) favouring the Company. The amount of such payment will be the highest value of the optional bids submitted in the Bid Form. If one of the Bidder's options is at the cut off price, the payment for that option will have to be considered at the highest price in the indicative price band. The Syndicate Member can waive this requirement of payment to the Escrow Account for any Bidder as per his discretion. However, if such payment is not waived by the Syndicate Member, the full amount of payment has to be made and partial payment will not be accepted by the Syndicate Member. In case, requirement of payment during the Bidding period is waived by the Syndicate Members, the closure of the Pay-in Period for such Bidders, for payment into the Escrow Account, shall be within three days of communication of the allocation list to the Syndicate Member by the BRLM.
- d. The Syndicate Member will enter each option into the NSE bidding system/BSE bidding system as a separate bid and generate a TRS for each option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRS' for each Bid Form.



Build Up of the Book & Revision of Bids

- a. Bids registered by various Bidders through their Syndicate Member(s) shall be electronically transmitted to the NSE/BSE mainframe on an on-line basis.
- b. The book gets built up at various price levels. This information will be available to the BRLM on an on-line basis.
- c. During the Bidding Period, any Bidder who has registered his or her interest in the equity shares at a particular price level is free to revise his or her Bid using the printed Revision Form.
- d. The revision can be made in both the desired quantity of shares and the Bid Price by using the Revision Form. The Bidder must fill his or her Bid Form number, details of all the options in his or her Bid Form or earlier Revision Form and revisions for all the options as per his Bid Form or earlier Revision Form. If a Bidder has bid in three options in the Bid Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options in the Revision Form as unchanged. Incomplete or inaccurate Revision Forms will not be executed by the Syndicate Member.
- e. The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the earlier Bid, the Bidder will have to use the services of the same Syndicate Member through whom he has placed the original Bid, otherwise the revised bid is liable for rejection.
- f. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft or Stockinvest for the full amount of the revised Bid and the same shall not be adjusted against the payment made at the time of the original Bid. The excess amount paid, if any shall be returned to the Bidder at the time of refund in accordance with the terms of this Offer Document. The Syndicate Member may at his sole discretion waive the payment requirement at the time of one or more revisions.
- g. When a Bidder revises his or her bid, he or she shall surrender the earlier TRS and get a revised TRS from the Syndicate Member. It is the responsibility of the Bidder to request for and get the revised TRS, which will act as proof of his or her having revised the previous Bid.
- h. In case of discrepancy of data between NSE/BSE and the Syndicate Member, the decision of the BRLM based on the records of NSE/BSE is final.

Price Discovery and Allocation

- a. After the Bid Closing Date, the Allocation committee headed by the BRLM and comprising one representative from each of the Syndicate Members and the Issuer shall analyze the demand generated by the Syndicate at various price levels
- b. The Company in consultation with the BRLM and the Allocation Committee will finalize the "Offer Price", the number of shares to be issued and the allocation to successful Bidders. The allocation would be decided based on the quality of the bidder determined broadly by the size, price and date of the bid.

- c. The BRLM shall intimate the Syndicate of the Offer Price and allocations to their Bidders.

Signing of Underwriting Agreement & RoC Filing

- a. The Syndicate Member(s) shall enter into an underwriting agreement with the BRLM and the Company on being intimated about the Offer Price and allocation(s) to their Bidders.
- b. The Offer Document shall be finalized and filed with the RoC soon after signing of the underwriting agreements.

Announcement Advertisement

After the Offer Price is determined by the Company in consultation with the BRLM, the statutory advertisement will be issued by the Company after the filing of the Final Offer Document with the RoC. This advertisement shall in addition to the information that has to be set out in the statutory advertisement indicate the price of the securities along with a table showing the number of securities and the amount payable by an investor. The date of allocation for book build portion and latest date of despatch of CAN.

Issuance of Confirmation of Allocation Note and Allotment for the Book Built Portion

- a. The BRLM shall send to the Syndicate Members a list of their Bidders who have been allocated shares in the Book Built Portion.
- b. The receipt of the list of allocation for their Bidders by the Syndicate Members shall constitute acceptance of the Bids set out in the said lists for the Offer and the same shall be deemed to be a valid and binding contract. The Bidders shall be deemed to have knowledge of such acceptance immediately upon the receipt by the Syndicate Members of the list of allocation for their Bidders. The Syndicate member is, for this limited purpose, deemed to be the agent of the Bidders.
- c. The Syndicate Members would then send the CAN to their Bidders who have been allocated shares in the Book Built Portion and who have not paid into the Escrow Account at the time of bidding. Bidders who have been allocated shares and who have already paid into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Offer subject, however, to realization of their cheques or demand drafts or Stockinvest paid into the Escrow Account. In case of allocation of shares, any excess amount paid on application shall be adjusted towards the amount due on allocation and the balance amount, if any, will be refunded by the company to the applicants. In case the Offer Price is higher than the highest value of the indicative price band used for Book Building, the Bidders who have paid lesser than the full value of their allocated shares at the Offer Price will be required to pay such shortfall as per the instructions given in the CAN.
- d. Allocation and/or transfer of securities relating to the Book Built Portion shall be made within 15 days from the Offer Closing Date for Book Built Portion. The Company and the Offerors shall pay interest @ 15% p.a., (except to applicants applying through stock invest) if allocation and/or transfer is not made and refund orders are not despatched to the investors within 15 days from the Bid



Closing Date for Book Build Portion for any delay beyond 15 days.

- e. Equity shares shall thereafter be allotted and/or transferred to the investors within 15 days of the Offer Closing Date for Book Built Portion.

INSTRUCTIONS

Book Built Portion

Instructions for Filling Up the Bid Form for the Book Built Portion.

- a. Bidders can obtain Bid Forms and/or Revision Forms from the Syndicate Members

- b. Bids and revisions to Bids must be:

- Made only in the prescribed Bid Form or Revision Form, as applicable, completed in full, in BLOCK LETTERS in ENGLISH in accordance with the instructions contained herein and in the Bid Form and are liable to be rejected by the Syndicate Member(s) if not so made.
- For a minimum of 500 shares and in multiples of 100 shares thereafter.
- In single name or in joint names (not more than three).
- Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under his or her official seal.

- c. *Bidder's Bank Details*

The name of the first or sole Bidder's bank, branch, type of account and account number must be filled in the Bid Form. It is mandatory for the Bidder to provide this information. This is required for the Bidder's own safety so that these details can be printed on the refund orders. Bids without these details are liable to be rejected.

- d. *Bidders Depository Account Details*

The allotment / allocation / Transfer of Shares under the Book Build portion shall be compulsorily in dematerialised form. The Bidders have to necessarily mention their Depository Participant's name, DP-ID and Beneficiary Account Number in the Bid Form. Bid forms without the depository account details will be rejected. In case of Bid Forms submitted in joint names, it must be ensured that the Depository Account is also held in the same joint names and which are in the same sequence in which they appear in the Bid Form.

- e. *Bids under Power of Attorney*

In case of Bids made under Power of Attorney or by limited companies, corporate bodies, registered societies, etc. a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be or a duly certified copy thereof along with a certified copy of the Memorandum & Article of Association and/or Bye Laws must be lodged along with the Bid form

- f. *Bids by NRIs, OCBs or FII's on a repatriation basis*

- (i) Bids Form and Revision Forms must be made only:

- On the prescribed Bid Form or Revision Form, as applicable, (Blue in colour) and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained herein and in the Bid Form or Revision Form and are liable to be rejected by the Syndicate Member(s) if not so made;

- In a single or joint names (not more than three)

- In the names of individuals, societies and other corporate bodies owned predominantly (at least to the extent of 60%) by Non-Resident Individuals of Indian nationality or origin, or in the names of Foreign Institutional Investors but NOT in the names of minors, firms or partnerships, foreign nationals or their nominees. Bids by overseas limited companies and other corporate bodies owned predominantly (at least 60%) by Non Resident Indians must be accompanied by a certificate in the prescribed form OAC/OAC 1 from Overseas Auditor or Chartered Accountant or Certified Public Accountant.

- (ii) Bid Forms or Revision Forms from Non Residents, duly completed along with cheque or bank drafts or Stockinvest, for the amount payable for Bidding or revisions remitted through normal banking channels or out of funds held in Non Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance must be delivered to the Syndicate Member at the time of submission of the Bid Form or Revision Form or after the allocation as the case may be. Payment will not be accepted out of Non Resident Ordinary (NRO) Account of Non Resident Bidders. Payment by drafts should be accompanied by Bank Certificate confirming that the draft has been issued by debiting to NRE or FCNR Account.

- (iii) All cheques or Bank Drafts accompanying the Bid Form or Revision Form should be crossed A/c. Payee Only and made payable to the Escrow Account of the Escrow Collection Bank and marked "Name of the Escrow Bank A/c. SRML-Book building offer - NR" A separate cheque or bank draft must accompany each Bid form or Revision Form. Under no circumstances should the Bid Form or Revision Form with remittance be sent to the Company or to the Registrars to the Offer.

- (iv) The Company has received approval of the RBI vide their letter number FID(I) 1538 10.1.07.02.200 (377)/99-2000 dated November 26, 1999, allowing the Company to issue equity shares to non-residents of Indian nationality / origin (NRIs)/OCBs (predominantly owned by NRIs)/FIIs with repatriation benefits. Overall issue to FIIs should not exceed 24% and to a single FII 10% respectively of the post issue paid up capital of the Company. The RBI has granted as in-principle approval for the offer for sale by foreign shareholders. Hence it will not be necessary for the investors to seek



separate permission from RBI. The allotment of the equity shares to Non Residents shall be subject to RBI approval or any other requisite authority as may be necessary under the existing Exchange Control Regulation. Sale proceeds of such investments in equity shares will be allowed to be repatriated along with the income thereon subject to the permission of RBI and subject to Indian Tax Laws provided the investments are made by inward remittances from abroad through approved banking channels or out of funds held in NRE or FCNR Account.

- (v) Refunds, dividends and other distributions, if any, will be payable in Indian Rupee only and net of bank charges and/or commission. In case of Bidders who remit money payable upon submission of the Bid Form or Revision Form through Indian Rupee Drafts from abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by RBI at the rate of exchange prevailing at the time of remittance and will be despatched by Registered Post or if the applicants so desire, will be credited to their NRE Accounts, details of which should be furnished in the space provided for this purpose in the Bid Form. The Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of Foreign Currency into Indian Rupees and vice versa.

For further instructions, please read the Bid Form and/or the Revision Form carefully.

g. Payment Instructions for Book Built Portion

- (i) Cash Payment will not be accepted by the Syndicate Members for the Book Built Portion. Payment may be made by way of cheque or Stockinvest (subject to applicable laws/guidelines) or demand draft drawn on any bank, including a Co-operative Bank which is situated at and is a member or sub-member of the Bankers Clearing House located at the place where the Bid Form or Revision Form is submitted. Outstation cheques or bank drafts, or cheques or bank drafts drawn on banks not participating in the clearing process will not be accepted. Bidders based in cities other than the bidding centers can give demand drafts payable at the location of the bidding center where the Bid Form or Revision Form is submitted. Such Bidders based in cities other than the bidding centers can submit their Bid Forms or Revision Forms only by hand delivery to the Syndicate Members. Bids sent by post will not be registered by the Syndicate Members.
- (ii) All cheques or drafts must be made payable to the Escrow Collection Bank or Banks and favouring "Name of Escrow Bank A/c SRML - Book building offer" and crossed "A/C PAYEE ONLY". In case of payment by cheque or bank draft or Stockinvest (subject to applicable laws/guidelines), a separate cheque or bank draft or Stockinvest must accompany each Bid Form or Revision Form. Bidders are advised to mention the serial number of the Bid Form on the reverse of the instruments to avoid misuse of

instruments submitted along with the Bids for equity shares

- (iii) Where the maximum Bid for equity shares by a Bidder is for the total value of Rs.50,000 or more, i.e. the actual number of securities bid for multiplied by the bid price, is Rs.50,000 or more the Bidder or in the case of a Bid in joint names, each of the Bidders should mention his or her Permanent Account Number (PAN) allotted under the Income-tax Act, 1961 or where the same has not been allotted, the GIR Number and the Income Tax Circle/Ward/ district. In case, neither the PAN nor the GIR number has been allotted, the Bidder must mention "Not allotted" in the appropriate place. **Bid Form without this information will be considered incomplete and are liable to be rejected.**
- (iv) All Bid Forms or Revision Forms duly completed and accompanied by Account Payee cheques or drafts or Stockinvest shall be submitted to the Syndicate Member at the time of submitting the Bid. **The Syndicate Member may at his discretion waive the requirement of payment at the time of submission of the Bid Form and Revision Form.**
- (v) No separate receipts shall be offered for the money payable on submission of Bid Form or Revision Form. However, the collection center of the Syndicate Member will acknowledge the receipt of the Bid Forms or Revision Form by stamping and returning to the Bidder the acknowledgment slip. This acknowledgment slip will serve as the duplicate of the Bid Form for the records of the Bidder, apart from the TRS.

Payment By Stockinvest

The Bidder who is an individual or a mutual fund has the option to use the instrument Stockinvest in lieu of cash or cheques or bank drafts for payment of application money, subject to applicable laws and guidelines. The Bidder using Stockinvest should submit the Bid Form or Revision Form along with the instrument to the collection center of the Syndicate Member mentioned in the Bid Form. Stockinvest instruments are payable at par at all the branches of the issuing bank and as such, outstation Stockinvest instruments can be attached to the Bid Form or Revision Form.

The Bidder may approach the banks concerned for obtaining Stockinvest and detailed instructions for the same. The Bidder has to fill in the following particulars:

1. Title of the Account as mentioned in the Bid Form
2. Maximum number of Shares bid for
3. The maximum amount payable as per the options in the Bid Form or Revision Form

The Bidder should thereafter sign the instrument. It should also bear the stamp of the bank issuing the instrument and should be crossed "A/c Payee Only" and made payable only to "Shree Rama Multi-Tech Limited". The Bidder will bear all Service charges for issuing the Stockinvest.

The Bidder should not fill in the portion to be filled up by the Registrars to the Offer (Right hand portion of the instrument).



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The Registrars to the Offer will fill up the Right-hand side of the Stockinvest indicating the Shares allotted to the Bidders, calculated as follows:-

- a. In case of full allotment, the Registrars will enter the number of shares on the right hand side equal to that on the left-hand side of the instrument.
- b. In case of partial allotment, Registrars will enter a number on the right hand side of the instrument, which will be less than the number filled up by the applicant on the left-hand side.
- c. In case the allotment is nil, Registrars will enter 'nil' on the right hand side of the instrument.

The Purchaser should use Stockinvest, and the name of the Purchaser or one of the Purchasers should be indicated as the first Bidder in the Bid Form or Revision Form. Thus, if the signature of the Purchaser on the Stockinvest and the signature of the first Bidder in the Bid Form or Revision Form do not tally, the Bid would be treated as having been accompanied by a third party Stockinvest and is liable to be rejected.

The Purchaser should use the Stockinvest instrument within 10 days from the date of issue of the instrument, failing which such Bids are liable to be rejected. For the purpose of calculating the 10 days, the last date for use of the Stockinvest for submitting the Bid Form to the Syndicate Member is indicated on the face of the Stockinvest with a notation "to be used before _____".

The Registrars will not issue a refund order to the Bidders using Stockinvest for payment of money due under the Bid Form or Revision Form. In case of non allotment of Shares, the Registrars will return the cancelled Stockinvest instruments to the Bidders within 10 weeks of the Offer Closing Date for Book Built Portion, by Registered Post. The Bidder will have to approach the issuing bank branch for lifting the lien.

The Company (through Resolution of the Board of Directors passed on 28/11/2000) has authorized the Registrars to the Offer to sign on behalf of the Company to realize the proceeds of the Stockinvest from the issuing bank or to affix non-allotment advice on the instrument, or to cancel the Stockinvest(s) of the non-allottee. The Registrars shall directly send back such cancelled Stockinvest(s) to the Bidders.

Reserve Bank of India vide its circular no. DBOD No.FSC.BC.100/24.47.001/94 dated September 2, 1994 has restricted the use of Stockinvest(s) to individual investors and Mutual Funds only. Stockbrokers, Corporate Bodies, Banks and Financial Institutions are not allowed to apply through Stockinvest(s). A ceiling of Rs.50,000/- per individual per Stockinvest has been imposed. Any Bid form submitted by individual with stock invest above Rs. 50,000 will be rejected. The above ceiling is not applicable to Mutual Funds.

In the interest of the investors, to avoid rejection of applications on technical grounds, it is suggested that the applicant should ensure that :

- a) the date of issue of the stockinvest by the issuing bank is clearly mentioned on the instrument
- b) the instrument is duly signed by the authorised officer of the bank giving his code number

- c) any correction / alteration in the date of issue, amount, the name of the Issuer, etc., should be attested by an authorised officer of the issuing bank
- d) the applicant has clearly written the name of the Issuer, the amount and signed the instrument. The signature on the instrument should tally with the specimen signature of the first named applicant as appearing on the application form
- e) in case the stockinvest is purchased in joint account, the names of both the account holders should be mentioned in the stockinvest instrument at the place mentioned for writing the name of the investor
- f) the amount written in the application form to be deposited and the amount of the stockinvest instrument accompanying the application form should be the same
- g) the stockinvest is to be utilised by the purchaser(s) and the purchaser's name or name of one of the purchasers is invariably indicated as the first applicant in the share application form. Thus, if the signature of the purchaser on the stockinvest and the signature of the first applicant on the application form does not tally, the application would be treated as having been accompanied by a third party stockinvest and is liable to be rejected

The above information is given for the benefit of investors and the Issuer is not liable for any modification of terms of stockinvest or procedure thereof by issuing banks.

Note: The above information is given for the benefit of investors and the Company is not liable for any modification of the terms of Stockinvest or procedure thereof by the issuing bank.

Disposal of Application Money in Case of Stockinvest

In case of non-allotment, the Registrars to the Offer shall directly send back the cancelled Stockinvest to the Bidders along with the relative advice. The Stockinvest would bear stamps such as "CANCELLED" and "NOT ALLOTTED" across the face of the instrument. The issuing bank will lift the lien on the account on surrender of the same by the Bidder.

On allotment or partial allotment, the Registrars to the Offer shall fill in the amount (which will be less than or equal to the amount filled by the Bidder) before presenting the Stockinvest to the respective issuing Banker for payment to the extent of allotment. The Bank will lift the lien on the balance amount, if any, of the deposit.

Inquiries relating to Stockinvest may be addressed only to the Registrars to the Offer and not to the issuing bank.

The above information is given for the benefit of Bidder and the Company is not liable for any modification of terms of Stockinvest or procedure thereof by issuing banks.

The Registrars shall send back the cancelled instrument to the Bidders directly by registered post within 10 weeks of the Offer Closing Date for Book Built Portion.

All conditions mentioned earlier for making an Bid through cheques or demand drafts will also apply to Bids made with Stockinvest.



For further instructions, please read the Bid Form carefully.

Allotment

After the Company has received the entire Offer proceeds for the Book Built Portion, it will proceed to complete the allotment and/or transfer formalities for the Book Built Portion. The allotment under Book Build portion will be compulsorily under dematerialised form, the Bidders may have it rematerialised afterwards. After allotment all Bidders will receive credit for these shares directly in their depository accounts.

Fixed Price Portion

1. Instructions for Filing of Forms for Fixed Price Portion

a. Availability of Offer Document and Application Forms

Application Forms for the Fixed Price Portion along with the copies of the Offer Document and/or Abridged Offer Document may be obtained from the Registered Office of the Company, from the BRLM, other Lead Managers or from the collection centers listed in the Application Forms.

b. Applications must be:

- Made only in the prescribed Application Form.
- Completed in full, in BLOCK LETTERS in ENGLISH in accordance with the instructions contained herein and in the Application Form. Incomplete Application Forms are liable to rejection.
- For a minimum of 100 shares and in multiples of 100 shares thereafter
- In single name or in joint names (not more than three)
- Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under his or her official seal.

c. Applicant's Bank Details

The Application Form must contain the name of the first or sole applicant's bank, branch, type of account and account number. It is mandatory for the applicant to provide this information. This is required for the applicant's own safety so that these details can be printed on the refund orders. Applications without these details are liable to be rejected.

d. Applicant's Depository Account Details

The investor has an option to get his shares using the Depository mode. Investors desirous of availing this facility should mention their Depository Participant's name, DP-ID and Beneficiary Account Number in the Application Form. In case an applicant seeks allotment of certain number of shares in dematerialised form and the remaining in physical form, these would be clubbed for the purpose of arriving at the basis of allocation. Further, it may be noted that the allotment of shares would first be done in the electronic form and then in the physical form. However, if the same Applicant submits two

Applications, one for physical shares and the other for shares in dematerialised form, such Applications will be treated as multiple applications and are liable to be rejected. In case of Applications submitted in joint names, it must be ensured that the Depository Account is also held in the same joint names and which are in the same sequence in which they appear in the Application Forms.

e. Applications under Power of Attorney

A certified copy of the Power of Attorney must be lodged along with the Application form in case of applications made under Power of Attorney.

f. Application by NRIs on repatriation basis

Applications must be made only:

- (i) On the prescribed Application (Blue in colour) and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained herein and in the Application Form and are liable to be rejected if not so made;
- (ii) In a single or joint names (not more than three)
- (iii) In the names of individuals by Non-Resident Individuals of Indian nationality/origin but NOT in the names of minors, firms or partnerships, foreign nationals or their nominees
- (iv) Application Forms from Non Residents, duly completed along with cheques or bank drafts or Stockinvest, for the amount payable on application remitted through normal banking channels or out of funds held in Non Resident External (NRE) Accounts or Foreign Currency Non Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance must be delivered before the close of Subscription List to such of the branches of the Bankers to the Offer at places mentioned against their names in the Application Form. Payment will not be accepted out of Non Resident Ordinary (NRO) Account of Non Resident Subscribers. Payment by drafts should be accompanied by Bank Certificate confirming that the draft has been issued by debiting to NRE or FCNR Account.
- (v) All cheques or bank drafts accompanying the application should be crossed "A/c. Payee Only" and made payable to any of the Bankers to the Offer with whom the application is lodged and marked "A/c SRML PUBLIC OFFER NR" (for example "Name of the Bank A/c. SRML PUBLIC OFFER NR"). Each Application Form must be accompanied by a separate cheque or bank draft. Under no circumstances should the Application Form with remittance be sent to the Company or to the Registrars to the Offer or the Book Running Lead Manager to the Offer. In case of payment by cheque or bank draft or Stockinvest (subject to applicable laws/guidelines), a separate cheque or bank draft or Stockinvest must accompany each Application Form. Applicants are advised to mention the serial number of the Application Form on the reverse of the instruments to avoid misuse of instruments submitted



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along with the applications for equity shares.

(vi) The Company has received approval of the RBI vide their letter No. FID(I)1538 10.1.07.02.200 (377)/99-2000 dated November 26, 1999, allowing the Company to issue equity shares to non-residents of Indian nationality / origin (NRIs)/OCBs (predominantly owned by NRIs)/FIIs with repatriation benefits. Overall issue to FIIs should not exceed 24% and to a single FII 10% respectively of the post issue paid up capital of the Company. The RBI has granted as in-principle approval for the offer for sale by foreign shareholders. The allotment of the equity shares to Non Residents shall be subject to RBI approval or any other requisite authority as may be necessary under the existing Exchange Control Regulation. Sale proceeds of such investments in equity shares will be allowed to be repatriated along with the income thereon subject to the permission of RBI and subject to Indian Tax Laws provided the investments are made by inward remittances from abroad through approved banking channels or out of funds held in NRE or FCNR Account.

(vii) Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and/or commission. In case of applicants who remit their application money through Indian Rupee drafts from abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by RBI at the rate of exchange prevailing at the time of remittance and will be despatched by Registered Post or if the applicants so desire, will be credited to their NRE Accounts, details of which should be furnished in the space provided for this purpose in the Application Form. The Company will not be responsible for loss, if any, incurred by the applicant on account of conversion of Foreign Currency into Indian Rupees and vice-versa.

For further instructions, please read the Application Form carefully.

g. The Company subject to SEBI guidelines/Stock Exchange norms reserves the right to reject any application and consequent refunds shall be made by cheque or pay order or draft and will be sent to the applicant's address at the applicant's risk.

2. **Payment Instructions for the Fixed Price Portion**

a. Payment may be made by way of cheque or Stockinvest or Demand Draft drawn on any bank, including a Co-operative Bank which is situated at and is a member or sub-member of the Bankers Clearing House located at the place where the Application Form is submitted. Outstation cheques or bank drafts, or cheques or bank drafts drawn on bank not participating in the clearing process will not be accepted. Applicants based in cities other than collection centers mentioned on the Application Form can send Demand Drafts payable at Hyderabad along with the Application Forms by Registered Post to the Registrars to the Offer so that the same are

received before the Offer Closing Date for Fixed Price Portion. Money Orders or Postal Order will not be accepted.

- b. All cheques or drafts must be made payable to the Banker of the Offer and marked "Name of the Bank A/c SRML PUBLIC OFFER" and crossed "A/C PAYEE ONLY".
- c. Where an application for equity shares is for the total value of Rs.50,000 or more, i.e. the actual number of securities, applied for multiplied by the Offer Price, is Rs.50,000 or more the applicant or in the case of an application in joint names, each of the applicants should mention his or her Permanent Account Number (PAN) allotted under the Income-tax Act, 1961 or where the same has not been allotted, the GIR Number and the Income Tax Circle/ Ward/ district. In case, neither the PAN nor the GIR number has been allotted, the applicant must mention "Not allotted" in the appropriate place. **Application Form without this information will be considered incomplete and are liable to be rejected.**
- d. All applications duly completed and accompanied by Account Payee Cheques or Drafts or Stockinvest shall be submitted at the designated collection center of the Bankers to the Offer before the closure of the Offer.
- e. No separate receipts shall be issued for the application money. However, the designated collection center of the Banker to the Offer will acknowledge the receipt of the applications by stamping and returning to the applicant the acknowledgment slip.

3. **Payment by Stockinvest**

The applicant who is an individual has the option to use the instrument Stockinvest in lieu of cash or cheques or bank drafts for payment of application money. The applicant using Stockinvest should submit the Application form along with the instrument to the Bankers to the Offer/ collection center mentioned in the Application Form. Stockinvest instruments are payable at par at all the branches of the issuing bank and as such, outstation Stockinvest instruments can be attached to the Application Form.

The applicant may approach the banks concerned for obtaining Stockinvest and detailed instructions for the same. The applicant has to fill in the following particulars:

- Title of the Account as mentioned in the Application Form
- Number of Shares applied for
- The amount payable on the Share(s) applied for based on the Offer Price

The instrument should thereafter be signed by the applicant. It should also bear the stamp of the Bank issuing the instrument and should be crossed "A/c Payee Only" and made payable only to "Shree Rama Multi-Tech Limited". Service charges for issuing the Stockinvest must be borne by the applicant.

The applicant should not fill in the portion to be filled up by



the Registrars to the Offer (Right hand portion of the instrument). The Registrars to the Offer will fill up the Right hand side of the Stockinvest indicating the Shares allotted to the applicants, calculated as follows:-

- In case of full allotment, the number of shares on the Right hand side will be the same as that on the Left hand side of the instrument.
- In case of partial allotment, the number filled up by the Registrar to the Offer on the Right hand side of the instrument will be less than the number filled up by the applicant on the Left hand side.
- In case the allotment is nil, the number filled up by the Registrar to the Offer on the Right hand side of the instrument will be nil.

The Stockinvest should be used by the Purchaser and the name of the Purchaser/ one of the Purchasers should be indicated as the first applicant in the Application Form. Thus, if the signature of the Purchaser on the Stockinvest and the signature of the first applicant in the Application Form do not tally, the application would be treated as having been accompanied by a third party Stockinvest and is liable to be rejected.

The Stockinvest instrument should be used by the Purchaser within 10 days from the date of Offer of the instrument, failing which, such applications are liable to be rejected. For the purpose of calculating the 10 days, the last date for use of the Stockinvest for submitting the Application Form to the bank is indicated on the face of the Stockinvest with a notation "to be used before _____"

No refund order will be Offered to the applicants using Stockinvest for payment of application money. In case of non allotment of Shares, the cancelled Stockinvest instruments will be returned to the applicant within 10 weeks of closure of subscription list by Registered Post. The applicant will have to approach the issuing bank branch for lifting the lien.

The Company (through Resolution of the Board of Directors passed on _____) has authorized the Registrars to the Offer to sign on behalf of the Company to realize the proceeds of the Stockinvest from the issuing bank or to affix non-allotment advice on the instrument, or to cancel the Stockinvest(s) of the non-allottee. Such cancelled Stockinvest(s) shall be sent back by the Registrars directly to the investors.

Reserve Bank of India vide its circular no. DBOD No.FSC.BC.100/24.47.001/94 dated September 2, 1994 has restricted the use of Stockinvest(s) to individual investors and Mutual Funds only. Stockbrokers, Corporate Bodies, Banks and Financial Institution are not allowed to apply through Stockinvest(s). A ceiling of Rs. 50,000/- per individual per Stockinvest has been imposed. Any Application form submitted by individual with stock invest above Rs. 50,000 will be rejected. The above ceiling is not applicable to Mutual Funds.

Note: The above information is given for the benefit of investors and the Company is not liable for any modification of the terms of Stockinvest or procedure thereof by the issuing bank.

4. Disposal of Application Money in Case of Stockinvest

The Registrars to the Offer shall, in case of non allotment, directly send back the cancelled Stockinvest to the applicant(s) along with the relative advice. The Stockinvest would bear stamps such as CANCELLED" and "NOT ALLOTTED" across the face of the instrument. The issuing bank will lift the lien on the account on surrender of the same by the investor.

On allotment/partial allotment, the Registrars to the Offer shall fill in the amount (which will be less than or equal to the amount filled by the investor) before presenting the Stockinvest to the respective issuing Banker for payment to the extent of allotment. The Bank will lift the lien on the balance amount, if any, of the deposit.

Inquiries relating to Stockinvest may be addressed only to the Registrars to the Offer and not to the issuing bank. The above information is given for the benefit of investors and the Offerer is not liable for any modification of terms of Stockinvest or procedure thereof by issuing banks.

All conditions mentioned earlier for making an application through cheques/demand drafts will also apply to applications made with Stockinvest.

For further instructions, please read the Application Form carefully.

5. Schedule and Basis of Allotment

The basis of allotment will be finalised in consultation with the Regional Stock Exchange in the event of the Fixed Price Portion being oversubscribed. Investors may note that in case of oversubscription, allotment will be on a proportionate basis and a SEBI nominated public representative shall be associated in the process of finalisation of the basis of allotment for oversubscription for more than 2 times for the Fixed Price Portion. (Please refer to Part II of the Offer Document for more details on the Basis of Allotment)

6. Allotment

After the Company has received the minimum subscription, it will proceed to complete the allotment formalities. After allotment, all investors who have opted for shares in the electronic mode will receive credit for these shares directly in their depository accounts and all investors who have opted for physical delivery of shares will receive the Share Certificates from the Registrars to the Offer.

General Instructions for the Offer (Applicable to Both, the Book Built Portion and the Fixed Price Portion)

The Company subject to SEBI guidelines/Stock Exchange norms reserves full, unqualified and absolute right to accept or to reject any application or Bid in whole or in part and in either case without assigning any reason thereof.

Section 269SS of the Income-tax Act, 1961

In respect of applicants eligible to apply in this Offer, having regard to the provisions of Section 269SS of the Income-tax Act, 1961, the subscription against an application should not be effected in cash and must be effected by means of a crossed account payee cheque or a crossed account payee



bank draft or Stockinvest if the amount payable is Rs 20,000/- or more. In case payment is effected in contravention of this, the applications are liable to be rejected without interest.

Joint Applications

Applications or Bids may be made in single or joint name (not more than three). In the cases of Joint applications or Bids, refund or pay orders, if any, and dividend warrants will be made out in favour of the first applicant/Bidder. All communications will be addressed to the applicant whose name appears first at his or her address as stated in the Application Form or Bid Form.

Multiple Applications

An Applicant or Bidder should submit only one Application Form or Bid Form (and not more than one) for the total number of shares required or Bid for. Application or Bid may be made in single or joint names (not more than three). Two or more applications or Bids in single or joint names will be deemed to be multiple applications or Bids, if the sole and/or first applicant or Bidder is one and the same. The Company reserves the right to reject in its absolute discretion all or any such multiple applications or Bids.

Separate applications or Bids for electronic and physical shares by the same first and/or sole applicant will be treated as multiple applications and are liable to be rejected.

The Fixed Price Portion is reserved for allocation to individual investors who have not received allocation in the bidding process. In other words, those who have participated in the bidding process and have received allocation shall not be eligible to make an application in the Fixed Price Portion. Such applications will be treated as multiple applications and are liable to be rejected.

In case of Bids by Mutual Funds, a separate Bid Form must be made in respect of each scheme of an Indian Mutual Fund registered with SEBI and that such Bids will not be treated as multiple Bids provided that the Bid made by the Asset Management Company/Trustees/Custodian clearly indicate their intention as to the scheme for which the Bid has been made.

Depository

As per the provisions of Depositories Act, 1996 the shares of Company can be in a dematerialized form, i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through Electronic mode. Many Companies and their investors are now opting for dematerialization of their securities. The Company is also extending this facility to all those investors, who wish to avail the same in this context -

- a. A tripartite agreement has been signed between the Company, the Registrars and the depository (NSDL/CDSL)
- b. The Bidder can seek allocation only in electronic mode while an applicant in a Fixed Price Portion has an option to seek allocation of equity shares in electronic and/or physical mode. Such an option should be indicated at the time of registering the bids itself.
- c. Separate applications for electronic and physical equity shares by the same applicant shall be considered as multiple applications.

- d. Bidders or Applicants who wish to apply for equity shares in electronic form need to have at least one Beneficiary Account with a Depository Participant prior to making the Bid / Application.
- e. The Bidders or applicant's name in the Depository Instruction Section in the Bid Form or Application Form should be the same as appearing in his or its Beneficiary Account. In case of joint applicants, in addition to the name, the sequence of the names in the DIF and the Beneficiary Account should be the same.
- f. If incomplete or incorrect investor account details are given, it may result in issuance of equity shares in physical form.
- g. Responsibility for correctness of demographic details given to the Depository Participant, for opening of beneficiary account would rest with the Bidder or Applicant.
- h. Shares in electronic form can be traded only on Stock Exchanges having electronic connectivity with NSDL/CDSL.

Investor who have indicated their preference for holding shares in a dematerialized (demat) form, will have to follow the steps mentioned below:

- The Bidder or Applicant will fill up the Depository Instruction Section in the Bid form or Application Form which will authorize the Company to allot shares to him in the Electronic form.
- The applicant may apply for part of shares in dematerialised form and the balance in physical form. This should be indicated under the heading 'Request for Shares in Electronic Form' in the Application form.

Tax Benefits Available

M/s Manubhai & Co., Statutory Auditors, have advised Shree Rama vide their letter dated September 16th 1999, that as per the current provisions of the Income Tax Act, 1961, Sales Tax Acts and the existing laws for the time being in force, the following benefits, inter alia, will be available to Shree Rama, the resident members and the mutual funds as given below:

UNDER THE INCOME TAX ACT (HEREINAFTER REFERRED TO AS "THE ACT") AND OTHER DIRECT TAX LAWS

I. Benefits to the Company

- 1. The Company will be entitled under section 35D of the Act, to amortise certain specified share issue expenses and preliminary expenses, incurred before 31-3-1998 over a period of ten successive years and incurred after 31-3-1998 over a period of five successive years, beginning with the previous year in which the Company commences business, subject to the stipulated limits.
- 2. In accordance with and subject to the conditions specified in section 80HHC of the Act, the Company would be entitled to deduction of the profits derived by the Company from export of goods.
- 3. In accordance with and subject to the conditions specified in section 80IB of the Act, the Company would be entitled to deduction of 30% of the profits



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and gains derived from the new industrial undertaking for the period of ten assessment years, beginning with the assessment year, relevant to the previous year in which the said undertaking commences production.

- As per the provisions of Section 10(33) of the Act, dividend referred to in Section 115-O of the Act, received by the Company will be exempt from income tax.

II Benefits to the Shareholders

1. Resident Shareholders:

A. Income Tax

- As per the provisions of section 10(33) of the Act, dividend received by the shareholders of the Company is totally exempt.
- As per the provisions of section 112 of the Act, with effect from 1 April, 1999, the tax on the long term capital gains arising on sale of the listed security will be lower of 10% of capital gains (computed without indexation benefits) or 20% of capital gains (computed with indexation benefits).
- As per the provisions of Section 54 EA and 54 EB of the Act, capital gain arising on transfer of a long term capital asset after September 30, 1996 shall not be charged to tax to the extent represented by proportion of the net consideration or capital gain, as the case may be, invested for the prescribed period in any specified securities as notified in the Official Gazette and as provided in the respective sections.
- In case of a shareholder, being an individual or a Hindu undivided family, in accordance with and subject to the conditions and to the extent specified in section 54F of the Act, the shareholders will be entitled to exemption from long term capital gains on sale of their shares in the Company.

B. Wealth Tax

Investment in shares of the Company is exempt from levy Wealth Tax Act, 1957.

C. Gift Tax

Gift of shares of the Company made on or after 1st October, 1998, are not liable to gift tax as per the provisions of section 3(3) of the Gift tax Act, 1958.

2. To the Mutual Funds :

Any income of Mutual funds setup by public sector banks or public financial institutions or authorised by the Securities and Exchange Board of India will be exempted from Income Tax, for their income from investment in shares / fully convertible debentures of the Company subject to the provisions of section 10(23D) of the Act.

UNDER THE SALES TAX ACT

- The Company is entitled for Sales Tax exemption under the Gujarat Sales Tax Act for a period of 5 years in respect of finished product manufactured at its plant at Village Moti Bhoyan, District Mehsana (Gujarat) and at Village Ambaliara, District Mehsana (Gujarat). Under the above scheme, the unit will also be entitled to purchase without payment of purchase tax/sales tax, raw materials, consumable stores, packing materials and processing materials required for the purpose of manufacturing of goods. The eligible unit will also be entitled to avail of exemption towards the Central Sales Tax. Resale of goods manufactured and sold by eligible unit will also not attract sales tax.
- Sales tax exemption will also be available on the sale of finished products manufactured at Pondicherry unit under the Central Sales tax Act and Pondicherry General Sales Tax Act for a period of 5 years from the date of starting of production. Benefits will also be available in the form of concessional rate of 1% on purchase of raw materials from the dealers in Pondicherry under the Pondicherry General Sales Tax Act.

3. PARTICULARS OF THE OFFER

Objects of The offer

The present Offer of equity shares is being made -

- to part-finance the project for expanding the PLT manufacturing capacity by 324 million from existing 316 million to 640 million and other related products including paper cups, bags etc (Expansion project);
- To finance the working capital margin requirements
- to list the equity shares on the recognized stock exchanges in India and
- to meet the expenses of the Offer

The main objects clause of the Memorandum of Association of the Company enables the Company to undertake the expansion project for which the funds are being raised.

Funding Requirements & Means of Finance

The total cost of the expansion project is estimated at Rs. 3,060.6 million by IDBI vide its appraisal note dated October 14, 1999.

FUNDING REQUIREMENTS

	Rs. million
Expansion project	2,970.60
Issue Expenses	90.00
Total	3,060.60



COST OF THE PROJECT

The cost of the expansion as appraised by IDBI is given hereunder:

(Rs. in million)

Sr. No.	Particulars	Moti Bhoayan (1)	Ambaliyara (2)	Pondicherry (3)	TOTAL (1+2+3)
1	Land & Site Development	3.00	25.20	10.00	38.20
2	Building	35.00	100.00	36.00	171.00
3	Plant and Machinery				
	Imported	427.70	1,186.00	262.00	1,875.70
	Indigenous	74.60	48.40	71.80	194.80
	Other Expenses	46.10	58.10	20.00	124.20
	Total	548.40	1292.50	353.80	2194.70
4	Miscellaneous Fixed Assets	-	-	-	65.60
5	Contingencies	-	-	-	236.30
6	Preliminary & Pre-Operative expenses (including issue expenses)	-	-	-	214.50
7	Working Capital Margin	-	-	-	140.30
	Total	548.40	1292.50	353.80	3,060.60

MEANS OF FINANCE (As appraised by IDBI)

(Rs. million)

Equity	1,961.99
Promoters	179.80
Private Equity Placement	585.00
Proposed Issue	966.69
Internal Accruals	230.50
Debt	1,098.61
● Term Loan-IDBI	500.00
● Term Loan- SBI	250.00
● Term Loan-EXIM	250.00
● Private Placement of Debentures	98.61
Total	3,060.60

Notes:

1. IDBI has sanctioned term loan of Rs 500 million vide their letter dated April 9, 1999 and has disbursed Rs. 310 million vide its letters dated September 28, 1999 and October 16, 1999.
2. EXIM bank has sanctioned term loan of Rs. 250 million vide their letter dated 01/12/99.
3. SBI has sanctioned term loan of Rs. 250 million vide their letter dated 22/12/99.
4. The company has been assigned a rating of CARE 'A' for an amount of Rs 300 million from CARE which indicates adequate safety for principal and interest. The company

would approach investors for NCD placement of Rs 300 million at an opportune time.

5. In September 1998 and January 1999, Shree Rama raised Rs. 851 million by way of private placement of equity shares @ Rs. 132.50 per share (for Face Value of Rs. 10/- per share). The promoters have brought in Rs. 150 million. Other investors including HSBC Private Equity Fund India Limited, Nippon Investment & Finance Co Ltd., NIF investment Limited, CDC Financial Services Mauritius Limited and South Asia Regional Fund (under CDC Group Management) Packman Investments Limited bought in the remaining amount. Of this amount, Rs. 86 million has been utilised for redemption of the 6% FCBs and the balance funds of Rs. 765 million for financing the proposed project.
6. The internal accruals for the years 1999 - 2000 and 2000 - 01 (H1 only) are projected at Rs. 618.3 million and Rs. 425.4 million respectively. Thus, a total amount of Rs. 1043.7 million is expected to be generated by way of accruals during the implementation period of the project. Out of these, SRML proposes to deploy Rs. 230.5 million for the project.



PRINCIPAL TERMS OF LOANS AND ASSETS CHARGED AS SECURITIES

The Principal terms of Term Loans sanctioned by Institution/Bank for the Company as on September 30, 1999 are as follows:

Institution / Branch	Agreement date	Amount Sanctioned (Rs. Million)	Outstanding Amount as on Sept 30, 1999 (Rs. million)	Rate of Interest (p.a.) (*)	Repayment Schedule	Security
IDBI	07/02/95	255.00	138.12	17%	24 Quarterly instalment of Rs.10.62 million beginning from April 97 upto January 2003	1st Mortgage & charge on all immovable properties both present & future and 1st charge by way of hypothecation (save & accept book debts) including movables, machinery, machinery spares, tools and accessories present and future and stock of raw materials, semi finished goods and finished goods, consumable stores and such other movables.
IDBI	19/02/96	35.00	14.00	19%	20 quarterly installment of Rs.1.75 million beginning from Dec.96 upto Sept.2001	-do-
IDBI	24/01/97	40.00	17.50	20%	16 Quarterly instalment of Rs.2.50 million beginning from Oct.97 upto July 2001	-do-
IDBI	21/02/97	US \$ 1.46 million (Rs.52.50 million)	US \$ 1.23 million (Rs. 53.73 million)	Libor + 4%	1. 10/7/1999 of US \$ 0.23 million 2. 29/3/2000 of US \$ 0.23 million 3. 10/7/2000 of US \$ 0.23 million 4. 29/9/2000 of US \$ 0.23 million 5. 29/3/2001 of US \$ 0.30 million 6. 10/7/2001 of US \$ 0.23 million Total : US \$ 1.46 million	1st Mortgage & charge on all immovable properties both present & future and 1st charge by way of hypothecation (save & accept book debts) including movables, machinery, machinery spares, tools and accessories present and future and stock of raw materials, semi finished goods and finished goods, consumable stores and such other movables.
IDBI	24/03/97	50.00	32.50	23%	20 Quarterly instalment of Rs.2.50 million beginning from April 98 upto January 2003	-do-
IDBI	21/02/97	300.00	300.00	MTLR+3%	24 Quarterly instalment of Rs.12.5 million beginning from Oct. 2000 upto July 2006	-do-
IDBI	21/06/99	500.00	200	MTLR+2%	24 Quarterly instalment of Rs.20.83 million beginning from Oct. 2002 upto July 2008	-do-
SBI	17/01/95	150.00	81.25	16%	24 Quarterly instalment of Rs.6.25 million beginning from March 97 upto Dec.2002.	First pari-passu charge over the fixed assets of the company alongwith IDBI
SBI	27/11/98	120.00	110.00	14.02%	24 Quarterly instalment of Rs.5 million beginning from June 99 upto March 2005	-do-

(*) Interest payable at quarterly rests, except foreign currency loan, which is payable half yearly



PRINCIPAL TERMS OF LOAN SANCTIONED BY EXIM & SBI

Institution Branch	Sanctioned date	Amount Sanctioned (Rs. Million)	Rate of Interest (p.a.)	Repayment Schedule	Security
EXIM Bank	1/12/99	250.00	15%	10 equal half yearly instalments.	First pari-passu charge on moveable fixed assets and immoveable fixed assets of the Company, both present and future, including mortgage of land and building and personal guarantees of Shri. Vikram Patel and Shri. Sharad Patel.
SBI	22/12/99	250.00	As applicable to term loan rating of SBTL-2 linked to SBM TLR.	24 quarterly installment of Rs.1.00 crore each beginning from October 2002.	First pari-passu charge on moveable fixed assets and immoveable fixed assets of the Company, both present and future, including mortgage of land and building and personal guarantees of Shri. Vikram Patel and Shri. Sharad Patel.



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The Principal terms of Debentures sanctioned by Institution/Bank for the Company as on September 30, 1999 are as follows:

Institution/ Bank	Allotment date	Amount Sanctioned (Rs. Million)	Outstanding Amount as on Sept 30, 1999 (Rs. Million)	Rate of Interest (p.a.)(*)	Repayment Schedule	Security
IDBI Bank Limited	29.11.98	50.00	50.00	16.50%	Redeemable in three equal annual installments from the end of third year from the date of allotment	Secured by mortgage and charge on the immovable & movable assets, both present & future pertaining to company's units at Moti Bhoyan and Kadi ranking pari passu with the charges created on the said assets in favour of IDBI & SBI for term loans
UTI	10.09.98	50.00	50.00	16.50%	-do-	-do-
Industrial Investment Bank of India Limited	10.12.98	100.00	100.00	16.50%	-do-	-do-
UTI Bank Limited	10.12.98	25.00	25.00	16.50%	-do-	-do-
IDBI Bank Limited	21.06.99	50.00	50.00	15.50%	-do-	-do-
UTI	21.06.99	100.00	1,00.00	15.50%	-do-	-do-

(*) Interest payable at quarterly rests

WORKING CAPITAL ARRANGEMENTS

The Company has following working capital facilities as on 30th September 1999

Name of Bank	Nature	Working Capital Sanctioned (Rs. Million)	Interest Rate*/ Commission (p.a.)*%	Balance as on 30.09.99 (Rs. Million)
(A) FUND BASED				
State Bank of India, Ahmedabad **	Cash Credit stock limit	32.00	14.53%	Nil
	Book Debts Limit	20.00	14.53%	Nil
	Working Capital Demand Loan	118.00	14.28%	118.00
	Bill Discounting facility	40.00	14.53%	28.94
	EPC/PCFC	50.00	10.00%	0.96
SBI Commercial & International Bank Ltd, Bombay **	Working Capital Demand Loan	50.00	16.25%	50.00
Banque Nationale De Paris, Ahmedabad	Unsecured Bonds	100.00	14.25%	100.00
(B) NON-FUND BASED				
State Bank of India, Ahmedabad	Bank Guarantee	20.00	-	-
	Letter of Credit	100.00	0.65%	4.12
Banque Nationale De Paris, Ahmedabad	Letter of Credit	50.00	31.20	-

(*) Including Interest Tax and payable at quarterly rests

(**) Security: Primary – Hypothecation of cash and book debts; Collateral – Second charge on Fixed Assets of the Company and personal guarantees of Mr. Vikram Patel and Mr. Sharad Patel.



4. COMPANY, MANAGEMENT AND PROJECT

HISTORY OF SHREE RAMA MULTI-TECH LIMITED

Shree Rama (hereinafter also referred to as "the Company" or "the Issuer Company") was formed as a partnership firm in the name of Shree Rama Packaging in the year 1986 and was engaged in the manufacture of poly-coated paper used in the packaging of soaps, ice-creams etc., coated HDPE fabrics used in the manufacture of tarpaulin etc. at Kadi, District Mehsana, Gujarat. It was subsequently incorporated as a public limited company on December 17, 1993, under Part IX of the Companies Act, 1956 by transfer of capital balances of the existing partners. The Company has its Registered Office at Ramnivas - 1, Khanpur, Ahmedabad 380 001, Gujarat, India. The Company has been promoted by two technocrats, Mr. Vikram Patel and Mr. Sharad Patel, who have a rich and diverse experience in the packaging industry.

During 1994, SRML embarked on a project for manufacture of 166 million PLT p.a. at village Motibhoyan, District Mehsana, Gujarat. The project also envisaged setting up necessary backward integration (manufacturing / processing) facilities, namely, multi-layered blown film plant, extrusion coating plant, automatic foil/label printing line and injection moulding machines at cost of Rs 812.1 million. The project was financed by equity share contribution from promoters, private placement of ZFCDs (Zero-Interest Fully Convertible Debentures), internal accruals and term loans (IDBI- Rs 255 million and SBI- Rs 150 million). The project was finally completed at a cost of Rs 864.4 million and commenced commercial production in February 1996 (except for the blown film plant, which was commissioned in December 1997).

Thereafter, SRML has increased installed capacity of PLT to 353.2 million nos. p.a. (as on September 9, 1999). The effective installed capacity is 249.25 million nos. p.a., based on installation of machines in a phased manner. The project cost, estimated at Rs 770 million in June 1997, was financed by way of share capital / FCBs (Rs 150 million), rupee term loans (IDBI-Rs 300 million, SBI- Rs 120 million) and internal accruals (Rs 200 million).

In 1995, SRML had raised Rs 211.1 million by way of privately-placed ZFCDs of face value of Rs 200 each for financing the original project. The subscribers were two Ahmedabad based NBFCs, GLFL and IDBI. In March 1997, these debentures were redeemed at a premium of Rs 120 per debenture- 50% paid in cash and 50% converted into equity shares (at premium) or 6% FCBs.

In 1997, SRML raised Rs 400 million from Fils - HPEIF and NIF- through privately placed equity shares and 6% FCBs. These were utilized for redeeming the ZFCDs, for meeting the working requirements and also for part-financing the recently completed expansion programme. The equity placement was at a premium of Rs 65 per share (face value Rs. 10/-). The bonds were fully converted in September 1998, at Rs 87.5 per share.

In September 1998, the company raised another tranche of equity valued at Rs 850 million from Fils (CDC, HPEIF, NIF) and the promoters at Rs 132.5 (face value of Rs 10 per share). Of this, Rs 86.3 million has been utilized for redemption of 6% FCBs and the balance amount has been earmarked for utilization towards the proposed expansion project.

MAIN OBJECTS OF THE COMPANY

The main objects of the Company to be pursued by it on its incorporation as set out in the Memorandum are as under:

- a) To manufacture, process, purchase, sell, import, export and otherwise deal in laminated web material, Lamitubes (collapsible or non-collapsible), flexible tubes and all types of films, multi-layer films, sheets, containers, bags, pouches and articles made by using such web material, films or sheets and / or by using PVC, HDPE, LDPE, LLDPE, Polypropylene, Nylon, Polyester, BOPP and other Polymers, Papers, Board and such other made materials and all types of foils and also to carry out polymer processing and printing work.
- b) To carry on the business of manufacturers, importers, exporters, or otherwise as dealers in all kinds of packing materials and all kinds of packing items made out of different qualities of plastics and polymers or out of man-made or natural fibrous materials or out of any other materials.

The main objects clause of the Memorandum of Association of the Company enables it to undertake the activities for which funds are being raised.

SUBSIDIARIES OF THE COMPANY

The company has no subsidiary.

PROMOTERS & THEIR BACKGROUND

The shareholding of the promoters is detailed below:

Promoter	No. of Shares pre-offer of Rs. 5/- each	% Pre-Offer	% Post Offer
Mr. Vikram Patel	4,15,000	0.92	0.78
Mr. Sharad Patel	3,50,000	0.78	0.66
Vimpsan Investment Pvt. Limited	62,64,114	13.94	11.81
Sanket Estates & Finance Private Limited	51,30,800	11.42	9.68

Mr. Vikram Patel, age 50 years, is a B.E. - Mechanical Engg. (Sardar Patel University) and a M.S. - Mechanical Engg. (University of Akron -USA). He is a citizen of the United States of America (U.S.A) and has eight years of technical experience in leading automobile component companies in U.S.A from 1974 to 1982. From 1983, he was involved in the manufacture of plastic laminations in Shree Rama Manufacturing Private Limited. He has been involved in the manufacture of. In 1986-87, he established the erstwhile partnership firm, Shree Rama Packaging for plastic lamination activities. He was appointed Managing Director of Shree Rama on the conversion of the partnership firm to a Company. He holds 415,000 shares representing 0.92% of the shareholding of Shree Rama.

Mr. Sharad Patel, age 48 years, brother-in-law of Vikram Patel, is a B.E. - Chemical Engg., (DD Institute of Technology) and a M.S. - Chemical Engg. (Oklahoma State University - U.S.A.). He has 12 years experience in the manufacture of high purity industrial salts and was Executive Director of Modern Construction Company Limited till 1991. He joined



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Shree Rama Packaging in 1992 and was appointed Executive Director of Shree Rama on the conversion of the partnership firm to a Company. He holds 350,000 shares representing 0.78% of the shareholding of Shree Rama.

Vimpsan Investment Pvt. Ltd ("VIPL")

VIPL was incorporated as a private limited company on October 9, 1985 with its registered office at Ramnivas 1, Khanpur, Ahmedabad 380001. VIPL is engaged in the business of trading and investment in shares/securities.

Board of Directors

Director	Position
Vikram R Patel	Director
Leena V. Patel	Director

Share Holding Pattern

Shareholder	% stake
Shajal Patel (d/o Vikram Patel)	13.76%
Vikram Patel	13.75%
Leena Patel (w/o Vikram Patel)	13.75%
Shaival Patel (s/o Vikram Patel)	13.75%
Anuja Patel (d/o Prakash Patel)	13.34%
Prakash Patel	13.33%
Mona Patel (w/o Prakash Patel)	13.33%
Sharad Patel	2.50%
Smita Patel	2.50%
Total	100.00%

Financial Highlights

Year ending March 31	Rs. million		
	1999	1998	1997
Equity Share Capital (paid up)	1.20	1.20	1.20
Reserves & Surplus	5.90	4.90	(0.02)
Total Income	41.40	71.23	66.39
Profit / (Loss) After Tax	1.00	4.92	0.34
EPS(Rs.)	8.33	41.00	2.83
NAV (Rs.)	59.10	50.80	—

Sanket Estates & Finance Private Limited (SEFPL)

SEFPL was incorporated as a private limited company on January 17, 1990 with its registered office at S-4/103, Sundernagar, S.V.Road, Malad, Mumbai - 400 064. SEFPL is engaged in the business of real estate development and investment in shares/securities.

Board of Directors

Director	Position
Sharad C Patel	Director
Smita S. Patel	Director

Share Holding Pattern

Shareholder	% stake
Sharad Patel	17.50%
Smita Patel	17.50%
Prakash Patel	10.83%
Mona Patel	10.83%
Anuja Patel	10.83%
Sejal Patel	8.36%
Vikram Patel	8.05%
Leena Patel	8.05%
Shaival Patel	8.05%
Total	100.00%

Financial Highlights

Year ending March 31	Rs. million		
	1999	1998	1997
Equity Share Capital (paid up)	0.35	0.35	0.35
Reserves & Surplus	0.07	(1.83)	(2.13)
Total Income	33.92	11.85	4.23
Profit / (Loss) After Tax	1.9	0.30	0.14
EPS(Rs.)	54.28	8.57	4.00
NAV (Rs.)	12.00	—	—

CONCERNS/VENTURES PROMOTED BY THE PROMOTERS

The Promoters of the Company were not associated with any other concern/companies in the past in any capacity besides whatever mentioned in the offer document.

Sundarnagar Estate & Investment Pvt. Ltd (SuEIPL)

SuEIPL was incorporated as a private limited company on June 9, 1989 with its registered office at Ramnivas 1, Khanpur, Ahmedabad 380001. SuEIPL is engaged in the business of real estate development and investment in shares/securities.

Board of Directors

Director	Position
Sharad C Patel	Director
Smita S. Patel	Director

Share Holding Pattern

Shareholder	% stake
Sharad C Patel	99%
Smita S. Patel	1%
Total	100%

Financial Highlights

Year ending March 31	Rs. million		
	1999	1998	1997
Equity Share Capital (paid up)	0.05	0.05	0.05
Reserves & Surplus	0.01	(0.04)	(0.03)
Total Income	0.22	0.00	0.00
Profit / (Loss) After Tax	0.05	(0.01)	(0.01)
EPS(Rs.)	10.00	—	—
NAV (Rs.)	12.00	—	—



Companies promoted by the promoters but currently not associated except shareholding in few cases.

Vimpsan Precision Pvt. Ltd (VPPL) was incorporated on March 6, 1990 with its registered office at Ramnivas 1, Khanpur, Ahmedabad 380001. VPPL is engaged in manufacturing of watch straps. VPPL was initially promoted by Sharad C Patel. However, he is not associated with this company since April 1994 except that he holds 5.19% of the shares in this company.

Shree Rama Motors Pvt. Ltd (SRMPL) was incorporated on May 14, 1996 with its registered office at Ramnivas 1, Khanpur, Ahmedabad 380001. SRMPL has the dealership of General Motors India Ltd for Opel Astra vehicles. SRMPL was initially promoted by Leena V Patel (Wife of Vikram Patel), Prakash Patel (Brother of Vikram Patel) and other members of the family. However, both Leena Patel & Prakash Patel are not associated with this company since December 1996. As on date they do not hold any shares in this company.

Shree Rama Manufacturing Pvt Ltd (SRMaPL) was incorporated on October 19, 1983 with its registered office at Ramnivas 1, Khanpur, Ahmedabad 380001. SRMaPL is engaged in the trading of plastic material. SRMaPL was initially promoted by Mrs. Leena V Patel (Wife of Mr. Vikram Patel) and other members of the family. However, Mrs. Leena Patel is not associated with this company since December 1996. As on date they do not hold any shares in this company.

East West Polyart Limited (EWPL) was incorporated on October 9, 1985 as a Private Limited Company with the name "Shree Rama Polymers Private Limited". It was converted in a

public limited company on 10-2-99 and renamed as "East West Polyart Limited". The registered office of EWPL is situated at Ramnivas-1, Khanpur, Ahmedabad. EWPL manufactures and deals in Tarpaulin, HDPE, LDPE, Polypropylene and other plastic products. EWPL was initially promoted by Shri Natubhai U.Patel and Shri Prakash R.Patel but are not associated with this company since a very long time. At present they hold 33,260 shares and 4510 shares respectively in EWPL totaling to less than 1% of the total paid-up capital of EWPL. Shri Chandrakant C.Patel, Shri Mahesh S.Patel, Smt. Bharti C.Patel and Smt. Vrunda M.Patel constitute the Board of Directors of the Company.

There are no business transactions of the above seven companies with Shree Rama in the last three years except for corporate guarantee extended by the company to East West Polyarts Ltd. with whom Promoters/Directors were associated in the past.

COMPANIES UNDER THE SAME MANAGEMENT U/S 370 (1B) OF THE COMPANIES ACT 1956

There is no company under the same management as that of the Company as per Section 370 (1B) of the Act.

Management of Shree Rama Multi-Tech Limited

The company is managed through the Board of Directors under the leadership of the Chairman and Managing Director. There is a professional Board of Directors with representatives of institutional investors. Shree Rama follows corporate governance norms and has set up Audit, HRD and Finance committees for the respective functions.

Board of Directors

Sr. No.	Name, Age, Designation in the Company & Address	Qualification	Occupation	Particulars of other Directorships
1	Mr. Vikram R. Patel (50) Chairman & Managing Director Ram Nivas -1, Khanpur Ahmedabad - 380 001	B.E., M.S. Mech Engg. (USA)	Industrialist	(i) Vimpsan Investment Pvt. Ltd
2	Mr. Sharad C. Patel (48) Executive Director B/14, Buena Vista Flats Nr. Kashiram Hall, Ambawadi, Ahmedabad - 380 015	B.E., M.S. Chem. Engg. (USA)	Industrialist	(i) Sanket Estate & Finance Pvt. Ltd. (ii) Sundarnagar Estate & Investment Pvt. Ltd. (iii) The Modern Salt Works Limited
3	Mr. Prakash R. Patel (47) Executive Director 20, Shreeji Apts., Ground Floor, Gulbai Tekra, Ahmedabad	B.Com.	Business	Nil
4	Mr. Rambhai D. Patel (60) Director 532, West Saddle River Road, Ridge Wood, N.J. - 07469	B.E.-Civil, M.S	Business	Nil
5	Mr. Hansraj K. Kanji (73) Director 2-2-12. Shinohara, Kitamachi, Nada - Ku, Kobe 657, Japan.	Dipl. Comm.	Business	(i) Raj Trading Corporation Ltd.

**SHREE RAMA MULTI-TECH LIMITED**

Sr. No.	Name, Age, Designation in the Company & Address	Qualification	Occupation	Particulars of other Directorships
6	Dr. Prakash D. Trivedi (53) Director 587 "PARAG", 18th Road, Khar, Mumbai - 400 052	Ph.D.Polymer Science (USA)	Consultant	(i) Pace Polymer Technology Ltd (ii) N.M. Tripathi Pvt. Ltd.
7	Mr. N. C. Vaishnav (44) Director B/6, Amijyot Apartment, Nr. Rajnagar Club, Ellisbridge, Ahmedabad-6	B.Com., LLB., F.C.A.	Professional	(i) Vivro Financial Services Pvt. Ltd. (ii) Incorp Consultants Pvt. Ltd. (iii) Vivro Consultants Pvt. Ltd. (iv) Vivro Capital Advisors Pvt. Ltd. (v) Veer Plastics Ltd.
8	Mr. Ishwarlal C. Shah (63) Director 61, Vrundavan Bungalows Opp. Someshwar Jain Temple Satellite Road, Ring Road, Ahmedabad - 380 015	B.Com., CAIIB	Service	(i) GLFL Realities Ltd. (ii) GLFL International Ltd. (iii) GLFL Housing Finance Ltd. (iv) GLFL Trustee Company Ltd.
9	Mr. Donald Peck (47) Nominee Director of CDC F inancial Services (Mauritius) Limited and SARF CDC Advisors Pvt. Ltd. 11 Golf Links, New Delhi 110 003	B.A., D. Phil. (U.K.)	Economist	(i) Apex Electricals Limited (ii) Altus Organics Limited (iii) BPL Cellular Holdings Limited (iv) CDC Advisors Pvt.Ltd. (v) MRO Tek Limited (vi) Precision Camshafts Limited (vii) International Auto Limited (viii) Infrastructure Finance Development Co.Ltd. (Alternate Director) (ix) STI (India) Ltd (x) Satyam Infoway Limited (xi) Preferred Brands Foods India Pvt. Ltd. (xii) Tasty Bite Eatables Ltd.
10	Mr. A. G. Karkhanis (61) Nominee Director (The HSBC Private Equity India Fund Ltd.), Orion Apartments, 29/A, Lalubhai Park Road, Andheri West, Mumbai - 400 068	LLM.(Co. Law & Comm.Law)	Advocate	Nil
11	Mr. Kazuyuki Hiraki (51) Nominee Director(NIF Management Singapore Pte. Ltd.) No.6, Cairnhill Rise # 05-01, Astoria Apartment, Singapore.	Economics Graduate	Business	(i) SS Kantilal Ishwarlal Securities Ltd (ii) Asian Peroxides Ltd (iii) AP Investments Ltd
12	Mr. R. Sathyamurthi (52) Nominee Director (Industrial Development Bank of India) C - 3, Ashadeep Apartments, Nr. L.D. Engineering College, Dr. S. Radhakrishan Road, Ahmedabad - 380 015	B.E. Mech.	Service	(i) Indocount Choongnam Textiles Ltd. (ii) Nachmo Knitex Ltd. (iii) Gujarat Industries Power Co. Ltd. (iv) Gujarat Industrial Investment Corporation Ltd (v) Gujarat State Financial Corporation Ltd



SHREE RAMA MULTI-TECH LIMITED

Sr. No.	Name, Age, Designation in the Company & Address	Qualification	Occupation	Particulars of other
13	Mr. Sudhakar C. Patel (60) Alternate Director to Hansraj Kanji Anison Building, Navrangpura, Ahmedabad-380 009.	B.E. (Civil), M.S. (Civil), (USA)	Business	(i) Narayan Management Service Pvt. Ltd. (ii) Narayan Container Pvt. Ltd. (iii) Narayan Enterprise Ltd. (iv) Green Orchid Farm Pvt. Ltd.
14	Mr. Saurabh N. Soparkar (42) Alternate director to Rambhai D. Patel "Akanksha", 204, Opp. Vadilla House, Near Mt. Carmite Railway Crossing, Navrangpura. Ahmedabad-380 009.	B.Com., LLB, CA	Advocate	Nil

Except as stated elsewhere in this Offer Document, there has been no pending litigation/ disputes against/with the directors or proceedings initiated against them for economic offences.

CHANGES IN BOARD OF DIRECTORS IN THE LAST THREE YEARS

Sr. No.	Name	Designation	Date Of Appointment	Date Of Change	Particulars
1.	Mr. Prakash R Patel	Director	02-12-96	Nil	Appointed as Director
2.	Mr. Ishvarlal C. Shah	Director	02-12-96	Nil	Appointed as Director
3.	Mr. Subramanian Pillai	Director	31-12-96	13-10-98	Resigned
4.	Mr. Deval M. Thakore	Alternate Director to Shri Rambhai D. Patel	02-12-96	09-02-98	Resigned
5.	Mr. Anilkumar G. Karkhanis	Nominee Director HPEIF	21-04-97	Nil	Appointed as Nominee Director
6.	Mr. R. Sathyamurthi	Nominee Director IDB!	10-07-97	Nil	Appointed as Nominee Director
7.	Mr. Sudhakar C. Patel	Alternate Director to Shri Hansraj K. Kanji	29-07-97	Nil	Appointed as Alternate Director
8.	Mr. Mitsuo Kiyokawa	Nominee Director NIF	18-11-97	25-08-99	Nomination Withdrawn
9.	Mr. Kazuyuki Hiraki	Nominee Director NIF	25-08-99	Nil	Appointed as Nominee Director
10.	Mr. Donald Peck	Nominee Director CDC	19-11-98	Nil	Appointed as Nominee Director
11.	Mr. Ng. Song How	Alternate Director to Shri Mitsuo Kiyokawa	18-11-97	25-08-99	Ceased to be Alternate Director
12.	Mr. Saurabh Soparkar	Alternate Director to Shri Rambhai D. Patel	19-11-98	Nil	Appointed as Alternate Director

Key Managerial Personnel

The overall management of the Company is vested with the Board of Directors. The Directors are assisted by a team of experienced and qualified professional executives, who are on the permanent rolls of the Company who are having considerable experience in their respective fields.



SHREE RAMA MULTI-TECH LIMITED

Sr. No.	Name	Age (In Years)	Qualification	Designation	Responsibility	Total Experience (In Years)
1	Mr. Saurin I. Patel	36	BE, MS (Mechanical)	Vice President (Production)	Manufacturing	14
2	Mr. Manish N. Patel	31	Diploma In Plastic Eng.	Vice President (Production)	Manufacturing	8
3	Mr. Asit N. Patel	35	B.Com.	Vice President (Marketing)	Marketing	13
4	Mr. B.L. Patel	43	B.Com., ACA, Grad. CWA	Senior General Manager (Finance)	Accounts, Finance	21
5	Mr. Snehal Kantharia	34	BE Chemical MBA (Finance)	General Manager (Corporate Finance)	Finance	13
6	Col. S.N. Lele	57	B.Com., MNS LLB	General Manager (Marketing)	Marketing	33
7	Mr. Bharat R. Patel	40	Diploma in M.E.	General Manager (Marketing)	Marketing	15
8	Mr. Bharat Joseph	45	B.Sc., D.M.E. M.B.A.	General Manager (HRD)	Admn. & HRD	22
9	Mr. Rajesh Shah	36	B.Com., LLB, ACS	Company Secretary	Secretarial	13
10	Mrs. Rajeshwari Sharma	31	B.Com., LLB, ACS	Joint Company Secretary	Secretarial	5
11	Mr. R.B. Bhatnagar	58	Post Dipl. in Industrial Safety, Station Officer Instructors course - NFSC Nagpur	Fire & Safety Officer	Fire & Safety (Factory)	20

Changes In Key Managerial Personnel in the last 12 months

Name	Date of Change	Remark
Mr. Rajesh Shah	13/09/99	Appointed as Company Secretary
Mr. R.B. Bhatnagar	06/09/99	Appointed as Fire & Safety Officer
Mr. Snehal Kantharia	01/07/99	Appointed as General Manager (Corporate Finance)

PRESENT BUSINESS OF THE COMPANY

BUSINESS STRATEGY

Shree Rama is an integrated packaging solutions provider to the Fast Moving Consumer Goods (FMCG) industry with focus on PLT, labels / stickers and speciality packaging & plastic products. The company is positioned to meet the multiple needs of its FMCG customers with a diverse product range.

Shree Rama is the second largest company in India in PLT and its technological capability enables it to offer the entire range of products including labels and stickers. Moreover, the vertically integrated operations give Shree Rama economies of scale and scope making its operations cost competitive.

The company has technical collaborations with some of the leading companies to ensure constant upgradation of technology. These include AISA, Switzerland for tube making technology, Taiyo Kikai, Japan for printing technology, Fujimori Kogyo, Japan for laminate web technology and Barrier Films Corporation for multi-layer film technology.

The packaging industry has grown in recent years due to increased consumerism and awareness of the role of packaging as a key marketing tool. Further, there has been a shift from rigid packaging to flexible packaging materials due to its versatility as a packaging material. The growth has been fuelled primarily by increased demand in the end user industries of fast moving consumer goods, personal care products, pharmaceuticals and food processing. Moreover, the FMCG industry is dominated by Multinational Companies (Hindustan Lever, Colgate, Nestle etc.) who are driving the introduction of modern packaging material including PLT and high quality stickers/labels. Demand for PLT and labels/stickers has benefited from this trend and is expected to continue to show strong growth.

The increasing substitution of aluminium tubes by PLT in key end user industries is also resulting in a structural shift in demand in favour of PLT. Moreover, the growing conversion in the pharmaceutical, cosmetic and food industries to PLT will encourage use of smaller diameter tubes. Shree Rama is positioning itself to meet this increased demand as well as change in profile of end user industries.



SALES MIX

Product	Sept. 97 (12 mts.)		Sept. 98 (12 mts.)		Sept. 99 (12 mts.)	
	Rs. mn.	Qty.	Rs. mn.	Qty.	Rs. mn.	Qty.
Multilayer PLT	181.7 million	94.5 million Nos.	295.7 million	159.8 Nos.	481.2 million	225.0 Nos.
Printed Material / Labels & Stickers	164.5	141.2 million Sq. Mtrs.	259.4	230.9 million Sq. Mtrs.	429.9	504.4 million Sq. Mtrs.
Speciality Packaging & Plastic Products	292.4	4,618 MT	367.9	5,161 MT	566.2	9,339 MT
Others	20.2	—	21.0	—	20.2	—
Total	658.9		944.1		1497.5	

KEY CUSTOMERS

Shree Rama has developed a strong franchise with the major FMCG companies. The company has been marketing its products directly and has three regional offices in Mumbai, New Delhi and Bangalore. The key customers for its products include -:

Product	Key Customers
Plastic Laminated Tubes (PLT)	Hindustan Lever, Nirma, Vicco, Balsara, Dabur, Lupin Labs, Emami, Reckitt & Coleman of India Limited
Labels and Stickers	Hindustan Lever, Nirma, Kodak, Dabur, Colgate Palmolive, Pepsi, Amul, Vadilal, Emami
Speciality Packaging & Plastic Products	Nirma, Hipolin, Fukoi - Japan, Fujimori - Japan, D&D International USA

PRODUCT DESCRIPTION

Plastic Laminated Tubes (PLT)

PLT accounts for 32% of the turnover of Shree Rama for the year ended September 30, 1999. PLT are mainly used in toothpastes and also in the cosmetic, pharmaceutical and food industry. The laminated medium imparts several advantages to the packaging medium in terms of print reproduction, hygiene and prevention of black oxide formation which is the problem with aluminium tubes. Also, due to the special sealing process involved, the PLT are graded as tamper proof. Shree Rama closely works with its key customers in developing layer configuration as per the required barrier properties and development of artwork / negative for printing.

Labels & Stickers

This segment accounted for 29% of the turnover for the year ended September 1999. Self adhesive labels are used on packing boxes, as well as on FMCG products like shampoos, cosmetics, etc. which are packed in jars/bottles. The company manufactures self-adhesive stickers and labels for use by manufacturers of consumer products including personal care products, liquor, cosmetics, food processing etc.

Shree Rama can supply high quality labels & stickers and is characterised by the ability to

- produce multi-coloured labels in upto 9 colors
- produce rotary die-cut labels in "Roll form" of international standard which are suitable for use with auto applicators (devices which pick-up labels directly from a roll and apply them on the containers surface)

- print with UV ink which has a longer life and does not fade with longer exposure to sunlight

The above features have resulted in a strong customer base for the company. Shree Rama also has significant marketing synergies as most customers have requirements for both PLT and labels/stickers.

Speciality Packaging & Plastic Products

These comprise multi layer film, coated paper, HDPE fabric, tarpaulin etc and accounted for 39% of the turnover for the year ended September 1999. Multi-Layer Film is used for packaging of various products like milk & milk powder, edible oils, processed foods, cosmetic products (sachets), spices, tea, coffee etc. HDPE fabric can either be converted to HDPE bag, plastic film, tarpaulin, for use in packing fertilizers, cement etc. Tarpaulin is used as a covering material, especially for transporting goods, while coated paper is used primarily for soap wrappers, candy wrappers, paper cups etc. The company is utilising its spare extrusion capacity for manufacturing some of the above products.

To fully utilise its surplus lamination and printing capacity, Shree Rama is also taking up production of printed paper cups (poly-coated paper), printed cartons (outer packaging of toothpaste / cosmetic / pharma tubes), plastic bags etc. Paper cups retain product freshness, remain stiff when any liquid is held in it and being bio-degradable are more environment friendly than the plastic cups. The main demand for paper cups is from the soft drink industry. Ice cream cups and cups for drinking water form the relatively lower end of the paper cup market.



Exports

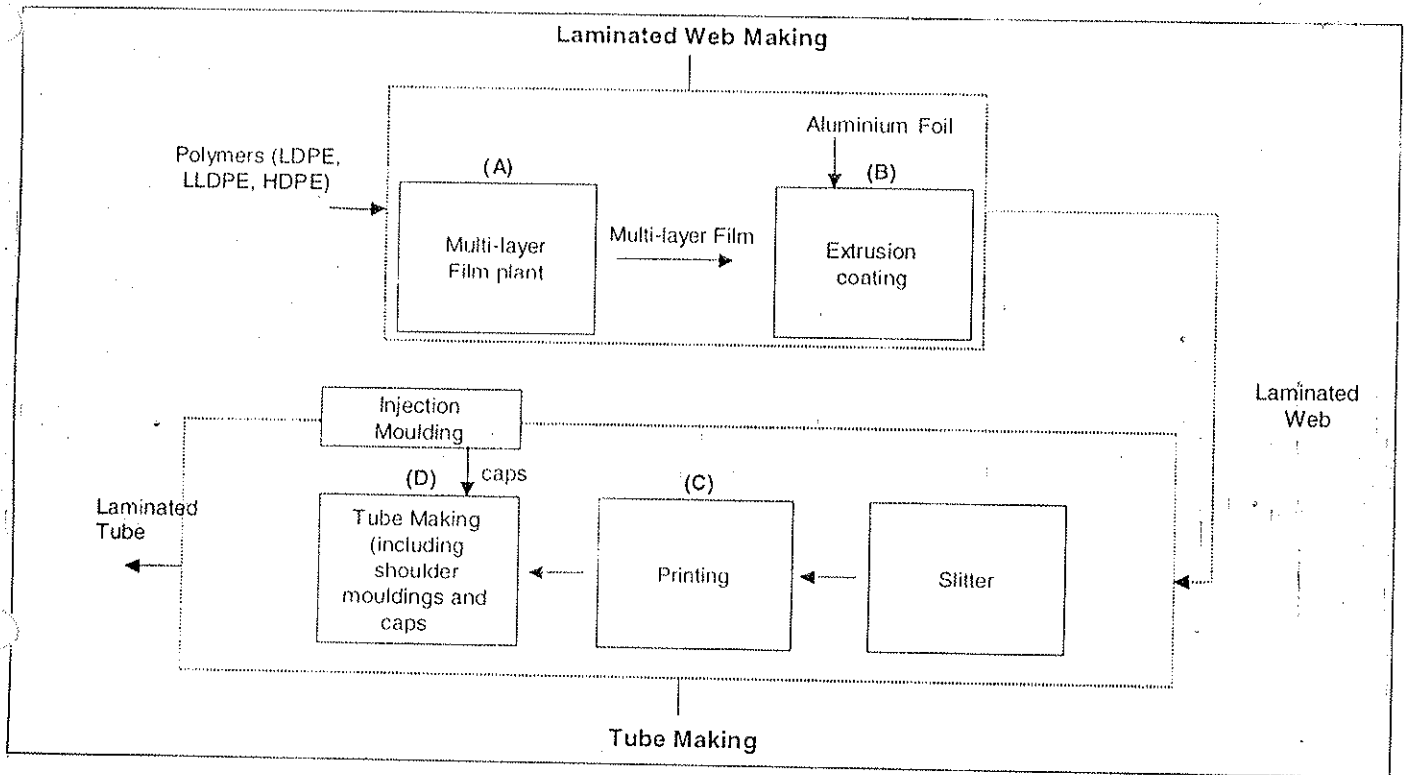
Shree Rama is focussing export strategy on 3 products viz. PLT, laminated webs and tarpaulin. There is a significant export potential for PLT. The company is currently exporting tubes to various countries including South Africa, Malaysia, Nigeria etc. The company also has deemed exports undertaken through Hindustan Lever Limited's Kandla unit and other units wherein the company's products are supplied to Europe, Russia and Asia. Shree Rama exports laminated webs to Japan, through Fujimori, its technical collaborator. Fujimori is one of the largest web manufacturers and supplies webs to a number of South East Asian countries. Tarpaulin is mainly exported to USA and Japan.

EXISTING FACILITIES

The existing manufacturing facilities are located at two plants, viz. Motibhoayan and Kadi. The Motibhoayan plant is situated in Mehsana district, which is around 25 km from Ahmedabad. The land development was carried out in FY95. The plant at Kadi is also situated in Mehsana District at a distance of around 40 km from Ahmedabad. A plastic coating plant to process paper or fabric is located at Kadi. All other production facilities (including the tube making machines) are situated in Motibhoayan.

Production Facilities

PLT Manufacturing Process



Stages A, B and C are used for captive consumption as well as outside sales while Stage D is used only for outside sales.



A. Multi Layer Film plant

Polymers in the form of granules (HDPE, LDPE, LLDPE, Nylon etc.) is converted into multi-layer films using the extrusion blown film process. The multi-layer film meets captive consumption requirements of the extrusion coating plant and is also sold in the market.

B. Extrusion Coating

The extrusion coating plant produces laminated web, which is the basic input for making PLT. In this process the multi-layer film is combined with aluminium foil. Prior to the combination, the foil is coated with a primer. A polyethylene multi-layer film is then bonded to either side of the aluminium foil by a bonding material called co-polymer making a total of 9 layers structure. Poly coated paper can also be produced by substituting aluminium by paper in the above process. Also, the extrusion coating plant can coat HDPE fabric to make tarpaulin, bags, paper board for paper cup etc. The plant is capable of producing upto 11 layer extrusion coating structure and can coat plastic, paper, aluminium foil or any other substrate.

C. Printing

This stage involves printing using a photoplate printing process. The photowork prepared from the artwork is mounted

on color stations for printing. The printing process is done on the laminated web, which is then used in the tube making machines. The Printing facility is also used for making stickers and labels and has the capability of producing upto nine colours.

D. Tube Making

The laminated web, after printing, is fed into the tube making machine which converts the printed web into tubes of the requisite diameter. Shoulders and caps are fitted onto the tubes in the final stage of the tube making process.

The company currently has five tube making machines, located at the Motibhoyan Plant. These machines have been procured from AISA, Switzerland, which is one of the leading tube making machine manufacturers in the world. Out of the five machines, three are SAESA models and the balance are KLT models. Recently the Company has installed one KLT machine as part of the proposed expansion project. Both the models are fully automatic except that in the KLT model the shoulders are produced and assembled on-line while the SAESA model uses off-line injection moulded shoulders.

The current machines are producing tubes with 19 mm, 22 mm, 25mm, 28 mm, 30 mm and 35 mm diameter. However, most of the production is concentrated on the standard sizes of 22 mm, 28 mm and 35 mm.

TECHNOLOGY AND TECHNICAL KNOW-HOW

Details of Collaborators

Shree Rama has tied-up with some of the leading players for the key technologies involved in the manufacturing process.

PLT: AISA, Switzerland

AISA, Switzerland, is one of the largest manufacturers of laminated and plastic packaging tube machinery in the world. It manufactures laminated tube production lines, plastic tube heading machines, stretched plastic transparent tube machines and integrated tube production lines.

Description	Validity of Agreement	Fees
1. Knowhow to produce foil and non-foil PLT made on AISA machines including tube specifications, raw material specifications and quality control	5 years from date of installation of machine and automatically extended by 5 years. (Current validity is till March 2004)	No separate consideration is envisaged except for reimbursement of expenses such as travelling expenses, etc.
2. Testing of laminate web and laminated tube samples provided by Shree Rama. AISA and will provide test reports to Shree Rama along with comments and suggestions		
3. Training of Shree Rama personnel in India and Switzerland		

Summary information about AISA is given below:

Place of Registration	Switzerland
Year of Incorporation	1962
Turnover	SFR 50 million
Issued Share Capital	SFR 4.5 million



SHREE RAMA MULTI-TECH LIMITED

Printing: Taiyo Kikai Ltd., Japan

Taiyo Kikai, Japan is a manufacturer of printing machines.

Description	Validity of Agreement	Fees
1. Technology for developing and processing of nylon prints & photopolymer plates, production and printing of PLT (foil and non-foil) and production and printing of labels/ stickers using Taiyo m/cs including raw material specifications	5 years from date of installation of machine and automatically extended by 5 years. (Current validity is till May 2004)	No separate consideration is envisaged except for reimbursement of expenses such as travelling expenses, etc.
2. Free of cost testing of nylon prints and nylon plates and provision of test reports along with comments and suggestions		
3. Training of Shree Rama personnel in India and Japan		

Summary information about Taiyo Kikai Ltd. is given below:

Place of Registration	Japan
Year of Incorporation	1961
Turnover (Sep. 1999)	JY 4,620 million
Issued Share Capital (Sep. 1999)	JY 69 million

Laminate Web Manufacturing: Fujimori Kogyo, Japan

Fujimori Kogyo, Japan is a large-sized global manufacturer of tube laminates and other flexible packaging materials.

Description	Validity of Agreement	Fees
1. Supply of technical information for manufacture of tube laminates including raw material standards, suppliers of raw materials, construction of tube laminates and operation & testing methods	Renewed with effect from August 10, 1998 and valid upto June 15, 2002.	JPY 10 million in 3 installments
2. Detailed testing of tube laminates supplied by Shree Rama along with the comments and suggestions for improvements		
3. Training of Shree Rama engineers at Japan 2002		

Summary information about Fujimori Kogyo is given below:

Place of Registration	Japan
Year of Incorporation	1914
Turnover (March 1999)	JY 38,428 million
Issued Share Capital (March 1999)	JY 3,618million

Multi-layer Film: Barrier Film Incorporation, USA

Barrier Films Corp., USA is a manufacturer of multi layer films.

Description	Validity of Agreement	Fees
1. Knowhow for manufacture of multi-layer films (with or without barrier properties) including raw material specifications, production machinery and environment, various structure and combination of multi-layer films of different usage, testing criteria and methods and identification of raw material suppliers	3 years from June 1995. The agreement has been renewed for a further period of 3 years from August 1998	US \$ 48,000/- paid in 3 installments
2. Training of Shree Rama personnel at USA and India		
3. Free of cost testing of multi-layer films supplied by Shree Rama along with test reports and comments and suggestions		



Summary information about Barrier Film Incorporation is given below:

Place of Registration	USA
Year of Incorporation	1992
Turnover (Year ending 1998)	US \$ 10 million
Issued Share Capital	US \$ 91,000

Raw Materials

The main raw materials are different grades of polymer granules (LDPE, HDPE, LLDPE, HM-HDPE, etc.) aluminium foil, master batch, UV ink, etc. Currently, plastic granules constitute over 2/3rd of the total raw material cost. Some special grade of polymer granules are imported from 3 US companies – Dow Chemicals, El Du Pont & Exxon Chemicals and the balance quantity is procured locally mainly from Reliance Industries. For tarpaulin manufacture, the company requires HDPE fabrics for which it has regular arrangements with various local manufacturers

The company is not dependent on any single supplier for sourcing raw material. In FY99, imported raw material accounted for Rs. 23.8 million out of total raw material consumption of Rs. 526.8 million. Given the current scenario, the company does not anticipate any difficulty in procuring the additional raw material requirement after the expansion.

Some of the major suppliers of raw materials of Shree Rama are indicated below:

Name of Raw Materials	Sources (Amongst Others)	Alternate Sources
1. Plastic Granules	Reliance, Dow Chemicals, Exxon Chemicals Int Ltd, Dupont, IPCL	SABIC
2. Aluminium Foil	India Foils Ltd, Sterlite Industries, Samsung Foil, Korea	Hindalco, Indal
3. Multi-layer Film	Barrier Films Pvt. Ltd., Tilak Polypack Pvt.Ltd., Kishan Industries	
4. Paper & Label Stock	Avery Dennison, Ballarpur Industries, Andhra Paper Mills, Kalyan Papers	Jeckstadt GMBH, ITC Bhadrachalam

MARKET

Packaging is increasingly playing a key role in maintaining quality of contents and acting as an important differentiating factor in marketing. The growing consumerism, changing tastes of the middle class, increasing brand awareness and more importantly competition in the user industries is resulting in increased demand for attractive "eye catching" packaging. FMCG companies are looking at packaging as an effective marketing and promotional tool. Consequently, there has been growing substitution of conventional packaging mediums with newer packaging media (viz. laminates) due its inherent advantages of longer shelf life, better product storage and improved aesthetics.

The growth in packaging requirements has been fuelled primarily by increased demand in the end user industries of fast moving consumer goods, personal care products, pharmaceuticals and food processing. The consumer good industry is largely non-cyclical and is poised to witness substantial growth. Moreover, the industry is dominated by Multinational Companies (Hindustan Lever, Colgate, Nestle, Glaxo etc.) who are driving the introduction of modern packaging material including PLT and high quality stickers/ labels.

Plastic Laminated Tubes (PLT)

Demand Scenario (As appraised by IDBI)

The market for PLT requires to be seen in the perspective of

the overall demand for packaging tubes and possible substitution of aluminium tubes by PLT. Laminated tubes has certain inherent advantages over other packaging medium including aluminium tubes.

The market for PLT can be broadly classified into three categories viz.

- **Toothpaste** - Currently, the dental segment accounts for 85% of the PLT consumption in the domestic market. The toothpaste segment has been the main driver to growth with Hindustan Lever Limited (HLL) being amongst the first to use these tubes for its premium segment. Moreover, this concept has also caught on in the lower end of the toothpaste segment. Colgate has almost shifted completely to PLT. The penetration of toothpastes has been relatively limited in the rural areas and this is expected to contribute to growth in demand. The rural market growth should sustain overall market growth at around 10% p.a.

- **Cosmetics / Personal Care** – The cosmetic / personal care segment includes colour cosmetics (face, eye, lip and nail care products), perfumes, talcum powder, deodorants and skin care products (fairness cream, antiseptic cream, cold cream, moisturizers, cleansers etc.). While there is high awareness for these products, the penetration rate is low as most households still prefer to use traditional and home made products. This market being in the nascent stage, the growth rate in this segment is expected to be high at 25% over the next five years till 2001-02.



- **Pharmaceuticals** - PLT have not made significant inroads into the pharmaceutical segment mainly because of supply side constraints such as non-availability of smaller size tubes. The pharmaceutical products which have already been introduced in PLT include Moov, Smyle Mouth Ulcer Gel, Krack Cream, etc.

Aggregate Demand(As appraised by IDBI)

The aggregate demand (including exports) for PLT is expected to increase from 1250 million tubes in 1997-98 to 2100 million nos. by 2001-02 at a CAGR of 14%, which is compatible with the growth of other plastic packaging materials like PET.

The segment wise breakup of demand expected in 2001-02

Product Category	2001-02 million tubes
Domestic	
Dental Care	1,350
Cosmetics / Personal Care	400
Pharmaceutical	250
Exports	100
Total	2100

Newer Areas of Application

There are a number of additional segments where PLT have good application potential which have not been considered above. Some of these areas are:

- Packaging of Grease & Lubricants** : Usage of PLT in this segment will increase ease of application and minimise wastage
- Food Products Segment**: Use of PLT in this segment will help retain taste and flavour for much longer duration as the multi-layered web structure provides very good barrier properties and prevents oxidation. In developed countries, PLT are used to pack food products like Mayonnaise, Cheese Spread, Sandwich Spread, etc. Entry of multinational companies in the FMCG sector will hasten this process of PLT acceptance.
- Seamless (extruded) tubes** is a relatively new product and are used for packing cosmetic products. The end users are expected to include MNCs like Revlon, Amway Corpn. etc. who are willing to pay a premium price, provided the quality is of international class.

Industry Structure(As appraised by IDBI)

The installed capacity as on March 1998 for manufacture of PLT is 1777 million. The industry typically operates on a 80% capacity utilisation.

Company	(in million nos. p.a.)
Essel Packaging Ltd.	1312
Shree Rama Multi-Tech Ltd.	228
Ras Propak Lamipack Ltd.	117
Courtaulds Packaging Ltd.	120
Total	1777

As appraised by IDBI

Demand Supply Gap

IDBI estimates continuing demand supply gap based on the strong growth in demand.

Demand Supply Balance (2001-02)

Particulars	In million nos	
Demand Projections		2,100
Capacity required at 80% capacity utilisation		2,625
Anticipated Capacity		
– Existing Capacity	1,777	
– Shree Rama expansion		
– Completed	186	
– Ongoing expansion	440	
– Other industry expansion	180	2,583
Demand Supply Gap		42

Labels and Stickers

Self adhesive labels find application in a variety of products like liquor, beverages, pharma products and food products like jams, pickles etc. The conversion from conventional labels to high tech/quality labels is generating considerable demand for labels/stickers. The multi colour stickers/labels add appeal as well as make it difficult to duplicate products.

Shree Rama caters to the high end label and sticker market including labels and stickers for shampoos like Sunsilk; Clinic All Clear, cosmetics like Fair and Lovely, imported liquors, high end beer products, food products, etc.

Other Products

Shree Rama is also taking up production of printed paper cups, printed cartons, plastic bags etc. Paper cups retain product freshness, and being bio-degradable are more environment friendly than plastic cups. The main demand for paper cups is from the soft drink industry. Both Coke and Pepsi have a global policy of preferring paper cups over plastic cups for environmental reasons. McDonalds also uses disposable paper cups for cold drinks, hot beverages and milk shakes. Unit cartons are mainly used by the toothpaste and cosmetic segment. (As appraised by IDBI)

PROJECT DETAILS

The company proposes to expand its current manufacturing capacity at Motibhoyan and put up fresh capacity in Ambaliyara and Pondicherry.

COST OF THE PROJECT

The cost of the expansion as appraised by IDBI is given hereunder:



(Rs. in million)

Sr. No.	Particulars	Moti Bhojan (1)	Ambaliyara (2)	Pondicherry (3)	TOTAL (1+2+3)
1	Land & Site Development	3.00	25.20	10.00	38.20
2	Building	35.00	100.00	36.00	171.00
3	Plant and Machinery				
	Imported	427.70	1,186.00	262.00	1,875.70
	Indigenous	74.60	48.40	71.80	194.80
	Other Expenses	46.10	58.10	20.00	124.20
4	Miscellaneous Fixed Assets	-	-	-	65.60
5	Contingencies	-	-	-	236.30
6	Preliminary & Pre-Operative expenses	-	-	-	214.50
7	Working Capital Margin	-	-	-	140.30
	Total	586.40	1,417.70	399.80	3,060.60

Land & Site Development

Motibhojan: The proposed expansion in Motibhojan would be located adjacent to the company's existing unit. The company had acquired land measuring 30,800 sq. mtrs., out of which about 22,000 sq. mtrs. has already been utilised for the existing capacity. It has acquired another 23,427 sq. mtrs. area in the adjacent site for accommodating the proposed project. The site is well connected by road and has all the infrastructure facilities viz. Power, water etc. The acquired land has been obtained from Shree Developers Pvt. Ltd., Mathurji Thakor, Babuji Thakor, Ghabaji Thakor, Sonaji Thakor, Dhulaji Thakor.

None of the sellers are related to any of the Promoters/Directors of the company. The acquired land is registered in the name of the Company and free from all encumbrances.

Ambaliyara: Ambaliyara is 35 Kms from Ahmedabad and 10 Kms from the existing Motibhojan facility of the company. The company has acquired land measuring 40,047 sq. for the proposed project, free from all encumbrances. This land has been purchased from Mr. S.I. Patel, Mr. M.N. Patel and Mr. A.N. Patel. None of the sellers are related to any of the Promoters/Directors of the company. The acquired land is not registered in the name of the Company. Non-Agricultural clearance for the land has not yet been obtained.

Pondicherry: The company has identified a suitable location measuring 13,504 sq. mtrs at Pondicherry, for which it has entered into a MOU with Emami Ltd., who is the present owner of the land. The seller is not related to any of the Promoters/Directors of the Company. The land is yet to be registered in the name of the Company. Non-Agricultural clearance for the land has been obtained.

Building & Civil Works

Motibhojan: The total built up area for the project is estimated at 4,088 sq. m comprising factory area (2167 sq. m) administrative buildings (1,046 sq. m), canteen (342 sq. m) and utilities section (533 sq. m). The main factory building would be of average height of 21 feet with RCC construction. Rs 33.3 million has already been spent on the building. The building & civil works is completed at Motibhojan.

Ambaliyara: The total built up area is estimated at 10,125 sq. m comprising factory area (4,017 sq. m), administrative building (1,265 sq. m), canteen/toilets/utilities (987 sq. m) and despatch docks, passages. (3,856 sq. m) etc. The building & civil works is 5% complete.

Pondicherry: The total built up area is estimated at 3797 sq.mt. comprising factory area (1021 sq.m), administrative building (457 sq. m.), canteen, utilities etc. (2319 sq.m.).

The fees payable to Architect is 6% of building and civil works cost.

Plant & Machinery

The details of the major plant & machinery that would be installed are as follows (as appraised by IDBI)

Motibhojan

Sr. No	Description	Supplier Name	Nos.	Amount (Rs. million)	Order Status	
					Order placed	Expected Date of supply
Imported						
1.	Laminated tube machines *	AISA Switzerland	1	202.90	Machine already delivered	
2.	Toolings for Laminated tube machines	AISA Switzerland	1	35.30	November 1999	January 2000
3.	Multi-layered film plant	Reifenhauser, Germany	1	99.20	February 2000	March 2000
4.	Paper Cup making machine	PMC, USA	1	50.20	January 2000	March 2000
5.	Others	Not Identified	-	40.10	November 1999	February 2000
	SubTotal			427.70		
	Indigenous			74.60	December 1999	July 2000
	Total			502.30		



Ambaliyara

Sr. Description No	Supplier Name	Nos.	Amount (Rs. million)	Order Status	
				Order placed	Expected Date of supply
Imported					
1. Laminated tube machines	AISA Switzerland	3	729.30	January 2000	December 2000
2. Toolings for Laminated tube machines	AISA Switzerland	1	35.30	January 1999	May 2000
3. Co-Extrusion plant Coating Plant	Ocean Traders, Hongkong	1	315.50	April 2000	August 2000
4. Paper Cup making machine	PMV, USA	1	50.20	April 2000	August 2000
5. Others	Not Identified	-	55.70	January 2000	August 2000
Sub Total			1186.00		
Indigenous			48.40	January 2000	February 2000
Total			1234.40		

Pondicherry

Sr. Description No	Supplier Name	Nos.	Amount (Rs. million)	Order Status	
				Order placed	Expected Date of supply
Imported					
1. Laminated tube machines	AISA Switzerland	2	150.00	January 2000	March 2000
2. Toolings for Laminated tube machines	AISA Switzerland	2	70.00	March 1999	June 2000
3. Others	Not Identified	-	55.70	January 2000	August 2000
Sub Total			1186.00		
Indigenous			48.40	January 2000	February 2000
Total			1234.40		

* The existing machines have been purchased from AISA, Switzerland and the remaining machines are also expected to be procured through the same supplier.

The Company has placed order for plant and machinery amounting to Rs. 1094 million. The order percentage is approximately 50%.

The indigenous machinery required includes Injection Moulding machines, Dies & Moulds, components for tubing machine and other miscellaneous items.

The Company has already purchased one laminated tube machine which has been installed at Motibhoyan and has started commercial production. A total consideration of Rs. 263 million has been paid. The Company has placed additional orders for plant & machinery totalling Rs. 662 million.

Schedule of Implementation

As on November 30, 1999, Shree Rama has incurred capital expenditure of Rs. 611.5 million on the project (including advances paid to machinery suppliers). One tube machine has already been installed in Motibhoyan and has commenced commercial production. The project at all the three locations is estimated to be completed by the end of June 2001 and full commercial production is expected to commence from July 2001.

The proposed schedule of implementation is as detailed below (as appraised by IDBI):

Motibhoyan

Activity	Date of Commencement	Date of Completion
Land & Site Development	-	Completed
Civil Works	-	Construction of factory building and administrative block are in progress - to be completed by Dec 99
Plant & Machinery - Imported		
- Order Placement	Started	July 00
- Delivery at site	*Started	March 01
- Indigenous		
- Order Placement	Started	July 00
- Delivery at site	Jan 00	Dec 00
Arrangements for power		Completed
Erection of Equipment	*Started	May 01
Trial Runs	*Started	June 01
Commercial Production	*Started	July 01

*The tube making machine has been installed



Ambaliyara

Activity	Date of Commencement	Date of Completion
Land & Site Development	Started	Dec 99
Civil Works	Jan 00	July 2000
Plant & Machinery		
– Imported		
– Order Placement	Jan 00	Aug 2000
– Delivery at site	March 00	Dec 2000
– Indigenous		
– Order Placement	Jan 00	Feb 2000
– Delivery at site	April 00	Dec 2000
Arrangements for power	–	Dec 99
Erection of Equipment	March 00	Oct 2000
Trial Runs	March 00	Nov 2000
Commercial Production	June 00	Dec 2000

Pondicherry

Activity	Date of Commencement	Date of Completion
Land & Site Development	Nov 99	March 00
Civil Works	Feb 00	July 00
Plant & Machinery		
– Imported		
– Order Placement	Jan 00	March 00
– Delivery at site	Feb 00	June 00
– Indigenous		
– Order Placement	Nov 99	Feb 00
– Delivery at site	Feb 00	Dec 00
Arrangements for power	Nov 00	Feb 00
Erection of Equipment	Feb 00	Aug 00
Trial Runs	Feb 00	Sept 00
Commercial Production	**Feb 00	Oct 00

** To start with one laminated tube making machine

Expenditure Incurred

The company has till November 30, 1999 incurred expenditure of Rs 611.5 million towards the project and the same has been funded by way of equity share capital raised through the private equity placement.

The expenditure as per the Chartered Accountant report dated November 30, 1999 break-up is given below:

Particulars	Amount (Rs million)
Land & Site Development	16.76
Building (Motibhoyan)	67.42
Plant & Machinery	
Imported	245.49
Indigenous	17.87
Advances to machinery suppliers	
Imported	83.56
Indigenous	150.51
Pre-operative expenses	29.94
Total	611.50

Proposed Schedule of Deployment of Funds

(Rs. Million)

	1998-99	1999-00	2000-01	Total
Motibhoyan	448	192	-	641
Ambaliyara	31	661	898	1,591
Pondicherry	14	461	-	475
Preliminary & Pre Operative Expenses (incl. Issue expenses)	21	172	22	215
Working Capital				140
Total	515	1,486	920	3,062

Source: Company

Miscellaneous Fixed Assets

Miscellaneous fixed assets of Rs 65.6 million include factory electricals, vehicles and office equipment. These would be procured indigenously from reputed suppliers. (as appraised by IDBI)

Details of miscellaneous fixed assets are given below (Rs. million)

Particulars	Motibhoyan	Ambaliyara	Pondicherry
Furniture and Fixtures	1.5	1.5	1.5
Office Equipments	1.0	2.0	2.5
Office/Factory Vehicles	1.0	1.0	1.0
Material Handling Equipments	3.0	2.0	3.0
Computer Hardware and Software	4.5	1.0	1.1
Elec. (Transformer, D.G., Panels, Cables etc.)	8.0	12.0	12.0
Others (weigh bridge, TME etc.)	2.0	2.0	2.0
Total	21.0	21.5	23.1



Preliminary and Pre-Operative Expenses

Rs in million

Public Issue Expenses	90.00
Up-front fees/legal expenses on term loans	7.00
Interest during construction period	97.50
Establishment expenses/start-up expenses	20.00
Total	214.50

(as appraised by IDBI)

Provision for Contingencies

The contingency provision has been taken at 10% of the non-firm capital expenditure cost totalling Rs. 236.3 million. (as appraised by IDBI)

Margin Money for Working Capital

The working capital requirement has been estimated by the Company based on the current and future requirements. The Company proposes to expand its current manufacturing capacity at Motibhoayan and put up fresh capacities at Ambaliyara and Pondicherry. For which it will require additional working capital requirement.

The Company expects its net turnover to increase at an average rate of over 39.7% (CAGR) over the next two years. The incremental working capital margin required for this period is estimated, by the Company, to be Rs. 279.9 million. The working capital requirements have been calculated by the Company based on the norms of Raw Material of 6 months, Work in Progress of 1 month, Finished Goods of 1 month, Debtors of 5 months and Creditors of 1.5 months.

The details of the working capital needs as estimated by the Company are given below:

(Rs. in Million)

Particulars	1999	2000 Estimates	2001 Estimates
Sales (Less Excise)	1346.3	1951.2	2618.5
Capacity Utilisation (%)			
PLT	85.42	87	89
Labels/Stickers	40.93	80	80
Speciality Packing & Plastic Products	79.62	73	65
Based on above the Company expects Working Capital requirement as follows:			
Current Assets			
Raw Material	349.5	421.8	559.6
Work in Progress	16.6	82.7	110.1
Finished Goods	33.3	82.7	110.1
Working Expenses	1.8	6.2	12.1
Debtors	512.7	878.9	1241.7

(Rs. in Million)

Particulars	1999	2000 Estimates	2001 Estimates
Other Current Assets	216.5	216.5	216.5
Total Current Assets (excluding cash & bank balances)	1130.4	1688.9	2250.1
Less:			
Current Liabilities			
Creditors	101.2	105.5	139.9
Other Current Liabilities	72.3	72.3	72.3
Total Current Liabilities	173.5	177.8	212.2
Net Working Capital	956.9	1511.1	2037.9
Working Capital Margin over 1999-00	282.6	422.2	562.5
Incremental Working Capital Margin over 1999-00	-	-	140.3

The incremental margin money requirement of Rs 140.3 million has been included in the project cost. Shree Rama at present has working capital limits of Rs 260.0 million with SBI and WCDL of Rs 50 million from SBI Commerce Intl. Shree Rama has approached SBI for enhancement of the limit to Rs 460 million to cater to its expanding operations. The total bank borrowing in 2000-01 has been assumed at Rs 510 million. (as appraised by IDBI). The balance incremental working capital requirement would be met through long term working capital debentures and / or internal accruals.

Proposed Fund utilisation pending deployment of offer proceeds

The funds raised from this offer will be initially utilised towards advance payments to the major machinery suppliers and towards reduction of working capital and interest thereto. Any unutilised money will be kept in short term instruments like deposit with the banks or Mutual Fund instruments.

Utilities (as appraised by IDBI)

1. Power:

- **Electric Power:** The Company has 1,500 KVA H.T. power connection from Gujarat Electricity Board which is sufficient for the company's requirement at Motibhoayan. At Ambaliyara and Pondicherry, the requirement of power is estimated at 528 KW and 260 KW respectively. The Company is yet to receive sanction for power for the proposed project at Ambaliyara. The Company is yet to receive sanction for power for its proposed project at Pondicherry.

- **Back-up Power:** The Company has installed 3 D.G sets of 500 KVA as standby arrangement in the event of disruption or failure of power supply from GEB.

2. Water: The water requirement for existing operations is



estimated at 50,000 litres per day for cooling and sanitary purposes and the requirement of make up water for cooling and sanitation is about 10,000 litres per day. After the proposed expansion project, the water requirements at Motibhoyan would increase to 60,000 litres and the requirement of make up water would increase to 12,000 litres per day. In Motibhoyan, the company's existing borewell has a capacity of 54,000 litres per hour which would be sufficient for meeting this requirement. The water requirement at Ambaliyara is estimated at 30,000 litres for cooling and sanitary purposes and requirement of make-up water for cooling and sanitation is about 6,000 litres per day. At Pondicherry, the water requirement is estimated at 10,000 litres for cooling and sanitary purposes and the requirement of make-up water for cooling and sanitation is about 2000 litres per day. The company proposes to have its own borewell facilities at both these locations.

3. **Compressed Air:** The company has 3 air compressors at Motibhoyan having aggregate capacity of 350 cfm, while the existing requirement is 260 cfm. An additional requirement of 40 cfm is envisaged for the proposed expansion project. The requirement at Ambaliyara and Pondicherry is envisaged at 150 cfm each, which would be met by installing air compressors of 200 cfm capacity at each location, the cost of which would be met by the proposed issue.
4. **Manpower:** The current manpower strength of the company and requirement after completion of the expansion project are :-

Category	Current	After Completion of Project
1 Managerial	11	19
2 Administrative (incl. Legal, HRD, Marketing etc.)	43	71
3 Technical / Supervisory	22	39
4 Workers	233	457
Total	309	586

The manpower is available locally in the nearby areas and the company does not foresee any problem in meeting the requirements after expansion

5. **Effluent Treatment:** The manufacturing process does not generate any effluents

Environmental Clearance

The company has obtained separate approvals for the Motibhoyan plant from the Gujarat Pollution Control Board under the Water (Prevention and Control of Pollution) Act 1974 and the Air (Prevention and Control of Pollution) Act, 1981 for its existing operations. The validity period for both the approvals is upto September 2002 for Moti Bhoyan plant. No environmental approval is required for the Kadi unit as of the date of the offer document.

The company needs to obtain No Objection Certificates from the Pollution Control Board of Gujarat for the Ambaliyara plant and the Motibhoyan expansion and from the Pollution Control Board of Pondicherry for the Pondicherry plant. The company has made an application to the Pollution Control Board of Gujarat for Motibhoyan expansion and Ambaliyara. The company has apply to the Pollution Control Board of Pondicherry in due course.

Y2K Details

The computers/software packages/ production line machinery are susceptible to Y2K bug. The company has ensured that its computers/ software packages/ production line machinery are Y2K compliant, with necessary certification from vendors/ manufacturers.

The hardware maintenance team and software consultants have been put on standby for the last week of December 1999 and the first week of January 2000 to meet any contingency.

5. FINANCIAL PERFORMANCE OF THE COMPANY FOR THE LAST FIVE YEARS

The auditors to the Company have examined and found correct the books of Shree Rama for the last five years ended on September 30, 1995 (18 months); September 30, 1996; September 30, 1997; September 30, 1998 and September 30, 1999 being the last date upto which the accounts of the Company have been made up and audited by them. The auditors to the Company have certified vide their certificate that as of date they are not aware of any material adjustment which would affect the result shown by these accounts in accordance with the requirement of Part II of Schedule II to the Companies Act, 1956 and read with requirements of the Securities and Exchange Board of India vide its clarification No. XIII and XIV of the Guidelines for Disclosure and Investor Protection.



SHREE RAMA MULTI-TECH LIMITED

In accordance with the requirement of Clause B (1) & (2) of Part II of Schedule II to the Companies Act, 1956 the auditors report that the Profit and Loss Account, Assets and Liabilities (Subject to the Notes) are set out below: -

(A) INSTALLED CAPACITY AND CAPACITY UTILISATION

(Nos. & Sq. Mtrs are in Millions)

Item No.	FOR THE YEAR/PERIOD ENDED	30/9/1999	30/9/1998	30/9/1997	30/9/1996	30/9/1995 18 Months
1	MULTI-LAYER TUBES (Nos.)					
	Effective Installed Capacity	249.25	175.00	175.00	175.00	175.00
	Production	212.91	184.69	101.48	39.79	5.82
	% of Capacity Utilisation	85.42%	105.54%	57.99%	22.74%	3.32%
2	LABLES/STICKERS (Sq.Mtrs)					
	Effective Installed Capacity	20.42	14.50	14.50	14.50	14.50
	Production	5.06	2.30	1.43	0.35	0.00
	Captive Consumption	3.30	2.86	1.57	0.62	0.09
	Total Production	8.36	5.16	3.00	0.96	0.09
% of Capacity Utilisation	40.93%	35.60%	20.68%	6.64%	0.62%	
3	SPECIALITY PACKING & PLASTIC PRODUCTS (M.T)					
	Effective Installed Capacity	14118.00	14118.00	7368.00	7368.00	7368.00
	Production	9355.81	5141.19	4649.06	3421.61	424.43
	Captive Consumption	1884.29	1634.52	555.10	221.65	31.82
	Total Production	11240.10	6775.71	5204.16	3643.26	456.25
% of Capacity Utilisation	79.62%	47.99%	70.63%	49.45%	6.19%	

* Effective Installed Capacity has been worked out after considering the period for which the new machines have been available for actual production.



SHREE RAMA MULTI-TECH LIMITED

(B) FINANCIAL INFORMATION

Profit and Loss Accounts for the years ended

(Rs. In Millions)

PARTICULARS	FINANCIAL YEAR ENDED				18 MONTHS ENDED
	30/9/1999	30/9/1998	30/9/1997	30/9/1996	30/9/1995
Income					
Sales- Manufacturing	1505.42	944.17	658.95	383.75	55.54
- Trading	0.00	0.00	68.95	800.67	667.43
Other Income	0.78	15.60	7.70	18.38	7.97
Increase/(Decrease) in Stock	(6.27)	11.66	17.97	5.16	8.64
Total Income	1499.93	971.43	753.57	1207.96	739.58
Expenditure					
Raw material Consumed	526.82	316.49	227.04	119.14	35.03
Trading Purchases	0.00	0.00	68.72	785.65	659.70
Manufacturing, Admn. Selling & Other Expenses	296.16	174.29	114.93	78.29	20.19
Interest	154.69	143.82	112.59	75.80	4.70
Depreciation	106.85	66.66	44.10	25.36	2.19
Preliminary Expenses w/o	0.08	0.08	0.08	0.08	0.11
Technical Know-how expenses w/o	0.65	0.65	0.57	0.00	0.00
Deferred Revenue Expenses w/o	3.83	3.00	2.05	0.15	0.15
Shares / Debentures Issue Expenses w/o	3.21	1.66	1.28	1.28	1.28
Total Expenditure	1092.28	706.65	571.35	1085.75	723.35
Profit Before Tax	407.65	264.78	182.21	122.21	16.23
Less: Provision for Taxation	62.50	32.50	21.00	10.00	0.00
Profit After Tax	345.15	232.28	161.21	112.21	16.23
Add: Balance Brought Forward from Previous Year	201.59	168.11	99.35	5.97	1.35
Prior Period Adjustment Debit/(Credit)	0.00	3.48	3.81	(2.09)	0.00
Extra ordinary items (Debit) *	1.16	3.85	0.00	0.00	0.00
Profit available for Appropriations	545.58	393.06	256.75	120.27	17.58
Appropriations					
Transfer to General Reserves	170.00	140.00	70.00	6.30	5.00
Debenture Redemption Reserve	97.90	19.60	0.00	0.00	0.00
Interim Dividend on Preference Shares	15.00	7.60	0.00	0.00	0.00
Interim Dividend on Equity Shares	22.37	0.00	0.00	0.00	0.00
Tax on Interim Dividend on Preference Shares	1.65	0.76	0.00	0.00	0.00
Tax on Interim Dividend on Equity Shares	2.46	0.00	0.00	0.00	0.00
Proposed Dividend	24.61	21.37	16.94	14.63	6.61
Tax on Proposed Dividend	2.71	2.14	1.69	0.00	0.00
Balance of Profit Carried to Balance Sheet	208.88	201.59	168.12	99.34	5.97
TOTAL	545.58	393.06	256.75	120.27	17.58
Rate of dividend (%)					
On Equity shares					
Interim Dividend	10%	-	-	-	-
Final Dividend	11%	18%	16%	15%	15%
On Preference shares **	15%	15%			

* Loss Due to Fire took place in Moti-Bhoyan factory on 25-4-98

** Dividend on Preference Shares due on 30th September of Every Year.



Statement of Assets & Liabilities

PARTICULARS	Rs. million				
	30/9/1999	30/9/1998	30/9/1997	30/9/1996	30/9/1995
SOURCES OF FUNDS:					
SHARE HOLDER'S FUNDS:					
Equity Share Capital	224.72	220.95	118.45	97.50	97.50
Preference Share Capital	100.00	100.00	0.00	0.00	0.00
Reserves & Surplus	2049.18	1729.26	482.90	210.53	109.35
	2373.90	2050.21	601.35	308.03	206.85
LOAN FUNDS:					
Secured Loans	1491.07	1036.44	621.97	505.22	448.70
Unsecured Loans	100.00	0.00	447.21	226.68	122.18
Deferred Payment Liabilities	0.00	0.93	1.53	1.24	0.80
	1591.07	1037.37	1070.71	733.14	571.68
TOTAL	3964.97	3087.58	1672.06	1041.17	778.53
APPLICATION OF FUNDS:					
FIXED ASSETS:					
Gross Block	1854.08	1100.47	862.73	656.82	440.04
Less: Depreciation	247.91	141.08	74.64	30.90	5.60
Net Block	1606.17	959.39	788.09	625.92	434.44
Capital Work In Progress *	645.94	415.50	230.21	176.07	213.26
	2252.11	1374.89	1018.30	801.99	647.70
INVESTMENTS	1.79	0.10	1.40	3.77	2.67
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	401.06	314.72	202.75	80.11	70.10
Sundry Debtors	512.69	387.54	281.03	235.06	55.17
Cash & Bank Balances	732.22	904.52	77.22	7.38	46.19
Loans & Advances	216.53	257.95	228.58	62.52	236.97
	1862.49	1864.73	789.58	385.07	408.43
Less:					
CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	137.96	81.99	103.60	136.42	286.14
Provisions	35.55	87.77	49.64	24.62	6.60
	173.51	169.76	153.24	161.04	292.74
NET CURRENT ASSETS	1688.98	1694.97	636.34	224.03	115.69
MISCELLANEOUS EXPENDITURE					
(To the extent not written off or adjusted)	22.08	17.62	16.02	11.38	12.47
TOTAL	3964.97	3087.58	1672.06	1041.17	778.53

* Includes Advances to Suppliers of Capital Goods

The aggregate book value of quoted investment is Rs. 1.75 million and the market value is Rs. 1.35 million



Accounting Ratios

SR NO.	PARTICULARS	FOR THE FINANCIAL YEAR				18 Months Ended
		30/9/1999	30/9/1998	30/9/1997	30/9/1996	30/9/1995
1.	Earning Per Share (Rs.) (annualised)	7.34**	18.57	14.86	11.72	3.69
	As adjusted for Rs. 5 face value	7.34	9.28	7.43	5.81	1.85
2.	Net Worth (Rs/ Millions)	2351.82	2032.59	585.33	296.65	194.38
3.	Return on net worth (%)	14.68%	11.43%	27.54%	37.83%	6.35%
4.	Net Asset Value of Shares (Rs.) (net of revaluation)	50.10**	87.47	49.42	30.43	19.94
	As adjusted for Rs. 5 face value	50.10	43.74	24.71	15.21	9.95

**1 Equity share of Rs.10/-each have been sub-divided in to 2 Equity shares of Rs. 5/- each at the EGM of the Company held on 18/9/99. Accordingly EPS and Net Asset Value of Shares have been calculated.

Formulae

1. Earning Per share (EPS) = $\frac{\text{Net Profit before Extraordinary Items}}{\text{Number of Equity shares}^*}$
2. Return on net worth = $\frac{\text{Net Profit before Extraordinary Items} \times 100}{\text{Net worth}}$
3. Net Asset Value = $\frac{\text{Equity} + \text{Reserves} - \text{Misc. Exp not w/o}}{\text{Number of Equity Shares}}$

* Number of equity shares have been calculated as a weighted average of existing equity capital at the start of the year and fresh equity capital issued during the year.

SIGNIFICANT ACCOUNTING POLICIES

The Accounts are prepared using historical cost conventions and on the basis of the going concern and materially comply with the applicable accounting standards unless otherwise stated.

The significant accounting policies followed by the company are as stated below:

1. Valuation of Inventories:

- i) Raw Materials are valued at cost.
- ii) Finished goods are valued at cost or market value whichever is lower.
- iii) Waste is valued at estimated realisable value.
- iv) Stock in process is valued at cost.
- v) Spares and Stores are valued at cost.

2. Depreciation:

- i) Depreciation has been provided on a straight line method at the rates prescribed XIV to the Companies Act, 1956.
- ii) Depreciation on additions to the assets during the year is being provided on pro-rata basis at their respective rates as required by Schedule XIV of the Companies Act, 1956 with reference to the date of acquisition/installation.
- iii) Depreciation on the assets sold or demolished during the year is being provided at their respective rates

up to the date on which such assets are sold or demolished, as required by Schedule XIV to the companies Act, 1956.

3. Revenue Recognition:

- i) Sale of goods is recognised at the point of dispatch of finished goods to customers. Sales is inclusive of excise duty.
- ii) Revenue other than from sales is recognised and expenditures are accounted for on accrual basis.

4. Fixed Assets:

- i) Fixed assets are stated at cost of acquisition (Net of Modvat) or construction.
- ii) All cost relating to the acquisition and installation of fixed assets are capitalised and includes financing cost relating to borrowed funds attributable to construction or acquisition of fixed assets, up to the date the asset is ready for use.
- iii) The costs and related depreciation of the assets disposed off are removed from the books of the account and resultant profit or loss, if any, is reflected in the profit and loss account.



5. Foreign Exchange Transactions:

- i) Foreign currency transactions settled before the end of the year are accounted for at the rates prevailing on the dates of the transactions.
- ii) Foreign currency transactions remaining unsettled at the end of the year are restated at the exchange rates prevailing on the date of balance sheet.
- iii) Exchange differences relating to the fixed assets are adjusted in the cost of the assets. Any other exchange differences are dealt with in the profit and loss account.

6. Investments:

Investments are stated at cost.

7. Retirement Benefits:

- i) Provision for gratuity is made on actuarial basis.
- ii) Retirement Benefits in the form of Provident Fund and Pension Schemes are accounted on accrual basis and charged to profit and loss account every year.

8. Expenditure during Construction Period:

Assets under erection/installation are shown as Capital Work In Progress. Pre-operative Expenses represent expenses specifically related to the fixed assets to be capitalised upon installation and commissioning of these assets.

9. Miscellaneous Expenditure (to the extent not written off or adjusted):

Miscellaneous Expenditure is written off annually as under:

- i) Preliminary expenditure – 1/10th.
- ii) Deferred Revenue expenditure – 1/3rd.
- iii) Shares Issue expenditure – 1/10th.
- iv) Technical Know-how Fees – 1/6th.
- v) Preference Shares Issue expenditure – 1/5th.
- vi) Debenture Issue expenditure – 1/5th.

10. Excise Modvat Credit:

The Modvat Credit is accounted by crediting the amount of modvat credit received to the cost of purchase.

11. Backward Area Subsidy:

Subsidy is accounted for on accrual basis.

12. Contingent Liabilities:

Contingent Liabilities not provided for are disclosed in notes on accounts.

13. Other Accounting Policies:

Accounting Policies not specifically referred to otherwise are consistent and in consonance with Generally Accepted Accounting Principles.

SIGNIFICANT NOTES ON ACCOUNTS FOR THE PERIOD ENDED SEPTEMBER 30, 1999

1. Contingent Liabilities

- a) Bills discounted with Bankers Rs. 28.94 Millions (Previous year Rs. 23.00 Millions).
- b) Letter of credit and guarantees Rs. 4.14 Millions (Previous year Rs. 95.92 Millions).
- c) Estimated amount of contracts remaining to be executed on capital account net of advances Rs. 665.81 Millions (Previous year Rs. 398.22 Millions).
- d) Corporate guarantee given by the Company to IDBI for term loan of Rs. 90.00 Millions (Previous year Rs. 90.00 Millions) of East West Polyart Ltd.
- e) Disputed demand of income tax Rs. 2.25 Millions (Previous year Rs. 1.43 Millions).

2. The Company's accounting year for the purpose of the Companies Act, 1956 ends on 30th September 1999 as against the previous year for Income Tax purpose, which ends on 31st March 1999. The Company has made provision for taxation of Rs. 51.50 Millions on total income for the assessment year 1999-2000. The income for the year 1st April, 1999 to 30th September, 2000 which forms part of these accounts, will be assessed as part of the income for the year 2000-2001 i.e. for the previous year ending on 31st March, 2000. The Company, for the said period, has made provision for taxation of Rs. 30 Million.

3. As a result of a fire broke out at Company's factory at Motibhoayan in April-98, part of the machinery, building, stock of raw materials and finished goods were destroyed/damaged. The claim was lodged by the Company and has been assessed by the surveyors appointed by the Insurance Company. Pending finalisation of the claim by the insurance company, loss of Rs. 1.16 Millions has been estimated during the year in addition to loss of Rs. 3.85 Millions which was estimated during the previous year. The same has been treated as an Extra -Ordinary item.

4. The Company has been accounting liability for excise duty on finished goods as and when they are cleared. The liability in respect of finished goods lying in stock at the close of the year estimated at Rs. 4.44 Millions has not been provided for in the accounts and hence not included in valuation of inventory of such goods. However, the said liability if accounted would have no impact on the profit for the year.

Capitalisation Statement

Sr. No.	Particulars	Rs. million	
		As on 30/9/99	Post Offer
A	Short Term Debts	311.81	311.81
	Long Term Debts *	1379.26	1379.26
	Total Debts	1691.07	1691.07
B	Share Holders Funds		
	a. Equity Share Capital	224.72	265.00
C	b. Free Reserves & surplus	2027.10	2954.00
	Shareholders Fund	2251.82	3219.00
	Long Term Debt		
	Equity Ratio	0.61 :1	0.52:1
		0.61	0.52



Notes :

- 1) * Includes Rs.1000 Lacs Preference Shares
- 2) Assuming Nos of Shares to be issued are 8055750 at Rs. 120/-.
- 3) Short Term debts are those repayable on demand/ within one year.
- 4) Assuming Shares Issue Expenses Rs. 90 Millions.

STATEMENT OF TAXATION

Rs. Million

Particulars	Year ended 31st March			
	1998	1997	1996	1995
Profit before Tax (as per P&L a/c)	200.48	153.50	61.39	2.95
Tax at normal Rate	35%	43.00%	43.00%	46.00%
30% of Book Profit	66.74	46.05	0.00	0.00
Adjustments :				
Export Profit	2.51	0.00	0.00	0.00
Benefits for Newly undertaking	38.14	0.00	0.00	0.00
Difference between Tax Depreciation & Book Depreciation	111.26	0.00	70.15	4.14
Other Adjustments (-)	-33.34	0.00	-0.26	-0.07
Net Adjustment	118.57	0.00	69.89	4.07
Tax Saving thereon	41.50	0.00	30.05	1.87
Total income	81.91	46.05	-8.50	-1.12
Total Tax	30.81	19.80	0.00	0.00
Less: MAT Credit set off	5.31	0.00	0.00	0.00
Net Tax	25.50	19.80	0.00	0.00
Tax Provided in the Books	24.50	20.00	0.00	0.00

* in the Financial year ended 31st March 1997, Minimum Alternate Tax (MAT) is applicable so the income tax has been calculated accordingly.

FINANCIAL PROJECTIONS

The project has been appraised by IDBI. The project cost and means of finance were revised subsequent to the appraisal and the impact of the revisions on the estimated profitability and financials of the Company was calculated. The revised financial projections are as under :-

Profit and Loss Statement

(Rs. in million)

Year Ending (September)	2000 Proj	* 2001 Proj	2002* Proj
Domestic Sales	2011.00	2687.20	2987.20
Exports	192.50	292.90	370.90
Total	2203.50	2980.10	3368.10
Excise Duty	252.20	351.50	394.50
Net manufacturing sales	1951.20	2618.50	2963.80
Cost of Production:			
Raw material cost	843.70	1119.20	1254.20
Stores & Spares	12.80	17.70	20.40
Power	26.90	42.10	48.20
Salaries & wages	30.60	39.30	43.20
Repairs & maintenance	8.00	8.50	8.80
Administrative expenses	32.20	41.20	47.00
Selling expenses	21.30	29.30	33.70
Other misc. expenses	17.10	23.50	27.10
Total	992.60	1321.00	1482.50
PBDIT	958.6	1297.5	1481.1
Depreciation	205.00	364.30	402.90
Interest			
Interest on term loans	222.90	314.80	341.10
Interest on WC borrowings	74.00	74.00	74.00
Total Interest	296.90	388.80	415.00
Operating Profit	456.7	544.4	663.2
Other Income	12.00	12.00	12.00
PBT	468.80	556.40	675.10
Tax	55.50	70.00	156.10
PAT	413.20	486.40	519.10
Balance b/f	477.90	786.70	1171.50
Equity dividend %	30%	30%	30%
Equity dividend	87.50	87.50	87.50
Pref. Dividend	17.00	14.20	8.50
Retained profit	308.80	384.80	423.10
Balance c/f	786.70	1171.50	1594.60
Gross cash accruals	618.30	850.80	922.00
Net cash accruals	513.80	749.10	826.00
PBDIT/Net Sales	49%	50%	50%
PBT/Net Sales	24%	21%	23%
PAT/Net Sales	21%	19%	18%
EPS •	15.60	18.40	19.60
Cash EPS •	23.30	32.10	34.80

* Expected year of commercial production is 2000

• Based on Face Value of Rs. 10/-.



SHREE RAMA MULTI-TECH LIMITED

MAJOR ASSUMPTIONS FOR FORECASTS

1. Installed Capacity and Capacity Utilisation

Year ended Sept 30	2000	2001	2002
PLT (million nos.)	378.6	556.8	605.4
Capacity utilisation (%)	(87)	(89)	(95)
Extruded tubes (million nos.)			
- Existing	9.0	9.0	25.9
- Capacity utilisation (%)	(90)	(90)	(95)
- Proposed	25.9	25.9	9.0
- Capacity utilisation (%)	(100)	(95)	(100)
Multi Layer film (MPA)			
- Existing	1350	1350	630
- Capacity utilisation (%)	(60)	(80)	(90)
- Proposed	1890	1890	1350
- Capacity utilisation (%)	(90)	(70)	(80)
Co-extruded coated products (million sq.m)			
- Existing	64.8	64.8	64.8
- Capacity utilisation (%)	(73)	(73)	(73)
- Proposed	0	32.4	64.8
- Capacity utilisation (%)	(0)	(50)	(50)
Printed Labels (million sq. m.)	28.8	28.8	28.8
Capacity utilisation (%)	(80)	(80)	(80)
Plastic bags (million nos.)	16.2	48.6	48.6
Capacity utilisation (%)	(60)	(70)	(70)
Paper Cups (million nos.)	32.4	137.7	162.0
Capacity utilisation (%)	(60)	(70)	(70)
Cartons (million nos.)	0	77.8	77.8
Capacity utilisation (%)	(0)	(70)	(70)
Plastic compounds (MT)	5400	5400	5400
Capacity utilisation (%)	(60)	(60)	(60)

2. Average selling price and raw material cost

Products	Selling Price (Rs.) (Incl. E.D.)	Excise Duty (ED)	Raw Material cost (Rs)	Unit
PLT (Domestic)	@ 2.20	24%	0.60	Per Tube
PLT (Exports)	@ 1.80	-	0.60	Per Tube
Extruded tubes	2.00	24%	0.67	Per Tube
Multi-layer film	130.00	24%	80.00	Per Kg.
Co-extruded coated products	12.00	24%	7.00	Per sq.m
Lami web (exports)	52.00	-	35.00	Per sq.m
Plastic bags	0.69	24%	0.21	Per bag
Printed labels / stickers	130.00	5%	30.00	Per sq.m
Tarpaulin (exports)	9.00	-	6.00	Per sq.m
Paper cups	0.94	24%	0.40	Per cup
Cartons	0.80	24%	0.30	Per carton

@ Assumed at Rs.2.09 and Rs.1.71 respectively from 2002-2003 onwards (i.e 5% reduction)

- Stores and spares: 0.6% of gross manufacturing sales
- The total power cost in the optimum year is estimated at Rs.54.2 million.

Details are as under:

	Motibhoayan	Ambliyara	Pondicherry
Energy requirement in the optimum year (in KWh)	1716	528	260
No. of hours operation	7200	7200	7200
Energy charges (in Rs.)	4.4/KWh	4.4/KWh	4.4/KWh
Load factor	68%	68%	68%
Cost (Rs.million)	37.40	11.40	5.70

- Repairs and Maintenance : Considered at Rs.9.1 million from the optimum year onwards-works out to about 0.3% of the NFA
- Salaries and Wages : Estimated at Rs.39.4 million in 2000-01 and an increase @10% pa. In the subsequent years.
- Administrative expenses : Rs. 48.3 million in the optimum year - around 1.4% of gross manufacturing sales.
- Selling expenses : @ 1% of gross manufacturing sales
- Depreciation
For profitability estimates : SLM as per Companies Act
For I.T. calculations : WDV as per IT Act
- Interest
Term Loan
Existing : As per documented rates
Expansion project : 15.5%p.a.
Bank borrowings : 14.5% p.a.

11. Tax rate

The company's Motibhoayan unit enjoys tax exemption under Section 80 IA of IT Act for 10 years from March 1995 to March 2004 (30% of the profits are exempt from income tax). These have been considered in the tax calculations.

The Pondicherry unit will be exempt from income tax for the first 5 years and then enjoy tax exemption under Section 80 IA of IT Act for the subsequent 5 years. Besides, the export profits would be tax-free under Section 80 HHC of IT Act.

- Working capital holding period has been assumed as under

Particulars	No. of months
Raw material	6
Work in progress	1
Finished goods	1
Debtors	5
Working expenses	0.6
Sundry creditors	1.5



MANAGEMENT DISCUSSION AND ANALYSIS OF RESULTS OF THE LAST THREE YEARS OF SHREE RAMA MULTI-TECH LIMITED

Shree Rama is an integrated packaging solution provider to the FMCG industry with focus on laminated tubes, labels/stickers and speciality packaging. Shree Rama has positioned itself to meet the multiple needs of its FMCG customers. Most key customers source different packaging requirements from Shree Rama which enables it to establish long term relationships.

Shree Rama has competitive advantages which enable it to withstand competitive pressures

- Vertically integrated operations which gives Shree Rama economies of scale and scope, a benefit not available to single product packaging companies. Moreover, the wide product range also reduces dependence on any single product
 - Successful technology absorption which is a key strength in a highly technology intensive sector. Shree Rama has collaborations with the leading foreign technology providers including AISA, Switzerland, Taiyo Kikai, Japan etc
 - Established relationship with key customers which is a key entry barrier. There is a significant lead time and stringent quality approval process to become a supplier to the leading FMCG companies
 - Capital intensive nature of operations acts as an entry barrier and restricts presence of smaller players in the sector.
1. Comparison of the significant items of income and expenditure for the year ended September 1999 over previous year 1997-98 and for the year 1997-98 over previous year 1996-97.

(Amounts in Rs. million)

	1996-97	1997-98	1998-99	2 Year CAGR (FY97 to FY99)
Sales	658.95	944.17	1505.4	
Less: Excise Duty	46.76	88.90	159.1	
Net Sales	612.19	855.27	1346.3	
% Increase		40%	57%	48%
Trading Sales	68.9	-	-	-
Raw Material Consumed	227.04	316.49	526.82	52.32%
Trading Purchase Expenses	68.72	-	-	-
	72.16	90.79	144.83	42%
Increase / (Decrease in stocks)	17.96	11.66	(6.27)	
PBDIT	331.13	459.65	668.38	42%
% of				
Net Sales	49%	54%	50%	
Finance Charges	112.59	143.82	154.69	17%
Depreciation	44.10	66.66	106.85	56%
Other Income	7.70	15.60	0.78	
Net Profit before tax	182.14	264.77	407.62	50%
% Increase Tax	21.00	32.50	62.5	
Profit After Tax	161.21	232.28	345.15	46%
% Increase		44%	49%	

- The net manufacturing sales of the company has increased at a Compounded Annual Growth Rate (CAGR) of 48% from FY97 to FY 99, with a growth of 57% recorded in FY99. PLT and labels & stickers have primarily contributed to the growth in total turnover growing at 63% and 66% respectively in FY99. Sales volumes have risen considerably from 94.5 million tubes in FY97 to 225 million tubes in FY99 for PLT and 141.2 million sq. metres in FY97 to 504.4 million sq. metres in FY99 for printed material / Labels & stickers. The management expects strong growth to continue in its product lines, driven by increased demand from end use industries. The company's strategy of introducing new products and widening the product portfolio should further accelerate growth.
- The company customer base has grown significantly in the last two years including reputed companies like Hindustan Lever, Nirma, Dabur, Reckitt & Coleman of India Ltd. Emami Ltd., Vicco Ltd.etc. The company is not dependent on a single customer or relationship to a significant extent. Shree Rama is aiming at increasing its customer base for the expanded capacity and is in active discussions with the major customers.
- The Company's profit after tax has increased at a CAGR of 46% from FY1997 to FY1999, with a growth of 49% recorded in FY99. The company has shown healthy operating profit growth with sustained margins. The Company proposes to sustain margins going forward by increasing focus on higher margin PLT in its product mix and introduction of newer products like paper bags, paper cups cartons etc.
- Raw material is a significant component of cost accounting for 35% of sales in FY99. The cost of raw materials has remained fairly stable and has grown at a rate commensurate to increase in sales. Though there are fluctuations during the year, the average cost over the entire year has remained fairly stable.

Working Capital Cycle

The Company has high level of working capital requirements particularly debtors and inventory.

Inventory:

The company is catering to several customers (more than 50) and therefore requires plastic granules of varying grades to meet customers' requirements for varied types of web structures which contributes to higher inventory requirements. Further, the company largely purchases speciality grade granules which are not regularly manufactured by the suppliers. The Company, therefore, stocks 6 months of inventory of such speciality grades.

Receivables:

The company sells its products largely to FMCG majors. However, the dental pastes sector is reserved for SSI sector and most of PLT is sold to Small Scale Sector ("SSI") companies who are the packers for the FMCG majors. The packers typically have longer credit periods which result in higher receivables position for the company. Further, the company has witnessed continuously increasing sales each quarter and therefore receivables as a % of average sales for the year would show a higher figure.



SHREE RAMA MULTI-TECH LIMITED

Unusual or infrequent transactions

There have been no unusual or infrequent transactions.

Significant economic changes

There have been no significant economic changes that materially affected or likely to affect or likely to affect income from continuing operations.

Known trends or uncertainties

There are no known trends or uncertainties that have had or are expected to have a material adverse impact on sales, income or revenue from continuing business.

Future relationship between costs & revenues

Future variable cost as a percentage of sales are not likely to register any adverse trend. The Company believes that overall margins may be stable or may reduce marginally going forward due to competitive pressures in the company's product lines.

Total turnover of the industry

There is no published data available for Industry turnover.

New Products

The company has introduced new products, like labels/stickers in roll form, in the last 3 years as well as added new features to existing products. The company is contemplating introduction / expansion of sales of seamless and foilless tubes, paper cups, cartons and plastic bags in the future.

Seasonality of business

Barring a few products like tarpaulin, the business of the company is insulated from any seasonal fluctuations in sales. The company's key products of PLT and labels/stickers do not have seasonal fluctuations.

Dependence on single or few supplies/customers

The company does not depend on any single or few suppliers or customers.

Competitive Conditions

The other major companies in the industry are Essel Packaging, Ras Propack & Lamipack Limited and Courtaulds Packaging (India) Limited etc.

6. BASIS OF OFFER PRICE

QUALITATIVE FACTORS

- Existing profit making and dividend paying company - The net manufacturing sales and net profit have grown at a CAGR of 48.3% and 46.3% respectively for the period 1997-99.
- Integrated packaging solutions provider to the Personal Products / Fast Moving Consumer Good industry.
- Second largest player in PLT in India.
- Collaborations with foreign companies, such as, i) tube making technology - AISA, Switzerland, ii) multilayer film - Barrier Film Incorporation, USA, iii) laminate web

manufacturing - Fujimori Kogyo, Japan, iv) printing - Taiyo Kikai Ltd., Japan.

- Expansion project is appraised by IDBI who have sanctioned Rs 500 million and disbursed Rs. 310 million towards the project

QUANTITATIVE FACTORS

1. Earnings per equity share of face value Rs 10/- (EPS)

Financial Year	EPS (annualised)* (Rs.)	Weight Used
1996-97	14.86	1
1997-98	18.57	2
1998-99	14.68	3
Weighted Average	16.01	
Weighted average for Rs. 5/- face value	8.00	

- Number of equity shares for calculating EPS has been calculated as a weighted average of existing equity capital at the start of the year and fresh equity capital issued during the year

2. Price Earnings Ratio (P/E Ratio) in relation to Offer Price of Rs. 120/-

- based on EPS for FY1999 - 16.34 (adj. for split in face value)
- Industry
 - Industry P/E - not available
 - P/E of a comparable company in the same industry

Essel Packaging Limited - 37.3x (based on the closing market price as on 13/10/1999 on the Mumbai Stock Exchange)

3. Return on Networth (RONW)

Financial Year	RONW (%)	Weights
1996-97	27.54	1
1997-98	11.43	2
1998-99	14.68	3
Weighted Average	15.74	

- Minimum Return on Total Networth after Offer needed to maintain EPS at Rs. 7.34 for face value of Rs. 5/- per share is as under : 12.08%

5. Annualised Net Asset Value (NAV) per equity share of face value Rs 5/-

As on 30 th September 1999	Rs. 50.10
After Offer	Rs. 60.73

PARTICULARS OF OFFERS MADE BY COMPANIES UNDER THE SAME MANAGEMENT IN THE LAST THREE YEARS

There have been no Offers made by companies under the same management in the last three years.



7. OUTSTANDING LITIGATIONS, DEFAULT AND MATERIAL DEVELOPMENTS

Against the Company

1. Income Tax:

The company has disputed the demands of income tax of Rs. 1.78 million and interest of Rs. 0.47 million for the assessment years 1993-94 and 1994-95 based on some disallowances by the Income Tax Department. The Company has filed appeals against the orders.

2. Excise:

- a) The Excise Department has claimed that the company has wrongly availed Modvat credit on input used in HDPE fabric and consequently duty of Rs. 15.43 million was forced to be reversed on 18/10/1996. The Company has already reversed Rs. 2.31 million in the books of account initially. The Company filed a refund claim of Rs. 13.12 million debited in excess on the ground that the Department's stand was wrong in calculating the reversal of Modvat on Sale Value of product rather than the Purchase Value of the input used. The decision of the Appellate Authority is in favour of the Company and the Company has taken credit of refund to the extent of Rs. 13.12 million in books of account. The department has not got into appeal against above order of Appellate Authority.
- b) The Excise Department pursuant to their factory visit in October 1996 had issued show cause notices regarding availment of exemptions / modifications and demanded duty of Rs. 22.42 million. The show cause notices for charge of duty, penalty and interest are being contested before commissioner of excise.
- c) The Excise Department has issued show cause notices in certain cases claiming that the company has availed of modvat on materials used for non-excisable or nil duty products. The total claim by the Excise Department is Rs. 5.13 million. The matter has been contested by the company and has filed reply with Assistant Commissioner (Central Excise), on the grounds that in all such cases, the modvat is not claimed by adopting Form IV procedures. The company has been advised by their legal counsels that the matter is likely to be settled in favour of the company.
- d) The Excise Department has issued show cause notices in some cases pertaining to availment of modvat by the company on the basis of xerox copies of relevant documents or pertaining to shortage of material during inspection. The total claim by the Excise Department is Rs. 1.15 million. The matter has been contested by the company and has filed appeal with Assistant Commissioner (Central Excise), on the grounds that the xerox copies were submitted, as the relevant original documents are in possession of the Excise Department. The Excise Department has already debited an amount of Rs. 0.41 million under Part II of RG23A.

e) The Excise Department has issued notices pursuant to their factory visit in February 1999, regarding classification of certain products under Excise Laws. The total claim by the Excise Department is Rs. 21.72 million. The matter has been contested by the company and has filed reply with Commissioner of Excise. The company has been advised by their legal counsels that the matter is likely to be settled in favour of the company.

f) The Excise Department has issued various notices against rebate claimed by the company. The total claimed by the Excise Department is Rs. 0.21 million. The company has replied to all such notices and the company has been advised by their legal counsels that the matters are insignificant but likely to be settled in favour of the company.

3. Customs:

- a) The Company has imported a Slitter Rewinding Machine for printed labels, valued at Pound Sterling 5,000 from KDO Printing machines, England. The said machine has been assessed by the Ahmedabad Customs authority under CTH 8479.89 which attracts a customs duty of 50% basic + 10% CVD, as against the company's claim for assessing the machine under CTH 8,443.60 which would attract a customs duty of 25% basic + 10% CVD. The company has paid the customs duty under protest and has filed an appeal against the order given by the Ahmedabad Customs Authority. The appeal is pending with the Customs authority, awaiting for the date of hearing.
- b) The Company has entered into a Technical Collaboration Agreement with Fujimori Kogyo Co. Ltd for supply of technical information for production of Tube Laminates. The total payment of collaboration fees for technical information was JY 10 million and the company has claimed that the customs duty rate on supply of design & drawings should be 10% by assessing the same under 4911.91. The Customs Authority may demand custom duty at 25% by assessing the supply of documents under 4901.99. The company has given clarification vide letter dated 20th February, 1998 and has not yet received any reply from the Customs Authorities.

Except as stated above and elsewhere in this Offer Document:

- a) There is no outstanding litigation pertaining to matters likely to affect the operations and finances of the Company.
- b) No criminal proceedings have been launched against the Company or its Directors for any of the offences under the enactment specified in Paragraph I of Part I of Schedule XIII to the Act.
- c) There is no default in meeting the statutory dues and dues to Financial Institutions and Banks.

Against the Promoters and Directors of the Company

There is no outstanding litigation pending against the promoters and directors of the company pertaining to matters



likely to affect the operations and finances of the Company except as stated below.

No criminal proceedings have been launched against the Promoters/Directors for any of the offences (including past cases) under the enactment specified in Paragraph I of Part I of Schedule XIII to the Act or otherwise.

There is no default in meeting the statutory dues and dues to Financial Institutions and Banks except as stated below.

Saurabh Soparkar: Mr. Soparkar was Director of Piramal Financial Services Limited from which he resigned on October 3, 1998. A cheque for Rs. 6,50,000 dated February 1, 1999 issued by the said company had been dishonoured for which the payee has filed a criminal complaint under the Negotiable Instruments Act against the Company and all its Directors in which Mr. Soparkar has been shown as a director. The complaint has been registered and process has been issued by the Court of Metropolitan Magistrate of Ahmedabad. Against the said order Mr. Soparkar has filed a petition before the Gujarat High Court under Section 482 of Criminal Procedure Code for quashing the proceeds against him, inter alia, on the ground that on the date of the cheque he was not a director of the Company. The High Court has admitted his petition and granted ad interim stay of the proceedings against him.

Donald Peck: Mr. Donald Peck is a Director on Board of Altus Organics Limited. An amount of Rs. 3 million is unpaid by M/s Altus Organics Limited to Punjab State Industrial Development Corporation as the final amount of a one time settlement. There are three writ / demands against M/s International Auto Limited, Jamshedpur totalling Rs. 3.8 million and relating to fuel surcharge dues, sales tax and excise duty.

Against the Company's Subsidiaries

The Company has no subsidiaries

Against the Affiliates of the Promoters

There is no outstanding litigation against the Affiliates of the promoters pertaining to matters likely to affect the operations and finances of the Company except as stated below.

No criminal proceedings have been launched against the Company or its Directors for any of the offences (including past cases) under the enactment specified in Paragraph I of Part I of Schedule XIII to the Act or otherwise.

There is no default in meeting the statutory dues and dues to Financial Institutions and Banks.

Sanket Estate has the following litigation pending against it:

M/s Piyush Trading Company has filed a suit for recovery of its dues for material supplied in 1993 for Rs 45,000/-. The matter is contested by Sanket Estate & Finance Private Limited and according to the directions received, a deposit of Rs 30,000/- is made in the court on 15th March 1994. The ultimate liability on this account is Rs 15,000/-. Since then, the matter is subjudice and pending in the court.

Vimpsan Investment Private Limited

The Company has disputed the demands of income tax of Rs. 1.32 million and interest of Rs. 0.95 million for the Assessment Year 1996-97 based on some disallowances by the Income

Tax Department. The company has filed appeal against the order and is confident of getting a favourable judgement in the matter. In the meanwhile, the demand has been adjusted by the Income Tax Department against refunds due to the Company in subsequent years.

Interest of Promoters and Directors

The promoter and directors have an interest in the sitting fees and remuneration payable to them. The promoters and their relatives will be interested to the extent of dividend paid on shares held by them.

Company has extended corporate guarantee to East West Polyarts Ltd. with whom Promoters/Directors were associated in the past.

MATERIAL DEVELOPMENTS

Except as stated above, there has been no material developments after the date of the last audited Balance Sheet, which will have an impact on the performance, operation and prospects of the Company. The Directors are of the opinion that, to the best of their knowledge and ability, there are no circumstances which have arisen since the date of the last financial statement, that adversely affect or are likely to affect the operations of the Company or the value of its assets or its ability to pay its liabilities within the next twelve months.

The company, vide a special resolution passed at the Extraordinary General Meeting held on 18th September 1999, has split its equity shares of Face Value Rs. 10 into two equity shares of Face Value Rs. 5 each

Investor Grievance Redressal System

The investor grievances against the Company will be handled by the Registrars and the Transfer Agents of the Company in consultation with the secretarial department of the Company. To handle grievances received, the Company has appointed Mr. B.L.Patel as Compliance Officer. He will supervise redressal of complaints received from the investors at the office of the Company as well as Registrars to the Offer and ensure timely payment.

8. RISK FACTORS AND MANAGEMENT PERCEPTIONS THEREOF

Internal to Shree Rama Multi-Tech Limited

1. The company is proceeding with the expansion based on assumptions regarding market demand for the company's products. Any change in market conditions could adversely affect the profitability of the project.

Management's Perception: The company has used its in-house market knowledge and experience in this sector while working out the project cost and its implementation schedule. The project has also been appraised by IDBI and the report indicates sufficient demand supply gap in the product segments Shree Rama operates.

2. The Company has not firmed up orders for plant and machinery amounting to Rs. 976.4 million out of total plant & machinery cost of Rs. 2,070 million.

Management's Perception: The company would place orders for the plant & machinery in a phased manner in line with the implementation schedule of the project.



3. Plant & Machinery aggregating to Rs. 1,875.7 million is proposed to be imported and any depreciation in the rupee would impact the project cost.
Management's Perception: The project cost has provided for a contingency of Rs. 236.3 million, (10% of the non-firm capital cost).
4. Out of the total project cost of Rs. 3,060.6 million, Rs. 1300 million is proposed to be raised through debt financing. Of which, amount aggregating Rs. 300 million have not been tied up.
Management Perception: The company has got a rating of CARE 'A' for NCD of Rs 300 million from CARE and the same will be raised at appropriate time.
5. The land acquired for the project at Pondicherry is yet to be registered in the name of the Company.
Management Perception: The Company has entered into an MoU for the land at Pondicherry with the seller. On completion of the sale, the Company will get the land registered in its name.
6. The land acquired for the project at Ambaliyara is yet to be registered in the name of the Company.
Management Perception: The Company is in the process of getting the land registered in its name.
7. The Company is yet to receive sanction for power for its proposed project at Pondicherry.
8. The Company has applied for No objection Certificate from the Pollution Control Board for the proposed project at Pondicherry.
9. The Company is yet to receive the Non Agricultural (NA) approval for the land for the project at Ambaliyara.
10. The Company is yet to receive sanction for power for proposed project at Ambaliyara.
11. The Company is yet to receive No objection Certificate from the Pollution Control Board of Gujarat for the proposed project at Ambaliyara.
12. The Company is yet to receive No objection Certificate from the Pollution Control Board of Gujarat for the proposed expansion at Motibhojan.
Management Perception for 7 to 12: The Company has applied/will apply for receiving the necessary approvals.
13. Shree Rama has export obligation of Rs. 4,100 million over the next 8 years starting from Dec. 1998 on account of imports (existing and proposed) under EPCG scheme.
Management Perception: Products of the Company are gaining acceptance in the export market. The Company has already exported goods worth Rs. 69 million in 1998-99 including deemed exports.
14. The proposed expansion/project is being partly financed by funds raised through the Issue, shortfall, if any is likely to adversely affect the project.
Management Perception: In case of any shortfall, the Company will meet the requirements through internal accruals.
15. The Working capital requirements are based on the Company's own estimates.
Management Perception: The Company has estimated the working capital requirements based on its experience in the present activity.
16. The Company has not provided for the decline in the market value of quoted investments aggregating to Rs. 0.4 million.
Management Perception: The amount involved is small and would not have any material effect.
17. The Company has a disputed income tax liability of Rs 2.25 million for the assessment year 1993/94 and 1994/95.
18. The Excise department has lodged claims amounting to Rs 63.75 million against the company.
19. The Company has disputed claims with the Customs authorities on classification of goods in various categories.
Management Perception for 17. To 19.: The company has contested these claims.
20. The company has the following contingent liabilities on its books as on September 30, 1999:
 - a) Bills discounted with Bankers Rs. 28.94 Millions (Previous year Rs. 23.00 Millions).
 - b) Letter of credit and guarantees Rs. 4.14 Millions (Previous year Rs. 95.92 Millions).
 - c) Estimated amount of contracts remaining to be executed on capital account net of advances Rs. 665.81 Millions (Previous year Rs. 398.22 Millions).
 - d) Corporate guarantee given by the Company to IDBI for term loan of Rs. 90.00 Millions (Previous year Rs. 90.00 Millions) of East West Polyart Ltd.
21. M/s Piyush Trading company has filed a suit for recovery of its dues for material supplied in 1993 for Rs. 45,000 against Sanket Estate & Finance Private Limited, one of the promoter.
Management Perception: The matter is contested by Sanket Estate & Private Limited and according to the directions received, a deposit of Rs. 30,000 has been made in the court on March 15, 1994. Since then, the matter is subjudiced and pending in court.
22. Income Tax department has raised demand of Rs. 1.32 million and interest of Rs 0.95 million for the assessment year 1996-97 against Vimpsan Investment Pvt. Ltd. (VIPL).
Management Perception: VIPL has filed appeal against the order based on some disallowances by the Income Tax Department. In the meanwhile, the demand has been adjusted by the Income Tax Department against refunds due to the Company in subsequent years.



23. Mr. Soparkar, Director of Shree Rama, was Director of Piramal Financial Services Limited (PFSL) from which he resigned on October 3, 1998. A cheque for Rs. 6,50,000 dated February 1, 1999 issued by PFSL had been dishonoured for which the payee has filed a criminal complaint under the Negotiable Instruments Act against PFSL and all its Directors in which Mr. Soparkar has been shown as a director.

Management Perception: Against the said order Mr. Soparkar has filed a petition before the Gujarat High Court under Section 482 of Criminal Procedure Code for quashing the proceeds against him, inter alia, on the ground that on the date of the cheque he was not a director of PFSL. The High Court has admitted his petition and granted ad interim stay of the proceedings against him.

24. Mr. Donald Peck, Director of Shree Rama, is also a Director on Board of Altus Organics Limited and M/s International Auto Limited. An amount of Rs. 3 million is unpaid by M/s Altus Organics Limited to Punjab State Industrial Development Corporation as the final amount of a one time settlement. There are three writs / demands against M/s International Auto Limited, totalling Rs. 3.8 million and relating to fuel surcharge dues, sales tax and excise duty.

25. The Company's minor computerised operations are susceptible to Year 2000 (Y2K) bug.

Management Perception: The Company's major operations have not faced any Y2K problems and it does not expect any problem in its minor computerised operations.

External to Shree Rama Multi - Tech Limited

1. Economic slowdown and changes in Government policies/regulations resulting in a change in the economic environment may affect the profitability of the Company.

Management Perception: In spite of the economic recession over the last couple of years, Shree Rama has been able to show strong growth.

2. The Company faces competition from other players in the market, thereby affecting product prices.

Management Perception: Competition is currently limited to a few players. Moreover, Shree Rama has integrated manufacturing operations, diversified mix of products, established relationships with key customers and technological collaborations with foreign companies which enable it to face competition.

Notes

1. Applicants are advised to refer to the paragraph on "Basis of Offer Price" mentioned in the Offer Document before making an investment decision in respect of this Offer.
2. Investors may please note that in the event of oversubscription in Fixed Price Portion, allotment/ allocation shall be made on a proportionate basis in consultation with the regional stock exchange, the Ahmedabad Stock Exchange.
3. Shree Rama had no transactions/ dealings with the Companies/firms affiliated with the promoters of Shree Rama, except for corporate guarantee extended to East West Polyarts Ltd. with whom Promoters/Directors were associated in the past.

HIGHLIGHTS

- Existing profit making and dividend paying company - The net manufacturing sales and net profit have grown at a CAGR of 48.3% and 46.3% respectively for the period 1997-99.
- Integrated packaging solutions provider to the Personal Products / Fast Moving Consumer Good industry.
- Second largest player in Plastic Laminated Tubes (PLT) in India.
- Collaborations with foreign companies, such as, i) tube making technology - AISA, Switzerland, ii) multilayer film - Barrier Film Incorporation, USA, iii) laminate web manufacturing - Fujimori Kogyo, Japan, iv) printing - Taiyo Kikai Ltd., Japan.
- Expansion project is appraised by IDBI who have sanctioned Rs 500 million and disbursed Rs. 310 million towards the project.

**B. PART II****1. GENERAL INFORMATION****CONSENTS**

Consents in writing of the Auditors, Book Running Lead Manager, Lead Managers to the Offer, Syndicate Members, Financial Advisors, Legal Advisors, Advisors to the Offer, Registrars, Directors, Compliance Officer, Company Secretary, Banker to the Company, Escrow Bankers and Bankers to the Offer to act in their respective capacities have been obtained and filed with the Registrar of Companies, Gujarat at Ahmedabad, alongwith a copy of this Offer Document as required under Section 60 of the Act and none of them have withdrawn their consents upto the time of delivery of a copy of this Offer Document for registration.

M/s C.C. Chokshi and M/s Manubhai & Company, the Joint Statutory Auditors of Shree Rama have also given their written consent to their report being included in the form and content in which it appears in this Offer document and also of the tax benefits accruing to the Company and its members and all financial statements and ratios and such consent has not been withdrawn upto the time of delivery of a copy of this Offer document for registration to the Registrar of Companies, Gujarat at Ahmedabad.

The Offerors have authorised Shree Rama to do all acts, things, deeds as may be deemed appropriate and fit and in the best interest of the Offerors with respect to the equity shares being offered by them to the public through this Offer Document. The Offerors have not withdrawn their letter of authority issued in favour of Shree Rama till the date of filing of this Document with RoC.

EXPERT OPINION

No opinion of any experts has been obtained by the company, except the Auditors Certificate regarding the Tax benefits available to the Company and the members of the Company as stated elsewhere in this Offer Document and IDBI appraisal report.

CHANGES IN BOARD OF DIRECTORS IN THE LAST THREE YEARS

	Name	Designation	Date of Appointment	Date of Change	Particulars
1.	Mr. Prakash R. Patel	Director	01.12.96	Nil	Appointed as Director
2.	Mr. Ishvarlal C. Shah	Director	02.12.96	Nil	Appointed as Director
3.	Mr. Subramanian Pillai	Director	31.12.96	13.10.98	Resigned
4.	Mr. Deval M. Thakore	Alternate Director to Shri Rambhai D. Patel	02.12.96	09.02.98	Resigned
5.	Mr. Anilkumar G. Karkhanis	Nominee Director HPEIF	21.04.97	Nil	Appointed as Nominee Director
6.	Mr. R. Sathyamurthi	Nominee Director IDBI	10.07.97	Nil	Appointed as Nominee Director
7.	Mr. Sudhakar C. Patel	Alternate Director to Shri Hansraj K. Kanji	29.07.97	Nil	Appointed as Alternate Director
8.	Mr. Mitsuo Kiyokawa	Nominee Director NIF	18.11.97	25.08.99	Nomination Withdrawn
9.	Mr. Kazuyaki Hiraki	Nominee Director	25.08.99	Nil	Appointed as Nominee Director
10.	Mr. Donald Peck	Nominee Director CDC	19.11.98	Nil	Appointed as Nominee Director
11.	Mr. Ng. Song How	Alternate Director to Shri Mitsuo Kiyokawa	18.11.97	Nil	Ceased to Alternate Director
12.	Mr. Saurabh Soparkar	Alternate Director to Shri Rambhai D. Patel	19.11.98	Nil	Appointed as Alternate Director



SHREE RAMA MULTI-TECH LIMITED

CHANGE IN AUDITORS OF SHREE RAMA DURING THE LAST THREE YEARS

Name and Address	Date of Appointment	Date of Change	Reason for Change
M/s C.C. Chokshi & Co., 7 th Floor, Devpath Apartments, C.G. Road, Ahmedabad 380 006	16.12.1997	N.A.	Appointed as Joint Statutory Auditors of the Company in AGM held on 16 th December 1997

AUTHORITY FOR THE OFFER

- Pursuant to Section 81(1-A) of the Act, the present issue of 80,55,750 equity shares has been authorized vide a special resolution passed at the Extraordinary General Meeting of members of Shree Rama held on 18th September 1999
- The Board of Directors of HSBC Private Equity Management Mauritius Ltd., the investment manager of The HSBC Private Equity India Fund Limited had at its meeting held on 7th September 1999 approved disinvestment of 15,46,000 equity shares held by them to the public through Offer for Sale.

The Board of Directors of CDC Financial Services (Mauritius) Limited had at its meeting held on 17th September, 1999 approved disinvestment of 7,73,000 equity shares held by them to the public through Offer for Sale.
- The Board of Directors of International Venture Capital Management Limited, the Manager of South Asia Regional Fund (under CDC Group Management) had at its meeting held on 16th September 1999 approved disinvestment of 7,73,000 equity shares held by them to the public through Offer for Sale.
- The Board of Directors of NIF Investment Limited had at its meeting held on 22nd September 1999 approved disinvestment of 20,28,572 equity shares held by them to the public through Offer for Sale.
- The Board of Directors of Nippon Investment and Finance Company Limited had at its meeting held on 20th September 1999 approved disinvestment of 4,71,428 equity shares held by them to the public through Offer for Sale.

PROCEDURE AND TIME SCHEDULE FOR ALLOTMENT/ALLOCATION AND ISSUE OF SHARE CERTIFICATES

Shree Rama subject to SEBI guidelines/Stock Exchange norms reserves the right to accept or reject any Bid/application in whole or in part at its sole, absolute and uncontrolled discretion. In case any Bid/application is rejected in full, the whole of the money received with the Bid Form or application money, will be refunded to the Bidder/applicant. In case a Bid/application is rejected in part, the excess application money will be refunded to the Bidder/applicant within 10 weeks of the closing of the subscription list provided that Shree Rama and the Offerors will allot and/or transfer the equity shares within 15 days from the Offer Closing Date for Fixed Price Portion and shall pay interest @ 15% p.a. for the delayed period if the allotment is not made and/or the refund orders are not dispatched within 15 days from Bid Closing Date of Book Build Portion and Offer Closing Date for Fixed Price Portion.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEY

Shree Rama shall despatch refund orders, if any of value upto Rs. 1500 Under Certificate of Posting and shall despatch refund orders above Rs.1500, if any as well as all Allotment Letters or Share Certificates, by registered post within ten weeks from the Offer Closing Date for Fixed Price Portion. In accordance with the Act, Stock Exchange requirements and SEBI Guidelines, Shree Rama and the Offerors undertake that:

- allotment and/or transfer of securities relating to the Fixed Price Portion offered to the public shall be made within 15 days of the Offer Closing Date for Fixed Price Portion
- allotment and transfer of securities relating to the Book Built Portion shall be made within 15 days of the Offer Closing Date for Book Built Portion and refunds within 15 days of Bid Closing Date
- they shall pay interest at 15% per annum (for any delay beyond 15 days) (except for applicants applying through Stockinvest) if allotment and/or transfer has not been made and refund orders have not been despatched to investors within 15 days from the aforesaid dates.

Shree Rama and the Offerors would make available adequate funds to the Registrars to the Offer for this purpose.

Refunds will be made by cheques/drafts/pay orders or demand drafts drawn on a bank appointed by the Company as a refund banker and bank charges, if any, for encashing such cheques or pay orders at other centers will be payable by the applicants. Such cheque or Pay Order or demand draft will however be payable at par at places where the applications are received.

No receipt will be issued for Application Money. However, the Bankers to the Offers receiving the applications and Syndicate Members receiving the Bid Forms will acknowledge receipt by stamping and returning the detachable acknowledgment slip at the bottom of each Application Form.

DISPOSAL OF APPLICATIONS MADE BY STOCKINVEST

The procedure for applications made by cash or cheque or bank drafts will apply *mutatis mutandis* to applications accompanied by stockinvest except the following:

- In case of non allotment/allocation, the Registrars to the Offer will return the stockinvest directly to the applicant with the stamp "CANCELLED" and/or "NOT ALLOCATED" across the face of the instrument within 10 weeks from the Offer Closing Date for Book Built Portion or Offer Closing Date for Fixed Price Portion as applicable.
- On allotment/partial allotment/allocation, the Registrars to the Offer shall fill in the amount (which will be equal to or



(less than the amount filled by the investor) before presenting the stockinvest to the respective issuing bank for payment to the extent of allotment/allocation. The issuing bank will lift the lien on the balance amount, if any, of the deposit.

ISSUE OF SHARE CERTIFICATES

In case Shree Rama issues Acceptance or Allotment/ Allocation Letters, the equity share certificates will be despatched through Registered Post within 2 months from the date of allotment/allocation or within such further time as may be allowed by the Stock Exchanges at Ahmedabad and Mumbai and / or such other authority as may be necessary.

SCHEDULE AND BASIS OF ALLOTMENT/ALLOCATION

Book Built Portion

a. The Basis of allocation of equity shares would be decided by the Allocation committee headed by the BRLM and comprising one representative from each of the Lead Managers and the Issuer

The allocation would be broadly decided based on the quality of the bidder determined by factors such as the size, price and date of the bid.

c. The Company in consultation with the BRLM would have the discretion for allocation

After the Company has received the entire Offer proceeds for the Book Built Portion, it will proceed to complete the allotment and transfer formalities. After allotment and transfer:

• All Successful Bidders will receive credit for these shares directly in their depository accounts.

Fixed Price Portion

In the event of this portion being oversubscribed, the basis of allotment will be finalised in consultation with the Regional Stock Exchange. Investors may note that in case of oversubscription, allotment will be on a proportionate basis and a SEBI nominated public representative shall be associated in the process of finalisation of the basis of allotment for oversubscription for more than 2 times.

The allotment of equity shares, in case of over-subscription in the Fixed Price Portion, will be on a proportionate basis as follows:

i. A minimum of 50% of the Fixed Price Portion shall be initially made available for allotment to individual applicants who have applied for allotment of 1000 or less than 1000 equity shares

ii. The balance would be initially made available for allotment to individual applicants who have applied for

allotment of more than 1000 equity shares

iii. Unsubscribed portion, if any, of the categories specified in (i) and (ii) above shall be made available to applicants in the other category

The allotment will be in marketable lots on a proportionate basis as explained below:

a. Applicants will be categorised according to the number of equity shares applied for

b. The total number of equity shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, i.e. the total number of equity shares applied for in that category (number of applicants in the category x number of equity shares applied for) multiplied by the inverse of the oversubscription ratio.

c. Number of the equity shares to be allotted to the successful applicants will be arrived at on a proportionate basis, i.e. total number of equity shares applied for by each applicant in that category multiplied by the inverse of the oversubscription ratio.

d. In all the applications where the proportionate allotment works out to less than 100 shares per applicant, the allotment shall be made as follows:

• Each successful applicant shall be allotted a minimum of 100 shares; and

• The successful applicants out of the total applicants for that category shall be determined by draw of lots in such manner that the total number of equity shares allotted in that category is equal to the number of equity shares worked out as per (b) above.

e. If the proportionate allotment to an applicant works out to a number that is more than 100 but is not a multiple of 100 (which is the marketable lot), the number in excess of the multiple of 100 would be rounded off to the higher multiple of 100 if that number is 50 or higher. If that number is lower than 50, it would be rounded off to the lower multiple of 100. All applicants in such categories would be allotted equity shares arrived at after such rounding off.

f. If the shares allotted on a proportionate basis to any category is more than the shares allotted to the applicants in that category, the balance available shares for allotment shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate allotment to the successful applicants in that category. The balance shares, if any, remaining after such adjustment will be added to the category comprising applicants applying for minimum number of shares.



SHREE RAMA MULTI-TECH LIMITED

COMPLIANCE OFFICER

Mr. Bhupendra L Patel,
Senior General Manager (Finance)
Shree Rama Multi-Tech Limited
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Gujarat, India
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E mail : srmtlahd@ad1.vsnl.net.in

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E-mail : srmtlahd@ad1.vsn1.net.in

COMPANY SECRETARY

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E-mail : srmtlahd@ad1.vsn1.net.in

BOOK RUNNING LEAD MANAGER TO THE OFFER

DSP Merrill Lynch

DSP Merrill Lynch Limited
Tulsiani Chambers
West Wing, 11th Floor
212, Backbay Reclamation
Mumbai 400 021
Maharashtra, India
Tel.No.: (022) 284 5275
Fax. No.: (022) 204 8518

LEAD MANAGERS TO THE OFFER



Industrial Development Bank of India
IDBI Tower, Cuffe Parade
Mumbai 400 005.
Tel. No. (022) 218 9111
Fax No. (022) 218 1294



Khandwala Securities Limited,
Ground Floor, Vikas Building,
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Fax. No. : (022) 261 5172

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SYNDICATE MEMBER



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Maharashtra, India
Tel. No. : (022) 264 2300
Fax. No. : (022) 261 5172

REGISTRARS TO THE OFFER



Karvy Consultants Limited
"Karvy House"
46, Avenue 4, Street No.1
Banjara Hills
Hyderabad - 500 034
Andhra Pradesh, India
Tel.No.: (040) - 3312454/3320751 FaxNo.: (040) -
3311968
E-mail: karvyhyd@karvy.com

AUDITORS

C.C Chokshi & Co.
Chartered Accountants
"Devpath", 7th floor
Behind Navarangpura,
Telephone Exchange
Off C.G. Road, Ellisbridge
Ahmedabad - 380006
Gujarat, India
Tel. No. - (079) 6561891/2091/1738
Fax No. - (079) 6565088

Manubhai & Co.
Chartered Accountants
2nd Floor, 'B' wing, Premium House
Near Gandhigram Railway Station
Navarangpura
Ahmedabad - 380009
Gujarat, India
Tel. No. - (079) 6580956/66/
6582484/5064
Fax No. - (079) 6583573

FINANCIAL ADVISOR TO THE COMPANY

Mr. N. C. Vaishnav
B-6 Amijyot Apartments
Nr. Rajnagar Club
Ambawadi
Ahmedabad 380 006
Tel. No. - (079) 6463260



SHREE RAMA MULTI-TECH LIMITED

INTERNAL AUDITORS

Shah Mehta Majumdar
Chartered Accountants
504, Shikhar
Near Adani House
Navrangpura
Ahmedabad - 380009
Gujarat, India
Tel. No. - (079) 6568398/6449512
Fax No. - (079) 6560622

LEGAL ADVISORS

Mr. Saurabh N. Soparkar
Advocate
204, Akansha
Opp. Vadilal House, Shreemali Society,
Navrangpura, Ahmedabad - 380009
Gujarat, India
Tel. No. - (079) 6430707, 6404245
Fax No. - (079) 6563214

COMPLIANCE OFFICER

Mr. Bhupendra L. Patel,
Senior General Manager (Finance),
Shree Rama Multi-Tech Limited,
"Shikhar", 7th Floor,
Next to Vadilal House,
Navrangpura,
Ahmedabad - 380 009
Gujarat, India
Tel no. : (079) - 656 9855
Fax no. : (079) - 643 0600
E mail : srmlahd@ad1.vsnl.net.in

BANKERS TO THE COMPANY

State Bank of India
Commercial Branch,
Paramsiddhi Complex
Opp. V.S. Hospital,
Ellis Bridge
Ahmedabad -380006
Gujarat, India
Tel no. : (079) - 657 7380/386
Fax no. : (079) - 657 5692

**SBI Commercial and
International Bank Limited**
Maker Chambers III
Nariman Point
Mumbai - 400021
Maharashtra, India
Tel. No. - (022) 2841091
Fax No. - (022) 2870822

**The Kalupur Commercial
Co-operative Bank Ltd.**
Kalupur Bank Bhavan
Income Tax Char Rasta
Ashram Road
Ahmedabad - 380008
Gujarat, India
Tel. No. - (079) - 7544698/7544995
Fax No. - (079) - 754 2913

BANKERS ASSOCIATED WITH THE OFFER

ESCROW COLLECTION BANK

Deutsche Bank AG
Mumbai Branch, D.B. House
Hazarimal Somani Marg,
Fort, Mumbai 400 001.
Tel.: (022) 207 4720
Fax : (022) 207 5047

BANKERS TO THE OFFER

Corporation Bank
Veena Chambers
21, Dalal Street, Fort
Mumbai 400 001.

Deutsche Bank AG
Mumbai Branch, D.B. House
Hazarimal Somani Marg,
Fort, Mumbai 400 001.

Hongkong & Shanghai Banking Corporation
M. G. Road, Fort
Mumbai 400 001.

IDBI Bank Ltd.
Mittal Tower, 'C' Wing
Ground Floor, Nariman Point
Mumbai 400 021.

Oman International Bank S.A.O G.
201, Raheja Centre
Nariman Point
Mumbai 400 021.

State Bank of India
New Issue Division
Mumbai Main Branch
P.O. Box No. 13
Mumbai 400 023.

**SBI Commercial and
International Bank Limited**
Maker Chambers III
Nariman Point, Mumbai - 400021
Maharashtra, India

UTI Bank Ltd.
Universal Insurance Building
Sir P. M. Road,
Fort, Mumbai 400 001.

ICICI Bank Limited
215, Free Press House,
Nariman Point,
Mumbai 400 021.

Bank of Punjab Limited
7, Surya Mahal,
118, Nagindas Master Road,
Fort, Mumbai 400 023.

BROKERS TO THE FIXED PRICE PORTION

All members of recognised Stock Exchanges in India can act as Brokers to the Fixed Price Portion of the Offer.



SHREE RAMA MULTI-TECH LIMITED

2. AUDITORS REPORT

To,
The Board of Directors
Shree Rama Multi-tech Limited
Ahmedabad.

We have examined the following statements, as attached herewith and stamped by us for identification purposes, with the audited financial statements, books of account and other relevant records maintained by **SHREE RAMA MULTI-TECH LIMITED**, (the Company) as produced to us and according to the information and explanations given to us by the Company, have found them to be in accordance therewith:

On the basis of our verification of the above mentioned statements and particulars and as per the information and explanations given to us by the Company, we certify that the same have been prepared in accordance with the requirements of Clarification XIV issued by SEBI and in accordance with the requirements of Part II of Schedule II of the Companies Act, 1956 and we further certify that the same are true and correct.

For **MANUBHAI & CO.**
Chartered Accountants

Sd/-
Partner

PLACE : AHMEDABAD
DATE : October 11, 1999

For **C.C. CHOKSHI & CO.**
Chartered Accountants

Sd/-
Partner

PLACE : AHMEDABAD
DATE : October 11, 1999



SHREE RAMA MULTI-TECH LIMITED

FINANCIAL INFORMATION

Profit and Loss Accounts for the years ended

(Rs. In Millions)

PARTICULARS	FINANCIAL YEAR ENDED				18 MONTHS ENDED
	30/9/1999	30/9/1998	30/9/1997	30/9/1996	30/9/1995
Income					
Sales - Manufacturing	1505.42	944.17	658.95	383.75	55.54
- Trading	0.00	0.00	68.95	800.67	667.43
Other Income	0.78	15.60	7.70	18.38	7.97
Increase/(Decrease) in Stock	(6.27)	11.66	17.97	5.16	8.64
Total Income	1499.93	971.43	753.57	1207.96	739.58
Expenditure					
Raw material Consumed	526.82	316.49	227.04	119.14	35.03
Trading Purchases	0.00	0.00	68.72	785.65	659.70
Manufacturing, Admn. Selling & Other Expenses	296.16	174.29	114.93	78.29	20.19
Interest	154.69	143.82	112.59	75.80	4.70
Depreciation	106.85	66.66	44.10	25.36	2.19
Preliminary Expenses w/o	0.08	0.08	0.08	0.08	0.11
Technical Know-how expenses w/o	0.65	0.65	0.57	0.00	0.00
Deferred Revenue Expenses w/o	3.83	3.00	2.05	0.15	0.15
Shares / Debentures Issue Expenses w/o	3.21	1.66	1.28	1.28	1.28
Total Expenditure	1092.28	706.65	571.36	1085.75	723.35
Profit Before Tax	407.65	264.78	182.21	122.21	16.23
Less: Provision for Taxation	62.50	32.50	21.00	10.00	0.00
Profit After Tax	345.15	232.28	161.21	112.21	16.23
Add: Balance Brought Forward from Previous Year	201.59	168.11	99.35	5.97	1.35
Prior Period Adjustment Debit/(Credit)	0.00	3.48	3.81	(2.09)	0.00
Extra ordinary items (Debit) *	1.16	3.85	0.00	0.00	0.00
Profit available for Appropriations	545.58	393.06	256.75	120.27	17.58
Appropriations					
Transfer to General Reserves	170.00	140.00	70.00	6.30	5.00
Debenture Redemption Reserve	97.90	19.60	0.00	0.00	0.00
Interim Dividend on Preference Shares	15.00	7.60	0.00	0.00	0.00
Interim Dividend on Equity Shares	22.37	0.00	0.00	0.00	0.00
Tax on Interim Dividend on Preference Shares	1.65	0.76	0.00	0.00	0.00
Tax on Interim Dividend on Equity Shares	2.46	0.00	0.00	0.00	0.00
Proposed Dividend	24.61	21.37	16.94	14.63	6.61
Tax on Proposed Dividend	2.71	2.14	1.69	0.00	0.00
Balance of Profit Carried to Balance Sheet	208.88	201.59	168.12	99.34	5.97
TOTAL	545.58	393.06	256.75	120.27	17.58
Rate of dividend (%)					
On Equity shares					
Interim Dividend	10%	—	—	—	—
Final Dividend	11%	18%	16%	15%	15%
On Preference shares **	15%	15%			

* Loss Due to Fire took place in Moti-Bhoyan factory on 25-4-98

** Dividend on Preference Shares due on 30th September of Every Year.



SHREE RAMA MULTI-TECH LIMITED

Statement of Assets & Liabilities

Rs. million

PARTICULARS	30/9/1999	30/9/1998	30/9/1997	30/9/1996	30/9/1995
SOURCES OF FUNDS:					
SHARE HOLDER'S FUNDS:					
Equity Share Capital	224.72	220.95	118.45	97.50	97.50
Preference Share Capital	100.00	100.00	0.00	0.00	0.00
Reserves & Surplus	2049.18	1729.26	482.90	210.53	109.35
	2373.90	2050.21	601.35	308.03	206.85
LOAN FUNDS:					
Secured Loans	1491.07	1036.44	621.97	505.22	448.70
Unsecured Loans	100.00	0.00	447.21	226.68	122.18
Deferred Payment Liabilities	0.00	0.93	1.53	1.24	0.80
	1591.07	1037.37	1070.71	733.14	571.68
TOTAL	3964.97	3087.58	1672.06	1041.17	778.53
APPLICATION OF FUNDS:					
FIXED ASSETS:					
Gross Block	1854.08	1100.47	862.73	656.82	440.04
Less: Depreciation	247.91	141.08	74.64	30.90	5.60
Net Block	1606.17	959.39	788.09	625.92	434.44
Capital Work In Progress *	645.94	415.50	230.21	176.07	213.26
	2252.11	1374.89	1018.30	801.99	647.70
INVESTMENTS	1.79	0.10	1.40	3.77	2.67
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	401.06	314.72	202.75	80.11	70.10
Sundry Debtors	512.69	387.54	281.03	235.06	55.17
Cash & Bank Balances	732.22	904.52	77.22	7.38	46.19
Loans & Advances	216.53	257.95	228.58	62.52	236.97
	1862.49	1864.73	789.58	385.07	408.43
Less:					
CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	137.96	81.99	103.60	136.42	286.14
Provisions	35.55	87.77	49.64	24.62	6.60
	173.51	169.76	153.24	161.04	292.74
NET CURRENT ASSETS	1688.98	1694.97	636.34	224.03	115.69
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	22.08	17.62	16.02	11.38	12.47
TOTAL	3964.97	3087.58	1672.06	1041.17	778.53

* Includes Advances to Suppliers of Capital Goods



SHREE RAMA MULTI-TECH LIMITED

Accounting Ratios

SR NO.	PARTICULARS	FOR THE FINANCIAL YEAR					18
		30/9/1999	30/9/1998	30/9/1997	30/9/1996	30/9/1995	Months Ended
1	Earning Per Share (Rs.) (annualised)	7.34**	18.57	14.86	11.72	3.69	
	<i>As adjusted for Rs. 5 face value</i>	7.34	9.28	7.43	5.81	1.85	
2	Net Worth (Rs/ Millions)	2351.82	2032.59	585.33	296.65	194.38	
3	Return on net worth (%)	14.68%	11.43%	27.54%	37.83%	8.35%	
4	Net Asset Value of Shares (Rs.) (net of revaluation)	50.10**	87.47	49.42	30.43	19.94	
	<i>As adjusted for Rs. 5 face value</i>	50.10	43.74	24.71	15.21	9.95	

** 1 Equity share of Rs.10/-each have been sub-divided in to 2 Equity shares of Rs. 5/- each at the EGM of the Company held on 18/9/99. Accordingly EPS, Net Asset Value of Shares have been calculated.

Formulae

$$1. \text{Earning Per share (EPS)} = \frac{\text{Net Profit before Extraordinary Items}}{\text{Number of Equity shares} *}$$

$$2. \text{Return on net worth} = \frac{\text{Net Profit before Extraordinary Items} * 100}{\text{Net worth}}$$

$$3. \text{Net Asset Value} = \frac{\text{Equity} + \text{Reserves} - \text{Misc. Exp not w/o}}{\text{Number of Equity Shares}}$$

* Number of equity shares have been calculated as a weighted average of existing equity capital at the start of the year and fresh equity capital issued during the year.

DETAILS OF LOANS & ADVANCES AS ON 30TH SEPTEMBER 1999

(Rs. in million)

SR. NO.	PARTICULARS	AS ON 30/09/1999
1	Advances to govt. Depts.	23.67
2	Advances for Raw Materials	165.18
3	Advances for Expenses	4.03
4	Insurance Claim Receivable	22.77
5	Other Advances	0.87
	TOTAL	216.52

8.	Manglam Sales Corporation	12.62
9	Preak Trading Pvt. Ltd.	12.26
10.	Modern Precision Industries	11.91
11.	Ambica Enterprises	8.94
12.	Subhangi Polytrade Pvt. Ltd.	6.98
13.	G.M. Enterprises	5.31
14.	Vimpsan Agencies	3.79
15.	H.K. Enterprises	3.09
16.	Others	8.24
	TOTAL	165.18

DETAILS OF ADVANCES FOR RAW MATERIALS

SR. NO.	PARTY NAME	AMOUNT (Rs. in million)
1.	Nirav Corporation	16.80
2.	Saibaba Sales Corporation	14.87
3.	Ambica Industries	10.00
4.	Uttam Polyfilms Pvt. Ltd.	8.00
5.	Asha Enterprises	14.69
6.	Hemangana Sales Corporation	13.97
7.	Sonam Enterprises	13.63

DETAILS OF DEBTORS AS ON 30/09/1999

HAVING BALANCES MORE THAN RS. 2.5 MILLION.

(Rs. in Million)

PARTICULARS	AMOUNT
Alfa Polymers	4.88
Diamond Plastic	6.50
Eastern Agencies	2.51
Emami Limited	3.99
Grip Polymers	5.30



Gujarat Rafiya Industries Ltd.	3.27
Hindustan Lever Ltd.	6.13
Kaveri Polymers Ltd.	13.96
Letap International	5.15
Liberty Marketing	5.53
Mittal Agencies	3.50
Mul Dentpro Ltd.	3.31
National Polymers	9.59
Paras Trading Corporation	87.97
Polystar Industries	61.87
Pooja Plastic	27.74
Prime Health Care Product	8.12
Ronak Enterprise	10.79
Sugam Industries	5.32
Sujan Industries	13.86
Sunderam Enterprise	6.04
Sunny Plastic	23.00
Suraj Polymer	4.31
Umiya Plastic	31.37
Unity Plastic	26.49
Vicco Laboratories	4.75
Vinayal Poly	40.72
Vinus Plastic	30.68
TOTAL	456.65

SIGNIFICANT ACCOUNTING POLICIES

The Accounts are prepared using historical cost conventions and on the basis of the going concern and materially comply with the applicable accounting standards unless otherwise stated.

The significant accounting policies followed by the company are as stated below:

1. Valuation of Inventories:

- i) Raw Materials are valued at cost.
- ii) Finished goods are valued at cost or market value whichever is lower.
- iii) Waste is valued at estimated realisable value.
- iv) Stock in process is valued at cost.
- v) Spares and Stores are valued at cost.

2. Depreciation:

- i) Depreciation has been provided on a straight line method at the rates prescribed XIV to the Companies Act, 1956.
- ii) Depreciation on additions to the assets during the year is being provided on pro-rata basis at their respective rates as required by Schedule XIV of the Companies Act, 1956 with reference to the date of acquisition/installation.
- iii) Depreciation on the assets sold or demolished during the year is being provided at their respective rates up to the

date on which such assets are sold or demolished, as required by Schedule XIV to the companies Act, 1956.

3. Revenue Recognition:

- i) Sale of goods is recognised at the point of dispatch of finished goods to customers, Sales is inclusive of excise duty.
- ii) Revenue other than from sales is recognised and expenditures are accounted for on accrual basis.

4. Fixed Assets:

- i) Fixed assets are stated at cost of acquisition (Net of Modvat) or construction.
- ii) All cost relating to the acquisition and installation of fixed assets are capitalised and includes financing cost relating to borrowed funds attributable to construction or acquisition of fixed assets, up to the date the asset is ready for use.
- iii) The costs and related depreciation of the assets disposed off are removed from the books of the account and resultant profit or loss, if any, is reflected in the profit and loss account.

5. Foreign Exchange Transactions:

- i) Foreign currency transactions settled before the end of the year are accounted for at the rates prevailing on the dates of the transactions.
- ii) Foreign currency transactions remaining unsettled at the end of the year are restated at the exchange rates prevailing on the date of balance sheet.
- iii) Exchange differences relating to the fixed assets are adjusted in the cost of the assets. Any other exchange differences are dealt with in the profit and loss account.

6. Investments:

Investments are stated at cost.

7. Retirement Benefits:

- i) Provision for gratuity is made on actuarial basis.
- ii) Retirement Benefits in the form of Provident Fund and Pension Schemes are accounted on accrual basis and charged to profit and loss account every year.

8. Expenditure during Construction Period:

Assets under erection/installation are shown as Capital Work In Progress. Pre-operative Expenses represent expenses specifically related to the fixed assets to be capitalised upon installation and commissioning of these assets.

9. Miscellaneous Expenditure (to the extent not written off or adjusted):

Miscellaneous Expenditure is written off annually as under:

- i) Preliminary expenditure – 1/10th.
- ii) Deferred Revenue expenditure – 1/3rd.
- iii) Shares Issue expenditure – 1/10th.
- iv) Technical Know-how Fees – 1/6th.



- v) Preference Shares Issue expenditure – 1/5th.
- vi) Debenture Issue expenditure – 1/5th.

10. Excise Modvat Credit:

The Modvat Credit is accounted by crediting the amount of modvat credit received to the cost of purchase.

11. Backward Area Subsidy:

Subsidy is accounted for on accrual basis.

12. Contingent Liabilities:

Contingent Liabilities not provided for are disclosed in notes on accounts.

13. Other Accounting Policies:

Accounting Policies not specifically referred to otherwise are consistent and in consonance with Generally Accepted Accounting Principles.

SIGNIFICANT NOTES ON ACCOUNTS FOR THE PERIOD ENDED September 30, 1999

1. Contingent Liabilities

- a) Bills discounted with Bankers **Rs. 28.94** Millions (Previous year **Rs. 23.00** Millions).
- b) Letter of credit and guarantees **Rs. 4.14** Millions (Previous year **Rs. 95.92** Millions).
- c) Estimated amount of contracts remaining to be executed on capital account net of advances **Rs. 665.81** Millions (Previous year **Rs. 398.22** Millions).
- d) Corporate guarantee given by the Company to IDBI for term loan of **Rs. 90.00** Millions (Previous year **Rs. 90.00** Millions) of East West Polyart Ltd.
- e) Disputed demand of income tax **Rs. 2.25** Millions (Previous year **Rs. 1.43** Millions).

2. The Company's accounting year for the purpose of the Companies Act, 1956 ends on 30th September 1999 as against the previous year for Income Tax purpose, which ends on 31st March 1999. The Company has made provision for taxation of Rs. 51.50 Millions on total income for the assessment year 1999-2000. The income for the year 1st April, 1999 to 30th September, 2000 which forms part of these accounts, will be assessed as part of the income for the year 2000-2001 i.e. for the previous year ending on 31st March, 2000. The Company, for the said period, has made provision for taxation of Rs. 30 Millions.

3. As a result of a fire broke out at Company's factory at Moti Bhojan in April-98, part of the machinery, building, stock of raw materials and finished goods were destroyed / damaged. The claim was lodged by the Company and has been assessed by the surveyors appointed by the Insurance Company. Pending finalisation of the claim by the insurance company, loss of Rs. 1.16 Millions has been estimated during the year in addition to loss of Rs. 3.85 Millions which was estimated during the previous year. The same has been treated as an Extra -Ordinary item.

4. The Company has been accounting liability for excise duty on finished goods as and when they are cleared. The liability in respect of finished goods lying in stock at the close of the year estimated at Rs. 4.44 Millions has not been provided for in the accounts and hence not included in valuation of inventory of such goods. However, the said liability if accounted would have no impact on the profit for the period.

Financials as furnished under Financial Performance of the Company elsewhere in the Offer Document are in accordance with SEBI DIP Series Clarification XIV.

All notes to accounts, significant accounting policies have been incorporated in the Offer Document.



3. STATUTORY AND OTHER INFORMATION

MINIMUM SUBSCRIPTION

The minimum subscription to be raised under the present Offer is 90% of the Public Issue amount aggregating to Rs. 8,700.21 lakhs. The minimum subscription will be exclusive of cheques return unpaid or application withdrawn. The Board of Directors shall proceed to make allotment/allocation on receipt of application money thereon in terms of this Offer Document.

If the Company does not receive minimum subscription of 90% of the amount payable on application on the date of closure of the Offer or the subscription level falls below 90% after the closure of the Offer on account of cheques having been returned unpaid or withdrawal of applications, Shree Rama shall forthwith refund the entire amount received.

EXPENSES OF THE OFFER

The expenses of the present Offer payable by Shree Rama, which include brokerage, fees to the Book Running Lead Manager, Co-Lead Managers to the Offer and Registrars to the Offer, printing and publication expenses, listing fees, distribution and other miscellaneous expenses are estimated at Rs. 90 million and will be met out of the proceeds of the present Offer.

None of the expenses will be borne by the offerors.

FEE PAYABLE TO THE LEAD MANAGERS TO THE OFFER

The total fee payable to the Lead Managers to the Offer will be as per the Memorandum of Understanding signed with the Book Running Lead Manager, DSP Merrill Lynch Limited, and Lead Managers, Industrial Development Bank of India Ltd. and Khandwala Securities Limited, copies of which are available for inspection at the Registered Office of the Company.

FEE PAYABLE TO THE REGISTRARS TO THE OFFER

The fee payable to the Registrars to the Offer as per their offer letter is kept open for inspection at the Registered Office of Shree Rama.

The Registrars will be reimbursed with all relevant out-of-pocket expenses such as cost of stationery, communication expenses etc. Adequate funds will be provided to the Registrars to enable them to send refund orders/letters of allotment/allocation by registered post.

UNDERWRITING COMMISSION AND BROKERAGE/ SELLING COMMISSION

The Underwriting Commission and selling commission for the book building portion is as set out in the underwriting agreement and syndicate agreement with the Bookrunning Lead Manager.

Brokerage will be paid to the brokers to the fixed price portion will be 1.5% of the offer price of the equity shares,

In case of tampering or over stamping of brokers/agents codes on the application form Shree Rama's decision to pay brokerage in this respect will be final and no further correspondence would be entertained in this regard

PREVIOUS PUBLIC/ RIGHTS ISSUE

The Company has not issued equity shares to the Public in the past.

ISSUE OF SHARES AND DEBENTURES OTHERWISE THAN FOR CASH

The Company has not issued equity shares and debentures otherwise than in cash except for 3,50,000 equity shares face value of Rs. 10/- issued in lieu of assets taken over of partnership firm at the time of the incorporation of the company.

PREVIOUS COMMISSION AND BROKERAGE

The Company has not paid commission and/or brokerage in the past.

OUTSTANDING DEBENTURES AND REDEEMABLE PREFERENCE SHARES

There are no outstanding Debentures / Redeemable Preference Shares issued by Shree Rama, except as stated elsewhere in the Offer Document

OPTION TO SUBSCRIBE

Except as otherwise stated in the Offer Document, the Company has not entered into nor does it, propose to enter into any contract or arrangement whereby any option or preferential right of any kind has been or is proposed to be given to any person to subscribe for any equity shares in or debentures of the Company.

OPTION TO SUBSCRIBE IN DEMATERIALIZED FORM

The investors have an option to subscribe to the equity shares of Shree Rama Limited either in the physical form or in dematerialised form only for fixed price portion, in case of Book Built Portion the allotment will be compulsorily in dematerialised form which can be rematerialised afterwards at the option of investor. Separate applications for dematerialised / electronic and physical equity shares by the same applicant shall be considered as multiple applications and will be rejected.

Applicants must indicate in the application form the number of shares they wish to receive in dematerialised / electronic form and physical form out of the total number of equity shares applied for. In case of partial allotment, shares will first be allotted in dematerialised / electronic form and the balance equity shares, in excess of the applicants request for equity shares in electronic form, will be allotted in physical form.

REVALUATION OF ASSETS

The Company has not revalued its assets.

CLASSES OF SHARES

The authorised share capital of the Company consists of 14,00,00,000 equity shares of face value Rs. 5/- each and 1,00,000 preference shares of face value of Rs 100/- each.

CAPITALISATION OF PROFITS

The Company has not issued any equity shares as bonus shares by capitalising reserves or profit and loss account since incorporation.



PURCHASE OF PROPERTY

Shree Rama has not purchased any property for the proposed expansion project, in which its promoter and/or any of its directors has or have any direct or indirect interest or in respect of any payment made.

INTEREST OF DIRECTORS AND PROMOTERS

The promoters and directors do not have any interest/business dealings with the Company other than the following:

Shree Rama had no transactions/ dealings with the Companies/ firms affiliated with the promoters of Shree Rama, except for corporate guarantee extended East West Polyarts Ltd. with whom Promoters/Directors were associated in the past.

All the Directors of Shree Rama may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board, reimbursement of expenses as well as to the extent of other remuneration, if any, payable to them under the Articles.

All the Directors may also be deemed to be interested to the extent of equity shares, if any, already held by them and / or their friends and relatives in Shree Rama, or that may be subscribed for and allotted to them, out of the present Offer in terms of this Offer document and also to the extent of any dividend payable to them and other distributions in respect of the said equity shares.

The Directors may also be regarded as interested in the equity shares, if any, held or that may be subscribed by and allotted to the companies, firms and trust in which they are interested as directors, members, partners, and / or trustees.

PAYMENT OR BENEFIT TO PROMOTERS & OFFICERS

Except as stated elsewhere in this Offer document, no amount or benefit has been paid or given since the inception of Shree Rama or indicated to be paid or given to the promoter or any officer of Shree Rama, save as normal remuneration for services rendered as directors, officers or employees of Shree Rama, and other expenses incurred in the normal course of business.

4. MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

The Articles of Association of the Company inter alia provide for the following:

DIRECTORS

111. Number of Directors

Until otherwise determined by a General Meeting and approved by the Central Government and subject to Section 252 of the Act the number of Directors shall not be less than 3 (three) or more than 12 (twelve). The Board of Directors shall consist of a maximum of 12 Directors, of which at least 7 shall be non-executive Directors

112. Special Directors

- (a) The company shall, subject to the provisions of the Act, be entitled to agree with any person, firm or corporation that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon

terms mutually decided. Such nominee and their successors in office appointed under these Articles shall be called Special Directors of the Company.

- (b) The Special Directors appointed under this Article shall be entitled to hold office until requested to retire by the Government, Financial Institution, persons, firm or corporation who may have appointed them and will not be bound to retire by rotation or be subject to Articles 128 and 129 of the Articles of Association of the Company. A special Director shall also not be required to hold any qualification shares. As and whenever a Special Director vacates office whether upon request as aforesaid or by death, resignation or otherwise, the Government, Financial Institution, person, firm or corporation who appointed such Special Director may appoint any other Director in his place. The Special Director may at any time by notice in writing to the Company resign his office. Subject as aforesaid, a Special Director shall be entitled to the same rights and privileges and be subject to the same obligation as any other Director of the Company.

113. Nominee Directors

Notwithstanding anything to the contrary contained in these Articles, so long as any moneys, remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The Industrial Credit and Investment Corporation of India Limited (ICICI), The Industrial Reconstruction Bank of India Limited (IRBI), Life Insurance Corporation of India (LIC), Unit Trust of India (UTI), General Insurance Corporation of India (GIC), National Insurance Company Limited (NIC), The Oriental Insurance Company Limited (OIC), The New India Assurance Company Limited (NIA), United India Insurance Company Limited (UII) or a State Financial Corporation or any financial institution owned or controlled by the Central Government or a State Government or by Government or by two or more of them or by Central Government or State Government by themselves (each of the above is hereinafter in this Articles referred to as "the Corporation") out of any loans/debenture/assistance granted by them to the Company or so long as the Corporation holds or continues to hold Debentures/Shares in the Company as a result of underwriting or by direct subscription or private placement, or so long as any liability of the Company arising out of any guarantee furnished by the Corporation on behalf of the Company, remains outstanding, the Corporation shall have a right to appoint from time to time, any person or persons as a Director or Directors, whole-time or non-whole-time (which Director or Directors is/are hereinafter, referred to as "Nominee Directors") on the Board of the Company and to remove from such office any person or persons so appointed and to appoint any person or persons in his or their place/s.

The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s. At the option of the Corporation such Nominee Director/s shall not be required to hold any share qualification in the Company. Also at the option of the Corporation such Nominee Director/s shall not be liable to retirement by



rotation of Directors. Subject as aforesaid, the Nominee Director/s shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director/s so appointed shall hold the said office only so long as any moneys, remain owing by the Company to the Corporation or so long as the Corporation holds debentures in the Company as a result of direct subscription or private placement or so long as the Corporation holds shares in the Company as a result of underwriting or direct subscription or the liability of the Company arising out of any guarantee is outstanding and the Nominee Director/s so appointed in exercise of the said power shall *ipso facto* vacate such office immediately the moneys, owing by the Company to the Corporation is paid off or on the Corporation ceasing to hold Debentures, shares in the Company or on the satisfaction of the liability of the Company arising out of any Guarantee furnished by the Corporation.

The Nominee Director/s appointed under this Article shall be entitled to receive all notices of and to attend all General Meetings, Board Meetings and to meetings of the Committee of which the Nominee Director/s is/are Member/s as also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

The company shall pay to the Nominee Director/s sitting fees and expenses which the other Directors of the Company are entitled, but if any other fees, commission, moneys or remuneration in any form is payable to the Directors of the Company, the fees, commissions, moneys and remuneration in relation to such Nominee Director/s shall accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director/s in connection with their appointment or Directorship shall also be paid or reimbursed by the Company to the Corporation or, in the case may be to such Nominee Director/s.

Provided that if any such Nominee Director/s is an officer of the Corporation the sitting fees, in relation to such Nominee Director/s shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to Corporation. Provided also that in the event of the Nominee Director/s being appointed as Whole-time Director/s such Nominee Director/s shall exercise such powers and duties as may be approved by the Lenders and have such rights as are usually exercised or available to a whole time Director, in the management of the affairs of the Borrower. Such Nominee Director/s shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Lenders.

114. Debenture Director

- (a) Any trust deed for securing Debentures or Debenture-stock of the Company may provide for the appointment of a Director by the Trustees thereof or by the holders of Debentures (hereinafter referred to as "the Debenture Director") for and on behalf of the holders of Debentures

of Debenture Stock for such period as is therein provided not exceeding the period for which the Debentures or Debenture-stock shall remain outstanding and may empower such Trustee or holders of Debentures or Debenture-stocks for the removal from office of such Debenture Director and on a vacancy being caused whether by resignation, death, removal or otherwise, for appointment of another Debenture Director in his place. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed from office except as provided as aforesaid.

- (b) The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.

115. Appointment of Special Director/Collaborator Director

- (a) In connection with any collaboration arrangement with any company or corporation or firm or person for supply of technical know-how and/or machinery or technical advice, the Directors may authorise such company, corporation, firm or person (hereinafter in this clause referred to as "Collaborator") to appoint from time to time any person or persons as Director or Directors of the company (hereinafter referred to as "Special Director") and may agree that such Special Director shall not be liable to retire by rotation and need not possess any qualification shares to qualify him for the office of such Director, so however, that such Special Director shall hold office so long as such collaboration arrangement remains in force unless otherwise agreed upon between the company and such collaborator under the collaboration arrangements or at any time thereafter.
- (b) The collaborator may at any time and from time to time remove any such Special Director appointed by it and may at the time of such removal and also in the case of death or resignation of the person so appointed, at any time, appoint any other person as a Special Director in his place and such appointment or removal shall be made in writing signed by such company or corporation or any partner or such person and shall be delivered to the company at its Registered Office.
- (c) It is clarified that every collaborator entitled to appoint a Director under this Article may appoint one or more such person or persons as Director(s) and so that if more than one collaborator is so entitled there may at any time be as many Special Directors as the collaborators eligible to make the appointment.

116. Appointment of Alternate Director

Subject to the provisions of section 313 of the Act the Board of Directors of the Company may appoint an Alternate Director to act for a Director (hereinafter called "the Original Director") during his absence for a period of not less than three months from the State in which meetings of the Board are ordinarily held and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director, shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly. An Alternate



Director appointed under this Article shall vacate office if and when the Original Director returns to the said State. If the term of office of the Original Director is determined before he so returns to the said State, any provision in the Act or in these Article for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original Director and not to the Alternate Director.

Provided always that no person shall be appointed by the Board as an Alternate Director who shall not have been previously selected and approved in writing by the Original Director or by the party which had appointed the Original Director as Special Director under Article 112 or 115.

117. Directors may fill up vacancies and add to their number

Subject to the provisions of Sections 260, 262 and 284(6) of the Act, the Board of Directors shall have power, at any time and from time to time, to appoint any person to be a Director either as an addition to the Board or to fill a casual vacancy occurring on account of the office of any Director appointed by the Company in general meeting being vacated before his term of office would expire in the normal course, but so that the total number of Directors shall not at any time exceed the maximum fixed in Article 111(a) above. Any person so appointed as an addition to the Board shall retain his office only upto the date of the next Annual General Meeting of the Company. Any person appointed to fill a casual vacancy as aforesaid shall hold office only upto the date which the Director in whose place he is appointed would have held office if it had not been vacated as aforesaid.

QUALIFICATIONS OF SHARES

118. Qualification of Directors

A Director shall not be required to hold any equity shares to qualify him to act as a Director of the Company.

Subject to the provisions of Sections 198, 309, 310 and 311 and schedule XIII of the Act, the remuneration, travelling and other expenses payable to the Directors of the Company may be as hereinafter provided:

- (a) Unless otherwise determined by the Company in General Meeting or by the terms and conditions of remuneration of the Managing Director or Director, each Director shall be entitled to receive out of the funds of the Company for each meeting of the Board or a committee thereof attended by him such fee as has been determined or as may from time to time be determined by the Board but not exceeding such sum as may from time to time be prescribed by or under the Act and applicable to the company.
- (b) In addition to the remuneration payable as above, the Directors may allow and pay to any Director who is not a bonafide resident of the place where a meeting is held and who shall come to such place for the purpose of attending the meeting, such sum as the Board may consider fair compensation for travelling, hotel and other expenses incurred by him, in attending and returning from meeting of the Board of Directors or any Committee thereof or General Meetings of the Company.

- (c) If any Director be called upon to perform extra services or special exertions or efforts, the Board may arrange with such Director for such special remuneration for such extra service or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board subject to the provisions of the Act and such remuneration may be in addition to his remuneration above provided.
- (d) In addition to the remuneration payable under sub-clause (c) above, the Directors may allow and pay to any Director such sum as the Board may consider fair compensation for travelling, hotel and other expenses incurred by him in connection with the business of the Company.
- (e) The maximum remuneration of a Director for his service shall be such a sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors or the committee thereof attended by him.

120. Directors may act notwithstanding vacancy

The continuing Directors may act notwithstanding vacancy in their body; but so that subject to the provisions of the Act if the number falls below the minimum number above fixed and notwithstanding the absence of a quorum, the Directors may act for the purposes of filling up vacancies or for calling General Meeting or Extra-ordinary General Meeting of the Company or in emergencies.

121. When office of a Director to be vacated

- (a) The office of a Director shall become vacant on any of the grounds, as applicable, in Sections 283(1) and 314 of the Act.
- (b) Subject to the provisions of the Act a Director may resign his office at any time by notice in writing addressed to the Company or to the Board of Directors.

122. Loan to Directors

The company shall observe the restrictions imposed in the matter of grant of loans to Directors and other persons as provided in Section 295 of the Act.

123. Board Resolution at a Meeting necessary for certain contracts

- (a) Except with the consent of the Board of Directors of the Company, a Director of the Company or his relative, a firm in which such a Director or relative is a partner, any other partner in such a firm or a private company of which the Director is a member or Director, shall not enter into any contract with the Company:
 - (i) for the purchase or supply of any goods, materials or services or
 - (ii) for underwriting the subscription of any share or in debentures of the Company.
- (b) Nothing contained in the foregoing Clause (a) shall affect:
 - (i) the purchase of goods and materials from the Company or the sale of goods and materials to the; or company, by any Director, relative, firm, partner or private company as aforesaid for cash at prevailing market price



- (ii) any contract or contracts between the Company on one side and any such Director, relative, firm, partner or private company for supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private company as the case may be regularly trades or does business.

Provided that such contract or contracts do not relate to goods and materials the value of which, or services the costs of which exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract or contracts.

- (c) Notwithstanding anything contained in the foregoing sub-clauses (a) and (b), a Director, relative, firm, partner or private company as aforesaid may, in circumstances of urgent necessity, enter, without obtaining the consent of the Board, into any contract with the company for the sale, purchase or supply of any goods, materials or services even if the value of such goods or cost of such services exceeds five thousand rupees in the aggregate in any year comprised in the period of the contract, but in such a case, the consent of the Board shall be obtained at a meeting within three months of the date on which the contract was entered into.
- (d) Every consent of the Board required under this Article shall be accorded by a resolution passed at a meeting of the Board and not otherwise; and the consent of the Board required under clause (1) above shall not be deemed to have been given within the meaning of that clause unless the consent is accorded before the contract is entered into or within three months of the date on which it was entered into.
- (e) If the consent is not accorded to any contract under this Article anything done in pursuance of the contract shall be voidable at the option of the Board.

124. Directors may contract with Company

- (a) Subject to the provisions of this Article and the restrictions imposed by Article 123 and the other Article hereof and the Act and the observance and fulfillment thereof no Director shall be disqualified by reason of his office from contracting with the Company either as vendor, purchaser, agent, broker or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised as a result of or in pursuance of any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established, but it is declared that the nature of his interest must be disclosed by him as provided in the Act.
- (b) Every Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board of Directors or in the manner set out in Section 299 of the Act.

- (c) Nothing in Clause (2) hereof shall apply to any contract or arrangement entered into or to be entered into between the Company and any other Company where any one of the Director of the Company or two or more of them together holds or hold not more than 2 per cent of the paid up share capital in the other Company.

125. Interested Directors not to participate or vote in Board's proceeding

An interested Director defined in the preceding Article shall not take any part in the discussions of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, if he is in any way, directly or indirectly, concerned or interested in the contract or arrangement; nor shall his presence count for the purpose of forming a quorum at the time of any such discussions or vote, and if he does vote, his vote shall be void;

Provided that this prohibition shall not apply:

- (i) to any contract of indemnity against any loss which the Directors or any one or more of them may suffer by reason of becoming or being sureties or a surety for the Company.
- (ii) to any contract or arrangement entered into with public company or a private company which is a subsidiary of a public company in which the interest of the Director consists solely in his being a Director of such company and the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by the Company or in his being a member holding not more than two per cent of the paid-up share capital of such Company.
- (iii) in case a notification is issued under sub-section (3) of Section 300 of the Act to the extent specified in the notification.

126. Director not to hold office or place of profit

The Company shall comply with the provisions of Section 314 of the Act.

127. Register of contracts

- (a) The Company shall keep one or more Registers in which shall be entered separately particulars of all contracts or arrangements to which Section 297 or Section 299 of the Act applies as the case may be.
- (b) The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the firms and bodies corporate of which notice has been given by him under sub-section (3) of Section 299 of the Act.
- (c) The register aforesaid shall be kept at the Registered Office of the Company and it shall be open to inspection at such office and extracts may be taken therefrom and copies thereof may be required, by any member of the Company to the same extent, in the same manner and on payment of the same fee, as in the case of the register of member of the company and the provisions of Section 163 shall apply accordingly.



128. Retirement of Directors by rotation

- (a) Not less than two-thirds of the total number of Directors save and except the permanent Director of the Company shall be person whose period of office is liable to determination by retirement of Directors by rotation and save as otherwise expressly, provided in the Act and these Articles, be appointed by Company in General Meeting.
- (b) The remaining Directors shall be appointed in accordance with the provisions of these Articles.

129. Ascertainment of Directors retiring by rotation and eligibility for re-appointment

- (a) At every Annual General Meeting of the Company one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office.
- (b) Subject to Section 284(5) of the Act, the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between person who becomes Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves be determined by lot. A retiring Director shall be eligible for re-appointment.

130. Company to appoint successors

The Company at the Annual General Meeting at which a Director retires in manner aforesaid, may fill up the vacated office by electing the retiring Director or some other person thereto.

131. Provisions in default of appointment

- (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week at the same time and place or if that day is a public holiday till the next succeeding day which is not a public holiday at the same time and place.
- (b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless:
 - (i) at the meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;
 - (ii) the retiring Director, has by a notice in writing addressed to the Company or its Board of Directors, expressed his unwillingness to be so re-appointed;
 - (iii) he is not qualified or is disqualified for appointment;
 - (iv) a resolution whether special or ordinary, is required for the appointment or re-appointment by virtue of the provisions of the Act; or
 - (v) the proviso to sub-section (2) of Section 263 of the Act is applicable to the case.

132. Single Resolution for the appointment of several Directors prohibited

At a General Meeting of the Company, a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single Resolution and the provisions of section 263 of the Act in this behalf shall apply in all respects.

133. Company may increase or reduce the number of Directors

Subject to Sections 255 and 259 of the Act, the Company may, by ordinary resolution from time to time, increase or reduce the number of Directors, within the limits fixed in that behalf by these Articles and may alter their qualification.

134. Removal of Directors

- (a) Subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles, the Company may remove any Director before the expiration of his period of office and appoint another person in his place. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.
- (b) Special notice as provided in Article 80 or Section 190 of the Act shall be given of any resolution to remove a Director under Clause (1) of this Article or to appoint some other person in place of a Director so removed at the Meeting at which he is removed.

135. Notice of candidature for office of Directors

- (a) Subject to the provisions of the Act and these Articles any person who is not a retiring Director shall be eligible for appointment to the office of Director at any General Meeting if he or some member intending to propose him has, at least fourteen clear days before the meeting, left at the office of the Company, a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office as the case may be alongwith deposit of Rs. 500/- which shall be refunded to such person or, as the case may be to such member, if the person succeed in getting elected as Director and has complied with the provisions of the Act. Provided that it shall not be necessary for the Company to serve individual notices upon the member as aforesaid if the Company advertise such candidature or intention not less than seven days before the General Meeting in atleast two newspapers circulating in the place where the office is located, of which one is published in the English language and the other in the regional language of that place.
- (b) Every person (other than a person who has left at the office of the Company a notice under Section 257 signifying his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company, the consent in writing to act as Director, if appointed.
- (c) A Director other than:
 - (i) a Director re-appointed after retirement by rotation



or immediately on the expiry of his terms of office; or

- (ii) an additional or alternate Director or a person filling a Casual Vacancy in the office of a Director under Section 262 of the Act, appointed as a Director or re-appointed as an additional or alternate Director immediately upon the expiry of his term of office; or
- (iii) a person named as a Director of the Company under the articles as first registered; shall not act as a Director of the Company unless he has within 30 days of his appointment signed and filed with the Registrar of Companies his consent in writing to act as such Director.

MANAGING DIRECTOR OR WHOLE-TIME DIRECTOR(S) OR MANAGER

154. Power to appoint Managing Directors

- (a) The Directors may from time to time appoint one or more of their body to be Managing or Whole-Time Director/ Directors of the Company, for a fix term not exceeding five years at one time for which he or they is/are to hold such office and may from time to time subject to the provisions of any contract between him or them and the Company remove or dismiss him or them from office and appoint or re-appoint the same person or others in his or their place or places.
- (b) Subject to any contract between him and the Company, a Managing or Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation and he shall not be reckoned as a Director for the purpose of determining the rotation of retirement of Directors or in fixing the number of Director to retire, but (subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors of the company and he shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director from any cause.
- (c) The Company in General Meeting may also from time to time appoint any Managing Director or Managing Directors or Whole-time Director or Directors of the Company and may exercise all the powers referred to in this article

155. What provisions they shall be subject to

The remuneration of a Managing Director (subject to the provisions of any contract between him and company) from time to time be fixed by the Directors and may be by way of commission on net profits of the company or partly by one and partly by the other.

156. Duties and power of Managing or Whole time Director(s)

- (a) The Directors may from time to time vest in Managing or whole-time Director/s such of the powers exercisable under these presents by the directors, as they may think fit, and may confer such powers for such time, and to be exercised for such objects and purpose and upon such terms and conditions and with such restriction as

they think expedient, with or to the exclusion of and in substitution for, all or any of the powers of the Director in that behalf and may from time to time, revoke, withdraw, alter or vary all or any of such powers.

- (b) The Managing Director shall be entitled to sub-delegate (with the sanction of the Directors, where necessary) all or any of the powers, authorities and discretion for the time being vested in him in particular from time to time provided by appointment of any attorneys for the management and transaction of the affairs of the company in any specified locality in such manner as they may think fit.

157. General

Notwithstanding anything contained in these Articles, the Managing Director is expressly allowed generally to work for and contract with the Company and specially to do the work for the Company upon such terms and condition and for such remuneration (subject to the provision of the Act) as may from time to time be agreed between him and the Directors of the Company.

REMUNERATION OF MANAGING DIRECTOR

Mr. Vikram R. Patel - Chairman & Managing Director - Rs.7,20,000/- p.a.

- I) Remuneration includes salary, other allowances, taxable value of perquisites as per Income-Tax Rules and retirement benefits as applicable.
- II) The nature of employment in the case of Directors mentioned above are of contractual.
- III) Mr. Vikram R. Patel - Chairman & managing Director, Mr. Sharad C. Patel - Executive Director and Mr. Prakash R. Patel - Executive Director are relatives of one another.

RIGHTS OF MEMBERS REGARDING VOTING

99. Votes may be by proxy or attorney

Subject to the provisions of the Act and these Articles, votes may be given either or by an Attorney or by proxy or in the case of a body corporate also by a representative duly authorised under Section 187 of the Act.

100. Number of votes to which members entitled.

Subject to the provisions of the Act and these articles upon a show of hands every member entitled to vote and present in person (including a body corporate present by a representative duly authorised in accordance with the provisions of Section 187 of the Act and Article 99) or by Attorney shall have one vote.

101. No voting by proxy on show of hands

No members not personally present shall be entitled to vote on a show of hands unless such member is present by Attorney or unless such member is a body corporate present by a representative duly authorised under Section 187 of the Act in which case such Attorney or representative may vote on a show of hands as if he were a member of the Company.

102. Votes in respect of shares of deceased or bankrupt member.

Any person entitled the Transmission Clause (Article 59



hereof) to transfer any shares may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote, he shall satisfy the Board of Directors in that behalf of his right to transfer such shares, unless the Directors shall have previously admitted his right to transfer such shares or his right to vote at such meeting in respect thereof.

103 Joint Holders

Where there are joint registered holders of any shares any one of such persons may vote at any meeting either personally or by attorney duly authorised under Power of Attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be Personally present at any meeting then one of the said person so present whose name stands first or higher on the Register in respect of such share shall alone be entitled to vote in respect thereof.

104. Instrument appointing proxy

- (a) Any members entitled to attend and vote at meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote on a poll instead of himself, but a proxy so appointed shall not have any right to speak at the meeting.
- (b) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his Attorney duly authorised in writing or if such appointer is a corporation, under its common seal or the hand of an officer or any attorney under its duly authorised by it.

105. Members' right to appoint proxy to be stated in notice

- (a) Every notice convening a meeting of the Company shall state that a member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be member of the Company.
- (b) A proxy shall be entitled to vote only on a poll.

106. Instrument appointing proxy to be deposited at office

The instrument appointing a proxy and the Power of Attorney or other authority (if any) under which it is signed or a Notarially certified copy thereof shall be deposited at the Registered Office of the Company not less than forty-eight hours before the time for holding the meeting at which the person named in instrument proposes to vote.

107 When vote by proxy valid though authority revoked

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the share in respect of which the vote is given provided no intimation in writing of the death, revocation or transfer shall have been received at the Registered Office of the Company or by the Chairman of the meeting at which the vote is given.

108. Forms of proxy

Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in

the form set out in Schedule IX. of the Act.

109. Time and place to inspect the proxies lodged

Every member entitled to vote at a meeting of the Company according to the provisions of these Articles on any resolution to be moved thereat, shall be entitled during the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than three days notice in writing of the intention to do so is given to the Company.

110. No member entitled to vote when any call due to Company

No member shall be entitled to vote at any General Meeting either personally or by proxy or as proxy for another member or be reckoned in a quorum while any call or other sum shall be due and payable to the Company in respect of any of the share of such member or in respect of any shares on which the Company has or had exercised any right of lien.

RIGHTS OF MEMBERS REGARDING DIVIDEND

160. Dividends

The profits of the Company subject to any special rights relating thereto created or authorised to be created by the Memorandum or these Articles and subject to the provisions of any law for the time being in force and subject to these Articles shall be divisible among the members in proportion to the amount of capital paid up on the shares held by them respectively.

Provided always that (Subject as aforesaid) any Capital paid up on a share during the period in respect of which dividend is declared shall, unless the Directors otherwise determine, only entitle and shall be deemed always to have only entitled, the holder of such share to an apportioned amount of such dividend as from the date of payment.

161. The Company in General Meeting may subject to section 205 of the Act, declare dividends, to be paid to members according to their respective rights and interests in the profits by the shareholders subject to any law for the time being in force and may fix the time for payment but no dividend shall exceed the amount recommended by the Board of Directors. However, the Company in General Meeting may declare a smaller dividend than recommended.

162. Dividend only to be paid out of profit

- (a) No dividend shall be paid otherwise than out of the profits of the year or any other undistributed profits of the year or any other undistributed profits or otherwise than in accordance with the provisions of Sections 205, 206 and 207 of the Act or any other law for the time being in force. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive.
- (b) No dividend shall be declared or paid by the company for any financial year except out of the profits of the company for that year arrived at after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act.



163. Interim Dividend

Subject to the provisions of the Act or of any law for the time being in force, the Board of Directors may, from time to time, pay to the Members interim dividends as, in their judgments, the position of the Company justifies.

164. Capital paid-up in advance and carrying interest not to earn dividend

Where capital is paid in advance of calls upon the footing that the same shall carry interest, such capital shall not, whilst carrying interest, confer a right to dividend or participate in profits.

165. Dividend in proportion to amount paid up

The Company shall pay dividends in proportion to the amount paid up or credited on each share, where a larger amount is paid up or credited as paid up on some shares than on others.

166. Retention of dividends until completion of transfer under Article 59

The Board of Directors may, if they so think fit, retain the dividends payable upon shares in respect of which any person is under Article 59 entitled to become a member or which any person under that Article is entitled to transfer until such person shall become a member in respect of such shares or shall duly transfer the same.

167. No member to receive dividend whilst indebted to the Company right to reimbursement thereout

No member shall be entitled to receive payment of any interest or dividend in respect of his share or shares, whilst any money may be due or owing from him to the Company in respect of such share or shares or otherwise howsoever, either alone or jointly with any other person or persons and the Directors may without prejudice to any other right of the company deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.

168. Transfer of shares must be registered

- (a) A transfer of shares shall not pass the right to any dividend declared thereon before the Registration of the transfer.
- (b) Where any instrument of transfer of shares has been delivered to the company for registration and the transfer of such shares has not been registered by the company, the company, notwithstanding anything contained in any other provisions of the Act, shall comply with the provisions of section 205A of the Act by transferring the dividend in relation to such shares to the special account referred to in Section 205A of the Act unless the Company is authorised by the registered holder of such shares in writing to pay such dividend to the transferee specified in such instrument of transfer.

169. Dividend to joint holder

Any one of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends and payment on account of dividends in respect of such share.

170. Dividends how remitted

- (a) Unless otherwise directed, any dividend may be paid

by cheque or warrant sent through post to the registered address of the member or person entitled, or in case of joint holders to that one of them first named in the register in respect of the joint holding. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. The company shall not be liable or responsible for any cheque or warrant lost in transit or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the fraudulent or improper recovery thereof by any other means. Several executors or administrators of a deceased member in whose sole name any share stands, shall for the purposes of this clause be deemed to be joint holders thereof.

- (b) Any dividend remaining un-paid or unclaimed after having been declared by the company shall be dealt with by the company in accordance with Section 205A of the Act.

171. Dividend payable in cash

- (a) No dividend shall be paid otherwise than in cash.
- (b) There shall be no forfeiture of unclaimed dividend.

172. Dividend and call together

Any general meeting declaring a dividend may make a call on the members of such amount as the meeting fixes, but the amount of call on each member shall not exceed the dividend payable to him, and that the call be made payable at the same time as the dividend and the dividend may, if so arranged between the company and the members, be set off against the calls.

FORFEITURE AND LIEN

37. If money payable on share not paid notice to be given to the member.

If any member fails to pay any call or installments of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board of Directors may, at any time thereafter while the call or installments remain unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued by the Company by reason of such non-payment.

38. Terms of the notice

The notice shall name the day (not being earlier than thirty days from the date of the notice) and a place or places on and at which such call or installment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of the non-payment at or before the time and at the place appointed, the share in respect of which the call was made or installments is payable, will be liable to be forfeited.

39. In default of payment share to be forfeited

If the requisition of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may, at any time thereafter and before the payment of an calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.



40. Notice of forfeiture to the member

When any share shall have been so forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the register.

41. Forfeited share to be property of the company and may be sold, etc.

Any share so forfeited shall be deemed to be the property of the company, and may be sold, reallocated or otherwise disposed off, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board of Directors may think fit.

42. Power to annul forfeiture

The Board of Directors may at any time before any share so forfeited shall have been sold, reallocated or otherwise disposed off, annul the forfeiture thereof upon such condition as it thinks fit.

43. Member liable to pay money owing at time of forfeiture and interest

Any member whose share shall have been forfeited shall notwithstanding the forfeiture be liable to pay and shall forthwith pay to the company on demand all calls, installments, interest and expenses owing upon or in respect of such share at the time of the forfeiture, together with interest thereon from the time of forfeiture the payment not exceeding 12% per annum or such other rate as the board of directors may determine, and the Board of Directors may enforce the payment thereof, or any part thereof, if it thinks fit.

44. Effect of forfeiture

- (a) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in and all claims and demand against the company in the respect of the share, except only such of those rights as by these presents are expressly saved.
- (b) A declaration in writing that the declarant is a director or secretary of the company and that certain shares in the company have been duly forfeited on a date stated in declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

45. Company's lien on share

- (a) The company shall have a first and paramount lien on every share other than fully paid-up shares for all moneys whether presently payable or not payable at fixed time in respect of such shares. PROVIDED THAT the Board of Directors may at any time declare any share to be wholly or in part exempt from the provision of these Articles.
- (b) Any lien on shares shall extend to all dividends from time to time declared in respect of such share.
- (c) Unless otherwise agreed, the registration of a transfer of share shall operate as a waiver of the company's lien, if any, on such shares.

46. Enforcement of lien by sale

For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as they think fit; but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served as provided for service of documents in these Articles, on such member, his heirs, executors or administrators and default shall have been made by him or them in the payment, fulfillment, or discharge of such debts, liabilities, or engagements for thirty days after such notice. To give effect to any such sale, the Board may authorise some person to execute an instrument of transfer in respect of the share sold and to transfer the share sold to the purchaser thereof and the purchaser shall be registered as the holders of the shares comprised in any such transfer. Upon any such sale as aforesaid the certificate in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the directors shall be entitled to issue a new certificate or certificates in lieu thereof to the purchaser concerned.

47. Application of proceeds of sale

The net proceeds of any such sale after payments of the costs of such sale shall be applied in or towards satisfaction of the debts, liabilities, or engagements of such member and the residue (if any) or the short fall (if any) shall be paid to or recovered from him, his heirs, executor, administrators or assignees, as the case may be.

48. Validity of sale under Articles 41 and 46

- (a) Upon any sale after forfeiture or the enforcing a lien in purported exercise of the power hereinbefore given, the Board of Directors may cause the purchaser's name to be entered in the register in respect of the shares sold, and the purchaser shall not be bound to see the regularity of the proceeding, or to the application of the purchase money and after his name has been entered in the register in respect of such shares, the validity of the sale and of the entry in the register in respect of such share sold shall not be impeached by any person, and the remedy (if any) of any person aggrieved by the sale shall be in damages only and against the company exclusively.
- (b) Upon any sale, re-allotment/allocation or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the company have been provisionally surrendered to it by the defaulting member) stand cancelled and become null and void and shall have no effect where any share under the power in that behalf herein contained are sold by the board of Directors and the certificate in respect thereof has not been delivered to the company by the former holders of such shares, the Board of Directors may issue a new certificate for such shares distinguishing it in such manner as it may think fit from the certificate not so delivered.

49. Application of forfeiture provisions

The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by terms of the



Offer of share becomes payable at a fixed time, whether on account of the amount of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

TRANSFER AND TRANSMISSION OF SHARES

Article 11A

a) Power to Company to dematerialise and rematerialise.

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing shares, debentures and other securities and rematerialise its such shares, debentures and other securities held by it with the Depository and/ or offer its fresh shares and debentures and other securities in a dematerialised form pursuant to the Depositories Act, 1996 and the Rules framed thereunder, if any.

b) Intimation to Depository

Notwithstanding anything contained in this Article, where securities are dealt with in a Depository, the Company shall intimate the Details of allotment of securities to Depository immediately on allotment of such Securities.

c) Option for Investors

Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. A beneficial owner of any security can at any time opt out of a Depository, if permitted by law, in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

d) The Company to recognise under Depositories Act, Interest in the Securities other than that of Registered holder

The Company or the investor may exercise an option to issue, dealing, hold the securities (including shares) with Depository in electronic form and the certificates in respect thereof shall be, dematerialised in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act, 1996.

e) Securities in Depositories and Beneficial Owner

All Securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners.

f) Rights of depositories and Beneficial Owners

- (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.
- (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the

securities held by it.

- (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of the securities which are held by a depository.

Article 22A

Nomination

22(i)

- (a) Every shareholder or debentureholder of the Company, may at any time, nominate a person to whom his shares or debentures shall vest in the event of his death in such manner as may be prescribed under the Act.
- (b) Where the shares or debentures of the Company are held by more than one person jointly, joint holders may together nominate a person to whom all the rights in the shares or debentures, as the case may be, shall vest in the event of death of all the joint holders in such manner as may be prescribed under the Act.
- (c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, where a nomination made in the manner aforesaid purports to confer on any person the right to vest the shares or debentures, the nominee shall, on the death of the shareholders or debenture holder or, as the case may be, all the joint holders, in relation to such shares or debentures, to the exclusion of all other persons, unless the nomination is varied or cancelled in the manner as may be prescribed under the Act.
- (d) Where the nominee is a minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint any person to become entitled to shares in, or debentures of the Company in the manner prescribed under the Act, in the event of his death, during the minority.

Option of nominee

(ii)

A nominee upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-

- (a) To register himself as holder of the share of debenture, as the case may be; or
- (b) To make such transfer of the shares and / or debentures, as the deceased shareholder or debentureholder, as the case may be, could have made.
- (c) If the nominee elects to be registered as holder of the shares or debentures, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with death certificate of the



deceased shareholder or debentureholder, as the case may be.

- (d) A nominee shall be entitled to the share dividend / interest and other advantages to which he would be entitled if he were the registered holder of the shares or debentures, provided that he shall not, before being registered as a member, be entitled to exercise any right conferred by membership in relation to meeting of the Company.
- (e) Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the shares or debentures, and if the notice is not complied within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the shares or debentures, until the requirements of the notice have been complied with

Article 51A

Transfer of securities

Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor both of whom are entered as beneficial owners in the records of depository.

Article 170(b):

UNPAID OR UNCLAIMED DIVIDEND:

Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 42 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 42 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend Account of Shree Rama Multi-Tech Limited" and transfer to the said account, the total amount of dividend which remains unpaid or in relation to which no dividend warrant has been posted.

Any money transferred to Unpaid Dividend account of the Company in pursuance of section 205A of the act, which remains unpaid or unclaimed for a period of Seven years from the date of such transfer shall be transferred by the Company to the fund established under sub-section (1) of section 205C.

50. Transfer form

The company shall keep a book to be called "register of transfer", and therein shall be fairly and distinctly entered the particulars of every transfer or transmission of shares.

51. Execution and Registration of transfer etc.

No transfer shall be registered unless a proper instrument of transfer has been delivered to the company in the prescribed form and in accordance with the provisions of Section 108 of the Act. Every such instrument of transfer shall be duly stamped and executed both by the transferor and the transferee and witnessed. The transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register in respect thereof.

52. Directors' right to decline to register transfer

- (a) Subject to the provisions of Section 111A of the Act the Board may refuse to register any transfer of, or the transmission by operation of law of, the right to any shares or interest of a member in the Company.

Provided however that the registration of a share shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the company on any account whatsoever.

Provided further that in the event of refusal to register any such transfer of, or the transmission of the right to any shares or interest of member in the company, the company shall, within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the company, send notice of such refusal to the transferee and the transferor or the person giving intimation of such transmission, as the case may be giving reasons for such refusal.

- (b) The Board of Directors shall be entitled to decline to register more than three persons as the joint holders of any shares.

53. Notice to transferor and transferee of refusal to transfer shares

If the Board of Directors refuse to register a transfer of any shares, they shall within two months from the date on which the transfer was lodged with the Company send to the transferee and the transferor notice of the refusal in accordance with the provisions of the Act.

54. Restriction on transfer

No transfer shall be made to a person of unsound mind or insolvent.

55. Transfer to be presented with evidence to title

- (a) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by the certificate or certificates of the shares to be transferred, and such other evidence as the Board of Directors may require to prove the title of the transferor, his right to transfer the shares and generally under and subject to such conditions and regulations as the Board of Directors shall from time to time prescribe.

- (b) Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board of Directors. But any instrument of transfer which the Board of Directors may decline to register shall, on demand, be returned to the person depositing the same.

56. No fees on transfer or transmission

No fee shall be charged for registration of transfer, probate succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other documents.

57. Transfer Books when closed

The Board of Directors shall have power to close the Register of Members and/or the Register of Debenture holders at such



time or times and for such period or periods as the Board may deem expedient in accordance with the provisions of the Act.

58. Title to shares of deceased member

The executors or administrators of a deceased member shall be the only persons recognised by the Company as having any title to his share except in case of joint holders, in which case the surviving holder or holders or the executors or administrators of the last surviving holders shall be the only persons entitled to be recognised; but nothing herein contained shall release the estate of any share jointly held by him. The Company shall not be bound to recognise such executor or administrators unless he shall have first obtained probate or Letters of Administration or other legal representation as the case may be from a duly constituted Court in India to grant such probate or Letters of Administration; provided nevertheless that in cases, which the Board in its discretion consider to be special cases and in such cases only, it shall be lawful for the Board of Directors to dispense with the production of probate or Letters of Administration or a Succession Certificate upon such terms as to indemnity publication of notice or otherwise as the Board of Directors may deem fit.

59. Registration of persons entitled to shares otherwise than by transfer (Transmission clause)

Subject to the provisions of these Articles any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with those presents, may, with the consent of the Board of Directors (which the Board shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under the Article or his title, as the Board of Directors think sufficient, be registered as a member in respect of such shares, or may, subject to the regulation as to transfer hereinabove contained, transfer such shares. This clause is hereinafter referred to as "The Transmission Clause".

60. Directors' right to refuse registration

Subject to the provisions of the Act, the Board of Directors shall have the same right to refuse to register a person entitled by the transmission to any shares or his nominee, as if he were the transferee named in any ordinary instrument of transfer presented for registration.

61. The Company is not liable for disregard of notice prohibiting registration of transfer

The company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares, made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the register) to the prejudice of a person having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have had notice prohibiting registration of such transfer and may have entered such notice or referred thereto in any book or record of the Company and the Company shall not be bound or required to regard to attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting to do so,

notwithstanding that the notice may have been entered in or referred to in some book or record of the Company, but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board of Directors shall so think fit.

62. Provision for Transfer of shares applicable to Transfer of Debentures

The provisions of these Articles shall mutatis mutandis apply to the transfer of or the transmission by operation of law of the right to Debentures of the Company.

POWER OF DIRECTORS

151. Power of Directors

The management and control of the business of the Company shall be vested in the Directors who may exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do all such acts and things as are not by the Act or any statutory modification thereof for the time being in force or by any other Act or by the Memorandum or by these Articles, required to be exercised by the Company in General Meeting, subject nevertheless to any regulations of these Articles or to the provisions of the Act or any statutory modifications thereof for the time being in force or to any other Act or to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting. But no regulation made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made. Provided that the Board of Directors shall not except with the consent of the Company in General Meeting:

- (a) Sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking of the whole or substantially the whole of any such undertaking.
- (b) Remit or give time for the repayment of any debt due by a Director.
- (c) Invest, otherwise than in trust securities, (the amount of compensation received by the Company in respect of the compulsory acquisition after the commencement of the Companies Amendment Act 1960), of any such undertaking as is referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time.
- (d) Borrow moneys in excess of the limits provided in Article 63.
- (e) Contribute to charitable and other funds not directly relating to the business of the Company or welfare of its employees, any amount the aggregate of which will, in any financial year, exceed fifty thousand rupees or five per cent of its average net profit as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.



152. Certain powers to be exercised by the Board only at meeting

- (a) Without derogating from the power vested in the Board of Directors under these Articles, the Board shall exercise the following powers on behalf of the Company and they shall do so only by means of resolutions passed at Meeting of the Board:
 - (i) The power to make calls on shareholders in respect of money unpaid on their shares.
 - (ii) The power to issue debentures.
 - (iii) The power to borrow moneys otherwise than on debentures.
 - (iv) The power to invest the funds of the Company.
 - (v) The power to make loans.

Provided that the Board may by resolution passed at a meeting delegate to any Committee of Directors or to Managing or Wholtime Director or any other Principal Officer of the Company or to a Principal Officer of any of its branch offices, the powers specified in (c), (d) and (e) of this clause to the extent specified in the Act on such conditions as the Board may prescribe.

- (b) Nothing in this Article contained shall be deemed to affect the right of the Company in General Meeting to impose restrictions and conditions on the exercise by the Board of any of the power referred to in (i), (ii), (iii), (iv) and (v) of Clause (a) above.

153. Specific powers of the Board

Without prejudice to the general power conferred by Articles 63 and 151 and so as not in any way to limit or restrict these powers, and without prejudice to the other powers conferred by these Articles but subject to the restrictions contained in the last preceding two Articles, the Directors shall have the following powers, that is to say, power:

- (a) To pay and charge to the capital account of the company any commission or interest lawfully payable thereout under the provisions of sections 76 and 208 of the Act.
- (b) Subject to Sections 292 and 297 of the Act, to purchase or otherwise acquire for the Company any property right or privileges which the Company is authorised to acquire, at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition to accept such titles as all the then prevailing circumstances of the case may justify in the interest of the company.
- (c) At their discretion and subject to the provisions of the Act, to pay for any property, rights or privileges acquired by or services rendered to the Company, either wholly or partially in cash or in shares, bonds, debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid up and such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged.

- (d) To insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as they may think proper all or any part of the buildings machinery goods stores produce and other movable property of the Company either separately or jointly, also to insure all or any portion of the goods, produce, machinery and other articles imported or exported by the Company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power.
- (e) To open account with any bank or bankers or with any Company firm or individual and to pay money; and draw money from any such account from time to time as the Directors may think fit.
- (f) To secure the fulfillment of any Contracts, Agreement or Engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such manner as they may think fit.
- (g) To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company any property belonging to the Company or in which it is interested or for any other purposes and to execute and do all such acts and things as may be required in relation to any such trust and to provide for the remuneration of such Trustee or Trustees.
- (h) To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any debts due or of any claims or demands by or against the Company and to refer any claims or demands by or against the Company or any differences to arbitration and observe, perform implement and enforce any awards made thereon.
- (i) To act on behalf of the Company in all matters relating to bankrupts and insolvents.
- (j) To make discharges for moneys payable to the Company and for the claims and demands of the Company.
- (k) Subject to the provisions of Sections 292, 293(1), 295, 370 and 372 of the Act, to invest and deal with any moneys of the Company, upon such security (not being shares of this company) or without security and in such manner as they may think fit and from time to time to vary or realise such investments. Save as provided in Section 49 of the Act, all investments shall be made and held in the Company's own name.
- (l) To execute in the name of and on behalf of the Company in favour of the Director or other person who may incur or be about to incur any personal liability whether as principal or surety, for the benefits of the Company, such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, provisions, covenants and agreements as shall be agreed upon.
- (m) To determine from time to time who shall be entitled to sign, on the Company's behalf, bills, notes, receipts,



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- acceptance, endorsements, cheque, dividend warrants, release, contracts and documents and to give the necessary authority for such purpose.
- (n) To distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any office or other person employed by the Company a commission on the profits of any particular business or transactions and to charge such bonus or commission as part of the working expenses of the Company.
- (o) To provide for the welfare of the Director or Ex-Directors or the employees or ex-employees of the Company and the wives, widows and families or the dependents or connections of such persons, by building or contributing to the building of houses, dwellings or chawls or by grants of money pensions gratuities, allowances, bonus or other payments, or by creating and from time to time subscribing or contributing to provident fund and other associations, institutions funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Board of Directors shall think fit and to subscribe or contribute or otherwise to assist other institutions or object or for any exhibition or for any public general or useful objects.
- (p) Before recommending any dividend, to set aside out of the profits of the Company such sums as they may think proper for depreciation or to depreciation fund, or to an insurance fund or as a reserve fund or sinking fund or any special fund to meet contingencies or to repay debentures or debenture-stock or for special dividends or for equalising dividend or for repairing, improving, extending and maintaining any of the property of the Company and for such other purpose (including the purposes referred to in the preceding clause), as the Board of Directors may, in their absolute discretion, think conducive to the interest of the Company and to invest the several sums so set aside or so much thereof as required to be invested, upon such investment (other than shares of the Company) as they may think fit and from time to time to deal with and vary such investments and dispose off and apply and expand all or any part thereof for the benefit of the Company, in such manner and for such purpose as the Board of Directors, in their absolute discretion think conducive to the interest of the Company, notwithstanding that the matters to which the Board of Directors apply or upon which they expend the same or any part thereof may be matters to or upon which the capital moneys of the Company might rightly be applied or expended and to divide the Reserve Fund into such special funds as the Board of Directors may think fit and to employ the assets constituting all or any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of debenture or debenture-stock and that without being bound to keep the same separate from the other assets and without being bound to pay interest on the same, with power however to the Board of Directors, at their discretion to pay or allow to the credit of such funds interest at such rate as the Board of Directors may think proper.
- (q) To appoint and at their discretion, remove or suspend such managers, secretaries, officers, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit and to determine their powers and duties and fix their salaries, entitlement to remuneration's and to require security in such instances and to such amount as they may think fit and also without prejudice as aforesaid, from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit and the provisions contained in the two next following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.
- (r) To comply with the requirements of any local law which in their opinion it shall in the interest of the Company be necessary or expedient to comply with.
- (s) From time to time and at any time to establish any Local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any persons to be members of such Local Board or any managers or agents and to fix their remuneration.
- (t) Subject to the provisions of Section 292 of the Act and Article 152 from time to time and at any time to delegate to any such Local Board or any member or members thereof or any managers or agents so appointed any of the powers, authorities and discretions for the time being vested in the Board of Directors, and to authorise the members for the time being of any such Local Board, or any of them to fill up any vacancies therein and to act notwithstanding vacancies and any such appointment or delegation under sub-clause (s) of this Article may be made on such terms and subject to such conditions as the Board of Directors may fit, and the Board of Directors may at any time remove any person so appointed, and may annul or vary any such delegation.
- (u) At any time and from time to time by Power of Attorney under the Seal of the Company, to appoint any person or persons to be the Attorney or Attorneys of the Company, for such purposes and with such powers authorities and discretions and for such period and subject to such conditions as the Board of Directors, may from time to time think fit.
- (v) Subject to Sections 294, 297 and 300 of the Act, for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company, to enter into all such negotiations, arrangements and contracts and rescind and vary all such arrangements or contracts and execute and do all such acts, deeds, and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company.
- (w) Generally subject to the provisions of the Act and these Articles to delegate the powers, authorities and discretion vested in the Directors to any person, firm, company, or fluctuating body or persons as aforesaid.
- (x) From time to time to make, vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants.



CAPITALISATION OF PROFITS AND RESERVES

173. Capitalisation of reserves, etc.

Any General Meeting may resolve that any moneys, investment or other assets forming part of the undivided profits of the company standing to the credit of the reserve fund including any sum transferred to such fund upon realisation of the capital gain on transfer of assets of the company or any Capital Redemption Reserve Fund or in the hands of the company and available for dividend or representing premium received on the issue of shares and standing to the credit of the share premium account be, subject to the provisions of Section 78 of the Act, capitalised and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportion on the footing that they become entitled thereto as capital and that all or any part of such capitalised fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares or debentures or debenture-stock, and that such distribution or payment shall be accepted by such share holders in full satisfaction of their interest in the said capitalised sum.

174. Bonus shares to be held in abeyance

Notwithstanding anything contained in any other provisions of these Articles or of the Act, the fully paid up Bonus share pursuant to provisions of Section 205(3) of the Act and Article 173 on share in respect of which instrument of transfer of shares has been delivered to the Company for registration and the transfer of shares has not been registered by the Company shall be held in abeyance pending transfer.

175. Fractional Certificates

For the purpose of giving effect to any resolution under the two last preceding Articles, the Directors may settle any difficulty which may arise in regard to the distribution as they think expedient, and in particular may issue fractional certificate, and may (fix the value for distribution of any specific assets, and may) determine that case payments shall be made to any member upon the footing of the value so fixed or that fractions of less value than Re. 1/- may be disregarded in order to adjust the rights of all the parties, and may vest any such cash or specific assets in trustees upon such trusts for the persons entitled to the dividend or capitalised funds as may seem expedient to the Directors and generally may make such arrangement for the acceptance, allotment/ allocation and distribution of such shares or other specific assets and fractional certificates or otherwise as they may think fit. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Companies Act, 1956 and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalised fund and such appointment shall be effective.

176. Power to sell fractional Certificate

If and when a member becomes entitled to any shares in fractions, the Directors may subject to the provisions of the Act and these Articles and the directions of the Company in

General Meeting, if any, consolidate and sell the shares which members hold in fractions for the best price reasonably obtainable and shall pay and distribute to and among the members entitled to such shares in due proportion the net proceeds of the sale thereof. For the purpose of giving effect to any such sale the Directors may authorise any person to transfer the shares sold to the purchaser thereof comprised in any such transfer and he shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

BORROWING POWERS

63. Power to borrow

(a.) Subject to the provisions of sections 58A, 58B, 292 and 293 of the Act and these articles, the Board of Directors may from time to time at its discretion by a resolution passed by a meeting of the board, accept deposits from members, either in advance of calls or otherwise or accept deposits from the public and may generally raise or borrow or secure the payment of any sum or sums of money for the purpose of the company. Provided, however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the company and its free reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such moneys without the consent of the company in the general meeting.

(b) The company may invite or renew either from the public or from its members deposit upto the limit and in the manner and subject to the rules and conditions prescribed by the Central Government as contemplated under the Act and the rules framed thereunder.

64. The repayment of moneys borrowed

Subject to the provisions of the Act and these Articles the payment or repayment of moneys borrowed aforesaid may be secured in such manner and upon such terms and conditions in all respect as the Board of Directors may think fit, and, in particular, pursuant to resolution passed at a meeting of the Board and not passed by a circular resolution by the issue of bonds perpetual or redeemable debenture or debenture-stock of the Company, or any mortgage or charge or security upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being.

65. Terms of issue of Debentures

Any debentures, debenture stock or other securities may be issued subject to the provisions of the Act at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares of any denomination and with any privileges and conditions as to redemption, surrender, drawing, allotment/allocation of shares and attending general meeting of the Company and the right to appoint Directors and otherwise. Debentures carrying the right of conversion into or allotment/allocation of shares shall be issued only with the consent accorded by a resolution of the Company in general meeting.



66. Mortgage of uncalled capital

- (a) If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board of Directors shall subject to the provisions of the Act and these Articles make calls on the member in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed or, if permitted by the Act may, by instrument under the Company's Seal, authorise the person in whose favour such mortgage or security is executed or any other person in trust for him, to make calls on the members in respect of such uncalled capital, and the provisions hereinbefore contained in regard to calls, shall, *mutatis mutandis*, apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Board's power or otherwise, and shall be assignable if expressed so to be.
- (b) Where any uncalled capital of the Company is charged, any persons taking any subsequent charge thereon shall take the same subject to such prior charge and shall not be entitled, by notice to the shareholder or otherwise to obtain priority over such prior charge.

67. Indemnity may be given

Subject to the provisions of the Act and these Articles if the Directors or any of them or any other persons shall become personally liable for the payment of any sum primarily due from the Company by reason of furnishing any guarantee or otherwise the Directors may execute or cause to be executed any mortgage charge or security over or affecting whole or any part of the assets of the Company by way of security indemnity to secure the Directors or persons so becoming liable as aforesaid from any loss in respect of such liability arising out of the said guarantee.

WINDING UP

198. Distribution of assets

If the Company shall be wound up, and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid-up, or which ought to have been paid-up, at the commencement of the winding up, on the shares held by them respectively. And if in a winding up the assets available for the distribution among the members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital, at the commencement of the winding up, paid-up or which ought to have been paid-up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holder of shares issued upon special terms and conditions.

199. Distribution in specie or kind

- (a) If the company shall be wound up, whether voluntarily or otherwise, the liquidators may with the sanction of a special resolution, divide amongst the contributories, in specie or kind, any part of the assets of the company

and may, with the like sanction, vest any part of the assets of the company in trustees upon such trusts for the benefit of the contributories, or any of them as the liquidators, with the like sanction shall think fit.

- (b) If thought expedient any such division may subject to the provisions of the Act be otherwise than in accordance with the legal rights of the contributories (except where unalterably fixed by the Memorandum of Associations) and in particular any class may be given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with legal right of the contributories shall be determined, any contributory who would be prejudiced thereby shall have a right to dissent and ancillary rights, as if such determination were a Special Resolution passed pursuant to section 494 of the Act.
- (c) In case any share to be divided as aforesaid involve a liability to call or otherwise any person entitled under such division to any of the said shares may within ten days after passing of the Special Resolutions by notice in writing direct to the liquidators to sell his proportion and pay him the net proceeds and liquidators shall if practicable act accordingly.

200. Right of shareholders in case of sale

A special resolution sanctioning a sale to any other Company duly passed pursuant to Section 494 of the Act may, subject to the provisions of Act in like manner as aforesaid determine that any shares or other consideration receivable by the liquidators be distributed amongst the members otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the rights of dissent and consequential rights conferred by the said Section.

INDEMNITY

201. Indemnity

Subject to the provisions of Section 201 of the Act, every Director, Manager and other officer or servant of the Company shall be indemnified by the Company and it shall be the duty of Directors out of the funds of the Company to pay, all losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such officer or servant or in any way in the discharge of his duties including expenses, and in particular, and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Manager, Officer or servant in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or he is acquitted or in connection with any application under Section 633 of the Act in which relief as granted by the Court, and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company.

202. Individual responsibility of Directors

Subject to the provisions of section 201 of the Act, no Director, Manager or other officer of the Company shall be liable for the acts, omissions, neglects of any other Director or officer or for signing or for any loss or expenses to the Company through the insufficiency or deficiency of title to any property



SHREE RAMA MULTI-TECH LIMITED

acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any person with whom any moneys, securities, or effects shall be deposited or for any loss occasioned by an error of judgment, omission, default or oversight on his part, or for any other loss, damage, or misfortunes whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same happens through his own dishonesty.

5. MATERIAL CONTRACTS & DOCUMENTS FOR INSPECTION

The following contracts mentioned in Para (A) below (not being contracts entered into in the ordinary course of business carried on by Shree Rama) are or may be deemed to be material contracts. Copies of these contracts along with documents referred to in Para (B) below have been attached to the copy of this Offer document delivered to the Registrar of the Companies Gujarat, for registration and may be inspected at the Registered Office of Shree Rama between 11.00 a.m. and 1.00 p.m. on any working day until the closing of the Offer.

(A) MATERIAL CONTRACTS

- 1. Letter to DSP Merrill Lynch Limited dated September 15, 1999 appointing them as the Book running Lead Manager. Khandwala Securities Limited dated September 15, 1999 appointing them as Lead Manager and Memorandums of Understanding signed with them dated October 1, 1999. Letter to Industrial Development Bank of India Ltd. appointing them as Lead Manager and Memorandums of Understanding signed with them dated December 27, 1999.
- 2. Letter to M/s. Karvy Consultants Limited, dated September 28, 1999 appointing them as Registrars to the Offer, and acknowledged thereof.
- 3. Agreement dated 16/11/99 between Shree Rama and M/s. National Securities Depository Limited for dematerialisation of shares.
- 4. Agreement dated 16/11/99 between Shree Rama and Central Depositories Services Limited for dematerialisation of shares.
- 5. Letters dated 11/12/1999 appointing HSBC Capital Markets Pvt. Ltd. as Advisor to the Offer, with MOU.
- 6. Letter of Underwriting from all underwriters and acceptance thereof by the Company.

7. MOU dated 11/12/99 for purchase of Land in Pondicherry

8. Consol letters dated 26/11/99

(B) DOCUMENTS FOR INSPECTION

- 1. Memorandum and Articles of Shree Rama as amended up to date.
- 2. Certificate of Incorporation of Shree Rama dated December 17, 1993, and Certificate of Commencement of Business dated December 17, 1993 11/11/94
- 3. Resolution passed under Section 81(A) of the Act, at the EGM of the Company held on September 18, 1999 and resolutions by the Offerors for disinvestments dated 7/09/1999, 17/09/1999, 16/09/1999, 22/09/1999 and 20/09/1999 15/11/1999
- 4. Consents from the Directors, Company Secretary, Compliance Officer, Statutory Auditor, Internal Auditor, Legal Advisor, Financial Advisor, Book Running Lead Manager, Lead Manager, Syndicate Members, Registrar, Bankers to the Company, Escrow Bankers and Bankers to the Offer.
- 5. Project appraisal report from IDBI dated October 14, 1999
- 6. Technical Collaboration Agreements with AISA, Switzerland, Taiyo Kikai Ltd, Japan, Fujimoro Kogyo, Japan and Barrier Film Incorporation. dtd. 19/12/99
- 7. Auditors Report dated October 11, 1999 18/5/99 16/6/95
- 8. Letter dated September 16, 1999 from M/s Manubhai & Co, Statutory Auditors, certifying the availability of tax benefits as mentioned in this Offer document. 12/3/95
- 9. Copies of the Annual Reports of the last 5 accounting years of the Company
- 10. Copies of initial listing application made to the Stock Exchanges at Mumbai and Ahmedabad and National Stock Exchange of India Limited. dtd. 21/11/99, 26/11/99
- 11. Letters from Ahmedabad Stock Exchange, Bombay Stock Exchange and National Stock Exchange for permission to use their names in the Offer document. 11/12/99
- 12. Copies of the Resolution dated December 29, 1998 appointing Mr Vikram R. Patel as the Managing Director and the terms thereof. 11/12/99
- 13. Copies of the Resolution dated December 29, 1998 appointing Mr Sharad Patel as the Executive Director and the terms thereof. 11/12/99
- 14. Copies of the Resolution dated December 29, 1998 appointing Mr Prakash R. Patel as the Executive Director and the terms thereof.
- 15. Copies of Power of Attorneys from Directors to sign the Offer Document on their behalf.
- 16. Acknowledgement Card from SEBI dated November 16, 1999 issued in respect of this Offer Document. 29th
- 17. Consents of the Offerors for disinvestments. RBI approval letters dtd. 26/11/99 for disinvestments made by offerors for disinvestments & also for issue of NREs & shares to NRIs/OCBs.
- 18. Consents of five offerors dtd. 22/12/99, 22/12/99, 16/12/99, 16/12/99 &

14/12/99



C. PART III

1. DECLARATION

We declare that all the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government have been complied with and no statement made in this Offer document is contrary to the provisions of the Companies Act, 1956 and rules thereunder.

We, the directors of Shree Rama Multi-Tech Limited declare and confirm that no information / material likely to have a bearing on the decision of the investors in respect of the equity share issued in terms of the offer document has been suppressed/withheld and/or incorporated in the manner that would amount to misstatement /misrepresentation.

The Issuer and the Offerors accept no responsibility for statements made otherwise than in the Offer document or in the advertisements or any other material issued by or at the instance of the Issuer and that anyone placing reliance on any other source of information would be doing so at his/her own risk

Signed by the Directors on behalf of the company

- 1. Mr. Vikram R Patel - sd -
2. Mr. Sharad C Patel - sd -
3. Mr. Prakash R Patel - sd -
4. Mr. Rambhai D Patel - sd -
5. Mr. Hansraj K Kanji - sd -
6. Mr. Prakash D Trivedi - sd -
7. Mr. N C Vaishnav - sd -
8. Mr. Ishwarlal C Shah - sd -
9. Mr. Donald Peck - sd -
10. Mr. A G Kharkhanis - sd -
11. Mr. Kazuyuki Hiraki - sd -
12. Mr R Sathyamurthi - sd -

* Signed by the directors or their constituted attorney

For and on behalf of HSBC Private Equity Management Mauritius Ltd, the investment manager of The HSBC Private Equity India Fund Ltd

Signed by Duly constituted attorney

For and on behalf of International Venture Capital Management Limited, the Manager of CDC Financial Services (Mauritius) limited

Signed by Duly constituted attorney

For and on behalf of South Asia Regional Fund promoted by Commonwealth Development Corporation

Signed by Duly constituted attorney

For and on behalf of NIF Investment Ltd.

Signed by Duly constituted attorney

For and on behalf of Nippon Investment and Finance Co. Ltd.

Signed by Duly constituted attorney

Place: Ahmedabad
Date: January 28, 2000.

All the certifications made in the prospectus are certified out by me

R. H. 8th