LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Letter of Offer is sent to you as a Shareholder(s)/beneficial owner(s) of **Sri Ramakrishna Mills (Coimbatore) Limited (SRMC)**. If you require any clarification about the action to be taken, you may consult your Stock Broker or Investment consultant or Manager to the Offer/ Registrar to the Offer. In case you have sold your Shares in the Company, please hand over this Letter of Offer and the accompanying Form of Acceptance cum Acknowledgement, Form of Withdrawal and Transfer Form to the Member of Stock Exchange through whom the said sale was effected.

Sri. R Doraiswami, Smt. D Ranganayaki
residing at New No.11 (Old No.6) Nethaji Road, Pappanaickenpalayam, Coimbatore 641 037
Tel.No. (0422) 2243777
Sri. D Lakshminarayanaswamy, Smt. L Nagaswarna, Smt. L Suhasini and Smt. L Swathy
residing at New No. 15 (Old No.7), Nethaji Road, Pappanaickenpalayam, Coimbatore 641 037
Tel No. (0422) 2243788 Fax No (0422) 2531579, E Mail ID: lnss96@yahoo.co.in
(hereinafter referred to as " the Acquirers")
MAKES A CASH OFFER AT Rs. 20/60 (RUPEES TWENTY AND PAISE SIXTY ONLY)
TO ACQUIRE
14,23,666 Equity Shares of Rs. 10/- each, representing 20 % of the paid up and voting capital of
the Target Company
SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED
Regd. Office: No. 3, Bhavani River Street, Ariappampalayam, Sathyamangalam, 638 402
Tel. No. (04295) 220681, Fax No. (04295) 220681, E-mail ID: srmc@vsnl.com
Administrative Office: 1493, Sathyamangalam Road, Ganapathy, Coimbatore 641 006
Tel (0422) 2531022, 2531122, Fax (0422) 2531579, E mail Id: srmc@vsnl.com

Notes:

- This Offer is made pursuant to and in compliance with Regulation 11(1) of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997 and subsequent amendments thereof.
- This Offer is not conditional as to any minimum level of acceptance.
- This is not a competitive bid.
- There has been no revision of Offer price
- As on the date of this Letter of Offer, no approvals are required to acquire the Equity Shares that are tendered pursuant to the Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date.
- **Shareholders who have accepted the offer by tendering the requisite documents, in terms of the Public announcement / Letter of Offer, can withdraw the same upto 3 working days prior to the date of closure of the Offer. The Last date for such withdrawal is Friday, April 4, 2008**
- The Acquirers can revise the Offer price upto 7 working days prior to the date of closure of the Offer. The last date for such revision is Monday, March 31, 2008. Any upward revision or withdrawal of the Offer would be informed by way of a Public Announcement in the same Newspapers where the original Public Announcement had appeared.
- **Consideration at the same rate will be paid for all Equity Shares tendered anytime during the Offer period**.
- Details of Competitive bids, if any: **There is no competitive bid.**
- The Registration of all the Intermediaries associated with the Offer, viz. Fedex Securities Ltd, Manager to the Offer and SKDC Consultants Ltd, Registrar to the Offer are valid and no action has been initiated by SEBI or any other Government body against them.
- A copy of this Letter of Offer (including the Form of Acceptance and Acknowledgement, Form of Withdrawal) and the Public Announcement are available on SEBI's web-site: www.sebi.gov.in

MERCHANT BANKER TO THE OFFER	REGISTRAR TO THE OFFER
FEDEX SECURITIES LIMITED SEBI Regn. No. INM 000010163 3rd Floor, Jay Chambers, Service Road Adj. Western Express Highway Vile Parle (East), Mumbai 400 057 Tel. Nos. (022) 2613 6460/61 Fax No. (022) 2618 6966 E Mail: fedex@vsnl.com **Contact Person: Sri. R. Ramakrishnan**	**SKDC CONSULTANTS LTD** SEBI Regn. No. INR000000775 No. 11, S N Layout Street No.1, Tatabad Coimbatore 641 012 Tel. No. (0422) 6549995 Fax No. (0422) 2499574 E Mail ID: info@skdc-consultants.com **Contact Person: Sri. K Jayakumar**

The Schedule of activities is as follows:

Activity	Date
Public Announcement (PA)	Wednesday, January 30, 2008
Specified date	Friday, February 22, 2008
Last date for a competitive bid	Wednesday, February 20, 2008
Letter of Offer to be posted to shareholders	Thursday, March 13, 2008
Date of opening of the Offer	Friday, March 21, 2008
Last date for withdrawing acceptance from the Offer	Friday, April 04, 2008
Date of closing of the Offer	Wednesday, April 09, 2008
Last date for revising the Offer price/ number of shares.	Monday, March 31, 2008
Last date of communicating rejection/ acceptance and payment of consideration for applications accepted	Thursday, April 24, 2008

Specified date is only for the purpose of determining the names of the Shareholders as on such date, to whom the Letter of Offer would be sent and all owners (registered or unregistered) of Shares of SRMC anytime before the closure of the Offer, are eligible to participate in the Offer.

Risk Factors relating to the transaction, the proposed Offer and probable risks involved in associating with the Acquirers

1. Association of SRMC with the Acquirers do not warrant any assurance with respect to the future financial performance of SRMC
2. Shareholders accepting this Offer will be tendering their Equity Shares before getting payment of consideration as the Acquirers has 15 days time from date of closure of offer to make payment of consideration. Further, they will not be able to take advantage of any favourable price movements in the market.
3. As on date of this Letter of Offer, no statutory approvals are required to acquire the Equity Shares that are tendered pursuant to the Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date. The Despatch of consideration can be delayed beyond 15 days from date of closure of offer, in case any statutory approval, which becomes so applicable on a later date, is not received. In terms of Regulation 22(12) of the Regulations, in the case of non-receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment, subject to, the Acquirers agreeing to pay interest to the Shareholders for delay beyond 15 days from date of closure of Offer.
4. There is conflict of interest or potential conflict of interest between the other ventures of the Acquirers and the Target Company as many of the other ventures of the Acquirers are also in the textile related business.

TABLE OF CONTENTS

DEFINITIONS/ABBREVIATIONS

1	SRMC/Target Company	Company whose Equity Shares are proposed to be acquired viz. Sri Ramakrishna Mills (Coimbatore) Limited.
2	Acquirers	Sri. R. Doraiswami, Smt. D Ranganayaki, Sri. D. Lakshminarayanaswamy, Smt. L Nagaswarna, Smt. L Suhasini and Smt. L. Swathy who are offering to acquire Shares through this Offer
3	RBI	Reserve Bank of India
4	SEBI/Board	Securities and Exchange Board of India
5	Merchant Banker/ Manager to the Offer	Fedex Securities Limited
6	Registrar to the Offer	SKDC Consultants Limited
7	PA/ Public Announcement	Announcement of the Offer made by the Acquirers in dailies, on Wednesday, January 30, 2008
8	Offer	Cash offer being made by the Acquirers to the Shareholders of the Target Company
9	Offer Price	The consideration payable for every Fully paid equity Share tendered in this Offer i.e. Rs. 20/60 (Rupees Twenty paise Sixty only)
10	Shares	Equity Shares
11	EPS	Earnings per Equity Share, for the period under reference and annualized
12	Book Value	Book Value of each Equity Share as on the date referred to
13	Regulations/Takeover Regulations/ SEBI(SAST) Regulations	SEBI (Substantial Acquisition of Shares & Takeovers) Regulations, 1997 as amended till date
14	NAV	Net Asset Value of Equity Shares
15	Persons not eligible to participate in the Offer	Promoter group Shareholders of the Target Company including the Acquirers
16	Persons eligible to participate in the Offer	All Equity Shareholders of the Target Company, other than the promoter group Shareholders of the Target Company. Both registered and unregistered Shareholders can participate in the Offer
17	BSE	Bombay Stock Exchange Ltd
18	MSE	Madras Stock Exchange Ltd
19	CSX	Coimbatore Stock Exchange
20	RNW	Return on Net Worth
21	FIIs	Foreign Institutional Investors
22	NRIs	Non Resident Indians and persons of Indian origin residing abroad
23	FIs	Financial Institutions
24	SFIs	State level Financial Institutions
25	UTI	Unit Trust of India
26	NBFC	Non Banking Finance Company, registered with RBI
27	PAT	Profit after Tax
28	SEBI Insider Trading Regulations	SEBI ((Prohibition of Insider Trading Regulations) 1992 as amended.
29	NSDL	National Securities Depository Ltd
30	CDSL	Central Depository Services (India) Ltd
31	OTS	One time Settlement
32	SICA	Sick Industrial Companies Act.
33	F V	Face Value
34	BIFR	Board for Industrial and Financial Reconstruction
35	SIMA	The Southern India Mills Association
36	ICMF	Indian Cotton Mills' Federation (Now known as Confederation of Indian Textile Industry)
37	SITRA	The South India Textile Research Association.

LETTER OF OFFER

1. DISCLAIMER CLAUSE

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF SRI RAMAKRISHNA MILLS (COIMBATORE) LIMITED (SRMC), THE TARGET COMPANY, TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRERS, OR THE COMPANY WHOSE SHARES ARE PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRERS DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER (MANAGER) TO THE OFFER M/S. FEDEX SECURITIES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED FEBRUARY 7, 2008 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVERS) REGULATIONS, 1997 AND SUBSEQUENT AMENDMENT (S) THEREOF.

2. DETAILS OF THE OFFER

2.1 Background of the Offer

2.1.1 This Offer is in compliance with Regulation 11(1) of SEBI (Substantial Acquisition of Shares & Takeovers) Regulations 1997 and subsequent amendments thereof (hereinafter referred to as the “Regulations”).

2.1.2 Sri. R Doraiswami S/o. S N Rangaswamy Naidu, Smt. D Ranganayaki, wife of Sri R Doraiswami, both residing at New No.11 (Old NO.6) Nethaji Road, Pappanaickenpalayam, Coimbatore 641 037 (Tel.No. (0422) 2243777) & Sri. D Lakshminarayanaswamy, son of Sri. R Doraiswami, Smt. L Nagaswarna wife of Sri. D. Lakshminarayanaswamy, Smt. L Suhasini Daughter of Sri. D Lakshminarayanaswamy, and Smt. L Swathy, Daughter of Sri. D Lakshminarayanaswamy, all residing at New No. 15 (Old No.7), Nethaji Road, Pappanaickenpalayam, Coimbatore 641 037, Tamil Nadu State (Tel No. (0422) 2243788 Fax No (0422) 2531579, E Mail ID: lnss96@yahoo.co.in) promoter group Shareholders of SRMC (hereinafter collectively referred to as “the Acquirers”) are making an Open Offer to the public Shareholders (i.e. Shareholders other than the Acquirers and promoter group Shareholders of SRMC) of Sri Ramakrishna Mills (Coimbatore) Limited (“SRMC”, “the Target Company”) to acquire 14,23,666 Equity Shares of Rs. 10/- each, at a price of Rs. 20/60 (Rupees twenty paise sixty only), representing 20.00 % of issued, subscribed , paid up & voting Capital of SRMC after the exercise of Warrants allotted on a preferential allotment basis to the promoter group Shareholders and others.

2.1.3 The Board of Directors of SRMC, in their meeting held on 28.06.2006 had resolved to convene an Extraordinary General Meeting of members on 25th July 2006 to consider preferential allotment of 31, 35,000 Equity Warrants (Warrant/Warrants) which entitles the holders of the Warrants to get 1 Equity Share of SRMC per Warrant, within 18 months from the date of allotment at a price of Rs. 20/60 and the members in the said Extra Ordinary General Meeting approved the same. The last date for exercise of the Warrants is 6.2.2008 and this has triggered this Open Offer in terms of the Regulations. The Board of Directors of SRMC, in their meeting held on 5.2.2008, allotted 31,35,000 Equity Shares to the Warrant holders. The Offer is at a price of Rs. 20/60 (Rupees Twenty paise Sixty only) per Equity Share fully paid up (“the Offer Price”), payable in cash (“the Offer”), subject to the terms and conditions mentioned hereinafter. There are no partly paid Equity Shares.

2.1.4 The preferential allotment of Warrants was made by the Board of Directors of SRMC on 7.8.2006. Out of the 31,35,000 Warrants so allotted, 10,00,000 Warrants were allotted to Smt. L Nagaswarna, Smt. L Suhasini and Smt. L Swathy, promoter group shareholders and 21,35,000 Warrants to Clearwater Capital Partners(Cyprus) Limited. Sri. R Doraiswami, Smt. D Ranganayaki, Sri. D Lakshminarayanaswamy and Smt. L Nagaswarna, promoter group shareholders have, on 21.01.2008, acquired 11,35,000 Warrants from Clearwater Capital Partners (Cyprus) Limited at a consideration of Rs. 2/84 per Warrant which includes Rs. 2/06 paid by them at the time of allotment of the Warrants and Rs. 0.78 premium. The preferential allotment was made in accordance with Sec 81(1A) of the Companies Act 1956 and applicable provisions of the guidelines for preferential issue under SEBI (Disclosure and Investor Protection) Guidelines 2000 and subsequent amendments thereto. The paid up Capital of SRMC, prior to the conversion of Warrants is 39,83,330 Equity Shares of Rs. 10/- each and post conversion of Warrants is 71,18,330 Equity Shares of FV Rs. 10/- each.

2.1.5 The purpose of the acquisition is to consolidate holding of the promoters/promoter group and compliance with Regulation 11(1) of the Regulations. There will not be any change in control over SRMC, consequent to this Offer. The Acquirers do not intend to make any changes in the Board of Directors / management of SRMC.

2.1.6 As on date of Public Announcement, the Acquirers were holding 5, 56,032 Equity Shares of SRMC, constituting 13.96% of the present voting capital. They also held 10, 95,960 Equity Shares jointly with other promoter group Shareholders/through group Companies, constituting 27.51% of the voting capital.

2.1.7 The promoter group of SRMC (including the Acquirers) were holding 16, 51,992 Equity Shares, constituting 41.47% of the voting Capital, prior to exercise of Warrants. After exercise of Warrants, the holding of the Promoter Group, including the Acquirers is 37, 86,992 Equity Shares constituting 53.20% of the expanded subscribed, paid up and voting equity share capital.

2.1.8 The Acquirers, promoters/Directors of SRMC, the Target Company, its promoters/Directors have not been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any of the regulations made under the SEBI Act. No other action has been taken against them by SEBI.

2.1.9 Among the Acquirers, Sri. R. Doraiswami and Sri D Lakshminarayanaswamy are on the Board of Directors of SRMC. Both of them shall recuse themselves and not participate in any matter(s) concerning or ‘relating’ to the offer including any preparatory steps leading to the offer. There is no other person in the Board of the Target Company, representing the Acquirers.

2.2 Details of the proposed Offer

2.2.1. A Public Announcement, as per Regulation 15 (1) of the Regulations, was made in all editions of one English language daily with wide circulation, one Hindi national daily with wide circulation, one vernacular daily published at the place where the registered office of the Target Company is situated and one vernacular daily published at the place where the Equity Shares of the Target Company are most actively traded. The public Announcement was made in the following Newspapers, as detailed below. The Public Announcement is also available at SEBI’s Website : www.sebi.gov.in

Newspaper	Language	Editions	Date of PA
Business Standard (covers all editions)	English	Mumbai, Delhi, Kolkatha, Bangalore, Chennai, Hyderabad, Lucknow, Bhubaneshwar, Chandigarh, Kochi & Ahmedabad editions	Wednesday, January 30, 2008
Prathakaal (covers all editions)	Hindi	Mumbai Edition Udaipur Edition Jaipur Edition	Wednesday, January 30, 2008
Navshakti, Mumbai	Marathi	Mumbai	Wednesday, January 30, 2008
Thina Bhoomi	Tamil	Coimbatore	Wednesday, January 30, 2008

2.2.2 The Offer is to acquire 14,23,666 Equity Shares of Rs. 10/- each, representing 20 % of the issued, subscribed and voting Capital of SRMC after exercise of Warrants allotted on the preferential allotment basis.

2.2.3 The Offer price is Rs. 20/60 (Rupees Twenty and paise Sixty only).There are no partly paid Shares.

2.2.4 The consideration will be paid in Cash. There is no differential price since entire consideration is payable in cash.

2.2.5 This is not a competitive bid.

2.2.6 This Offer is not conditional as to any minimum level of acceptance.

2.2.7 The Acquirers have not made any further acquisition of Shares of SRMC since the Public Announcement was made and till date of this Letter of Offer.

2.2.8 Details of competitive bids, if any: **There is no competitive bid.**

2.2.9 Fedex Securities Limited, Manager to the Offer does not hold any Equity Shares in the Target Company. They declare and undertake that they shall not deal in the Shares of the Target Company during the period commencing from the date of their appointment as Manager to the Offer till the expiry of fifteen days from the date of closure of the offer

2.2.10. There is no agreement by the Acquirers with any other person/entity in connection with this offer. The entire Shares proposed to be acquired under this Offer will be acquired by the Acquirers and no other person/entity proposes to take part in the acquisition. The quantum of Shares that will be acquired by each of the Acquirers has not been decided yet.

2.2.11 The Acquirers have not acquired any Equity Share of SRMC after the date of PA**.** In the event of any further acquisition of Equity Shares from the date of P.A. till 7 working days prior to closure of Offer by the Acquirers at a price higher than the Offer Price, then the Offer price will be revised upwards to be equal to or more than the highest price paid for such acquisition. However, the Acquirers shall not be acquiring any Equity Shares of SRMC during the period of 7 working days prior to the date of closure of the Offer.

2.3 **OBJECTS AND PURPOSE OF ACQUISITION AND FUTURE PLANS**

2.3.1 The objects of the acquisition are substantial acquisition of Shares of SRMC for consolidation of holdings of the promoter/promoter group and compliance with Reg. 11(1) of the Regulations.

2.3.2 Barring unforeseen circumstances, the Acquirers are confident of ensuring sustained growth. SRMC is engaged in manufacture of yarns of various grades both man made and cotton. The Target Company is actively considering a proposal to develop the Land owned by it at Coimbatore unit, which will generate additional revenue. This is subject to necessary approvals from Statutory Authorities. This will also be subject to Regulation 16(ix) of the Regulations and the Acquirers undertake that they shall obtain prior approval of the Shareholders in case the said proposal results in selling, disposing of or otherwise encumbering any substantial assets of the Target Company. The recession faced by the Textile Industry from late 90s till 2005 had affected the performance of SRMC and Company became a Sick Company. However, with settlement of overdue liabilities to Banks/FIs and availing of fresh bank finance, SRMC was able to revamp operations and financial performance has improved, though modestly. The Company had returned Net profit in the Financial Year ended March 2007 but has again slipped into the red in current Financial Year. The conversion of Warrants will infuse additional funds which will help SRMC to meet increased working capital requirements and also meet normal Capital expenditure. The promoters including the Acquirers have significant experience in the Textile Industry.

2.3.3 The Offer will not result in change in control of SRMC. No changes in the Board of Directors of SRMC are contemplated by the Acquirers, consequent to this acquisition/Offer.

2.3.4 The Acquirers do not have any plan to dispose off or otherwise encumber any assets of SRMC in the succeeding two years from the date of closure of the Offer, except in the ordinary course of business as may be permissible. They undertake that they shall not sell, dispose of or otherwise encumber any substantial assets of the Target Company except with the prior approval of the Shareholders.

2.3.5 There is conflict of interest or potential conflict of interest between the other ventures of the Acquirers and the Target Company as many of the other ventures of the Acquirers are also in the textile related business.

3. BACKGROUND OF THE ACQUIRERS

3.1.1 The Acquirers are Sri. R. Doraiswami, Smt. D Ranganayaki, Sri. D Lakshminarayanaswamy, Smt. L Nagaswarna ,Smt. L Suhasini and Smt. L Swathy, individuals.

3.1.2 **Sri R Doraiswami**, LTM (Honors.) from VJTI, Bombay, S/o S N Rangaswamy Naidu, aged 88 years., residing at New No.11 (Old No.6) Nethaji Road, Pappanaickenpalayam, Coimbatore 641 037 (Tel.No. (0422) 2243777, E Mail Id: lnss96@yahoo.co.in) is having over 6 decades experience in Textile Industry. After working in a Textile mill at Coimbatore as Manager, he along with his brothers promoted Sri Ramakrishna Mills (Coimbatore) Ltd., Coimbatore in 1946. He has vast experience as Manager, Managing Agent and Managing Director in the Textile Industry. He is a Doyen in the Textile Industry and held senior positions in various bodies connected with the textile industry like, SIMA, ICMF, and SITRA. He is one of the Founder Trustees of M/s S N R Sons' Charitable Trust which manages Multi Speciality Hospital, Engineering , Science and Arts Colleges, Schools, etc.

Smt D Ranganayaki, W/o Sri R Doraiswami, aged 86 years residing at New No.11 (Old No.6) Nethaji Road, Pappanaickenpalayam, Coimbatore 641 037 (Tel.No. (0422) 2243777) is a House wife and Investor.

Sri. D Lakshminarayanaswamy, B. Tech, MBA, son of Sri. R. Doraiswami, aged 57 years, residing at New No. 15 (Old No.7), Nethaji Road, Pappanaickenpalayam, Coimbatore 641 037 , Tamil Nadu State (Telephone No. (0422) 2243788 Fax No (0422) 2531579, E Mail ID: lnss96@yahoo.co.in), is an Industrialist with over 33 years' experience. He is one of the promoters and Managing Director of SRMC. He is involved with SRMC for the last 27 years and is Managing Director since 1981. He is also promoter of other Companies belonging to the family. He is not on the Board of Directors of any other listed Company. He is on the Board of Directors of Sri Jaganatha Textiles Ltd, Suhasini Spinners Ltd, Silesh Finance Company Ltd, Sentra Yarns Ltd and Flow Link Systems Ltd, which are unlisted Companies. He is also trustee in a few family trusts and a partner in a few ventures promoted by the family. Sri. D. Lakshminarayanaswamy has over 33 years' experience in managing textile and allied industries.

Smt. L Nagaswarna, aged 55 years, B Com, MBA, wife of Sri. D Lakshminarayanaswamy, residing at New No. 15 (Old No.7), Nethaji Road, Pappanaickenpalayam, Coimbatore 641 037, Tamil Nadu State (Tel No. (0422) 2243788 Fax No (0422) 2531579, E Mail ID: lnss96@yahoo.co.in), joined as Administrative Officer at SRMC on 1.10.1982 and is at present its Chief Executive. Prior to joining SRMC, she was working in M/s Lakshmi Machine Works Ltd, a leading textile machinery manufacturer as Finance Controller. She has about 30 years' experience in Administration, Finance and working of textile mills. She is not on the Board of Directors of any listed Company. She is a Director in Sentra Yarns Ltd, Sri Ramakrishna Yarn Carriers Ltd and Suhasini Spinners Ltd, unlisted Companies promoted by the family.

Smt. L Suhasini, aged 31 years, D/o. Sri. D Lakshminarayanaswamy, residing at New No. 15 (Old No.7), Nethaji Road, Pappanaickenpalayam, Coimbatore 641 037 , Tamil Nadu State (Tel No. (0422) 2243788 Fax No (0422) 2531579, E Mail ID: lnss96@yahoo.co.in), is B.S. in Textiles from North Carolina State University, USA. She was looking after administration in various group Companies. On 24.3.2000, she joined as Executive Director in M/s Jayadevi Mills Private Ltd. Since 1.4.2003, she is acting as Technical Consultant for M/s Sadhu Spinning Mills Ltd. Thus, she has about 10 years' experience in management. She is not on the Board of Directors of any listed Company. Apart from M/s Jayadevi Mills Pvt. Ltd, she is Director in M/s Swathy Processors Ltd and M/s Shri. Govindaraja Textiles Pvt. Ltd., unlisted Companies.

Smt. L. Swathy, aged 29 years, D/o. Sri. D Lakshminarayanaswamy, residing at New No. 15 (Old No.7), Nethaji Road, Pappanaickenpalayam, Coimbatore 641 037 , Tamil Nadu State (Tel No. (0422) 2243788 Fax No (0422) 2531579, E Mail ID: lnss96@yahoo.co.in) holds B.S. (Engineering) Degree from University of Virginia, USA. She is associated with various textile mills under the control of the family overseeing Marketing, Finance and Administration. She is Managing Director of M/s Swathy Processors Ltd, since 1.10.2004 . She is not on the Board of Directors of any listed Company. Apart from M/s Swathy Processors Ltd, she is also Director in M/s Suhasini Spinners Ltd, M/s Sentra Yarns Ltd and M/s Sri Ramakrishna Yarn Carriers Ltd, all unlisted Companies.

3.1.3 Sri. R. Doraiswami is Chairman of SRMC and Sri. D. Lakshminarayanaswamy Managing Director. None of the other Acquirers are on the Board of Directors of any listed Company.

3.1.4 Sri. R Doraiswami is father and Smt. D Ranganayaki is the mother of Sri D Lakshminarayanaswamy. Smt. L. Nagaswarna is wife of Sri. D Lakshminarayanaswamy. Smt. L. Suhasini and Smt. L Swathy are their daughters.

3.1.5 The Acquirers belong to the Ramakrishna Mills Group.

3.2.1. There is no person acting in concert with the Acquirers.

3.2.2 Among the Acquirers, Sri. R. Doraiswami is Chairman of SRMC and Sri. D Lakshminarayanaswamy, Managing Director. They shall recuse themselves and not participate in any matter(s) concerning or 'relating' to the offer including any preparatory steps leading to the offer.

3.2.3 There is no agreement between the Acquirers in connection with this offer. The quantum of Shares that will be acquired by each of the Acquirers has not been decided yet.

3.2.4 As per Certificates dated 25-01-2008 from Sri K Chandrasekaran, (Membership No. 22011), Chartered Accountant, Kovai Tower, 2nd Floor, 44-A, Balasundaram Road, Coimbatore 641018 (Tel.Nos. (0422) 2248575, Fax No. (0422) 2248595, Email ID: krishchand@dataone.in) the Net worth of the Acquirers as on 31.03.2007 are as follows:

Name	Address	Net worth (Rs in Lacs)
R Doraiswami	New No.11 (Old No.6) Nethaji Road, Pappanaickenpalayam, Coimbatore 641 037	141.36
D Ranganayaki	-do-	46.87
D Lakshminarayanaswamy	New No.15 (Old No.7) Nethaji Road, Pappanaickenpalayam, Coimbatore 641 037	146.75
L Nagaswarna	-do-	219.61
L Suhasini	-do-	362.21
L Swathy	-do-	253.33

3.2.5 Sri. K. Chandrasekaran (Membership No. 22011), Chartered Accountant, Kovai Tower, 2nd Floor, 44-A, Balasundaram Road, Coimbatore 641 018 (Tel. Nos. (0422) 2248575, Fax No (0422) 2248595, E Mail ID:krishchand@dataone.in), vide his Certificate dated 25-01-2008,has certified that the Acquirers have adequate liquid resources to meet the funds requirements of the Offer. The liquid resources available with the Acquirers are Cash and Bank balance Rs. 5.49 Lacs, Investments in Mutual Funds, Shares and Bonds Rs. 275.37 Lacs, Company Deposits Rs. 671.03 Lacs and Balance held in Current Accounts Rs. 198.89 Lacs. Thus the aggregate liquid resources are Rs. 1150.78 Lacs.

3.2.6 The applicable provisions of Regulations 6, 7 & 8 of Chapter II of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997 have been complied with by the Acquirers/other promoter group Shareholders within the stipulated time.

3.2.7 There are no pending litigations against Acquirers & promoters of SRMC.

3.2.8 The Acquirers, promoters/ Directors of SRMC, the Target Company, its promoters/Directors have not been prohibited by SEBI from dealing in securities, in terms of direction issued u/s 11B of SEBI Act or under any of the regulations made under the SEBI Act. No other action has been taken by SEBI against them.

3.2.9 BRIEF DETAILS OF THE ACQUIRERS AS ON DATE OF PA ARE TABULATED BELOW:

Name , address and contact details	Relationship, if any, with any other Acquirers	Net Worth as certified by Chartered Accountant	Companies in which is a Director
Sri. R Doraiswami S/o. S N Rangaswamy Naidu New No.11 (Old NO.6) Nethaji Road, Pappanaickenpalayam Coimbatore 641 037 Tel.No. (0422) 2243777 E Mail ID: lnss96@yahoo.co.in	Husband of Smt. D Ranganayaki, Father of Shri. D Lakshminarayana swamy, Father-in Law of Smt. L Nagaswarna & Grand father of Smt. L Suhasini and Smt. L Swathy	As on 31.03.2007 Rs. 141.36 Lacs. Certificate dated 25-01-2008	**Listed** Sri Ramakrishna Mills (Coimbatore) Ltd. **Unlisted** None
Smt. D Ranganayaki W/o Sri R Doraiswami New No.11 (Old NO.6) Nethaji Road, Pappanaickenpalayam Coimbatore 641 037 Tel.No. (0422) 2243777	Wife of Sri. R. Doraiswami Mother of Shri. D Lakshminarayanaswamy , Mother in Law of Smt. L Nagaswarna & Grand mother of Smt. L Suhasini and Smt. L Swathy	As on 31.03.2007 Rs. 46.87 Lacs. Certificate dated 25-01-2008	**Listed** None **Unlisted** None
Sri. D Lakshminarayanas wamy S/o Sri. R Doraiswami New No. 15 (Old No.7) Nethaji Road, Pappanaickenpalayam Coimbatore 641 037 Tamil Nadu State Tel No. (0422) 2243788 Fax No (0422) 2531579 E Mail ID: lnss96@yahoo.co.in	Son of Sri. R. Doraiswami & Smt. D Ranganayaki Husband of Smt. L Nagaswarna & father of Smt. L Suhasini and Smt. L Swathy	As on 31.03.2007 Rs. 146.75 Lacs. Certificate dated 25-01-2008	**Listed** Sri Ramakrishna Mills (Coimbatore) Ltd. **Unlisted** Sri. Jaganatha Textiles Ltd Suhasini Spinners Ltd Silesh Finance Co. Pvt. Ltd Sentra Yarns Ltd Flow Link Systems Pvt. Ltd
Smt. L Nagaswarna W/o Sri. D Lakshminarayanaswamy New No. 15 (Old No.7) Nethaji Road, Pappanaickenpalayam Coimbatore 641 037 Tamil Nadu State Tel No. (0422) 2243788 Fax No (0422) 2531579 E Mail ID: lnss96@yahoo.co.in	Wife of Sri. D Lakshminarayanaswamy, Daughter in Law of Sri. R. Doraiswami & Smt. D Ranganayaki. Mother of Smt. L Suhasini and Smt. L Swathy	As on 31.03.2007 Rs. 219.61 Lacs. Certificate dated 25-01-2008	**Listed** None **Unlisted** Sentra Yarns Ltd Sri Ramakrishna Yarn Carriers Ltd Suhasini Spinners Ltd
Smt. L Suhasini D/o Sri. D Lakshminarayanaswamy New No. 15 (Old No.7) Nethaji Road, Pappanaickenpalayam Coimbatore 641 037 Tamil Nadu State Tel No. (0422) 2243788 Fax No (0422) 2531579 E Mail ID: lnss96@yahoo.co.in	Daughter of Sri. D Lakshminarayanaswamy & Smt. L Nagaswarna. Grand daughter of Sri. R Doraiswami & Smt. D Ranganayaki.	As on 31.03.2007 Rs. 362.21 Lacs. Certificate dated 25-01-2008	**Listed** None **Unlisted** Jayadevi Mills Pvt. Ltd Swathy Processors Ltd Shri Govindaraja Textiles Pvt. Ltd
Smt. L Swathy D/o Sri. D Lakshminarayanaswamy New No. 15 (Old No.7) Nethaji Road, Pappanaickenpalayam Coimbatore 641 037 Tamil Nadu State Tel No. (0422) 2243788 Fax No (0422) 2531579 E Mail ID: lnss96@yahoo.co.in	Daughter of Sri. D Lakshminarayanaswamy & Smt. L Nagaswarna. Grand daughter of Sri. R Doraiswami & Smt. D Ranganayaki.	As on 31.03.2007 Rs. 253.33 Lacs. Certificate dated 25-01-2008	**Listed** None **Unlisted** Swathy Processors Ltd Suhasini Spinners Ltd Sentra Yarns Ltd Sri Ramakrishna Yarn Carriers Ltd

3.2.10 There are no PACs.

3.2.11. Details of earlier acquisitions by the Acquirers/promoter group in the Target Company and position of compliance

Date of allotment/ Acquisition Transfer	**No. of Shares Issued /acquired**	**Cumulative Share holding of promoters (Shares)**	**Mode of allotment/ Acquisition Transfer**	**Status of compliance with SEBI (SAST) Regulations other Regulations under SEBI Act 1992 & other statutory requirements, as applicable**
Position of holding as on 01-01-1996	Total acquisition/ allotment 16,41,192 Equity Shares (50.76% of the listed Capital)	16,41,192 (50.76% of the listed Capital)	All allotments/ Acquisitions till 01.01.1996	Provisions of Companies Act complied with. SEBI Clarifications on Rights Issue complied with.
06.10.1997	Purchased 3700 Shares (0.11% of listed Capital)	16,44,892 (50.87% of listed Capital	Off Market Purchase	SEBI (SAST) Regulations not applicable as purchase is less than the limit under Reg. 11(1) in the preceding 12 months.
08-12-2000 & 14-12-2000	Inter se transfer of 6,400 Equity Shares among promoter group Shareholders (0.20 % of the listed Capital)	16,44,892 (50.87% of the listed Capital)	Inter se transfer among promoter group Shareholders	The inter se transfer is less than the limit under Reg. 11(1).
17-01-2004	Inter se transfer of 1,01,500 Equity Shares among promoter group Shareholders (3.14% of the listed Capital)	16,44,892 (50.87% of the listed Capital)	Inter se transfer among promoter group Shareholders	The inter se transfer is less than the limit under Reg. 11(1). Reported to Company under Reg. 7(1A). Reporting under Reg. 7(3) not done (Covering intimation received u/r. 7(1A).
24-02-2007	Purchased 7100 Equity Shares (0.18% of the paid up & voting Capital)	16,51,992 (41.47% of the paid up and voting Capital)	Off Market Purchase	The acquisition is less than the limit under Reg. 11(1). **Remarks:** Eventhough, consequent to this acquisition, the promoter group holding has increased in absolute terms, compared to 17.01.2004, the holding has reduced in percentage terms since SRMC has made allotment of 7, 50,000 Equity Shares on 07.08.2006 as reflected in Table 4.2.2 and consequently the issued, subscribed and paid up Capital of SRMC has increased to 39, 83,330 as against 32, 33,330 Equity Shares prior to the said allotment.
05-02-2008	Allotted 21,35,000 Equity Shares upon exercise of Warrants (29.99% of expanded Capital)	37,86,992 (53.20% of the expanded Capital)	Allotment against Warrants issued on preferential allotment basis	The acquisition by promoter group is in excess of the limit under Reg. 11(1) and the allottees under promoter group are making this Open Offer in compliance with the Regulations. Complied with SEBI(Disclosure and Investor Protection) Guidelines, with respect to the preferential allotment of Warrants which resulted in this allotment.

There is no change in promoters/persons in control since incorporation. No Open Offer was made to Shareholders of SRMC earlier

3.3. **Compliance with Regulation 21(2) & Clause 40A of the Listing Agreement**: The acquisition of 20 % of the voting capital of SRMC under this Offer together with the Shares being acquired through exercise of Warrants will not result in public Shareholding falling below the level required for continued Listing and hence continued Listing will be ensured. Assuming full acceptance under this Offer and exercise of the entire Warrants, the post offer holding of the Public shall be 26.80% of the subscribed, paid up and listed Capital. If consequent to this offer, and any further acquisitions by the Acquirers/ promoter group, the public holding falls below the level required for continued listing, then the Acquirers will comply with the relevant provisions of Clause 40A of the listing agreement in this regard, within the time limits stipulated therein. The Acquirers undertake and declare that they do not have any intention to delist the Equity Shares of Target Company after this Open Offer. They also undertake that they will comply with the provisions of Clause 40A of the listing agreement, in this regard, within the time limits stipulated therein.

3.4 **FUTURE PLANS OF THE ACQUIRERS WITH RESPECT TO SRMC**

The Acquirers intend to continue with the existing activities. SRMC is engaged in manufacture of yarns of various grades both man made and cotton. The Target Company is actively considering a proposal to develop the Land owned by it at Coimbatore unit, which will generate additional revenue. This is subject to necessary approvals from Statutory Authorities. This will also be subject to Regulation 16(ix) of the Regulations and the Acquirers undertake that they shall obtain prior approval of the Shareholders in case the said proposal results in selling, disposing of or otherwise encumbering any substantial assets of the Target Company. The recession faced by the Textile Industry from late 90s till 2005 had affected the performance of SRMC and Company became a Sick Company. However, with settlement of overdue liabilities to Banks/FIs and availing of fresh bank finance has helped Company to get itself de-notified by BIFR, revamp its operations and consequently the financial performance has improved, though modestly. The Company had returned Net profit in the Financial Year ended March 2007 but has again slipped into the red in current Financial Year. The conversion of Warrants will infuse additional funds which will help SRMC to meet increased working capital requirements and also meet normal Capital expenditure. The promoters including the Acquirers have significant experience in the Textile Industry.

4. BACKGROUND OF THE TARGET COMPANY

4.1.1 SRMC was incorporated on 6th September 1946 as a public limited Company in the State of Madras (Presently, Tamil Nadu) and commenced commercial operations in 1951. SRMC got its Equity Shares listed at Madras Stock Exchange (MSE) in March 1957, then Bombay Stock Exchange (BSE) in September 1994 and the Coimbatore Stock Exchange (CSX) on 8.6.1993.

The Registered Office is at No. 3, Bhavani River Street, Ariappampalayam, Sathyamangalam, 638402 , Tel. No. (04295) 220681,Fax No. (04295) 220681, E-mail ID: srmc@vsnl.com. The Administrative Office is situated at 1493, Sathyamangalam Road, Coimbatore 641 006, Tel (0422) 2531022, Fax (0422) 2531579, E Mail Id: srmc@vsnl.com

SRMC has four factories. The factories are located at Ganapathy, Coimbatore 641 006, VKR Puram, Nagari 517 590, Chittoor Dist, Andhra Pradesh and Ariappampalayam, Sathyamangalam, Erode Dist, Tamil Nadu, 638 402 (Two factories).

4.1.2 The Directors of SRMC are Sri. R. Doraiswami (Chairman, Executive), Sri. D Lakshminarayanaswamy (Managing Director), Sri. L Damodaraswamy (Non Executive, Independent) , Sri. N Jothikumar (Non Executive, Independent), Sri. R Narayanamurthy (Non Executive, Independent) and Sri. R. Radhakrishnan (Non Executive, Independent)

4.1.3 SRMC has, as its main objects, (1) to carry on business viz. cotton spinning , doubling, linen manufacturing, wool combing, worsted spinning etc. and clothes and other goods and fabrics whether textile, felted netted or looped (2) to carry on all or any business of silk mercerising, weaving, apparel, wholesale and retail dealers etc (3) to process all materials and articles of weaving, apparel, clothes etc. (4) to carry on the business of manufacturers, producers, importers, exporters, dealers etc. in all kinds of dyes, dyestuff, chemical drugs, paints, etc. (5) to carry on the business of real estate developers etc.

4.1.4 The Authorized Capital is Rs. 1500 Lacs, divided into 1, 00, 00,000 Equity Shares of Rs 10/- each and 5, 00,000 preference Shares of Rs. 100/- each. The paid up Equity Share Capital as on date of Public Announcement is 39, 83,330 Equity Shares of Rs. 10/- each aggregating Rs. 398.33 Lacs. The Board of Directors of SRMC, in their meeting held on 5.2.2008, allotted 31,35,000 Equity Shares to the Warrant holders and consequently, the Paid up Capital as on date of this Letter of Offer is 71,18,330 Equity Shares of FV Rs. 10/- each. All the outstanding issued Equity Shares of SRMC are fully paid up. Except 31, 35,000 Equity Shares allotted on 5.2.2008, all the Equity Shares are listed and admitted for trading. BSE has, vide its letter No. List sdm /ns /pdk /dmn / 2006 dated July 31, 2006 granted “In Principle “approval for listing of the Equity Shares arising out of conversion/exercise of the Warrants. SRMC has, on February 16, 2008 , submitted necessary application for final listing approval for the Equity Shares allotted on 5.2.2008 upon exercise of the Warrants. Approval from BSE is awaited.

4.1.5 The Fixed Assets held include Land, Building, Plant & Machinery, equipments, Miscellaneous fixed assets , furniture and fixtures and office equipments.

4.1.6 The Other Companies belonging to the group/promoted by the Acquirers are (1) Sri Jaganatha Textiles Ltd, established in 1982, is a closely held Company engaged in manufacture of cotton yarn, manmade fibre yarn and their blends of various counts with an installed capacity of 14120 spindles and 336 Rotors. (2) Swathy Processors Ltd incorporated on 15th July 1981, has set up post spinning processing unit and also Spinning Units for manufacture of manmade fibre and cotton yarn. (3) Suhasini Spinners Ltd incorporated on 03.04.1981 is now dormant and does not have any activity at present (4) Sentra Yarns Ltd incorporated on 24.11.1994 is now dormant and do not have any activity at present and (5) Sri Ramakrishna Yarn Carriers Ltd incorporated on 11.12.1989 and engaged in the business of storage and distribution of petroleum products.

4.1.7 As on date of the Public Announcement, the promoter group/persons in control, were holding 16, 51,992 Equity Shares, each fully paid up, representing 41.47% of the listed Capital.

4.1.8 After exercise of Warrants, the promoter group holding is 37, 86,992 Equity Shares constituting 53.20% of the expanded Equity Share Capital.

4.1.9 SRMC has signed agreements with NSDL and CDSL for offering Shares in dematerialized form. The ISIN Number is INE306D01017. The Marketable lot for the Shares of SRMC for the purpose of this Offer shall be 1 (one only).

4.1.10 SRMC is presently engaged in manufacture of cotton yarn, man made fibre yarns and their blends of various counts ranging from 6s to 100s which include Carded, Combed, Autolevelled, Autoconed, Doubled TFO yarn , Gassed, Bleached and Mercerized Yarn suitable for knitting and weaving. The Company has installed 75180 Spindles and 1104 Open End Rotors spread across its 4 factories. The products are well accepted in Domestic and International markets. SRMC commenced exports in 1986 and was a recognized Export House.

4.1.11 The performance of the Company was affected by the protracted recession faced by the textile industry during 1998-2005. The entire net worth was eroded. Due to resources crunch, SRMC could not take steps for periodical modernization and renovation of the machinery. This also affected the competitiveness and consequently the financial performance. SRMC had overdue liabilities to Banks/FIs and had sought restructuring of its debts which was approved by the CDR Empowered Group on 15.9.2003. SRMC was referred to BIFR and declared a Sick Industrial Company in December 2005. SRMC further settled its secured creditors under OTS in July 2006. The Company has been discharged from BIFR with effect from 12.03.2007. At present, the Company does not have any overdue liabilities to Banks/FIs. There is no overdue liability to public depositors and there was no default in the past.

4.1.12 There has not been any merger or demerger or spin-off of activity in the preceding 3 years.

4.1.13 SRMC has no Subsidiaries

4.1.14 SRMC was declared as a Sick Industrial Company by BIFR vide its order dated 16.12.2005 but discharged from BIFR w.e. from 12.03.2007.

4.1.15 SRMC is not registered as a Non Banking Finance Company (NBFC). SRMC is also not registered with SEBI in any capacity. None of the Companies belonging to the Group/promoted by the Acquirers is registered with SEBI as an Intermediary.

4.1.16 The Equity Shares of SRMC are at present listed only at The Bombay Stock Exchange Ltd (BSE). The Shares are not admitted as a permitted security at any other Stock Exchange. All the outstanding issued Equity Shares (except 31, 35,000 Equity Shares allotted on 5.2.2008 upon exercise of Warrants) are listed and admitted for trading. There are no partly paid Equity Shares. 31,35,000 Warrants convertible into Equity Shares were outstanding as on date of PA and the last date for exercise of option under the Warrants was 6.2.2008. SRMC convened a meeting of the Board of Directors on 5th February 2008, to consider allotment of Shares against the Warrants and the Board has allotted 31,35,000 Equity Shares. As on date of this Letter of Offer, there are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later stage. No Shares are subject to lock in. However, 10,00,000 warrants allotted to the promoters were under lock in for a period of 3 years from the date of allotment and the shares arising out of the said warrants shall be subject to lock in for the balance period i.e. upto 6.8.2009. BSE, has vide their letter No. List sdm /ns /pdk /dmn / 2006 dated July 31, 2006 granted "In Principle" approval for listing of the Equity Shares arising out of conversion/exercise of the Warrants. SRMC has on 16.02.2008, submitted application for final listing approval. The Equity Shares were listed at The Madras Stock Exchange Ltd(MSE) but was voluntarily delisted and MSE, vide its letter No. MSE/LD/PSK/731/391/04 dated April 2, 2004 has confirmed delisting. The Shares of SRMC were also listed at the now derecognized Coimbatore Stock Exchange (CSX) from where also voluntarily delisted and CSX, vide its letter No. CSX: Listing: 925:2003-04/926 dated March 31, 2004 has confirmed delisting.

4.1.17 SRMC has no arrears of listing fee to Stock Exchanges. No action has been taken by SEBI or Stock Exchanges against SRMC. SRMC is complying with the listing requirements of the Stock Exchanges.

4.1.18 SRMC is complying with the provisions of Clause 49 of the Listing Agreement.

4.1.19 The filing of returns under Chapter II of SEBI (SAST) Regulations has been made by SRMC . Out of this, returns under Reg. 6(2) & 6(4) for 1997 were filed late on 12.9.1997 but has been regularized under SEBI (Regularization) Scheme 2002 on 17.2.2003. Filing under Reg. 8(3) for 2002 was not done but was regularized under the Scheme on 17.2.2003. All other filings under Reg. 8(3) has been made in time. The promoters of SRMC have filed returns under Reg. 6 for the year 1997 & Reg. 8 for the years 1998 to 2007, in time.

4.1.20 SRMC has no overdue liabilities to Banks/FIs at present. There are few pending cases in various Courts/Tribunals relating to Sales Tax assessments, Electricity Tax, Claims under Motor Vehicles Act /Insurance. The Customs Dept has also filed an appeal in High Court against the Order of Settlement Commission reducing the liability of SRMC in the settlement order relating to Advance Licenses between the Department and SRMC. SRMC has also filed a few cases, especially under Sec. 138 of the Negotiable Instruments Act, for recovery of overdue Debtors.

4.1.21 The Compliance Officer of SRMC is Sri. N. Narasimhalu, residing at 27, Krishnaswamy Nagar, IInd Layout, Ramanathapuram, Coimbatore 641045 who will be available at the Administrative Office and shall attend to all investor grievances.

4.2.1 **Equity Share Capital Structure of SRMC as on Wednesday, January 30, 2008, the date of PA.**

Paid up Equity Shares of SRMC	**No. of Shares**	**% of Shares**	**Voting Rights**	**% of voting rights.**
Fully paid up Equity Shares	39,83,330	100	39,83,330	100
Partly paid up Equity Shares	0	0	0	0
Total paid up Equity Shares	39,83,330	100	39,83,330	100
Total voting rights in the Target Company	39,83,330	100	39,83,330	100

4.2.2 Build Up of Current Capital

4.2.2.1. Build up of Authorized capital

(In Rs.)

Date	From	To	Authorized Capital after enhancement
On Incorporation and till 07.11.1971	0	16,00,000	16,00,000
As per Resolution adopted in AGM held on 08.11.1971	16,00,000	25,00,000	25,00,000
As per Resolution adopted in EGM held on 15.11.1978	25,00,000	50,00,000	50,00,000
As per Resolution adopted in AGM held on 09.08.1982	50,00,000	90,00,000	90,00,000
As per Resolution adopted in EGM held on18.04.1992	90,00,000	1,50,00,000	1,50,00,000
As per Resolution adopted in EGM held on 13.08.1993	1,50,00,000	5,00,00,000	5,00,00,000
As per Resolution adopted in AGM held on 12.09.1997	5,00,00,000	15,00,00,000	15,00,00,000

At present, the Authorized Capital consists of 1, 00, 00,000 Equity Shares of Rs. 10/- each and 5, 00,000 Preference Shares of Rs. 100/- each

4.2.2.2 Build up of Current paid up Equity Share Capital

Date of allotment	No. and % of Shares Issued	Cumulative paid up capital (Rs.)	Mode of allotment	Identity of allottees (e.g.- promoters /others	Status of compliance With SEBI (SAST) Regulations and other Regulations under SEBI Act 1992
Allotted upto 31.03.1971	14923 Equity Shares of Rs. 100/- each and 4459 Equity Shares of Rs. 10/- each (2.159% of current paid up Capital)	15,36,890	For cash or otherwise at par	Signatories to the Memorandum, promoters, friends, relatives and associates, public	Provisions of Companies Act, complied with. SEBI Regulations/Guidelines issued by SEBI not applicable
17-03-1972	Bonus Shares for value Rs. 9, 22,160/- in the ratio 3:5. (1.295% of current paid up Capital)	24,59,050	Bonus Issue	Existing Shareholders	Provisions of Companies Act, complied with. SEBI Regulations/Guidelines issued by SEBI not applicable
21-02-1979	Bonus Shares for value Rs. 14,75,390 in the ratio 3:5 (2.073% of current paid up Capital)	39,34,440	Bonus Issue	Existing Shareholders	Provisions of Companies Act, complied with. SEBI Regulations/Guidelines issued by SEBI not applicable

Date of allotment	No. and % of Shares Issued	Cumulative paid up capital (Rs.)	Mode of allotment	Identity of allottees (e.g.- promoters /others	Status of compliance With SEBI (SAST) Regulations and other Regulations under SEBI Act 1992
28-03-1983	Rights Issue of Equity Shares for Value Rs. 19,67,220/- in the ratio 1:2 (2.763% of current paid up Capital)	59,01,660	For cash	Existing Shareholders on Rights basis.	Provisions of Companies Act, complied with. SEBI Regulations/Guidelines issued by SEBI not applicable
03-08-1992	Rights Issue. of 4,69,944 Equity Shares of Rs. 10/- each in the ratio 2:3 (6.602% of current paid up Capital)	1,06,01,100	For cash at a premium of Rs. 55/- per Share of F V Rs.10/- each	Existing Shareholders and public including ESOP Scheme	Provisions of Companies Act, complied with. SEBI Regulations/Clarifications issued by SEBI complied with
18-10-1993	Bonus Issue of 5,30,055 Equity Shares of Rs. 10/- each in the ratio 1:2 (7.446% of current paid up Capital)	1,59,01,650	Bonus Issue	Existing Shareholders	Provisions of Companies Act, complied with. SEBI Regulations/Clarifications issued by SEBI complied with
11-03-1994	Rights Issue of 10,60,110 Equity Shares of Rs. 10/- each in the ratio of 2:3 and firm allotment of 5,83,055 Equity Shares of Rs. 10/- each (23.083% of current paid up Capital)	3,23,33,300	For cash	Existing Share holders on Rights basis. Group Companies and employees as firm allotment over and above Rights Offer	Provisions of Companies Act Complied with. SEBI Regulations/Clarifications issued by SEBI complied with
07-08-2006	Preferential allotment of 7,50,000 Equity Shares of Rs. 10/- each (10.536% of current paid up Capital)	3,98,33,300	For consideration other than cash in settlement of dues	Others	Provisions of Companies Act Complied with. SEBI Regulations/DIP Guidelines issued by SEBI complied with SEBI (SAST) Regulations not applicable as the allottee belongs to exempted Category.
05-02-2008	Preferential allotment of 31,35,000 Equity Shares of Rs. 10 each (44.041% of current paid up Capital)	7,11,83,300	For Cash	Promoter group Shareholders and another	Provisions of Companies Act Complied with. SEBI Regulations/DIP Guidelines issued by SEBI complied with

4.2.2.3 Change in Equity Shareholding of promoters/promoter group and position of Compliance

Date of allotment/ Acquisition /Sale/Transfer	No. of Shares Issued /acquired/ sold/ reduced	Cumulative Share holding (Shares)	Mode of allotment/ Acquisition Sale/Transfer	Identity of allottees/ Acquirer Seller (e.g.- promoters /others)	Status of compliance with SEBI (SAST) Regulations other Regulations under SEBI Act 1992 & other statutory requirements, as applicable
Position of holding as on 01-01-1996		16,41,192 (50.76% of the listed Capital)	All allotments/ Acquisitions till 01.01.1996	Promoters/Promoter group Shareholders	Provisions of Companies Act complied with. SEBI Clarifications on Rights Issue complied with.
06.10.1997	Purchased 3700 Shares (0.11% of listed Capital)	16,44,892 (50.87% of listed Capital)	Off Market Purchase	By a promoter group Company	SEBI (SAST) Regulations not applicable as purchase is less than the limit under Reg. 11(1) in the preceding 12 months.
08-12-2000 & 14-12-2000	Inter se transfer of 6,400 Equity Shares among promoter group Shareholders (0.20 % of the listed Capital)	16,44,892 (50.87% of the listed Capital)	Inter se transfer among promoter group Shareholders	Promoter Group	The inter se transfer is less than the limit under Reg. 11(1).
17-01-2004	Inter se transfer of 1,01,500 Equity Shares among promoter group Shareholders (3.14% of the listed Capital)	16,44,892 (50.87% of the listed Capital)	Inter se transfer among promoter group Shareholders	Promoter Group	The inter se transfer is less than the limit under Reg. 11(1). Reported to Company under Reg. 7(1A). Reporting under Reg. 7(3) not done (Covering intimation received u/r. 7(1A).
24-02-2007	Purchased 7100 Equity Shares (0.18% of the paid up & voting Capital)	16,51,992 (41.47% of the paid up and voting Capital)	Off Market Purchase	Promoter Group	The acquisition is less than the limit under Reg. 11(1). **Remarks:** Eventhough, consequent to this acquisition, the promoter group holding has increased in absolute terms, compared to 17.01.2004, the holding has reduced in percentage terms since SRMC has made allotment of 7, 50,000 Equity Shares on 07.08.2006 as reflected in Table 4.2.2 and consequently the issued, subscribed and paid up Capital of SRMC has increased to 39, 83,330 as against 32, 33,330 Equity Shares prior to the said allotment.
05-02-2008	Allotted 21,35,000 Equity Shares upon exercise of Warrants (29.99% of expanded Capital)	37,86,992 (53.20% of the expanded Capital)	Allotment against Warrants issued on preferential allotment basis	Promoter Group	The acquisition by promoter group is in excess of the limit under Reg. 11(1) and the allottees under promoter group are making this Open Offer in compliance with the Regulations.

4.3 As on date of this Letter of Offer, there are no outstanding warrants or options or similar instruments, convertible into Equity Shares at a later date.

4.4 Except 31, 35,000 Equity Shares allotted on 5.2.2008, all the issued Equity Shares of SRMC are listed at BSE and admitted for trading.

4.5. SEBI/Stock Exchanges have not awarded any penalties/initiated action against the Target Company, its promoters/Directors.

4.6.1 **Board of Directors as on Wednesday, January 30, 2008, the date of PA:**

Name	Date of appointment	Residential Address/Contact details	Designation
Sri. R. Doraiswami	10-01-1970	No. 11(Old No. 6) , Nethaji Road Pappanaickenpalayam Coimbatore 641 037 Tel No. (0422) 2243777 E Mail ID: lnss96@yahoo.co.in	Chairman
Sri. D Lakshminarayanaswamy	01-04-1981	No. 15(Old No.7) Nethaji Road Pappanaickenpalayam Coimbatore 641 037 Tel No. (0422) 2243788 Fax No (0422) 2531579 E Mail ID: lnss96@yahoo.co.in	Managing Director
Sri. L Damodaraswamy	30-10-1952	Room No. 6, Asramam SNR College Campus SNR College Road, Coimbatore 641 006 Tel No. (0422) 2246392	Director (Non Executive, Independent)
Sri. N Jothikumar	22-07-1966	Pushpa Bhavanam 10, T K Naidu Street Peelameduputhur Coimbatore 641 004 Tel No. (0422) 2562656	Director (Non Executive, Independent)
Sri. R Narayanamurthy	23-01-2004	195, Park Road Kattoor Street Pappanaickenpalayam Coimbatore 641 037 Tel. No. (0422) 2241595	Director (Non Executive, Independent)
Sri. R Radhakrishnan	23-01-2004	327, Thiru Nagar Coimbatore Road Palladam 641 664 Tel. No. (04255)252499	Director (Non Executive, Independent

4.6.2 There has not been any change in Board of Directors in the last three years.

4.6.3 Experience, Qualification and date of appointment of the Board of Directors

Name	Date of appointment	Age, Qualification, Occupation	Experience , in brief
Sri. R. Doraiswami	10-01-1970	Age: 88 years Qualification: LTM (Hons.) from VJTI, Bombay Industrialist	Chairman of SRMC. Worked as Manager in a Textile Mill for a brief period, prior to promoting SRMC and the group Companies. Promoted SRMC in 1946. Rich experience of over 60 years in textile business.

Sri. D Lakshminarayanaswamy	01-04-1981	Age: 57 years Qualification: B.Tech., MBA Industrialist	Managing Director of SRMC. B. Tech. in Textiles from PSG College of Technology and MBA from Pennsylvania University, USA. Worked as General Manager in Gopalakrishna Mills Pvt. Ltd for 7 years and thereafter joined SRMC in 1981 as its Managing Director. Rich experience of over three decades in textile business.
Sri. L Damodaraswamy	30-10-1952	Age: 92 years Qualification: SSLC Agriculturist	An agriculturist.
Sri. N Jothikumar	22-07-1966	Age: 69 years Qualification: studied B.E.(Mechanical) Agriculturist	Has not promoted any Company/Venture but has associated with many Companies engaged in various activities and consequently rich experience in administration of Companies particularly in Financial aspects. Apart from this, by virtue of his investment in various companies and studying the performance of those companies, he has got experience in business analysis. He has thus got over 30 years of experience in the above fields.
Sri. R Narayanamurthy	23-01-2004	Age: 69 years Qualification: LTM Retired professional	Over 4 decade's experience in Textile Mills. Started career in Lakshmi Mills and from 1966 to 2002, was with SRMC in various capacities. Retired as General Manager.
Sri. R Radhakrishnan	23-01-2004	Age: 64 years Qualification: LTM Retired professional.	4 decade's experience in textile industry. Joined SRMC as Supervisor and later joined Lakshminarayana Textiles as manager. Also served Sri Jaganatha Textiles Ltd and retired as General Manager.

4.7 There has not been any mergers/demergers involving the Target Company nor was there any spin off of activity during the last three years. There has been no change of name since Incorporation.

4.8. **Brief published Audited Financial data for the last three years and for the six (6) months period ended 30.09.2007 (Certified by Auditors) are given hereunder:**

(Rs. In Lacs)

Profit & Loss Statement	**30.09.07 (6 months)**	**31.03.07**	**31.03.06**	**31.03.05 (6 months)**
Income from Main activity	3055.17	6226.49	7708.38	4290.82
Other Income	10.93	35.24	25.17	9.22
Exceptional items Profit on Sale of Assets Raw Materials Loans returned OTS Profit on sale of Investment	 32.80 	 53.24 3123.96 10.24	 13.30 	 11.50 13.53

Total Income	**3098.90**	**9449.17**	**7746.85**	**4325.07**
Total Expenditure	3006.94	5381.59	6946.36	4270.48
Profit before Interest, Depn. and Tax and extraordinary/exceptional items	59.23	885.17	787.19	29.56
Finance Charges	348.72	510.81	681.86	318.07
Depreciation	104.61	219.70	220.50	111.95
Exceptional items (Share of Loss in partnership firm)	0.00	0.00	0.00	47.13
Extraordinary expenditure (Bad Debts w/off)	0.07	5.03	0.50	1.07
Profit Before Tax before extraordinary /exceptional items (Loss in Brackets)	(394.10)	154.66	(115.17)	(400.46)
Profit Before Tax after extraordinary/exceptional items (Loss in Brackets)	(361.37)	3337.07	(102.37)	(423.63)
Provision for Taxes	0.43	7.00	0.00	0.00
Profit After Tax/Loss for the year	(361.80)	3330.07	(102.37)	(423.63)

Balance Sheet Statement	**30.09.07**	**31.03.07**	**31.03.06**	**31.03.05**
Sources of funds				
Paid up Equity Share Capital	398.33	398.33	323.33	323.33
Share Warrants sub. Account (Non refundable)	64.58	64.58	0.00	0.00
Reserves & Surplus (Net of Revaluation Reserves & Accumulated losses)	247.69	610.13	(2654.56)	(2657.44)
Misc. Expenses not written off	(188.89)	(222.80)	(183.15)	(9.56)
Net Worth	**521.71**	**850.24**	**(2514.38)**	**(2343.67)**
Secured Loans	4772.33	4946.47	7475.73	7092.71
Unsecured Loans	4.41	4.41	46.96	628.02
Total Source of funds	**5298.45**	**5801.12**	**5008.32**	**5377.06**
Uses of funds				
Net Fixed Assets (Net of Revaluation)	1968.48	1851.16	1709.52	1904.69
Investments	3.27	3.26	11.28	11.28
Net Current Assets	2232.22	2852.22	2187.94	2462.42
Deferred Tax Assets	1094.48	1094.48	1099.58	998.67
Total	**5298.45**	**5801.12**	**5008.32**	**5377.06**
Other Financial Data				
Dividend (%)	NIL	NIL	NIL	NIL
Earnings per Share (Rs.) (annualized) Negative figure in brackets.	(18.17)	83.61	(3.17)	(26.20)
Return on Net Worth (%) (Negative in Brackets) (annualized) (Profit after Tax X100/Net Worth)	Negative	391.66	Negative	Negative
Book Value Per Share (Rs.) (Net Worth/No. of Shares) Negative figure in brackets	13.10	21.34	(77.76)	(72.48)

Details of Other Income during the above period

(Rs. In Lacs)

OTHER INCOME	30.09.07	31.03.07	31.03.06	31.03.05
Rent received	0.62	1.32	1.64	0.76
Interest received	7.36	17.18	16.08	8.11
Dividend received	0.38	0.72	0.32	0.06
Share of Profit from Partnership	0.00	3.50		
Other Misc. Income	2.57	12.52	7.13	0.29
Total of Other Income	**10.93**	**35.24**	**25.17**	**9.22**

Details of Investments

(Rs. In Lacs)

	30.09.07	31.03.07	31.03.06	31.03.05
IDBI - Quoted	0.00		3.12	3.12
State Bank of Travancore – Quoted	2.28	2.28	2.28	2.28
The South Indian Bank Ltd – Quoted	0.00	0.00	4.90	4.90
Sentra Yarns Ltd - Unquoted	0.20	0.20	0.20	0.20
Investment in Partnership Firm	0.15	0.15	0.15	0.15
National savings Cert & Indira Vikas Patra	0.64	0.63	0.63	0.63
Total Value	**3.27**	**3.26**	**11.28**	**11.28**

Significant Accounting Policies:

1. Financial Statements are prepared under the Historical Cost Convention except for Land, Building, Plant & Machinery and is in accordance with the generally accepted Accounting Principles.
2. Stock of Stores is valued at average cost, Raw materials at cost, Processed Stock at raw material cost plus manufacturing expenses and Finished Goods at lower of cost or net realizable value
3. Depreciation on Plant and Machinery is charged at Straight Line Method for continuous process plants, Building, Motor Vehicles and Furniture and Library on Written Down Value Method. Depreciation in respect of Revaluation surplus deducted from Revaluation Reserves.
4. Income and Expenditure are recognized and accounted on accrual basis
5. Revenue from Service Transactions are recognized on completion of the contracts
6. Other Income is accounted on accrual basis
7. Investments are stated at cost less any provision for permanent diminution in value

Notes:

❖ There has been no change in the accounting policies in the above period.

❖ The Company changed its Accounting year from September to March in 2005 and consequently the figures given in Profit and Loss Statement as for the period ended 31.3.2005 is for 6 months from 1.10.2004 to 31.3.2005.

❖ Statement of profit or loss discloses both the profit or loss arrived at before considering extraordinary/ exceptional items and after considering the profit or loss from extraordinary items/exceptional items.

❖ The statement of assets and liabilities have been prepared after deducting the balance outstanding on revaluation reserve account, if any, from both fixed assets and reserves and the net worth arrived at after such deductions.

- Details of Extraordinary Income, Extraordinary Expenditure, Exceptional items etc. are given in the above table itself.
- There is unusual fall or rise in Total Income and PAT in the above period. Income from main activity has reduced in 2006 compared to annualized turnover for the 6 months period ended 31.3.2005. This is mainly on account of efforts taken by the Company to modernize the plant and machinery to improve efficiency, quality of outputs and competitiveness but has affected turnover. Further, in the year 2006, there has been a significant improvement in operating profits due to increase in price of yarn, cost cutting measures taken by the Company etc. This has helped Company to reduce losses compared to previous period. In the year 2007, even though there is a drop in Income from main activity, which is attributed to ongoing revamping and modernization efforts, the Company could maintain margins. Further, during the years, the Company settled overdue liabilities through OTS and divested investments which have brought in significant Income from sources other than main operations. For the 6 months period ended 30.09.2007, the Gross income (annualized) is slightly lower than the previous year. However, the Company has posted net loss as against Net Profit in the previous year which is on account of increased operational costs and Bank Interest.
- **Significant Audit Qualifications as on 31-03-2007, date of last Audit:** (1)The aggregate of disputed liability on account of demands under Tamil Nadu General Sales Tax for various years is Rs. 335.02 Lacs. Out of this Rs. 31 Lacs is paid pending disposal of the dispute. (2) Out of the liability of Rs. 32.89 Lacs and interest thereof of Rs. 31.57 Lacs on account of non fulfillment of Export obligation under EPCG License, the interest is not paid yet.(3) The Company has contested a demand of Rs. 7.80 Lacs by Central Excise Dept. towards Service Tax (4) Advances include Rs. 51.00 Lacs which is outstanding for more than 3 years (5) There is short provisions of Rs. 41.79 Lacs towards gratuity under the actuarial valuation. (6) No provision is made towards Electricity Tax of Rs. 81.60 Lacs.

  Note on Audit Qualifications as on 31.03.2007 : (1) Out of the disputed liability on account of demands under Tamil Nadu General Sales Tax , Rs. 31 Lacs is paid , pending disposal of dispute (2) The interest liability on account of non fulfillment of Export obligation stands reduced to Rs.21.62 Lacs and the entire liability is fully paid as on date.(3) The Demand for Service Tax by Central Excise Dept. has since been dropped (4) Payment for Electricity Tax of Rs. 81.60 Lacs is charged to Profit and Loss Account, in the Quarter ended 31.12.2007.

4.9. Pre and Post- Offer Share holding pattern of SRMC shall be as follows:

Shareholders' category	**Shareholding prior to the Exercise of Warrants/Date of PA. (A)**		**Shares Acquired/to be acquired through exercise of Warrants which triggered off the Regulations (B)**		**Shares to be Acquired in Open Offer(Assuming full acceptances) (C)**		**Share holding after the acquisition through exercise of Warrants and Offer. (D)**	
	No.	%	No.	%	No.	%	No.	%
1.Promoter group								
A. Acquirers								
Sri. R Doraiswami	79,782	2.003	3,50,000	4.92				
Smt. D Ranganayaki	96,506	2.423	2,00,000	2.81	14,23,666	20	41,14,698	57.80
Sri. D Lakshminarayanaswamy	1,48,171	3.720	2,50,000	3.51				
Smt. L Nagaswarna	59,156	1.485	6,68,400	9.39				

Smt. L Suhasini	88,917	2.232	3,33,300	4.68	}			
Smt. L Swathy	83,500	2.096	3,33,300	4.68	}			
B. Other promoter Group Shareholders	10,95,960	27.514					10,95,960	15.40
Total of 1 (Total promoter holding)	16,51,992	41.47	21,35,000	29.99	14,23,666	20	52,10,658	73.20
2 Public Holding			Allotted against Warrants					
a. Indian Public	15,80,912	39.69						
FIIs/FIs/Mutual Funds/Banks SASF-IDBI Financial Inst. Ins. Company	 7,50,000 100 1	 18.83 0.002 ---			(14,23,666)	(20.00)	19,07,672	26.80
b. NRIs	325	0.008						
c. Foreign Investor	0	0	10,00,000	14.05				
Total 2 (a+b+c)	23,31,338	58.53	10,00,000	14.05	(14,23,666)	(20.00)	19,07,672	26.80
Total (1+2)	39,83,330	100	31,35,000	44.04			71,18,330	100

Notes:

a. The % holding under Columns (B), (C) and (D) are calculated on the expanded Capital after exercise of Warrants.

b. There are no Shares, which are subject to Lock in as on date of PA. However, 10,00,000 warrants allotted to the promoters are under lock in for a period of 3 years from the date of allotment and the shares arising out of the said warrants are subject to lock in for the balance period i.e. upto 6.8.2009.

c. The Acquirers have not acquired any Shares from the date of the Public Announcement till date of this Letter of Offer.

d. The number of Shareholders under Public Category, i.e. under 2 above, on the Specified Date is 2385.

5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1 Justification of Offer price

5.1.1 The Equity Shares of SRMC are listed at The Bombay Stock Exchange Ltd.(BSE). The Shares are not admitted as permitted Security in any other Stock Exchange.

5.1.2 The annualized trading turnover of Shares of SRMC, during the preceding 6 calendar months prior to the month in which the Board of Directors decided to convene Extra Ordinary General Meeting of members to consider the preferential allotment of Equity Shares, i.e. during the months December 2006 to May 2006 (both inclusive) is given below.

Name of Stock Exchange(s)	Total no. of Shares traded during the 6 calendar months prior to the month in which the Board of Directors decided to convene Extra Ordinary General Meeting of members to consider the preferential allotment	Total No. of listed Shares	Annualized Trading turnover (in terms of % to total listed Shares)
The Bombay Stock Exchange Ltd (BSE)	1, 28,337	32,33,330	7.94

The trading volume data has been taken from the BSE's website www.bseindia.com.

The Shares are thus not infrequently traded in terms of Regulation 20 (5), explanation (i) at the Stock Exchanges

5.1.3 Since the Equity Shares of the Target Company has not been infrequently traded as per explanation (i) to Regulation 20(5) at the Stock Exchanges during the 6 calendar months preceding the month in which the Board of Directors decided to convene Extra Ordinary General Meeting of members to consider the preferential allotment, the Offer price has been justified, taking into account, the following parameters, as set out under Regulations 20(4) read with Reg. 20(11) under para "explanations".

1. Negotiated price paid by the Acquirers or Persons Acting in Concert under the Agreement referred to in sub regulation (1) of Regulation 14.	N.A.
2. Highest price paid by the Acquirers or PAC for acquisition of Shares or voting rights including by way of allotment in a Public or Rights issue or preferential allotment, if any, during the twenty-six week period prior to the date of PA.	N.A.
3. The average of the weekly high and low of the closing prices at BSE in the 26 weeks preceding the date of Board meeting which authorized the preferential allotment	Rs .20.43
4. The average of the daily high and low prices at BSE in the 2 weeks preceding the date of Board meeting which authorized the preferential allotment	Rs. 18.95
5. The price at which preferential allotment of Equity Shares is made to the Acquirer, upon conversion/exercise of Warrants.	Rs. 20.60
6. Highest of the above	Rs. 20.60

5.1.3.1. Trading data at BSE

a. The Weekly High and Low of the closing prices of the Equity Shares of SRMC at BSE during the 26 Weeks preceding 28.06.2006, the date of the Board meeting which authorized the Preferential allotment is as under:

(Price Rs.)

Week Nos.	Week ended	High	Low	Average	Volume
1	3-Jan-06	22.70	21.50	22.10	4086
2	10-Jan-06	22.80	21.90	22.35	500
3	17-Jan-06	21.70	20.45	21.08	3307
4	24-Jan-06	20.10	20.00	20.05	450
5	31-Jan-06	23.65	21.00	22.33	4350
6	7-Feb-06	23.80	22.00	22.90	5780
7	14-Feb-06	22.90	21.10	22.00	1488
8	21-Feb-06	21.40	19.50	20.45	345
9	28-Feb-06	19.00	17.20	18.10	4187
10	7-Mar-06	17.30	16.40	16.85	1684
11	14-Mar-06	19.00	17.25	18.13	23664
12	21-Mar-06	19.40	18.05	18.73	4398
13	28-Mar-06	17.90	16.25	17.08	31810
14	4-Apr-06	21.60	18.75	20.18	1384
15	11-Apr-06	23.75	22.60	23.18	3175
16	18-Apr-06	24.65	23.10	23.88	1160
17	25-Apr-06	23.50	22.35	22.93	1895
18	2-May-06	23.45	22.30	22.88	10673
19	9-May-06	23.00	20.00	21.50	7476
20	16-May-06	21.00	20.95	20.98	2122
21	23-May-06	21.00	18.50	19.75	4750
22	30-May-06	19.40	18.50	18.95	450
23	6-Jun-06	18.00	18.00	18.00	450

24	13-Jun-06	19.80	18.90	19.35	1500
25	20-Jun-06	19.80	19.00	19.40	1300
26	27-Jun-06	18.55	17.65	18.10	6600
Total		**549.15**	**513.20**	**531.18**	**128984**
Average Price			**20.4298**	**20.43**	

b. The daily High and Low of the Prices of SRMC at BSE in the two Weeks preceding 28.06.2006, the date of the Board which authorized the Preferential allotment is as under:

(Price in Rs)

No.	Date	High	Low	Average	Volume
1	14-Jun-06	19.80	19.80	19.80	500
2	15-Jun-06	19.00	19.00	19.00	300
3	16-Jun-06	19.50	19.50	19.50	500
4	19-Jun-06	NO TRADING			
5	20-Jun-06	NO TRADING			
6	21-Jun-06	NO TRADING			
7	22-Jun-06	NO TRADING			
8	23-Jun-06	19.00	18.55	18.78	900
9	26-Jun-06	18.75	17.65	18.20	2500
10	27-Jun-06	18.50	18.40	18.45	3200
	Total	**114.55**	**112.90**	**113.73**	**7900**
	Average		**18.9542**	**18.95**	

The trading data have been taken from BSE's official quotation, from its website: www.bseindia.com

5.1.4. This is not an indirect acquisition/control.

5.1.5 **Non Compete Fee:** There is no non-compete agreement for payment to any person.

5.1.6 The Offer price is justified in terms of Regulation 20 (11) of the Regulations. In the opinion of the Manager to the Offer and the Acquirers, the Offer price is justified. The Offer price of Rs. 20.60 per fully paid Equity Share is more than the average of the weekly high and low of the closing prices as quoted at BSE, during the 26 weeks preceding date on which the Board of Directors of SRMC approved calling an EGM of members to consider the preferential allotment and also higher than the average of the daily high and low of the quoted prices at BSE during the 2 weeks preceding the date of the Board Resolution which authorized the preferential allotment and is equal to the price at which Equity Shares are being allotted to the Acquirers upon exercise of the Warrants allotted on preferential allotment basis.

5.1.7 In the event of any further Acquisition by the Acquirers/promoter group Shareholders of SRMC, any time till Monday, March 31, 2008 and in the event of such acquisition price being higher than the price offered under this Offer, the Offer price will be revised upwardly to ensure that the price offered under this Offer is not less than the highest price paid for any such acquisitions. Any such upward revision will be notified through an announcement in all dailies where the original Public Announcement was made. The last date for any upward revision is Monday, March 31, 2008.

5.2 Financial Arrangements:

5.2.1 Assuming full acceptance, the total funds requirements to meet this Offer is Rs. 2,93,27,520/- (Rupees Two crores ninety three lacs twenty seven thousand five hundred and twenty only).

5.2.2 In accordance with Regulation 28 of the SEBI (SAST) Regulations, the Acquirers have created an

Escrow Account in the form of Deposit for Rs. 73.50 Lacs (Rupees Seventy three lacs fifty thousand only), which is more than 25 % of the total consideration payable under the Offer, with The South Indian Bank Ltd., Industrial Finance Branch, 1084, Trichy Road, Coimbatore 641 018 on 24-01-2008 and lien has been marked on the said account in favour of Fedex Securities Ltd., Manager to the Offer.

5.2.3 The Acquirers have authorized Fedex Securities Ltd., Managers to the Offer to realize the value of the Escrow Account in terms of the Regulations.

5.2.4 The Acquirers have adequate resources to meet the financial requirements of the Offer. The funds requirements will be met from own sources/Net Worth and no borrowings from Banks/ FIs or Foreign sources such as NRIs or otherwise is envisaged. The Acquirers hereby declare and confirm that they have adequate and firm financial resources to fulfill the obligations under the Offer.

5.2.5 As per Certificates dated 25-01-2008 from Sri K Chandrasekaran, (Membership No. 22011), Chartered Accountant, Kovai Tower, 2nd Floor, 44-A, Balasundaram Road, Coimbatore 641018 (Tel.Nos. (0422) 2248575, Fax No. (0422) 2248595, Email ID: krishchand@dataone.in) the Net worth of the Acquirers as on 31.03.2007 are as follows:

Name	**Address**	**Net worth (Rs in Lacs)**
R Doraiswami	New No.11 (Old No.6) Nethaji Road, Pappanaickenpalayam, Coimbatore 641 037	141.36
D Ranganayaki	-do-	46.87
D Lakshminarayanaswamy	New No.15 (Old No.7) Nethaji Road, Pappanaickenpalayam, Coimbatore 641 037	146.75
L Nagaswarna	-do-	219.61
L Suhasini	-do-	362.21
L Swathy	-do-	253.33

5.2.6 Sri. K. Chandrasekaran (Membership No. 22011), Chartered Accountant, Kovai Tower, 2nd Floor, 44-A, Balasundaram Road, Coimbatore 641 018 (Tel. Nos. (0422) 2248575, Fax No (0422) 2248595, E Mail ID:krishchand@dataone.in) has, vide his Certificate dated 25-01-2008, has certified that the Acquirers have adequate liquid resources to meet the funds requirements of the Offer. The liquid resources available with the Acquirers are Cash and Bank balance Rs. 5.49 Lacs, Investments in Mutual Funds, Shares and Bonds Rs. 275.37 Lacs, Company Deposits Rs. 671.03 Lacs and Balance held in Current Accounts Rs. 198.89 Lacs. Thus the aggregate liquid resources is Rs. 1150.78 Lacs. The break up of liquid resources is given hereunder:

(Rs. In Lacs)

Name	Cash and Bank balances	Mutual Funds, Shares and Bonds	Company Deposits	Balance in Current Accounts	Total
R Doraiswami	0.82	26.10	83.54	78.21	188.67
D Ranganayaki	0.22	19.09	73.62	4.29	97.22
D Lakshminarayanaswamy	0.85	31.96	140.99	39.35	213.15
L Nagaswarna	0.92	41.53	133.67	18.50	194.62
L Suhasini	1.84	76.67	128.70	37.19	244.40
L Swathy	0.84	80.02	110.51	21.35	212.72
Total	**5.49**	**275.37**	**671.03**	**198.89**	**1150.78**

5.2.7 Fedex Securities Limited, Manager to the Offer certify and confirm that firm arrangements for funds and money for payment through verifiable means are in place to fulfill the Offer obligations.

6. TERMS AND CONDITIONS OF THE OFFER

6.1

a. This Offer will open on Friday, March 21, 2008 and will close on Wednesday, April 9, 2008. The Equity Shares offered under this Offer should be free from all liens, charges, equitable interests, encumbrances and are to be offered together with all rights of dividends, bonuses or rights from now on and hereafter.

b. This is not a conditional Offer and there is no stipulation as to the minimum level of acceptance.

c. The Specified date for this Offer is Friday , February 22, 2008.

d. Specified date is only for the purpose of determining the names of the Shareholders as on such date, to whom the Letter of Offer would be sent and all owners (registered or unregistered) of Shares of SRMC anytime before the closure of the Offer, are eligible to participate in the Offer.

e. SRMC has signed agreements with NSDL and CDSL for offering Shares in dematerialized form. The ISIN Number is INE306D01017.

f. The Marketable lot for the Shares of SRMC for the purpose of this Offer shall be 1 (one only).

6.2 **Locked in Shares:** There are no Shares, which are subject to lock in, as on date of PA. 10, 00,000 shares allotted to L. Nagaswarna, L.Suhasini and L. Swathy on exercise of Warrants are subject to lock in upto 06.08.2009.

6.3. Eligibility for accepting the Offer

6.3.1 The Letter of Offer shall be mailed to all Equity Shareholders/beneficial owners holding Equity Shares in dematerialized form (except the Acquirers and other promoter group Shareholders of SRMC) whose names appear in register of Target Company as on Friday, February 22, 2008, the Specified Date.

6.3.2 This Offer is also open to persons who own Equity Shares in SRMC but are not registered Shareholders as on the “Specified date”.

6.3.3 All Equity Shareholders/Beneficial owners holding Equity Shares in dematerialized form (except the Acquirers, present promoters/promoter group shareholders of SRMC) who own Equity Shares of Target Company anytime before the closure of the Offer are eligible to participate in the Offer.

6.3.4 The Form of acceptance and other documents required to be submitted herewith, will be accepted by the Registrar to the Offer, M/s. SKDC Consultants Ltd, No. 11, S N Layout, Street No.1, Tatabad, Coimbatore 641 012 (Tel. No. (0422) 6549995, Fax No. (0422) 2499574, E Mail ID: info@skdc-consultants.com) (Contact Person: Sri. K. Jayakumar)between 10 a.m. to 4 p.m. on working days and between 10. a.m. to 2 p.m. on Saturdays, during the period the Offer is open.

6.3.5 The Public Announcement, Letter of Offer, the Form of Acceptance and Form of Withdrawal will also be available at SEBI’s website: www.sebi.gov.in. In case of non-receipt of Letter of Offer, all Shareholders including unregistered Shareholders, if they so desire, may download the Letter of Offer, the Form of Acceptance or Form of Withdrawal from the SEBI website for applying in the Offer or to withdraw from the Offer.

6.3.6 Unregistered Equity Shareholders who have sent the Share Certificates for transfer to SRMC/its Share Transfer Agent and not received them back or hold Shares of SRMC without being submitted for transfer or those who hold in Street Name shall also be eligible to participate in this Offer.

6.3.7 Unregistered owners and those who hold Shares in Street Name can send their application in writing to the Registrar to the Offer on a plain paper stating the name, address, number of shares held, number of shares offered, distinctive numbers, folio numbers together with the original share certificate(s) valid transfer deeds and the original contract notes issued by the SEBI Registered Broker through whom they acquired their shares. No indemnity is required from the unregistered owners.

6.3.8 Unregistered Equity Shareholders and those who apply in plain paper will not be required to provide any Indemnity.

6.3.9 Unregistered Shareholders may follow the same procedure mentioned above for registered Shareholders. Please also note 6.3.7 above.

6.3.10 The acceptance of this Offer by the Equity Shareholders of SRMC must be absolute and unqualified. Any acceptance to this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

6.3.11 The acceptance of this Offer is entirely at the discretion of the Equity Shareholders of SRMC.

6.3.12 The Acquirers, Manager to the Offer or Registrar to the Offer accept no responsibility for any loss of Equity Share Certificates, Offer Acceptance Forms etc. during transit and the Equity Shareholders of SRMC are advised to adequately safeguard their interest in this regard.

6.3.13 The acceptance of Shares tendered in the Offer will be made by the Acquirers in consultation with the Manager to the Offer.

6.3.14 The instructions, authorizations and provisions contained in the Form of Acceptance and Form of Withdrawal constitute part of the terms of the Offer.

6.3.15 The Manager to the Offer shall submit a final report to SEBI within 45 days of closure of the Offer in accordance with Regulation 24 (7) of the Regulations.

6.3.16 For any assistance please contact Fedex Securities Limited, Manager to the Offer or the Acquirers or the Registrar to the Offer.

6.4 **Statutory Approvals :**

6.4.1 As on the date of this Letter of Offer, no approvals are required to acquire the Equity Shares that are tendered pursuant to the Offer. However, the Offer would be subject to all statutory approvals that may become applicable at a later date.

6.4.2 Barring unforeseen circumstances, the Acquirers would endeavour to obtain all approvals within 15 days from the date of closure of the Offer. In terms of Regulation 22(12) of the Regulations, in the case of non-receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment, subject to, the Acquirers agreeing to pay interest to the Shareholders for delay beyond 15 days from date of closure of the Offer.

6.4.3 In case the Acquirers fail to obtain requisite statutory approval in time, on account of any willful default or neglect or inaction or no-action, then action in terms of Regulation 22(13) will be initiated by SEBI.

6.4.4 No approval is required to be obtained from Banks/Financial Institutions for the Offer.

7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT

ACCEPTANCE OF THE OFFER

7.1.1 Name and Address of the persons (Registrars to the Offer) to whom the Equity Shares along with documents required to be submitted therewith, should be sent including name of the contact person, telephone no., fax no. etc.

Registrars to the Offer	Working days and timings	Mode of delivery
SKDC Consultants Ltd No. 11, S N Layout, Street No.1 Tatabad, Coimbatore 641 012 Tel. No. (0422) 6549995 Fax No. (0422) 2499574 E Mail ID: info@skdc-consultants.com **Contact Person: Sri. K. Jayakumar**	**Monday to Friday** 10.00 A. M to 4.00 P.M. **Saturday** 10.00 A M to 2.00 P M	By Post/Courier/ Hand delivery

7.1.2 Share holders holding Equity Shares in physical form and wishing to tender their Equity Shares will be required to send their form of acceptance, original Share certificates and transfer deeds to the Registrar to the Offer: SKDC Consultants Ltd, No. 11, S N Layout, Street No.1, Tatabad, Coimbatore 641 012 (Tel. No. (0422) 6549995, Fax No. (0422) 2499574, E Mail ID: info@skdc-consultants.com) (Contact Person: Sri. K. Jayakumar)either by hand delivery or by Registered Post, to reach them on or before the closure of the Offer, i.e. Wednesday , April 9, 2008 in accordance with the instructions specified in this Letter of Offer and in the Form of Acceptance.

7.1.3 Beneficial owners (holders of Equity Shares in Dematerialized Form) who wish to tender their Equity Shares will be required to send their Form of Acceptance-cum-acknowledgement along with a photocopy of the delivery instructions in “Off –market” mode or counterfoil of the delivery instruction in “Off –market” mode, duly acknowledged by the Depository Participant (DP) in favour of the Special Depository Account opened by the Registrar to the Offer, in accordance with instructions specified in this Letter of Offer and in the Form of Acceptance-cum-acknowledgement. The details of the Special Depository Account is given below:

DP Name	COIMBATORE CAPITAL LTD
DP ID	IN300175
Client Name	SKDC CONSULTANTS LTD SRMC OPEN OFFER
Client ID	10591520

7.1.4 Shareholders having their beneficiary account in Central Depository Service (India) Limited (CDSL) must use the inter depository delivery instruction slip for the purpose of crediting their shares in favour of the Special Depository Account with NSDL.

7.1.5 The Acceptance Form along with Share Certificates/copy of delivery instruction to DP and other relevant documents shall be sent to the Registrars only. The same shall not be sent to the Acquirers, Target Company or Manager to the Offer.

7.2. Procedure for acceptance of the Offer by unregistered Shareholders/owners of Shares who have sent them for transfer or those who did not receive the Letter of Offer

7.2.1. Accidental omission to despatch the Letter of Offer to any person will not invalidate the Offer in any way.

7.2.2 In case of non-receipt of the letter of Offer, the eligible person(s), holding Equity Shares of SRMC in physical form, may send his/her/their consent on plain paper stating the name, address, number of Shares held, distinctive numbers, certificate numbers and the number of Equity Shares offered along with the Share certificates, duly signed transfer forms and other required documents to the Registrar to the Offer so as to reach them on or before the date of closure of the Offer.

7.2.3 In case of non receipt of the Letter of Offer, beneficial owners holding Equity Shares in dematerialized form, may send their applications in writing to The Registrar to the Offer, on a plain paper stating the name, address, number of Shares held, number of Shares offered, DP name, DP ID, beneficiary account number and photocopy of the delivery instruction in “Off-market”, or counterfoil of the delivery instruction in “Off-market” mode, duly acknowledged by the DP, in favour of the Special Depository account, so as to reach the Registrar to the Offer on or before the date of closure of the Offer.

7.2.4 In case the Share Certificate(s) and Transfer Deeds are lodged with SRMC/its Share Transfer Agent for transfer and have not been received back, then the acceptance shall be accompanied by (i) The Share Transfer Deed(s) and (ii) The acknowledgement of the lodgment with, or receipt issued by SRMC/its Share Transfer Agent, for the Share Certificate(s) so lodged. Where the Transfer Deeds are signed by a constituted Attorney, a certified copy of the Power of Attorney shall also be lodged. In the case of body corporate/limited Companies, certified copy of Memorandum & Articles of Association shall also be sent.

Unregistered owners holding Equity Shares in physical Form should enclose

a. Form of Acceptance-cum-acknowledgement duly completed and signed in accordance with instructions contained therein, by all Shareholders whose names appear on the Share certificates.

b. Original Share Certificates.

c. Original broker contract note of a registered broker of a recognized Stock Exchange

d. Valid Share transfer form as received from the market. The details of the buyer should be left blank. If the details of buyer are filled in, the tender will not be valid under the Offer. All other requirements for valid transfer will be pre-conditions for acceptance.

7.3 The Acquirers shall accept all valid fully paid up Shares tendered (except those which are withdrawn, within the date specified for withdrawal).

7.4 If the number of Equity Shares offered by the Shareholders are more than the Offer size, then the acquisition from each Shareholder will be as per Regulation 21 (6) of the SEBI (SAST) Regulations, on proportionate basis.

7.5 Consideration for Equity Shares accepted will be paid by Crossed Account Payee Cheque drawn at Coimbatore and sent by Registered Post/Under Certificate of Posting.

7.6 The Equity Shares Certificate(s) and the transfer form (s) or Shares transferred to the Special Depository Account together with the Acceptance Form submitted by the acceptors of the Offer, will be held by the Registrars in trust for the acceptors of the Offer until the Acquirers pays the Offer Price.

7.8 In terms of Regulation 22(12) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997, in case of non receipt of statutory approvals, SEBI has the power to grant extension of time beyond 15 days from the date of closure of offer, for the purpose of making payment, subject to, the Acquirers agreeing to pay interest to the Shareholders for delay beyond 15 days from date of closure of the Offer.

7.9 In case of acceptance on proportionate basis/or rejection for any reason, the unaccepted Share Certificates, Transfer deeds and other documents, if any, will be returned by Registered Post at the Share holder's / unregistered holder's sole risk as per the details furnished in the form of acceptance-cum-acknowledgement. Shares held in demat form to the extent not accepted will be returned to the beneficial owner to the credit of the beneficial owner's DP Account with the respective DP as per the details furnished by the beneficial owner in the form of acceptance cum acknowledgement.

7.10 Shareholders who are desirous of withdrawing their acceptances tendered in the Offer can do so upto three working days prior to the date of closure of the Offer, in terms of Regulation 22(5A).

7.11 The Withdrawal option can be exercised by submitting the Form of Withdrawal attached to the Letter of Offer duly filled in, with relevant particulars, so as to reach the Registrar to the Offer on or before Friday, April 4, 2008.

7.12 The Withdrawal option can also be exercised by making an application on plain paper along with the following details:

a. Name, Address, Distinctive numbers, Folio nos., No. of Shares tendered/ withdrawn, if held in physical form

b. Name, Address, DP Name, DP ID, Beneficiary Account/Client ID No. of the Account from where Shares were tendered, photocopy of the delivery instruction in " Off Market Mode" duly acknowledged by the DP in favour of the Special Depository Account in the name of Registrar and number of Shares tendered /withdrawn.

7.13. The Shares withdrawn by Shareholders, which are in physical form will be returned by Registered Post. Shares tendered in dematerialized form and withdrawn will be returned by credit to the beneficial owner's DP Account with the respective DP as per the details furnished by the beneficial owner in the form of acceptance cum acknowledgement.

7.14 SETTLEMENT/ PAYMENT OF CONSIDERATION

7.14.1 The Acquirers shall arrange to pay the consideration on or before Thursday, April 24, 2008. Payment will be made to the person named by the acceptors in the relevant box in the Acceptance Form by "Account Payee" crossed Cheque payable at Coimbatore as indicated in the form of acceptance. If no such details are filled in by the acceptor(s), then the same will be sent by registered post/ certificate of posting to the Sole/ First holder at their registered address at the Equity Share holder's own risk. Tax at applicable rate(s) will be deducted, in those cases where Tax Deduction at Source (TDS) is applicable.

7.14.2 Consideration for Equity Shares accepted will be paid by Cheque crossed "Account Payee" and drawn at Coimbatore. Payment Cheques upto Rs. 1,500/- will be sent by Certificate of Posting and for amount of Rs.1,500/- and above by Registered Post.

7.14.3 In terms of Regulation 22(12) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations 1997, in the case of non receipt of statutory approvals, SEBI has the power to grant extension of time for the purpose of making payment subject to the Acquirers agreeing to pay interest to the Shareholders for delay beyond the last date mentioned for payment of consideration.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at New No. 15 (Old No.7), Nethaji Road, Pappanaickenpalayam, Coimbatore 641 037, Tamil Nadu State , the place of residence of Sri. D Lakshminarayanaswamy, one of the Acquirers. The documents can be inspected during normal business hours (10.00 A.M. to 5.00 P.M.) on all working days (except Saturdays and Sundays) during the period from the date of this Letter of Offer, till date of closure of the Offer.

1. Certificates dated 25-01-2008 from Sri. K. Chandrasekaran (Membership No. 22011), Chartered Accountant, Kovai Tower, 2nd Floor, 44-A, Balasundaram Road, Coimbatore 641 018 certifying the Net worth of the Acquirers as on 31.3.2007 .
2. Certificate dated 25-01-2008 from Sri. K. Chandrasekaran (Membership No. 22011), Chartered Accountant, Kovai Tower, 2nd Floor, 44-A, Balasundaram Road, Coimbatore 641 018 certifying that the Acquirers have adequate liquid resources to meet the funds requirements of the Offer.
3. Published Audited accounts of SRMC for the years 2004 –2005, 2005-2006 & 2006-07 .
4. Certified financials of SRMC for the 6 months ended 30.09.2007
5. Copy of Fixed Deposit Receipt No. 0310100000000421 dated January 24, 2008 for Rs. 73.50 Lacs in the name of Sri. D Lakshminarayanaswamy & Fedex Securities Ltd being Escrow Account and letter dated 24th January 2008 from The South Indian Bank Ltd , Industrial Finance Branch, Coimbatore certifying that lien has been noted in favour of Fedex Securities Limited, Manager to the Offer.
6. Published Copies of the Public Announcement made in Newspapers on 30th January 2008.
7. Copy of Board Resolution dated June 28, 2006, adopted by Board of Directors of SRMC for convening EGM of members to consider preferential allotment of Warrants .
8. Copy of Special Resolution adopted by members of SRMC in EGM held on July 25, 2006 approving the preferential allotment.
9. Copy of Board Resolution dated August 7, 2006, making allotment of Warrants on preferential allotment basis.
10. Copy of Board Resolution dated 5th February 2008, making allotment of Shares upon conversion /exercise of Warrants allotted on a preferential allotment basis.
11. Copy of “ In principle” approval dated July 31, 2006 from BSE for the Shares, arising out of conversion of Warrants allotted on a preferential allotment basis.
12. Copy of application dated February 16, 2008, made to The Bombay Stock Exchange Ltd, for final listing approval for 31,35,000 Equity Shares allotted on 05.02.2008
13. Certified Copies of Certificate of Incorporation and Certificate for Commencement of Business of SRMC, the Target Company.
14. Copy of MOU dated January 25, 2008 between the Acquirers and Manager to the Offer.
15. Copy of MOU dated January 18, 2008 between the Acquirers and Registrar to the Offer
16. Copy of Letter dated 29th January 2008 addressed to SKDC Consultants Ltd by Coimbatore Capital Ltd confirming opening the Special Depository Account.
17. Due Diligence letter dated February 7, 2008 submitted to SEBI by Fedex Securities Ltd., Manager to the Offer.
18. SEBI Observation letter No. CFD/DCR/TO/SA/118304/08 dated February 26, 2008.

9. DECLARATION

The Acquirers jointly and severally accept full responsibility for the information contained in this Letter of Offer and Form of Acceptance. All information contained in this document is as on the date of the Public Announcement, unless stated otherwise.

The Acquirers shall be responsible for ensuring compliance of the Regulations.

The Acquirers

Shri. R Doraiswami	**Smt. D Ranganayaki**	**Sri. D Lakshminarayanaswamy**
Smt. L Nagaswarna	**Smt. L Suhasini**	**Smt. L Swathy**

Place : Coimbatore

Date : February 28, 2008

Encl.:

1. Form of Acceptance cum Acknowledgement
2. Form of Withdrawal
3. Share Transfer Form

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FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrars to the Offer)

Offer opens on	Friday, March 21, 2008
Offer closes on	Wednesday, April 9, 2008

From:

Unique identification No. under MAPIN, if applicable ____________

To

SKDC Consultants Ltd
No. 11, S N Layout, Street No.1
Tatabad, Coimbatore 641 012
Tel. No. (0422) 6549995, Fax No. (0422) 2499574
E Mail ID: info@skdc-consultants.com
Contact Person: Sri. K Jayakumar

Dear Sir,

Sub: Open Offer to acquire 14,23,666 Equity Shares representing 20.00 % of the Issued, Subscribed , paid up and voting Equity Capital of Sri Ramakrishna Mills (Coimbatore) Limited

by

Sri. D Lakshminarayanswamy & Others

I/We refer to the Letter of Offer dated February 28,2008 for acquiring the Equity Shares held by me/us in Sri Ramakrishna Mills (Coimbatore) Limited.

I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein. I/We, hold Shares in the physical form, accept the offer and enclose the original Share certificate(s) and duly signed transfer deed(s) in respect of my/our Shares as detailed below:

I/We, the undersigned have read the Letter of Offer and understood its contents including the terms and conditions as mentioned therein. I/We, hold Equity Shares of Sri Ramakrishna Mills (Coimbatore) Limited in physical form, accept the offer and enclose the original Share certificate(s) and duly signed transfer deed(s) in respect of my/our Shares as detailed below:

(In the case of Shares in Physical Form)

Sl. No	Ledger Folio No.	No. of Shares	Share Certificate Nos.	No. of Share Certificates	Distinctive Numbers	
					From	To

(In case of insufficient space, please attach a separate sheet.)

I/We confirm that the Equity Shares of Sri Ramakrishna Mills (Coimbatore) Limited which are being tendered herewith by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.

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

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Acknowledgement Receipt

Received from Mr./Ms./M/s ____________________________ Form of acceptance cum acknowledgement in connection with open offer to Shareholders of Sri Ramakrishna Mills (Coimbatore) Limited.

Ledger Folio No. ____________ No. of Share Certificates /Copy of Delivery instructions to DP for ____________ Shares of Sri Ramakrishna Mills (Coimbatore) Limited.

Stamp of Registrar	In case of physical Shares, verify the number of Share certificates / number of Shares
	In case of dematerialized Shares, ensure that copy of the delivery instruction to the DP and duly acknowledged by the DP is submitted with the tender / offer form.

I/We hold the following Equity Shares of Sri Ramakrishna Mills (Coimbatore) Limited in Dematerialized Form and accept the Offer and enclose a photocopy of the Depository Delivery instruction(s) in case of NSDL and Inter Depository Delivery Instructions(s) in case of CDSL Account duly acknowledged by DP in respect of my/our Equity Shares, details of which are given below:

Sl. No	DP Name.	DP ID	Client ID	Name of beneficiary	No. of Shares

I/We have done an Off market transaction for crediting the Shares to the Special Depository Account noted below:

DP Name	COIMBATORE CAPITAL LTD
DP ID	IN300175
Client Name	SKDC CONSULTANTS LTD SRMC OPEN OFFER
Client ID	10591520

I/We note and understand that the Shares transferred to the above Special Depository Account will be held in trust for me/us by the Registrars to the Offer until the time the Acquirers makes payment of the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the consideration only after verification of the documents and signatures.

I/We confirm that the Equity Shares of Sri Ramakrishna Mills (Coimbatore) Limited which are transferred by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.

I/We authorize the Acquirers to accept the Shares so offered which they may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/We further authorize the Acquirers to return to me/us, Equity Share certificate(s) in respect of which the offer is not found valid /not accepted, specifying the reasons thereof. I/We authorize the Acquirers or the Manager to the Offer or the Registrars to the Offer to send by registered post/under certificate of posting, the Cheque, in settlement of the amount to the sole/first holder at the address mentioned below:

The permanent Account No. (PAN/GIR No.) Allotted under the Income Tax Act 1961 is as under

	PAN / GIR No.
1st Shareholder	
2nd Shareholder	
3rd Shareholder	
4th Shareholder	

Yours faithfully

Signed and delivered

	Full Name	Holder's Signature
Sole / First Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		
Joint Holder 4		

Place : ____________________

Date : ____________________

So as to avoid fraudulent encashment in transit, the applicants are requested to provide details of Bank account of the sole/first Shareholder and the consideration Cheque will be drawn accordingly.

Name of the Bank	
Full address of the Branch	
Nature of Account	
Account Number	

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Note : All future correspondence, if any, should be addressed to the Registrars to the Offer, at the following address:

SKDC Consultants Ltd

No. 11, S N Layout, Street No.1
Tatabad, Coimbatore 641 012
Tel. No. (0422) 6549995, Fax No. (0422) 2499574
E Mail ID: info@skdc-consultants.com
Contact Person: Sri. K Jayakumar

FORM OF WITHDRAWAL

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

(Please send this Form with enclosures to the Registrars to the Offer)

Offer opens on	Friday, March 21, 2008
Offer closes on	Wednesday, April 9, 2008

From:

Unique identification No. under MAPIN, if applicable ____________

To

SKDC Consultants Ltd
No. 11, S N Layout, Street No.1
Tatabad, Coimbatore 641 012
Tel. No. (0422) 6549995, Fax No. (0422) 2499574
E Mail ID: info@skdc-consultants.com
Contact Person: Sri. K Jayakumar

Dear Sir,

Sub: Open Offer to acquire 14,23,666 Equity Shares representing 20.00 % of the Issued, Subscribed , paid up and voting Equity Capital of Sri Ramakrishna Mills (Coimbatore) Limited

by

Sri. D Lakshminarayanswamy & Others

I/We refer to the Letter of Offer dated February 28, 2008 for acquiring the Equity Shares held by me/us in Sri Ramakrishna Mills (Coimbatore) Limited

I/We, hereby consent to unconditionally and irrevocably to withdraw my/our Shares from the Offer and I/We further authorize the Acquirers to return to me/us, the tendered Equity Shares at my/our sole risk.

I/We note that upon withdrawal of my/our Shares from the Offer, no claim or liability shall lie against the Acquirers/ Manager to the Offer/Registrar to the Offer.

I/We note that the Acquirers/Manager to the Offer/Registrar to the Offer shall not be liable for any postal delay /loss in transit of the Share Certificate(s) due to incomplete or inaccurate particulars.

I/We also note and understand that the Acquirers will return the original Share Certificate(s) , Share Transfer Deed(s) or credit back the Shares to my/our Beneficiary Account for Shares held in dematerialized form, only on completion of verification of the documents .

The particulars of Share Certificate(s) tendered and duly signed Transfer Deeds which are wished to be withdrawn from the Offer are as given below:

(In the case of Shares in physical form)

Sl. No	Ledger Folio No.	No. of Shares	Share Certificate Nos.	No. of Share Certificates	Distinctive Numbers	
					From	To

(In case of insufficient space, please attach a separate sheet.)

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Acknowledgement Receipt

Received from Mr./Ms./M/s ____________________________________ Form of withdrawal.

Ledger Folio No. ______________ No. of Share Certificates /photocopy of delivery instructions to DP for ______________ Shares of Sri Ramakrishna Mills (Coimbatore) Limited

Stamp of Registrar	In case of physical Shares, verify the number of Share certificates / number of Shares	In case of dematerialized Shares, ensure that copy of the delivery instruction to the DP is submitted with the withdrawal form

The particulars of Shares held in Dematerialized Form, which were transferred to Special Depository account noted below

DP Name	COIMBATORE CAPITAL LTD
DP ID	IN300175
Client Name	SKDC CONSULTANTS LTD SRMC OPEN OFFER
Client ID	10591520

The Shares proposed to be withdrawn are as follows. I wish to withdraw the under noted Shares so transferred.

Sl. No DP Name.	DP ID	Client ID	Name of beneficiary	No. of Shares

(In case of insufficient space, please attach a separate sheet.)

I/We confirm that the Equity Shares of Sri Ramakrishna Mills (Coimbatore) Limited, which were tendered by me/us under this offer, are free from liens, charges and encumbrances of any kind whatsoever.

Please find a photocopy of the Delivery instructions duly acknowledged by the DP.

I/We confirm that the particulars given above are true and correct.

Yours faithfully

Signed and delivered

	Full Name	Holder's Signature
Sole / First Holder		
Joint Holder 1		
Joint Holder 2		
Joint Holder 3		
Joint Holder 4		

Place : ____________________

Date : ____________________

Tear Here

Note : All future correspondence, if any, should be addressed to the Registrars to the Offer, at the following address:

SKDC Consultants Ltd

No. 11, S N Layout, Street No.1
Tatabad, Coimbatore 641 012
Tel. No. (0422) 6549995, Fax No. (0422) 2499574
E Mail ID: info@skdc-consultants.com
Contact Person: Sri. K Jayakumar