PUBLIC ANNOUNCEMENT TO THE SHAREHOLDERS OF SHREE RAMA MULTI-TECH LIMITED

Registered Office: Ram Nivas - 1, Khanpur, Ahmedabad - 380 001, Gujarat.

This Public Announcement ("PA") is being issued by LKP Shares And Securities Ltd. (hereinafter referred to as the "Manager to the Offer") for and on behalf of Nirma Chemical Works Ltd. and Nirma Industries Ltd. (hereinafter jointly referred to as the "Acquirers" or "Pledgee-Acquirers") pursuant to Regulation 10 and in compliance with Securities and Exchange Board of India (Substantial Acquisition of Shares And Takeovers) Regulations, 1997 and subsequent amendments thereto (hereinafter referred to as "the Regulations").

1. Background to the Offer :

1.1 In terms of three Deeds of Pledge executed at Ahmedabad on 22nd day of March 2002, the Promoter Group (including friends, relatives and associates who are collectively referred to in this PA as "Pledger Sellers") of Shree Rama Multi-Tech Ltd. (hereinafter called "SRMTL" or "Target Company" or the "Company") have pledged a total of 142,88,700 equity shares of SRMTL (hereinafter called "Pledged Shares") in favour of Nirma Industries Ltd. (hereinafter called "NIL"), a Company incorporated under the Companies Act, 1956, having its Registered Office at Nirma House, Ashram Road, Ahmedabad - 380 009, as security for Secured Redeemable Optionally Fully Convertible Premium Notes, issued for an issue price of Rs. 1 lac each, having a nominal value of Rs. 1.35 lac each (hereinafter referred to as "Premium Notes"), issued by 3 closely held un-listed companies (hereinafter referred to as "Issuer Companies") in terms of Subscription Agreements dated 22nd March, 2002.

1.2 At present, NIL holds 1264 Premium Notes while Nirma Chemical Works Ltd. (hereinafter called "NCWL"), a Company incorporated under the Companies Act, 1956, having its Registered Office at Nirma House, Ashram Road, Ahmedabad-380 009, holds 3630 Premium Notes.

1.3 Important terms of the Subscription Agreements entered into by the Issuer Companies with NIL are :

1.3.1 The said Premium Notes are transferable.

1.3.2 The said Premium Notes shall be redeemed upon the expiry of 60 months from the date of allotment at a nominal value of Rs. 1.35 lac each.

1.3.3 The respective Issuer Company has the option to "call" the Premium Notes at the end of 4th year i.e. 24th March, 2006 from the date of allotment. The Subscribers/ Holders also have the option to "put" the Premium Notes at the end of 4th year i.e. 24th March, 2006 from the date of allotment.

1.3.4 The respective Issuer Company has agreed that it shall pledge the equity shares of SRMTL and other closely held companies, as held by various holders in favour of the Subscribers till the redemption of the said Premium Notes.

1.3.5 The holders of aforesaid shares of SRMTL have consented and agreed to pledge their all rights in shares as security for due redemption and full discharge of the Premium Notes.

1.3.6 The pledged shares shall remain as security with the Subscribers / Holders until the happening of one or more events of default, upon the happening of which, the security constituted shall become enforceable and upon the happening of any such event, the Subscribers may in its / their discretion sell, transfer, assign, part with the same without being responsible for any losses which may be occasioned thereby.

1.3.7 In case of default mentioned under the clause for "events of default" in the respective Subscription Agreements, the Subscribers / Holders can invoke the pledge in their respective demat account without referring the matter to the Pledgers.

1.4 The pledge of the above mentioned equity shares of SRMTL being in dematerialised form was executed in accordance with the Bye-laws of the National Securities Depository Limited and was recorded in the records of the respective Depository Participants of the pledgers and of the pledgees in May and June, 2002 as detailed in para 1.7 of this PA.

1.5 In terms of the respective Subscription Agreements, NCWL and NIL have vide their respective Notices in writing dated 10th June, 2005 notified the Issuer companies of the happening of certain events of default and called upon them to redeem the outstanding Premium Notes within 30 days from the date of the notice, failing which they shall be constrained to exercise their rights in respect of equity shares pledged by various persons and held by NIL and/or NCWL as security.

1.6 A period in excess of 30 days from the date of the Notice has elapsed. Hence, NIL and NCWL have invoked the pledge on 22nd July, 2005 in terms of the respective Subscription Agreements and Deed of Pledge mentioned above.

1.7 Consequent to the act of invocation of pledge, NIL has got transferred 1,42,88,700 fully paid equity shares of Rs. 5 each of SRMTL on 22nd July 2005, representing 24.25% of the paid up and voting capital as of 22nd July, 2005 (as explained in para 2.3 of this PA) from the Pledger Sellers. Given below are the names of Pledger Sellers, the respective shareholding of such Pledger Sellers in SRMTL which were pledged between 24th May, 2002 and 10th June, 2002 and the percentage of the issued, subscribed, paid up and voting capital of such shareholding in SRMTL ; now transferred to NIL:

Sanket Estates And Finance Pvt. Ltd, 51,49,786 - 8.74%, Shree Developers Pvt Ltd., 260,000 - 0.44%, Sejal Vikrambhai Patel, 50,000 - 0.08%, Mrudulaben Indubhai Patel, 20,000 - 0.03%, Asitbhai Natubhai Patel, 90,800 - 0.15%, Sejalben Asitbhai Patel,110,000 - 0.19%, Vikrambhai Rambhai Patel, 415,000 - 0.70%, Monaben Prakashbhai Patel, 110,000 - 0.19%, Prakashbhai Rambhai Patel, 379,000 - 0.64%, Leenaben Vikrambhai Patel, 110,000 - 0.19%, Vrundaben Maheshbhai Patel, 110,000 - 0.19%, Maheshbhai Shashikantbhai Patel, 73,000 - 0.12%, Indubhai Umedbhai Patel, 20,000 - 0.03%, Natubhai Umedbhai Patel, 20,000 - 0.03%, Vaishaliben Saurinbhai Patel, 110,000 - 0.19%, Chandrakant Chhanabhai Patel, 15,000 - 0.03%, Bhartiben Chandrakant Patel, 110,000 - 0.19%, Sushilaben Natubhai Patel, 20,000 - 0.03%, Sonalben Ankilbhai Patel, 10,000 - 0.02%, Ankilbhai Chandubhai Patel & Sonalben Ankilbhai Patel, 72,000 - 0.12%, Anuja Prakashbhai Patel, 50,000 - 0.08%, Shinali Prakashbhai Patel, 50,000 - 0.08%, Vimpsan Investment Pvt. Ltd., 62,64,114 -10.63%, Smitaben Sharadbhai Patel, 120,000 - 0.20%, Sohan Saurinbhai Patel, 100,000 - 0.17%, Sharadbhai Chhotabhai Patel, 350,000 - 0.59% and Ayaan Asitbhai Patel, 100,000 - 0.17%.

1.8 NIL has intimated the respective issuer companies on 22nd July 2005 that it has invoked the pledge of equity shares of SRMTL and has considered a price of Rs. 18.50 per share as the price at which it has got transferred the equity shares of SRMTL

2. **The Offer :**

2.1 The Acquirers are making the Offer in terms of Regulation 10 of the Regulations.

2.2 The present Offer is being made to all the shareholders of the Target Company (except the Pledgee Acquirers and the Pledger Sellers) to acquire upto 117,82,490 fully paid up equity shares of SRMTL of face value of Rs. 5 each, representing 20% of the issued, subscribed and paid up; and voting capital as of 22nd July, 2005 (as explained in para 2.3 below), in terms of Regulation 21(1) of the Regulations at a price of Rs. 18.60 per equity share ("offer price") paid in cash, in terms of Regulation 20 ("the offer") of the Regulations.

2.3 SRMTL's issued, subscribed and paid up equity capital as of 31st March, 2005 comprises of 5,29,12,450 fully paid up equity shares of Rs. 5 each, aggregating Rs. 26,45,62,250. As on 31st March, 2005, there were in existence, 155 lac warrants of Rs. 8 each, entitling the holders thereof to one equity share of Rs. 5 each at an exercise price of Rs. 8 per warrant, which right has to be exercised on or before 31st December, 2005. In the months of June & July 2005, SRMTL has allotted 60 lac equity shares of Rs. 5 each at a premium of Rs. 3 per share on account of conversion of 60 lac warrants. Hence, SRMTL's issued, subscribed and paid up capital as of 22nd July 2005, comprised of 5,89,12,450 equity shares of Rs. 5 each fully paid up, aggregating to Rs. 29,45,62,250 and hence the minimum number of shares for which this offer is made is computed on the equity capital as of 22nd July, 2005.

2.4 The Offer is not subject to any minimum level of acceptance. The Acquirers will acquire all the fully paid up equity shares of SRMTL, that are validly tendered and accepted in terms of this Offer, upto 117,82,490 fully paid up equity shares.

2.5 All shares tendered shall be free from lien, charges and encumbrances of any kind, whatsoever.

2.6 As on the date of this PA, the shareholding of the Acquirers in SRMTL (including the pledged shares transferred on 22nd July, 2005) is 172,80,119 fully paid equity shares of Rs. 5 each, representing 29.33% of the issued, subscribed and paid up and voting capital. This includes :

- 11,80,000 equity shares acquired by NIL in open market purchases on 31st August, 2004 at Rs. 6.15 per share and
- 18,11,419 equity shares acquired by NCWL in open market purchases in March, 2003.

2.7 The highest price and the average price paid by the Acquirers for acquisition of equity shares of SRMTL (including the pledged shares transferred on 22nd July, 2005) during the 12 months period prior to the date of the PA is Rs. 18.50 and Rs. 17.56 respectively.

2.8 The equity shares of SRMTL are listed on The Stock Exchange, Mumbai ("BSE"), National Stock Exchange of India Ltd. ("NSE") and The Stock Exchange, Ahmedabad ("ASE"). Based on the available information, the equity shares of SRMTL are frequently traded on the BSE and NSE and are infrequently traded on ASE, within the meaning of Explanation (i) to Regulation 20(5) of the Regulations (Source : www.bseindia.com, www.nseindia.com) .

2.9 The Acquirers have not been allotted any equity shares of SRMTL by way of allotment in a Public or Rights or Preferential Issue during the 26 week period prior to the date of this PA.

2.10 The offer price of Rs. 18.60 per equity share is determined in terms of Regulation 20(4) of the Regulations, applicable to frequently traded shares taking into account the following factors :

(a)	Negotiated price under an Agreement for purchase of shares.	Not Applicable
(b)	Highest price paid by the Acquirers for acquisition of equity shares of SRMTL including by way of allotment in a Public or Rights or Preferential Issue during the period of 26 weeks prior to the date of this PA (price at which pledged shares have got transferred as intimated to the Issuers for computation of part settlement of debt).	Rs.18.50
(c)	The average of the weekly high and low of the closing prices quoted on BSE being the Stock Exchange where the shares of SRMTL are most frequently traded during the 26 week period preceding the date of this PA.	Rs. 16.32
(d)	The average of daily high and low prices quoted on BSE being the Stock Exchange where the shares of SRMTL are most frequently traded during the 2 weeks preceding the date of this PA	Rs. 18.59

2.11 The shares of SRMTL are infrequently traded on ASE within the meaning of Explanation (i) to Regulation 20(5) of the Regulations. The financial parameters based on the audited accounts of SRMTL for the 15 month period ended 31st March, 2005 like Annualised Return on Networth, Annualised Earnings per share and Book Value are meaningless and not useful since SRMTL has incurred significant losses and its networth has been fully eroded. The P/E multiple is not applicable as EPS is negative. The P/E multiple for companies in the Packaging Industry is 16.1 (Source : Capital Market Vol. XX/10 dated July 18 - 31, 2005)

2.12 In view of the parameters considered and presented in paragraphs 2.9 to 2.11, in the opinion of the Acquirers and Managers to the Offer, the offer price of Rs. 18.60 per share being the highest of the prices mentioned above is justified in terms of Regulation 20(4) and Regulation 20(5) of the Regulations.

2.13 LKP Shares And Securities Ltd., the Manager to the Offer, does not hold any equity shares in SRMTL. They declare and undertake that they shall not deal in the shares of SRMTL during the period commencing from the date of their appointment as Manager to the Offer till the expiry of 15 days from the date of closure of the Offer.

2.14 The offer is not as a result of global acquisition resulting in indirect acquisition of SRMTL.

3. **Information on Acquirers :**

Nirma Chemical Works Ltd. :

3.1 Nirma Chemical Works Ltd. ("NCWL") was incorporated on 31st October, 1994 as Nirma Chemical Works Pvt. Ltd. and its name was changed to NCWL on 18th June, 2001. Its registered Office is at Nirma House, Ashram Road, Ahmedabad - 380 009, Tel: 079-2754 6565, Fax: 079-2754 6605. Its present business is to utilise surplus funds for making investments and to trade in shares and securities. It is not an NBFC.

3.2 The shareholding pattern of NCWL is as follows :

S.No.	Name of the Shareholder	No. of shares held	%age stake
1	Shri Ambubhai M. Patel	48,500	97.00
2	Smt. Shantaben K. Patel	250	0.50
3	Shri Hirenbhai K. Patel	250	0.50
4	Shri Rakeshbhai K. Patel	250	0.50
5	Naman Soaps & Det. Pvt. Ltd.	250	0.50
6	Nirchem Soaps & Det Pvt. Ltd.	250	0.50
7	Shri A. M. Patel	250	0.50
	Total	**50,000**	**100.00**

3.3 NCWL is not a listed company.

3.4 As per the provisional financial results for the year ended 31st March 2005, NCWL had a net worth of Rs.53,084.76 lacs with total income of Rs. 6,055.58 lacs and a loss of Rs. 332.32 lacs. NCWL reported a RONW of (0.63%) and EPS (face value Rs. 10) of Rs. (664.65) for the year ended 31st March, 2005 and Book Value per share (face value Rs. 10) of Rs. 1,06,169.52 as on 31st March, 2005.

3.5 As per the audited financial results for the year ended 31st March 2004, NCWL had a net worth of Rs. 53,417.32 lacs with total income of Rs. 1,781.45 lacs and a profit after tax of Rs. 675.60 lacs. NCWL reported a RONW of 1.26% and EPS (face value Rs. 10) of Rs. 1,351.20 for the year ended 31st March, 2004 and Book Value per share (face value Rs. 10) of Rs. 16,834.64 as on 31st March, 2004.

Nirma Industries Ltd. :

3.6 Nirma Industries Ltd. ("NIL") was incorporated on 31st December 1979 as Nirma Chemical Works Pvt. Ltd. and its name was changed to NIL on 23rd September, 1994. Its registered office is at Nirma House, Ashram Road, Ahmedabad - 380 009, Tel: 079-2754 6565, Fax: 079-2754 6605. It is engaged in agricultural produce; and trading activities of shares and securities. It is not an NBFC.

3.7 The shareholding pattern of NIL is as follows :

S.No.	Name of the Shareholder	No. of shares held	%age stake
1	Shri Karsanbhai K. Patel	18,351	98.562
2	Shri Manilal K. Patel	263	1.413
3	Smt. Shantaben K. Patel	1	0.005
4	Shri Hirenbhai K. Patel	1	0.005
5	Shri Rakeshbahi K. Patel	1	0.005
6	Smt. Keyuriben R. Patel	1	0.005
7	Smt. Rajalben H. Patel	1	0.005
	Total	**18,619**	**100.00**

3.8 NIL is not a listed company.

3.9 As per the provisional financial results for the year ended 31st March 2005, NIL had a net worth of Rs.2,847.09 lacs. Its total income for the year 2004-05 was Rs. 464.60 lacs and its profit after tax was Rs. 146.99 lacs. NIL reported a RONW of 5.16% and an EPS (face value Rs. 100) of Rs. 789.46 for the year ended 31st March, 2005 and Book Value per share (face value Rs. 100) of Rs. 15,291.32 as on 31st March, 2005.

3.10 As per the audited financial results for the year ended 31st March 2004, NIL had a net worth of Rs. 2,700.10 lacs with total income of Rs. 6,162.79 lacs and a loss of Rs. 358.93 lacs. NIL reported a RONW of (13.29)% and EPS (face value Rs. 100) of Rs. (1,927.76) for the year ended 31st March, 2004 and Book Value per share (face value Rs. 100) of Rs. 14,501.85 as on 31st March, 2004.

4. **Information on Shree Rama Multi-Tech Ltd. ("SRMTL") :**

4.1 SRMTL was incorporated as a Public Limited Company on 17th December, 1993, under the Companies Act, 1956. Its Registered Office is at Ram Nivas - 1, Khanpur, Ahmedabad - 380 001, Gujarat. Tel: 079-5503690 Fax: 079-5503645 email : srmtl@srmtl.com

4.2 SRMTL was promoted by Mr. Vikram Patel, Mr. Sharad Patel, Vimpsan Investments Pvt. Ltd. and Sanket Estates & Finance Pvt. Ltd. SRMTL manufactures and deals in plastic laminated tubes, labels / stickers and specialty packaging and plastic products used in the Fast Moving Consumer Goods Industry. The Company has manufacturing plants at Motibhoyan, Karannagar and Ambaliyara in Gujarat and one manufacturing plant in Pondicherry in South India.

4.3 The equity shares of SRMTL are listed on The Stock Exchange, Mumbai ("BSE"), National Stock Exchange ("NSE") and Ahmedabad Stock Exchange ("ASE").

4.4 As per the audited accounts for the 15 month period ended 31st March 2005, SRMTL reported a total income of Rs. 7299.40 lacs and a total expenditure of Rs. 9132.59 lacs, thereby resulting in a loss of Rs. 1833.19 lacs. Further, during the year 2004-05, the Company has written off extraordinary item and prior period adjustment thereby resulting in a total loss for the period of Rs. 27315.64 lacs. As on 31st March 2005, the company's share capital comprised of 5,29,12,450 fully paid up equity shares of Rs. 5 each, resulting in an issued, subscribed and paid up equity share capital of Rs. 2645.62 lacs; and forfeited shares (amount originally paid up) of Rs. 2.63 lacs, thereby aggregating to Rs. 2648.25 lacs. As on 31st March 2005, the company had reserves of Rs. 31476.98 lacs and brought forward losses of Rs. 37001.27 lacs, thereby resulting in excess of loss over reserves of Rs. 5524.29 lacs. Thus, the Company had a negative net worth of Rs. 2876.04 lacs, resulting in a Book Value of equity shares being negative (-) Rs.5.44 per share before considering the amount received towards outstanding preferential warrants of Rs. 504 lacs and outstanding preference shares of Rs. 666.67 lacs. The statutory provisions contained in the Sick Industrial Companies (Special Provisions) Act, 1985 requires SRMTL to make reference to the BIFR due to the erosion in net worth.

4.5 There are no partly paid shares in SRMTL.

4.6 As of 31st March 2005, the Company had 155 lac warrants of Rs. 8 each outstanding entitling the holders thereof to one equity share of Rs. 5 each at an exercise price of Rs. 8 per warrant, which right has to be exercised on or before 31st December, 2005. In the months of June & July 2005, SRMTL has allotted 60 lac equity shares of Rs. 5 each at a premium of Rs. 3 per share on account of conversion of 60 lac warrants. Thus, there were 95 lac warrants outstanding as of 22nd July, 2005. Besides this, SRMTL has no other outstanding instrument in the nature of fully convertible debentures / partly convertible debentures, etc. convertible into equity shares on any later date. There are no shares under lock-in period as of 31st March, 2005. There has been no merger / de-merger or spin-off of the company's business operations during the past 3 years.

4.7 SRMTL has 6,66,666, 15% Cumulative Redeemable Preference Shares of Rs. 100 each, fully paid up, aggregating to Rs. 666.67 lacs which were due for redemption on 30th March, 2002 (50%) and on 30th March, 2003 (balance 50%). These preference shares have not been redeemed.

4.8 The company submitted a Scheme of Compromise and Arrangement under section 391 of Companies Act, 1956 (hereinafter called "the Scheme") to restructure its debts in a comprehensive manner to Financial Institutions / Banks. The Scheme was filed in the Gujarat High Court on 5th January, 2005.

4.9 SRMTL has issued a certificate to state that it has complied with the requirements of the provisions of Chapter II of the Regulations.

5. **Reasons for the acquisition, offer and future plans :**

5.1 NIL has invoked the pledge of equity shares of SRMTL on 22nd July, 2005, consequent to which they have got transferred 1,42,88,700 fully paid equity shares of Rs. 5 each, representing 24.25% of the paid up and voting capital as of 22nd July, 2005. This transfer is thus a deemed substantial acquisition of equity shares and voting rights in SRMTL, without change in control or management, thereby attracting the provisions of Regulation 10 of the Regulations.

5.2 The object and purpose of the acquisition is to give effect to the right of the Pledgee Acquirers upon the occurrence of an event of default by the Issuer Companies.

5.3 The offer to the shareholders of SRMTL is in order to comply with the provisions of Requlation 10 and other applicable provisions of the Regulations on account of a substantial acquisition of shares of SRMTL without change in control or management.

5.4 The Acquirers currently do not plan to dispose of or otherwise encumber any assets of SRMTL in the next 2 years except in the ordinary course of business of the company. The Acquirers undertake not to sell / dispose of or otherwise encumber any substantial assets of SRMTL except with the prior approval of the shareholders of the company.

6. **Statutory Approvals :**

6.1 The Offer is subject to the Acquirers obtaining the approval of the RBI under Foreign Exchange Management Act, 1999 ("FEMA"), for acquiring and transferring the equity shares held by non-resident shareholders who tender their shares in this Offer, if any. The necessary application will be made by the Acquirers in this regard on closure of the Offer.

6.2 To the best of the knowledge and belief of the Acquirers as of the date of this Announcement, there are no other statutory approvals required to implement the Offer. No approvals are required from any lenders of SRMTL including Financial Institutions/Banks for the Offer.

6.3 Subject to the receipt of statutory approvals, the Acquirers shall complete all procedures relating to the Offer including payment of consideration within 15 days of the Offer closing date. In case of delay in receipt of any statutory approvals, SEBI has the power to grant an extension of the time required for payment under the Offer provided that the Acquirers agree to pay Interest in accordance with Regulation 22(12) of the Regulations. Further, if the delay occurs due to willful default of the Acquirers in obtaining the requisite approvals, Regulation 22(13) of the Regulations will also become applicable.

7. **Financial arrangements for the Offer :**

7.1 In terms of Regulation 16(xiv) of the Regulations, it is confirmed that the Acquirers have adequate resources to meet the financial requirements of the offer and have made firm arrangements for financial resources required to implement the offer and to meet their obligations in full.

7.2 The financial obligations of the Acquirers under the Offer will be fulfilled through the existing internal resources of the Acquirers and no further borrowings from Banks or Financial Institutions or NRI's or otherwise is envisaged.

7.3 The maximum fund requirements for the Offer, assuming full acceptance, will be Rs. 21,91,54,314. In accordance with Regulation 28 of the Regulations, the Acquirers have deposited Rs. 575 lacs being over 25% of the entire amount of the consideration, in an Escrow account with the Bank of Baroda, Gandhi Road (Main), Ahmedabad - 380 001, Tel:079 - 2539 1871, Fax: 079 - 25352813 in the form of a Fixed Deposit and a lien has been marked in favour of the Managers to the Offer. The Acquirers have duly empowered the Manager to the Offer to realise the value of the Escrow account in terms of the Regulations.

7.4 The Manager to the Offer is satisfied about the ability of the Acquirers to implement the offer and confirms that firm arrangements for funds and money for payment through verifiable means are already in place to fulfill the offer obligations.

8. **Other terms of the Offer:**

8.1 The Offer is not subject to any minimum level of acceptance.

8.2 A Letter of Offer ("the Letter of Offer" or "LOF"), specifying the detailed terms and conditions of this offer, along with a Form of Acceptance-cum-Acknowledgement ("the Form of Acceptance") and Form of Withdrawal, will be mailed to all the shareholders of SRMTL (other than the Acquirers and Pledger Sellers) whose names appear on the register of members of SRMTL, to the beneficial owners of the equity shares of SRMTL whose names appear on the beneficial records of the respective depositories, at the close of business hours on 27th July, 2005 ("the Specified Date").

8.3 All the Shareholders registered or unregistered, (except the Acquirers and Pledger Sellers) who own fully paid equity shares of SRMTL anytime before the closure of the Offer are eligible to participate in the Offer.

8.4 Shareholders who are holding fully paid equity shares in physical form and wish to tender their equity shares will be required to send the Form of Acceptance-cum-Acknowledgement, original Share Certificate(s) and blank transfer deed(s) duly signed to Intime Spectrum Registry Ltd., Registrar to the Offer ("the Registrar to the Offer"), so that the same are received on or before the close of the offer, at either of the addresses given below in 8.6, in accordance with the instructions specified in the Letter of Offer and the Form of Acceptance.

8.5 Shareholders holding equity shares in Dematerialised Form : The Registrar to the Offer has opened a Special Depository Escrow Account with National Securities Depository Ltd. ("NSDL").

Name of the A/c : ISRL SRMTL Open Offer Escrow Account
DP Name : HDFC Bank
Client ID Number : 19169069
DP ID Number : IN301549

Beneficial owners and shareholders holding equity shares in the dematerialised form, will be required to send their Form of Acceptance to the Registrars to the Offer at either of the addresses given below in 8.6 either by hand delivery during business hours on week days or by registered post so that the same are received on or before the close of the offer, along with a photocopy of the delivery instruction slip in "Off-market" mode or counterfoil of the delivery instruction slip in "Off-market" mode, duly acknowledged by the Depository Participant ("DP").

Shareholders having their beneficiary account in Central Depository Securities Ltd. ("CDSL") have to use inter-depository delivery instruction slip for the purpose of crediting their equity shares in favour of the Special Depository Escrow Account with NSDL as described above.

In case of non-receipt of aforesaid documents, but receipt of equity shares in the Special Depository Escrow Account, the Offer shall be deemed to be accepted. Shareholders should ensure that the credit for the equity shares tendered should be received in the Special Depository Escrow Account on or before Closure of the Offer.

8.6 All owners of fully paid equity shares of SRMTL, registered or unregistered who wish to avail of and accept the Offer can hand deliver the Form of Acceptance-cum-Acknowledgement along with all the relevant documents on all working days i.e. from Monday to Friday : between 10.00 a.m. and 4.00 p.m. to the Registrar's office at :

Name & Address of Collection Centres	Contact Person & Contact Numbers	Mode of Delivery
Intime Spectrum Registry Ltd. C-13, Pannalal Silk Mill Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078.	Mr. Vishwas A. Tel.No.: 022-5555 5491-94 Fax : 022-5555 5499 email : srmtl@intimespectrum.com	Hand Delivery / Registered Post
Intime Spectrum Registry Ltd. 203 Davar House, 197/199, D.N.Road, Mumbai - 400 001	Mr. Vivek Limaye Tel.No : 022-2269 4127 Fax No: 022-2567 2693 email: vivek.limaye@intimespectrum.com	Hand Delivery

Non-residents if any, should also enclose copy of permission received from Reserve Bank of India for the shares held by them in SRMTL.

Neither the share certificate(s) nor transfer deed(s) nor the Form of Acceptance should be sent to the Pledger Sellers or Acquirers or SRMTL or Manager to the offer.

8.7 Shareholders who have sent their physical equity shares for dematerialisation need to ensure that the process of getting equity shares dematerialised is completed well in time so that the credit in the Special Depository Escrow Account is received on or before the date of closure of the Offer, else the application would be rejected.

8.8 Unregistered owners who do not receive a copy of the Letter of Offer can send their application in writing on plain paper stating Name, Address, Number of equity shares held, Number of equity shares offered, Distinctive Nos., Folio No., together with the original Share Certificate(s), valid transfer deeds and the original contract note issued by the broker of a recognised stock exchange, through whom they acquired their equity shares and / or such other documents as may be specified, so as to reach the Registrars to the Offer on or before the closure of the Offer.

8.9 No indemnity is required from the unregistered owners whilst accepting the offer.

8.10 In case of non-receipt of the Letter of Offer, eligible persons may send their consent to the Registrar to the Offer, at either of the addresses given in 8.6 on plain paper stating Name, Address, Number of equity shares held, Distinctive Nos., Folio No., Number of equity shares offered, along with documents as mentioned above, so as to reach the Registrars to the Offer on or before the closure of the Offer.

8.11 The Registrars to the Offer will hold in trust the equity shares / share certificates, equity shares lying in credit of the Special Depository Escrow Account, Form of Acceptance, if any, and the transfer form(s) on behalf of the shareholders of SRMTL who have accepted the Offer, until the cheques / drafts for the consideration and / or the unaccepted equity shares / share certificates are despatched / returned.

8.12 If the aggregate of the valid responses to the Offer exceeds 117,82,490 fully paid-up equity shares, then the Acquirers shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the Regulations. The trading lot of equity shares of SRMTL is 1.

8.13 Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post / Speed Post at the shareholders' / unregistered owners' sole risk to the sole / first shareholder. Equity shares held in dematerialised form, to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective depository participant as per the details furnished by the beneficial owner in the Form of Acceptance or otherwise.

8.14 Dispatches involving payment of a value in excess of Rs. 1500/- will be made by registered post/speed post at the shareholder's sole risk. Rejected documents will be sent by registered post/speed post. All other despatches will be made by ordinary post at the shareholder's sole risk. All cheques / demand drafts will be crossed Account Payee and will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the shareholders provide bank account details in the Form of Acceptance-cum-Acknowledgement for incorporation in the cheque / demand draft.

8.15 A schedule of some of the key events in respect of the Offer is given below:

Activity	Day	Date
Specified date *	Wednesday	27th July, 2005
Last date for a competitive bid	Tuesday	16th Aug, 2005
Date by which LOF will be despatched to shareholders.	Tuesday	6th September, 2005
Date of opening of the offer	Thursday	15th September, 2005
Last date for revising the offer price / number of shares	Thursday	22nd September, 2005
Last date for withdrawal of acceptance by the shareholders	Wednesday	28th September, 2005
Date of closing of the Offer	Tuesday	4th October, 2005
Date by which rejection/acceptance would be intimated and date of payment of consideration for applications accepted.	Wednesday	19th October, 2005

*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. All owners (registered or unregistered) of equity shares of the Target Company, (except the Acquirers and Pledger Sellers) are eligible to participate in the Offer anytime before the closure of the Offer

8.16 In case RBI approval for acquisition of shares from non-resident shareholders is unduly delayed, the Acquirers reserve the right to proceed with payment to the resident shareholders whose shares have been accepted by the Acquirers in terms of this Offer, pending payment to the non-resident shareholders, subject to the entire amount payable to non-resident shareholders being kept in a separate escrow account whose value can be realised by the Manager as per the Regulations.

9. **General :**

9.1 None of the Acquirers nor its Directors any Company in which the Acquirers or Directors hold controlling interest have been prohibited by SEBI from dealing in securities in terms of Section 11B of the Securities and Exchange Board of India Act, 1992.

9.2 In pursuance of the Subscription Agreement dated 22nd March, 2002 and Deed of Pledge dated 22nd March, 2002, the respective Issuer Companies had arranged for the pledge of 142,88,700 fully paid equity shares of SRMTL and fully paid equity shares of other un-listed companies in favour of NIL. The Pledge Master Report of the Kalupur Commercial Cooperative Bank, Kalupur Bank Bhavan, Near Income-tax Circle, Ashram Road, Ahmedabad - 380 014, reflects the pledge execution dates in the months of May and June, 2002 in respect of SRMTL's equity shares pledged by the Pledger Sellers in favour of NIL. SEBI has by several orders dated September 6, 2004 ("the order"), issued directions under Section 11B read with Section 11(4) of SEBI Act, 1992 read with Regulation 11 of SEBI (Prohibition of Fradulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, against SRMTL and its Directors, against Shree Developers Pvt. Ltd. and its Directors, against Shri Rama Polysynth Pvt. Ltd. and its Directors and East-West Polyart Ltd. and its Directors whereby all these entities which include the Target Company and the Pledger Sellers have been restrained from accessing the securities market and prohibited from buying or selling or dealing in securities directly or indirectly for a period of 3 years (5 years for SRMTL and its Directors) with immediate effect. The Pledgee Acquirers have received an opinion from its Legal Counsel that the process of invoking the pledge would not involve any buying, selling or dealing in shares on the part of either the Pledger or the Issuer Company and therefore, the same would not be in contravention of the order.

9.3 Pursuant to Regulation 13 of the Regulations, the Acquirers have appointed LKP Shares And Securities Ltd., Mumbai as Manager to the Offer.

9.4 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 three working days prior to the date of closure of the offer. The withdrawal option can be exercised by submitting the document as per the instruction below and in the Letter of Offer, so as to reach the Registrar to the Offer at either of the collection centres mentioned in 8.6 above, as per the mode of delivery indicated therein on or before 28th September, 2005.

- The withdrawal option can be exercised by submitting the Form of Withdrawal (which will be sent to the shareholders along with the Letter of Offer) to the Registrar's Office.
- In case of non-receipt of the Form of Withdrawal, the withdrawal option can be exercised by submitting an application to the Registrar's Office on plain paper along with the following details:

(a) In case of physical shares : Name, Address, Distinctive Nos., Folio Number, Number of shares tendered.

(b) In case of dematerialised Shares : Name, Address, Number of Shares tendered, DP name, DP ID, beneficiary account number and a photocopy of delivery instructions in "Off market" mode or counterfoil of the delivery instruction slip in "Off market" mode, duly acknowledged by the DP, in favour of the Special Depository Escrow Account.

- Copy of the acknowledgement received from the Registrar to the Offer while tendering shares.

9.5 The physical shares withdrawn by the shareholders would be returned by the Registrars to the Offer by registered post.

9.6 Should the Acquirers decide to revise the offer price upward, such upward revision will be made in accordance with Regulation 26 of the Regulations not later than 22nd September, 2005, i.e. 7 working days prior to the offer closing date. If the offer price is revised upward, such revised price will be payable to all the shareholders who have accepted this offer and submitted their shares at any time during the period between the offer opening date and the offer closing date to the extent their shares have been verified and accepted by the Acquirers. Any such upward revision will be announced in the same newspapers in which this Public Announcement appears.

9.7 If there is a competitive bid :

- **The public offers under all the subsisting bids shall close on the same date.**
- **As the offer price can not be revised during seven working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their acceptance accordingly.**

9.8 The Acquirers reserve the right to withdraw the Offer pursuant to Regulation 27 of the Regulations. Any such withdrawal will be notified in the form of a Public Announcement in the same newspapers in which this PA appears.

9.9 For further details, please refer to the Letter of Offer, the Form of Acceptance and the Form of Withdrawal.

9.10 The Acquirers accept full responsibility for the information contained in this PA and also for their obligations as Acquirers as laid down in the Regulations.

9.11 Eligible persons to the Offer may download a copy of this PA from SEBI's website at www.sebi.gov.in. Eligible persons to the Offer may also download a copy of the Letter of Offer, Form of Acceptance and Form of Withdrawal, which will be available on SEBI's website www.sebi.gov.in. from the Offer opening date i.e. 15th September, 2005 and can apply on the same.

ISSUED BY MANAGER TO THE OFFER ON BEHALF OF THE ACQUIRERS

LKP Shares And Securities Ltd.
(SEBI Regn. No.: MB/INM000002483)
112A, Embassy Centre, Nariman Point, Mumbai - 400 021.
Tel.: 91-22 - 2287 4785 / 86 Fax : 91-22 - 2287 4787
Contact Person: Mrs. Bhairavi Nachane
E-Mail: bhairavi_nachane@lkpsec.com

Place : Mumbai Date : 25th July, 2005

Size: 44x33 sq. cm