

PUBLIC ANNOUNCEMENT
TO THE EQUITY SHAREHOLDERS OF RAMA NEWSPRINT & PAPERS LIMITED (“RNPL”)

This public announcement is a Corrigendum to the Public Announcement dated 11th September, 2003 issued by HSBC Securities and Capital Markets (India) Private Limited (“HSBC”), the Manager to the Offer, on behalf of The West Coast Paper Mills Ltd. (“the Acquirer”/“WCPM”) pursuant to Regulation 10, Regulation 12 and other applicable provisions of Chapter III of and in compliance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (the “Takeover Regulations”).

The shareholders of RNPL may please note the following:

- The Acquirer has the following subsidiaries in India:
Speciality Coatings and Laminations Ltd. (“SCL”) and Bharat Sugar Mills Ltd. (“BSM”) which are not listed on any stock exchange in India. SCL and BSM are deemed to be persons acting in concert under the Takeover Regulations. Neither SCL nor BSM holds any shares in RNPL. None of the Directors of SCL or BSM are directors on the Board of RNPL.
 - SCL was incorporated on 5th March 1993 with its registered office in Vishnu Bhavan, 1st floor, 5, Ansari Road, Daryaganj, New Delhi – 110002 and was promoted by the Acquirer. SCL is engaged in the business of manufacturing and dealing in coated paper and paper boards and has a paid up equity capital of Rs. 38.6 mn divided into 3.86 mn shares of nominal value of Rs. 10 each as on 31st March, 2003. The total income, net profit, networth and net fixed assets of SCL for the year ended March 31, 2003, were Rs.471.6 mn, Rs.5.2 mn, Rs.47.5 mn and Rs.43.5 mn, respectively. The Earning Per Share (EPS) and Book Value per share as on March 31, 2003 stood at Rs. 1.34 per share and Rs.12.31 per share, respectively. Based on the post-tax profit for the year ended March 31, 2003, the return on networth works out to 10.95%.
 - BSM was incorporated on 29th August 1994 with its registered office in Bangur Nagar, Dandeli – 581 325 and was promoted by the Acquirer and others. BSM is engaged in the business of manufacturing and dealing in all grades of sugar and has a paid up equity capital of Rs. 507,000 divided into 50,700 shares of nominal value of Rs. 10 each as on 31st March, 2003. The total income, net loss and net worth of BSM for the year ended March 31, 2003, were Rs.5,109, Rs.322,417 and Rs.178,640 respectively. The Earning Per Share (EPS) and Book Value per share as on March 31, 2003 stood at Rs.(6.36) per share and Rs.3.52 per share, respectively. Based on the post-tax profit for the year ended March 31, 2003, the return on networth works out to (180.5)%.
- The Public Announcement dated 11th September was issued by HSBC Securities and Capital Markets (India) Private Limited (“HSBC”), the Manager to the Offer, on behalf of The West Coast Paper Mills Ltd. (“the Acquirer”) pursuant to Regulation 10, Regulation 12 and other applicable provisions of Chapter III of and in compliance with Takeover Regulations.
- The Acquirer has entered into a “Shareholders Agreement” dated 6th September, 2003 and amendment thereto dated 6th September, 2003 with Vashu J. Ramsinghani (R/o 111 Maker Tower A Cuffe Parade Mumbai 400 005 Tel 22188400 Fax 22180136), Manju V. Ramsinghani (R/o 111 Maker Tower A Cuffe Parade Mumbai 400 005 Tel 22186793 Fax 22180136), Sonia. S. Chhabria (R/o 111 Maker Tower A Cuffe Parade Mumbai 400 005 Tel 22186793 Fax 22180136), Rama Chemicals (India) Private Limited (181-B Maker Tower E Cuffe Parade Mumbai 400 005 Tel 2218 3791 Fax 22180136), Highrise Properties Private Limited (181-B Maker Tower E Cuffe Parade Mumbai 400 005 Tel 2218 3791 Fax 22180136), Rama Finvest (India) Private Limited (181-B Maker Tower E Cuffe Parade Mumbai 400 005 Tel 2218 3791 Fax 22180136), Indo US Enterprises Limited (181-B Maker Tower E Cuffe Parade Mumbai 400 005 Tel 2218 3791 Fax 22180136), Vams Investment Inc.(level 2 Le Vendome Building, 9 Sir S Ramgoolam Street, Port Louis, Mauritius), Indo Gulf Enterprises Limited (28 bis, Dr Eugene Laurent Street, Port Louis, Mauritius), Ramesh Narang (PB Box 51858, Dubai, UAE), Usha Narang (PB Box 51858, Dubai, UAE), Mega Star Investments Limited (PB Box 6512, Dubai, UAE) (collectively “the Vashu Group”) and RNPL. In consideration of the mutual rights and obligations under the Shareholders Agreement the Vashu Group has executed irrevocable Power of Attorney dated 6th September, 2003 in favour of the Acquirer, authorizing it to exercise all voting rights in respect of 5,51,36,313 shares held by the Vashu Group representing 23.7% of the shares of RNPL, on and from the date of transfer of the sale of shares in favour of the Acquirer under the Share Purchase Agreement, save and except the decision relating to further issue of equity shares or any securities convertible into equity shares. No payment is to be made by the Acquirer to the Vashu Group for such voting rights. Further, the Acquirer will have first right of refusal in case the Vashu Group desires to sell its shares in RNPL.
- RNPL has outstandings to ICICI Bank Limited and other lenders and had submitted a proposal to ICICI Bank Limited dated 25th August 2003 for debt restructuring requesting ICICI Bank Limited to take a proposal on similar lines to the Corporate Debt Restructuring Forum (“CDR”) established under Circular DBOD.No.BP/BC. 68/21.04.132/ 2002-03 dated February 5, 2003 issued by the Reserve Bank of India (“RBI”), as amended from time to time, for the consent of the lenders. The CDR has approved the proposal, details of which are as follows:

The CDR has approved the proposal of RNPL for restructuring of debt vide application dated 17th September, 2003 of ICICI Bank Ltd. The CDR Empowered Group has approved the restructuring of the debt on the similar lines as requested by RNPL vide its letter 25th August, 2003 in its meeting held on 27th September, 2003. CDR Mumbai, vide their letter No.BY.CDR.No.2434 dated 15th October, 2003 has confirmed to ICICI Bank Ltd, Mumbai, that the minutes of the Empowered Group meeting held on 27th September, 2003, in which the CDR proposal of RNPL was approved, has been finalised and confirmed in the next Empowered Group meeting held on 10th October, 2003.

A copy of above letter dt. 15th October, 2003 of CDR addressed to ICICI Bank Ltd has been forwarded to WCPM Ltd by ICICI Bank Ltd vide their letter No.CSAMGI/7232 dated 15th October, 2003. The salient features of the CDR approval are as under :

(4.1) The total outstanding secured debt (including leases) as on 25th August, 2003 as per letter of RNPL of 25th August, 2003 was as under :

	Rs.in crores.
(a) Debt	398.14
(b) Overdue interest	34.26
Total	432.40

(4.2) The aggregate secured debt of the company, including leasing assistance, including accrued interest, additional interest, penal interest, overdue lease rentals and other charges by whichever name called, to be realigned to an aggregate amount of Rs.210 crores (“Loans”).

(4.3) The cut off date for the proposal would be 01st October, 2003.

(4.4) The company would pay interest on the said Loans of Rs.210.00 crores @9% p.a. compounded monthly during the first year and @10% p.a compounded monthly thereafter, with reset (linked to one year lending rate) on April 15th of every year commencing from 15th April, 2005 (hereinafter referred as “reset dates”). Accordingly, the first reset date would be 15th April, 2005.

(4.5) The Loan would be repaid in 24 equal quarterly installments commencing from 15th November , 2006 and ending on 15th August, 2012.

(4.6) The total outstanding dues of the various lenders and their share in the realigned debt of Rs.210 crores is summarised as under :

(All amounts in Rs Crores)	As per RNPL Lt. Dated 25 th August, 2003.			As per CDR Approval dt. 15 th October 2003
	Outstanding Loan	Overdue Interest	Total	Share in realigned debt of Rs.210 crores
A) CDR Members				
1. ICICI Bank Ltd. Mumbai (Term loan, debentures & Leases).	302.84	19.91	322.75	158.00
2. Life Insurance Corp. Mumbai. (Term Loan)	31.10	4.53	35.63	16.23
3. Industrial Investment Bank of India Ltd. Kolkata. (Term Loan).	6.75	0.74	7.49	3.52
4. United India Insurance Co.Ltd., Chennai. (Term Loan).	0.70	0.81	1.51	0.37
5. New India Assurance Co.Ltd., Mumbai (Term Loan).	0.70	0.81	1.51	0.37
6. Oriental Bank of Commerce, New Delhi (Term Loan).	0.14	–	0.14	0.07
7. Bank of India, Mumbai (Term Loan).	0.24	–	0.24	0.13
8. Canara Bank, Bangalore (Term Loan).	0.26	0.09	0.35	0.14
Sub-total	342.73	26.89	369.62	178.83
B) NON-CDR MEMBERS [Debentures]				
1. UTI AMC, Mumbai	51.00	4.92	55.92	26.61
2. UTI India Growth Fund Unit Scheme 1986 Mumbai	1.50	1.20	2.70	0.78
3. Reliance Capital & Finance Trust Limited, Mumbai	0.39	0.19	0.58	0.20
4. Debentures with public	2.52	1.06	3.58	3.58
Sub-total	55.41	7.37	62.78	31.17
Total	398.14	34.26	432.40	210.00

Note : The cut off date for the proposal is 01st October 2003.

- The Company would prepay an upfront amount of Rs.35 crores (out of the above sum of Rs.210 crores) on or before 30th December, 2003. This includes payment in full to public debenture holders aggregating Rs.3.58 crores.
- Lenders will have option to select any of the 4 options mentioned in the CDR approval which includes debt at 7.5% p.a. interest, Zero coupon bonds and term loan with varying rate of interest Zero coupon bonds only or term loan with 9% p.a interest for first year & 10% p.a. interest from second year. However, these options will be subject to total net realigned debt of Rs.210 crores as mentioned earlier.
- In consideration of the aforesaid reliefs and concessions, the company would procure irrevocable and unconditional Guarantee from WCPM, as additional security to secure the Loans, all interest and other monies in respect of the Loans in the form and manner acceptable to the lenders.
- The CDR has approved the proposal of RNPL for restructuring of debt vide application dated 17th September, 2003 of ICICI Bank Ltd. The CDR Empowered Group has approved the restructuring of the debt on the similar lines as requested by RNPL vide its letter 25th August, 2003 in its meeting held on 27th September, 2003. On receipt of this approval the Acquirer had made payment of Rs. 393.8 mn to ICICI Bank Limited on 16th October, 2003 with the request to instruct the Escrow Agent to hand over the share certificates along with the Transfer Deeds for physical shares and delivery instructions for the dematerialised shares to the Acquirer.
- Para 5.4 of the Public Announcement dated 11th September, 2003 should be read as follows:
There are no plans to sell, dispose of or otherwise encumber any major assets of RNPL in the next two years, except to the extent required (i) for the purposes of restructuring or rationalization of assets, investments, liabilities or otherwise of RNPL or (ii) in the ordinary course of business of RNPL. Further, the Acquirer undertakes not to sell, dispose of or otherwise encumber any substantial assets of RNPL, except with the prior approval of the shareholders of RNPL in accordance with the Memorandum and Articles of Association of the RNPL. It will be the responsibility of the Board of Directors of RNPL to make appropriate decisions in these matters in accordance with the requirements of the business. Such approvals and decisions will be governed by the provisions of the relevant regulations or any other applicable laws or legislation at the relevant time.
- If the public offer results in the public shareholding being reduced to 10% or less of the voting capital of the company, the Acquirer shall comply with the provisions of SEBI (Delisting of Securities) Guidelines, 2003.
- In para 7.2 of the Public announcement dated 11th September, 2003 the complete address of Syndicate Bank is as follows:
Syndicate Bank, Dandeli, Uttara Kannada District, Kamataka
- The equity shares of Target Company are in compulsory de-materialised form and the minimum marketable lot is one equity share.
- The Directors of the Acquirer accept full responsibility for the information contained in this Public Announcement. The Acquirer is responsible for fulfillment of obligations under the Takeover Regulations.
- This Public Announcement will also be made available on the SEBI website - <http://www.sebi.gov.in>

Issued by the Manager to the Offer



HSBC Securities and Capital Markets (India) Private Limited
52/60 Mahatma Gandhi Road, Fort, Mumbai – 400 001
Contact Name: Aarthi Ramakrishnan E-mail: mpl@hsbc.co.in
On behalf of the Acquirer and the Persons Acting in Concert
Place: Mumbai
Date: 27th October, 2003