


**RED HERRING PROSPECTUS**

Dated 30<sup>th</sup> January, 2007

Please read Section 60B of the Companies Act, 1956

**100% Book Building Issue**

# AMD Metplast Limited

(The Company was originally incorporated as Ashoka Metal Décor Private Ltd on 17<sup>th</sup> December, 1983 with Registrar of Companies, Delhi & Haryana. The name of the Company was changed to AMD Metplast Private Limited and a Fresh Certificate of Incorporation consequent to change of name was granted to the company on 27<sup>th</sup> August, 2004. The Company subsequently became a public limited Company and the name of the Company was further changed to AMD Metplast Limited and the fresh certificate of incorporation was granted to the Company on 2<sup>nd</sup> June, 2006)

**Regd. Office:** 18, Pusa Road, 1<sup>st</sup> Floor, Karol Bagh, New Delhi – 110 005 **Tel:** +91-11- 2575 8645 2575 8649/50, **Fax:** +91-11-2575 3591,

(The registered office of the Company was changed from 53/73, Ramjas Road, Karolbagh, New Delhi – 110 005 to the present address w.e.f 5<sup>th</sup> April, 2000.)

**E-mail:** [info@amdmetplast.com](mailto:info@amdmetplast.com), **Website:** [www.amdmetplast.com](http://www.amdmetplast.com),

**Contact person:** Mr. Rajkumar Aggarwal, Compliance Officer.

**PUBLIC ISSUE OF 1,01,66,700 EQUITY SHARES OF RS.10/- EACH FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING RS. [●] LACS BY AMD METPLAST LIMITED ("THE COMPANY" OR "ISSUER" OR "AMD") (HEREINAFTER REFERRED TO AS THE "ISSUE") COMPRISING OF PROMOTERS' CONTRIBUTION OF 10,70,180 EQUITY SHARES OF FACE VALUE OF RS.10/- EACH AT A PRICE OF RS. [●] PER EQUITY SHARE FOR CASH AGGREGATING RS. [●] LACS (HEREINAFTER REFERRED TO AS THE "PROMOTERS' CONTRIBUTION") AND EMPLOYEE RESERVATION OF 10,16,670 EQUITY SHARES OF FACE VALUE OF RS. 10/- EACH AT A PRICE OF RS. [●] PER EQUITY SHARE FOR CASH AGGREGATING RS. [●] LACS (HEREINAFTER REFERRED TO AS THE "EMPLOYEE RESERVATION PORTION") AND THE NET OFFERTO THE PUBLIC IS OF 80,79,850 EQUITY SHARES OF RS.10/- EACH AT A PRICE OF RS. [●] FOR CASH AGGREGATING TO RS. [●] HEREINAFTER REFERRED TO AS THE "NET ISSUE"). THE NET ISSUE TO THE PUBLIC WOULD CONSTITUTE 42.16 % OF THE FULLY DILUTED POST ISSUE PAID UP CAPITAL OF THE COMPANY.**

**PRICE BAND: Rs. 65 TO Rs. 75 PER EQUITY SHARES OF FACE VALUE Rs.10/-**

**THE ISSUE PRICE IS 6.5 TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND 7.5 TIMES THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND.**

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional days after revision of the Price Band subject to the Bidding/ Issue Period not exceeding 10 working days. Any revision in the Price band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to Bombay Stock Exchange Ltd. ("BSE") and the National Stock Exchange of India Limited ("NSE"), by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager ("BRLM") and at the terminals of the Syndicate.

The Issue is being made through the 100% Book Building Process wherein up to 50% of the Net Issue to the public shall be allocated on a proportionate basis to Qualified Institutional Buyers, out of which 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above Issue Price. Further, at least 15% of the Net Issue to the public shall be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35% of the Net Issue to the public shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

## RISK IN RELATION TO FIRST ISSUE

This being the first issue of Equity shares of AMD Metplast Limited there has been no formal market for the Equity Shares of the Company. **The face value of the Equity Shares is Rs 10 and issue price is [●] times of the face value.** The Issue price (as determined and justified by the Company in consultation with Book Running Lead Manager ("BRLM") on the basis of assessment of market demand for the Equity Shares by way of book-building)) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares of the Company or regarding the price at which the Equity Shares will be traded after listing.

## GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Equity Shares offered in the issue have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of this Red Herring Prospectus. **Specific attention of the investors is invited to the section titled "Risk factors" on page x of this Red Herring Prospectus.**

## ISSUER'S ABSOLUTE RESPONSIBILITY

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

## LISTING

The Equity shares offered through this Red Herring Prospectus are proposed to be listed on Bombay Stock Exchange Ltd (BSE) (Designated Stock Exchange) and the National Stock Exchange of India Ltd (NSE). We have received in-principle approval from BSE & NSE for the listing of the Equity Shares pursuant to their letter dated November 16, 2006 and dated December 14, 2006 respectively.

## IPO GRADING

The Company has opted for Grading. CARE has assigned "CARE IPO GRADE 3" to the Initial Public Offering of the Company. For more information on IPO Grading please refer to page no.9 of this Red Herring Prospectus.

### BOOK RUNNING LEAD MANAGER



#### Chartered Capital And Investment Limited

711, Mahakant, Opp V.S. Hospital,

Ellisbridge, Ahmedabad-380 006

**Tel:** +91-79-2657 5337, 2657 7571

**Fax:** +91-79-2657 5731

**E-mail:** [amdipo@charteredcapital.net](mailto:amdipo@charteredcapital.net)

**Website:** [www.charteredcapital.net](http://www.charteredcapital.net)

### REGISTRAR TO THE ISSUE



#### BIGSHARE SERVICES PVT LTD

E-2, Ansa Industrial Estate,

Saki-Vihar Road, Sakinaka,

Mumbai - 400 072.

**Tel.:** +91 22 2847 0652; **Fax:** +91 22 2852 5207

**E-mail:** [ipo@bigshareonline.com](mailto:ipo@bigshareonline.com)

**Website:** [www.bigshareonline.com](http://www.bigshareonline.com)

## ISSUE PROGRAMME

**BID / ISSUE OPENS ON : 15<sup>TH</sup> FEBRUARY, 2007**

**BID / ISSUE CLOSSES ON : 23<sup>RD</sup> FEBRUARY, 2007**

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## SECTION I – DEFINITIONS AND ABBREVIATIONS

### CONVENTIONAL / GENERAL TERMS

“Issuer” or “Company” or “AMD” or “We” or “us” or “our”, unless the context otherwise requires, refers to AMD Metplast Limited, a Company incorporated under the Companies Act, 1956 with its registered office at 18, Pusa Road, 1<sup>st</sup> Floor, Karol Bagh, New Delhi – 110 005, India.

Term	Description
Articles/ Articles of Association	The Articles of Association of AMD Metplast Limited.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
BSE	Bombay Stock Exchange Limited
Book Value	Networth/ Number of outstanding shares
CAGR	Compounded Annual Growth Rate.
Companies Act	The Companies Act, 1956, as amended from time to time.
Depository	A body corporate registered under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository Participant	A depository participant as defined under the Depositories Act, 1996
EGM	Extraordinary General Meeting
FCNR Account	Foreign Currency Non Resident Account.
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the rules and regulations framed there under.
Financial Year / Fiscal Year / FY / Fiscal	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
FIPB	Foreign Investment Promotion Board.
FVCI	Foreign Venture Capital Investor
Government/ GOI	The Government of India.
GAAP	Generally Accepted Accounting Practices
HUF	Hindu Undivided Family.
Memorandum/Memorandum of Association	The Memorandum of Association of AMD Metplast Limited.
Mn, mn	Million
NAV	Net Asset Value.
Non Residents	Non-Resident is a Person resident outside India, as defined under FEMA and who is a citizen of India or a Person of Indian Origin under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.

**AMD Metplast Limited**

<b>Term</b>	<b>Description</b>
NRE Account	Non-Resident External Account.
NRO Account	Non-Resident Ordinary Account.
NRI/Non-Resident Indian	Non-Resident Indian, is a Person resident outside India, who is a citizen of India or a Person of Indian origin and shall have the same meaning as ascribed to such term in the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
NSE	The National Stock Exchange of India Ltd
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs, including overseas trusts in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly as defined under Foreign Exchange Management (Deposit) Regulations, 2000. OCBs are not allowed to invest in this Issue.
P/E Ratio	Price/Earnings Ratio.
PAT	Profit After Tax
PBT	Profit Before Tax
Person/Persons	Any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, company, partnership, limited liability company, joint venture, or trust or any other entity or organization validly constituted and/or incorporated in the jurisdiction in which it exists and operates, as the context requires.
PIO/ Person of Indian Origin	Shall have the same meaning as is ascribed to such term in the Foreign Exchange Management (Investment in Firm or Proprietary Concern in India) Regulations, 2000.
RONW	Return on Network
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time.
SEBI (DIP) Guidelines	SEBI (Disclosure and Investor Protection) Guidelines, 2000, issued by SEBI, on January 27, 2000 as amended from time to time.
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, as amended from time to time.

**ISSUE RELATED TERMS**

<b>Term</b>	<b>Description</b>
Allotment	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Issue.



Term	Description
Allottee	The successful Bidder to whom the Equity Shares are being/ or have been issued or transferred.
Bankers to the Issue.	State Bank of India, HDFC Bank Ltd, The Hongkong And Shanghai Banking Corporation Ltd, Kotak Mahindra Bank, ABN Amro Bank
Bid	An indication to make an offer during the Bidding/Issue Period by a Bidder to subscribe to the Company's Equity Shares at a price within the Price Band including all revisions and modifications thereto.
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder on submission of the Bid in the Issue.
Bid Opening Date/Issue Opening Date	The date on which the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper, a Hindi national newspaper and a regional newspaper with wide circulation.
Bid/Issue Closing Date	The date after which the Members of the Syndicate will not accept any Bids for the Issue, which shall be notified in a widely circulated English national newspaper, a Hindi national newspaper and a regional newspaper with a wide circulation.
Bid cum Application Form	The form in terms of which the Bidder shall make an Issue to subscribe to the Equity Shares and which will be considered as the application for the Issue of the Equity Shares in terms of this Red Herring Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the Bid cum Application Form.
Bidding Period/Issue Period	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids.
Book Building Process/Method	Book building route as provided in Chapter XI of the SEBI Guidelines, in terms of which this Issue is made.
Book Running Lead Manager	Chartered Capital And Investment Limited.
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process.
Cap Price	The higher end of the price band, above which the issue price will not be finalized and above which no bids will be accepted.
Cut off Price	Any price within the Price Band finalized by us in consultation with the BRLM. A Bid submitted at Cut-off is a valid Bid at all price levels within the Price Band.
Designated date	The date on which funds are transferred from the Escrow Account to the Public Issue Account after the Prospectus is filed with the RoC, following which the Board of Directors shall allot Equity Shares to successful bidders.

## AMD Metplast Limited

Term	Description
Designated Stock Exchange	Bombay Stock Exchange Ltd
Director(s)	Director(s) of AMD Metplast Limited, unless otherwise specified.
Draft Red Herring Prospectus	The Draft Red Herring Prospectus filed with the SEBI, which does not have complete particulars on the price at which the Equity Shares are offered and size of the Issue.
Eligible Employee/ Employees (in the Employee Reservation Portion)	All or any of the following: a) A permanent employee of our Company; b) A Director of our Company (whether a whole-time Director, part time Director or otherwise); and An Employee, as used in the context of the Employee Reservation Portion, should be an Indian national, based in India and physically present in India on the date of submission of the Bid-cum-Application Form. Also, such person should be an Employee on the payroll of the Company on the date of filing this Red Herring Prospectus with ROC. Promoter Directors and / or their relatives are not permitted to participate in this Issue.
Employee Reservation Portion	The portion of this Issue being 10,16,670 Equity Shares of Rs. 10/- each available for allocation to Eligible Employees
Equity Shares	Equity shares of the Company of Rs.10/- each unless otherwise specified in the context thereof.
Escrow Account	Account opened with Escrow Collection Bank(s) and in whose favor the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	Agreement to be entered into amongst the Company, the Registrar, the Escrow Collection Banks(s), the BRLM and the Syndicate Members for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Collection Banks	The banks, which are clearing members and registered with SEBI as Banker to the Issue at which the Escrow Account for the Issue will be opened.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form.
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalized and below which no bids will be accepted.
IPO	Initial Public Offer.
Issue	Public Issue of 1,01,66,700 Equity Shares of Rs.10/- each for cash aggregating to Rs [●] Lacs.
Issue Price	The final price at which Equity Shares will be allotted in terms of the Prospectus, as determined by the Company in consultation with the BRLM, on the Pricing Date.
Issue Period	The Issue period shall be from 15th February, 2007 to 23rd February, 2007
Issue size	Public Issue of 1,01,66,700 Equity Shares by AMD Metplast Limited.



Term	Description
Margin Amount	The amount paid by the Bidder at the time of submission of his/her Bid, being 0% to 100% of the Bid Amount.
Mutual Fund	A fund established in the form of a trust to raise monies through the sale of units to the public or a section of the public under one or more schemes for investing in securities, including money market instrument and registered with the SEBI under the SEBI (Mutual Funds) Regulations, 1996.
Non-Institutional Bidders	All Bidders that are not Qualified Institutional Buyers for this Issue or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000.
Non-Institutional Portion	The portion of the Issue being 12,11,978 Equity Shares of Rs. 10/- each available for allocation to Non-Institutional Bidders.
Pay-in Date	Bid/Issue Closing Date or the last date specified in the CAN sent to Bidders receiving allocation who pay less than 100% margin money at the time of bidding, as applicable.
Pay-in Period	This term means (i) with respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/ Issue Opening Date and extending until the Bid/Issue Closing Date, and (ii) with respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date, as specified in the CAN.
Price Band	Price band with a minimum price (floor of the price band) of Rs. 65 and the maximum price (cap of the price band) of Rs. 75 and includes revisions thereof.
Pricing Date	The date on which Company in consultation with the BRLM finalize the Issue Price.
Promoter Group Companies	Unless the context otherwise requires, refers to those companies mentioned in the section titled “Financial Information of Group Companies” on page 157 of this Red Herring Prospectus.
Promoters	Mr. Ashok Gupta, Mr. Harswarup Gupta, Mrs. Chitra Gupta and Mr. Adit Gupta
Prospectus	The Prospectus, filed with the RoC containing, inter alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information.
Public Issue Account	Account opened with the Bankers to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date.
Qualified QIBs	Public financial institutions as specified in Section 4A of the Companies Act, FIIs registered with SEBI, scheduled commercial banks, mutual funds registered with SEBI, trilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture



## AMD Metplast Limited

Term	Description
	capital investors registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 250 Mn and pension funds with minimum corpus of Rs. 250 Mn.
QIB Margin	An amount representing 10% of the Bid Amount that QIBs are required to pay at the time of submitting their Bid.
QIB Portion	The portion of this Issue being upto 50% of the Net Issue, i.e. 40,39,924 Equity Shares of Rs. 10 each aggregating Rs. [●] Lacs available for allocation to QIBs, of which 5% shall be reserved for Mutual Funds.
Registrar/Registrar to the Issue	Registrar & Transfer Agent, viz. Bigshare Services Private Limited
Red Herring Prospectus or RHP	Red Herring Prospectus is issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are issued and the size of the Issue. It carries the same obligations as are applicable in case of a Prospectus and will be filed with RoC at least three days before the Bid/ Issue Opening Date. It will become a Prospectus after filing it with the Registrar of Companies after the pricing.
Retail Individual Bidder	Individual Bidders (including HUFs and NRIs) who have Bid for Equity Shares for an amount less than or equal to Rs. 100,000, in any of the bidding options in the Issue.
Retail Portion	The portion of the Issue being at least 35% of the Net Issue to the Public i.e. 28,27,948 Equity Shares of Rs. 10 each available for allocation to Retail Individual Bidder(s).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s).
SICA	Sick Industries Companies (Special Provisions) Act, 1985
SCRA	Securities Contracts (Regulation) Act, 1956, as amended SCRR Securities Contracts (Regulation) Rules, 1957, as amended.
Stock Exchange	BSE and/or NSE as the context may refer to.
Syndicate	The BRLM and the Syndicate Members
Syndicate Agreement	The agreement to be entered into among the Company and the members of the Syndicate, in relation to the collection of the Bids in the Issue.
TRS or Transaction Registration Slip	The slip or document issued by the members of the Syndicate to the Bidder as proof of registration of the Bid.
Underwriters	The BRLM and Syndicate Members.
Underwriting Agreement	The Agreement between the members of the Syndicate and the Company, on its own behalf to be entered into on or before the Pricing Date.





#### INDUSTRY/ COMPANY RELATED TERMS

Term	Description
Auditors	The statutory auditors of the Company, being M/s Suresh & Associates, Chartered Accountants, New Delhi.
Board	The Board of Directors of AMD Metplast Limited or a committee constituted thereof.
ICAI	The Institute of Chartered Accountants of India
MIS	Management Information System
Project	The proposed project of the Company
Registered Office/ Registered office of the Company	The Registered Office of the Company at 18, Pusa Road, 1 <sup>st</sup> Floor, Karol Bagh, New Delhi – 110 005, India.
ROC	Registrar of Companies, Delhi and Haryana.

#### ABBREVIATIONS

AGM	Annual General Meeting.
A.Y	Assessment Year
A/C	Account
BSE	Bombay Stock Exchange Limited.
BV / NAV	Book Value / Net Asset Value
CDSL	Central Depository Services (India) Ltd.
DP	Depository Participant.
EPS	Earnings Per Share.
FIIs	Foreign Institutional Investors, who are registered with SEBI.
GOI	Government of India.
I.T.Act	Income-Tax Act, 1961.
NRI(s)	Non-Resident Indian (s)
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Ltd
N.A.	Not Applicable
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
QIB	Qualified Institutional Buyer
RBI	Reserve Bank of India.
ROC	Registrar of Companies.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended)
The Act	The Companies Act, 1956 (as amended from time to time)
CSD	Carbonated Soft Drinks
CCM	Continuous Compression Molding
PMV	Plasmatic Vertical
VAT	Value Added Tax
PET	Poly Ethylene Terephthalate

## SECTION II - RISK FACTORS

### CERTAIN CONVENTIONS - USE OF MARKET DATA

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from our financial statements prepared in accordance with Indian GAAP, Companies Act and the SEBI Guidelines included elsewhere in this Red Herring Prospectus. Our fiscal year commences on April 1 every year and closes on March 31 of the next year. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off.

In this Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to another gender and the word “lacs/lakhs” means “one hundred thousand” and the word “million” means “ten lac” and the word “Crore” means “ten million”. Throughout this Red Herring Prospectus, all figures have been expressed in lacs. Unless otherwise stated, all references to “India” contained in this Red Herring Prospectus are to the Republic of India.

Industry data used throughout this Red Herring Prospectus has been obtained from industry publications and other authenticated published data. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources

**For additional definitions, please refer to the section titled ‘Definitions and Abbreviations’ on page no. i of this Red Herring Prospectus. In the section titled ‘Main Provisions of the Articles of Association’ on page no. 216 of this Red Herring Prospectus, defined terms have the meaning given to such terms in the Articles of Association of our Company.**



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## FORWARD LOOKING STATEMENTS

We have included statements in this Red Herring Prospectus, that contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions that are “forward-looking statements”. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial condition and results of operations, business, plans and prospects are forward looking statements. These forward looking statements include statements as to our business strategy, our revenue and profitability, planned projects and other matters discussed in this Red Herring Prospectus regarding matters that are not historical fact. These forward-looking statements and any other projections contained in this Red Herring Prospectus (whether made by us or any third party) involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements expressed or implied by such forward-looking statements or other projections.

All forward looking statements are subject to risks, uncertainties and assumptions about the company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the expectations include, among others:

- General economic and business conditions in India and other countries;
- Our ability to successfully implement the strategy, growth, new projects and expansion plans;
- Increases in labour costs, raw materials prices, prices of plant & machineries and insurance premia;
- Manufacturers’ defects or mechanical problems with Company’s plant & machineries or incidents caused by human error;
- Changes in the value of the Rupee and other currency changes;
- Changes in the Indian and international interest rates;
- Social or civil unrest or hostilities with neighboring countries or acts of international terrorism;
- Changes in laws and regulations that apply to beverage packaging industry, including laws that impact our ability to enforce our collateral.
- Changes in political conditions in India.
- Any adverse outcome in the legal proceedings in which our Company is involved.

For further discussion of factors that could cause actual results to differ, please see the section entitled “Risk Factors” beginning on page no. x of this Red Herring Prospectus. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither the Company, the Directors, any member of the Book Running Lead Manager team nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Company and the Book Running Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchanges.

**RISK FACTORS**

*An investment in equity shares or equity related securities involves a high degree of risk. One should carefully consider all of the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares or other securities of the Company. If any of the following risks actually occur, the business, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and you may lose all or part of your investment.*

*Unless otherwise stated in the relevant risk factors set forth below, we are not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.*

**Materiality**

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

- Some events may not be material individually but may be found material collectively.
- Some events may have material impact qualitatively instead of quantitatively.
- Some events may not be material at present but may be having material impacts in future.

The risk factors are as envisaged by the management along with the proposals to address the risk if any. Wherever possible, the financial impact of the risk factors has been quantified.

**A. SPECIFIC TO THE PROJECT AND INTERNAL TO THE COMPANY**

- Risk arising out of outstanding litigations by/against the Promoters, Company and group companies/ firms of the Promoters**

**The Company- AMD Metplast Ltd,**

Sr. No.	Case No.(s) Institution Date	Plaintiff / Defendants	Name of Court	Amount Involved (in Rs.)	Subject Matter and Relief sought	Status as on Date
1.	Complaint 1127 dated 06/03/2002	AMD V/s P.K. Pandey	Metropolitan Magistrate	2,00,000/-	Negotiable Instrument Act	In Process before Court
2.	2199/1/06 dt. 9/11/2006	AMD Metplast Ltd. V/S M/S.Satyam Foods Specialities (P)Ltd. Jaipur	Metropolition Magistrate	1,00,000/-	Negotiable Instrument Act	In Process before Court
3.	2200/1/06 dt. 9/11/2006	AMD Metplast Ltd. V/S M/S.Satyam Foods Specialities (P)Ltd. Jaipur	Metropolition Magistrate	1,00,000/-	Negotiable Instrument Act	In Process before Court
4.	113-CE/Appel/Gzb/06 Dt. 19.04.2006	AMD V/s Asstt, Commission Excise Div-I Gzb.	Commissioner Appeals - Gzb.	9,31,360/-	Refund Claim denied. To set aside order in original	Personnal hearing completed on dt.10/11/2006 order awaited



Sr. No.	Case No.(s) Institution Date	Plaintiff / Defendants	Name of Court	Amount Involved (in Rs.)	Subject Matter and Relief sought	Status as on Date
5.	361/2005 dated 17/05/2005	AMD V/s Dy. Commissioner Sales Tax	Joint Commissioner Appeals (Trade Tax)-III Gzb	95,098/-	Custom Certificate not filed at the time of assessment for FY 2002-03. Case be remanded back.	In Process before Joint Commissioner Appeals
6.	275/2004 dated 19/09/2004	AMD V/s Commissioner Trade Tax, Lucknow	High Court Lucknow Bench	40,69,708	Sales Tax exemption be granted in Diversification.	In Process before Court
7.	277/2004, & 339/2005 dated 29/07/04 & 17/05/2005	AMD V/s Dy. Commissioner Sales Tax	Joint Commissioner Appeals (Trade Tax)-III Gzb	33,62,833/-	Entry Tax On Plant & Machinery Purchased from outside State. The demand is ultra virus and it should be quashed.	In Process before Joint Commissioner Appeals
8.	354/06 dated 21/05/06	AMD V/s D.C.Trade Tax Gaziabad	Joint Comm. Appeal Court Gzb.	2,61,414/-	Order set a side on submission of Export Certificate	In Process before Joint Commissioner Appeals
9.	5/JC/Gzb/06 Dt. 13.02.2006	Joint Commission Excise Div-I Gzb. V/S AMD	Joint Commissioner - Gzb	9,31,360/-	Interest & Penalty demanded	Order reced, on dated 06/01/2007 by Addn. Commissioner Gzb. Appeal is to filed.
10.	Show Cause Notice C-No.V(H)ST/ADJ-I-175-2006-3458 dt.19.09.2006	J.C.Central Excise-Jaipur V/S AMD Metplast Ltd. Neemrana	Joint Commissioner Central Excise-I Jaipur	5,75,351/- + Intt. & Penelty.	Service Tax on goods Transport Agency disallowed for the period April 05 to March 06. Order not as per notifications issued for GTA and it should be quashed	Reply submitted to Joint Commissioner Central Excise-I Jaipur. Order/Personal hearing awaited.
11.	191-CE/Appeal/GZB dated 22.11.2006	Commissioner of Central Excise Gzb V/S AMD Metplast	Commissioner Appeals - Gzb.	2,69,275/-	Our Modvate claim allowed by A.C. is not justified. A.C.order will be set aside.	In Process of filing the appeal before Commissioner Appeal Central Excise Ghaziabad
12.	186-CE/Apl/gzb/06 dated 06/11/06	CCE, Ghaziabad V/s AMD Metplast Limited	Commissioner Appeals - Gzb.	9,31,360/-	Duty demanded by Department	Cross Objection filed on dt. 22/12/2006 personal hearing is to be held.

## AMD Metplast Limited

Sr. No.	Case No.(s) Institution Date	Plaintiff / Defendants	Name of Court	Amount Involved (in Rs.)	Subject Matter and Relief sought	Status as on Date
13.	R.F.A. 442/2001 dated 29/09/2001	AMD V/S Patel Roadways Ltd.	Delhi High Court	2,36,000/-	Case for goods damaged in Transit	Pending in High Court
14.	Suit No. 77/2005 dated 03/03/2001	AMD V/s Poona Breweries Ltd	Civil Court	10,50,000/-	Recovery Case	In Process before Court
15.	Suit No. 342/2000 dated 20/07/2000	Patel Roadways Ltd. V/S AMD	Civil Court	32,000/-	Asking freight of goods transported by them of our goods damaged in transit for Rs. 2.36.000/-	In Process before Court
16.	R.F.A. 14/97 dt. 28.12.96	Bhandari Homeopathic Laboratories Vs. AMD	High Court	97,471.54	Against decree dt. 18.11.96 in our favor	Pending in High Court
			<b>Total</b>	<b>1,32,43,230.54</b>		

## Promoters

Sr. No.	Case No.(s) Institution Date	Plaintiff / Defendants	Name of Court	Amount Involved (in Rs.)	Subject Matter and Relief sought	Status as on Date
1.	Complaint No. 292/01 dated 30/03/01	M.C.D.V/s Ashok Gupta AMD Metplast	Metropolitan Magistrate	5,000/-	Commercial Activities in residential area	In Process before Court
2.	Complaint No. 362/01 dated 11/04/2001	M.C.D.V/s Ashok Gupta	Metropolitan Magistrate	5,000/-	Commercial Activities in residential area	In Process before Court
3A	Suit No. 2043/89 dated 17/07/89	Prem Raj Choudhary V/s Babu Ram & Others	Delhi High Court	25 Lacs Approx	Challenging ownership of Residential Plot situated at 60/5 Ramjas Raod Karol Bagh New Delhi	In Process before Court
3B	Appeal No. 80, 87/2005, 72/2005 dated 23/05/2005, 550/2006 dated 12/04/2005	Prem Raj Choudhary V/s D.D.A. & Others	Civil Court	25 Lacs Approx	Challenging ownership of Residential Plot situated at 60/5 Ramjas Raod Karol Bagh New Delhi	In Process before Court
			<b>Total</b>	<b>50,10,000</b>		

## 2) Unavailability /price fluctuation of raw material and other resources

The Company is constantly exposed to possible unpredictability in the supply of raw materials and other resources such as water, power and skilled manpower etc. Disruption in the supply of raw material may lead to hampering of the production process flow which may affect the Company's operations and in turn the profitability of the Company.



### Management Perception

The Company has been dealing with the large size manufacturers of the raw material for its requirements and does not foresee any difficulty in procuring the required quantity of the same in future as well because they are easily available from various local and international suppliers. For details, please refer to the page no. 50 of the Red Herring Prospectus. The Company also has standby arrangements for other resources like water and power.

### 3) Dependence on single Customer

The Company is largely dependent on a single customer i.e. M/s Hindustan Coca Cola Beverages Pvt. Ltd. (HCCBL) which constitutes more than 80% of the total revenues in case of crown caps and more than 72% in case of pet preforms & closures.

### Management Perception

The Company has excellent business relations with the existing customers. Hence the Company does not foresee any loss of business because of its dependence on few customers.

### 4) Loss making ventures of the promoters

There are 11 ventures & out of which following 9 ventures ventures/companies of the promoter group have incurred losses during the last three financial years.

(Rs. in Lacs)

Name of the entity	Year ended		
	31 <sup>st</sup> March, 2006	31 <sup>st</sup> March, 2005	31 <sup>st</sup> March, 2004
Shyam Industries	(6.17)	(43.75)	(1.51)
AMD Foods And Hotels Pvt. Ltd.	(0.03)	(0.05)	(0.66)
AMD Financial Services Ltd.	(4.06)	(13.92)	—
Ashoka Productions & Communications Pvt. Ltd.	(0.02)	NA	NA
Chitra Buildtech Pvt. Ltd.	(0.02)	NA	NA
Prime Techno Build Pvt. Ltd.	(0.02)	NA	NA
Aditya Infrabuilt Pvt. Ltd.	(0.02)	NA	NA
Manglam Buildtech Pvt. Ltd	(0.02)	NA	NA
AMD Estates & Developers Pvt. Ltd.	(0.04)	NA	NA

### Management Perception

Most of the above mentioned companies are recently incorporated in the month of December in 2006.

### 5) Orders yet to be placed for Plant & Machinery and Miscellaneous Fixed Assets relating to project

The Company is yet to place orders for Rs.1682.07 lacs being 100% of the plant and machinery and for Rs.130.00 lacs being 100% of miscellaneous fixed assets relating to project. (For details, please refer page no. 22 & 23 of Red Herring Prospectus). Any delay in placing the order for procurement of the same will inadvertently delay the completion schedule of project and may defer the commercial production of products.

### Management Perception

The Company has obtained the quotations for the plant & machinery from M/s Krauss-Maffei, Germany. The gestation period after the delivery of machines at the existing site at Neemrana is approx. 4 months. The items of fixed assets for which the orders are not yet placed are readily available in the market. The



**AMD Metplast Limited**

Company shall place order for the same as and when required. The Company has considered contingency margins in the total cost of project which in the opinion of the management are sufficient to meet any cost overrun, if any.

**6) The contingent liabilities of the Company could adversely affect financial condition.**

The contingent liabilities of the Company as on 31<sup>st</sup> March, 2006 as certified by the auditors for which no provision has been made by the Company are as follows:

(1) Contingent Liabilities not provided for on account of:

(Rs. in Lacs)

	2005-06	2004-05
a) Bill Discounted	Nil	Nil
b) Bank Guarantees	222.14	511.55

- (2) Suit for recovery of Rs. 32,000/- filed by the transporter M/s. Patel Roadways is pending for adjudication by the court. The company has also filed counter suit for recovery of damages for Rs. 2,36,000/- against the said transporter, which is also pending. The company is of the opinion that no liability is likely to be raised against the recovery suit of the transporter. Hence no accounting has been done with respect to the liability as well as possible recovery from the above suits.
- (3) Sales Tax demands under Local and Central Acts raised by the UP Trade Tax Authorities for Rs. 8,92,740/- and Rs. 30,60,485/- respectively for the years 1999-2000 to 2005-2006 are pending for final decision as demands are contested by the company in the Appellate Authorities.
- (4) The Sales Tax Authorities has raised a demand for the financial year 2002-2003 of Rs. 95098/- for non submission of export certificate and the assessee has filed an appeal with the Appellate Authorities for the same.
- (5) The Entry Tax demand for the financial year 2001-2002 and 2002-2003 are Rs. 19,07,102/- and Rs. 14,55,731/- respectively has been raised by the UP Trade Tax Authorities against which company has filed appeals and the demand is yet to be adjudicated upon by the appellate authorities.
- (6) The Entry Tax @5% has been levied by U P State Govt. on HSD and LDO w.e.f 21.01.04. Liability of these on account of this is estimated at to Rs. 20,89,213/- till 31.03.2006 for which the management has reported that writ has been filed by All India Manufactures Association (AIMO) in the High Court. No provision has been made for this liability as management is of the opinion that A.I.M.O will get the verdict in its favor.
- (7) The company has claimed exemption from the payment of Central Sales Tax for its Neemrana Division and this exemption is dependent on the condition that the company shall make the investment in plant and machinery in the above project up to a level of Rs. 30 crores by 31.12.2005 as per the Govt. of Rajasthan Board of Infrastructure Development and Investment Promotion letter no. BIP/401-404, dated 26.10.2004. The liability of Central Sales Tax from the date of commercial production till 31.03.2006 is estimated at Rs. 15631340/-.
- (8) The central excise department has raised demand of interest and penalty in two cases aggregating Rs. 18,85,440/- against which the company has filed appeal before appellate authorities. The company hopes to get relief against the above demand and there for no provision for the above demand has been made in the profit & loss account and in the balance sheet.



- 7) **All the manufacturing facilities of the company are located at two places (3 plants in Ghaziabad and 1 at Neemrana). Any localized social unrest, natural calamities or break down of services and utilities may affect the performance and profitability of the Company.**

**Management Perception**

This is in line with our belief that maximum values can be created by way of making products at the locations where the raw material are available and customers/markets currently exists or will grow in future. The company is also availing sales tax benefits at these places.

- 8) **If the Company is unable to manage growth, our business and financial results could be adversely affected**

The company has expanded/diversified 4 times since 2002 with a total investment of app. Rs.4965.00 lacs in the company. The company is again expanding its operations within such short period of time.

**Management Perception**

The promoters have increased the size of the company from a single products player to a multi-product company through successful implementation of series of expansion and projects for new products. The Company has been managed profitably and has been able to make a mark in the market.

- 9) **The Cost of project for which money is being raised through IPO includes capital expenditure to set up a fresh line to manufacture PET Preform though the Company is not operating at 100% of the existing installed capacity.**

**Management Perception**

The capacity of the present PET Preform Lines is utilized optimally during the first seven months (summer) of the year as it is seasons for the beverage market and in the remaining months, capacity utilization is lower. During the Financial Year 2005-06 the capacity utilization for seven months (from February to March 2006 and April to August 2005) was 91% and the capacity utilization for five months (off season) (from September 2005 to January 2006) was 42% on average basis. The average capacity utilization per month for the whole year was 70.8%. The demand during the summer is very high and to meet the increased levels of demand the company is setting up the fresh line to manufacture PET Preforms. The Company is also exploring new market segments including Beer Market & exports and hence does not foresee any difficulty in utilizing its capacities effectively.

- 10) **The business of the Company is highly dependant on soft drink manufacturers which have been subject to various controversies during recent past regarding presence of pesticides in the soft drinks beyond the prescribed limits. Any adverse impact on their business will directly and immediately affect the performance and profitability of the Company.**

**Management Perception**

Presently the products of the company are used in beverages industry dominated by the soft drink manufacturers. However, the products are finding increased usage in other market segments thereby increasing the market size. As the company has also started marketing its products in other market segment, the risk has been decreased.

- 11) **Restrictive covenants in the agreements may impact the rights of the shareholders of the Company.**

The Company is subject to usual and customary restrictive covenants in agreements that it has entered into with its banks for short-term loans and long term borrowings. These restrictive covenants require the Company to seek the prior permission of the banks for various activities, including amongst others, alteration of the capital structure, raising of fresh capital, incurring expenditure on new projects, entering into any

## AMD Metplast Limited

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merger/amalgamation/restructuring, change in management etc. Accordingly, these restrictive covenants may affect some or all of the rights of its shareholders, including those mentioned on Page 67 of this Red Herring Prospectus.

### Management Perception

Most of the covenants are standard in nature so it is not going to adversely affect the shareholders rights or interests.

#### 12) The implementation of the proposed project is at a preliminary stage.

The Company has not deployed any money to set up a fresh line to manufacture 27.00 gm PET Preform which forms part of the project cost. It has not yet placed orders for the equipments to be purchased from the proceeds of the issue.

### Management Perception

The management has implemented the similar project in the past so they are confident of implementing the proposed project as per the schedule. The items for which the orders are not yet placed are readily available in the market and will be required at the time of trial run. The Company shall place order for the remaining capital items as and when required and therefore commercial operation shall not be affected for the same.

#### 13) Monitoring of utilization of issue proceeds will be done internally by the company

The Company has not appointed any outside monitoring agency for monitoring the utilization of issue proceeds. The deployment of funds arising from the proceeds of the issue will be monitored by the Board of Directors of the Company.

### Management Perception

The affairs of the Company are managed professionally and the management possesses necessary skills of implementing the project of this scale as they have executed similar projects in past. For details, please refer to page no. 43 of the Red Herring Prospectus. The Board of Directors has competent persons from the fields like law, finance and technology. Further, relevant provisions of the clause 49 of Listing Agreement relating to monitoring the proceeds of Public Issue will also be complied with. The relevant provision of clause 49 has been disclosed on page no. 27 of RHP.

#### 14) The present project is funded wholly from the proceeds of present Public Issue. And due to the delay in the public issue there has already been a delay in the schedule of implementation of the project that the company initially proposes to undertake.

The cost of the present project is wholly to be received through equity participation including promoter's contribution. Any delay in the public issue will have the adverse impact on the implementation schedule of the project.

#### 15) Non-receipt of Government and other regulatory approvals may affect the completion of the proposed project that forms part of the objects of the Issue

The Company is yet to receive following approvals:

### For PET project at Neemrana

<b>SIA</b>	It is to be added in the existing license.
<b>Factory License</b>	It is to be added in the existing license.
<b>NoC from PCB</b>	It is to be added in the existing license.



### Management Perception

The Company proposes to apply for the licenses around 15<sup>th</sup> March, 2007 as it holds all the required approvals for its existing project at the site.

#### 16) The promoter group and others have been allotted shares at a price lower than the floor price of the issue in the last 12 months.

The promoter group and others have been allotted 1,43,500 shares at a price of Rs. 250 (Face Value Rs. 100) on 31.3.2006.

#### 17) Negative Cash flows of the Company

(Amt. in lacs)

PARTICULARS	For the year ended 31 <sup>st</sup> March				
	2006	2005	2004	2003	2002
Cash Flow From Operation Activities (A)	764.94	992.60	362.15	(204.87)	273.03
Cash Flow From Financing Activities (B)	(594.55)	(656.66)	2257.39	1246.03	777.15
Cash Flow From Investing Activities (C)	14.00	(375.59)	(2666.29)	(890.12)	(1006.21)
<b>Total increase (decrease) in cash and cash equivalents during the year (A+B+C)</b>	<b>184.39</b>	<b>(39.65)</b>	<b>(46.75)</b>	<b>151.05</b>	<b>43.97</b>

### Management Perception

In the Financial year 2004 and 2005, the company has completed project which was funded by way of term loan from bank and internal accruals. In view of the same it registered the negative cash flow. The Company was generating positive cash flow before Financial year 2004 and 2006.

#### 18) No previous track record of dividend.

The Company has declared dividend only once for the Financial Year 1984-85 since inception.

### Management Perception

The Company is a profit making company, however, we have not declared dividend on the paid up equity share capital of the Company as it preferred to plough back the profits to expand the business.

#### 19) The business of end-user industry of our product is seasonal.

The main consumers of our products are soft drink manufacturers and beer industry, whose business is largely seasonal in nature. Any adverse change in the demand in the season may affect the operations of the Company.

### Management Perception

Presently the products of the Company are used in beverages industry dominated by the soft drink manufacturers. However, the products are finding increased usage in other market segments thereby increasing the market size. As the Company has also started marketing its products in other market segment, the decrease in the income from soft drinks will be balanced by increase in the income from other market segments.

#### 20) Change in technology

The future success of the Company will depend in part on the ability to respond to technological advances taking place in every industry including beverage packaging. The development and implementation of such

technology entails significant technical & business risk. The Company cannot assure that it will successfully implement new technology effectively or adapt the processing system to emerging industry standards. If the Company is unable for technical, financial, legal and/or other reasons to adapt in timely manner to the changing market conditions, the business, financial performance and the trading price of the equity shares could be adversely affected.

**Management Perception**

Since inception the management has opted for the best technology available in the industry. Its suppliers M/s. Krauss Maffei, Germany and M/s. Sacmi-Imola, Italy are considered to be world leader in manufacture of beverage packaging machines.

**21) The Company is dependent on its promoters for its performance**

The Company is dependent on the experience and the continued efforts of its promoters who have been associated with the Company since its inception. The promoters have been involved with critical functions like finance, marketing, business development, technical and human resources.

**22) In a business marked by high working capital components due to the need of high quantity of raw material, inefficient fiscal control could affect profitability.**

**Management Perception**

The Company is strengthening its fiscal control through a progression towards value-addition, cost reduction, a tight control on receivables, and a stronger negotiation with banks leading to a reduced cost of funds and a comfortable loan repayment schedule.

**23) Failure to effectively manage labour or failure to ensure availability of sufficient labour could affect the business operations of the Company.**

**Management Perception**

The Company has been handling labour and related issues efficiently and this has contributed to the smooth functioning of the operations. The Company has cordial labour relationships, and has never faced any labour problem in the past. The Company is conscious about the need for introducing more automation in the operations.

**24) Inability to retain/attract senior management personnel may lead to sub-optimal performance.**

The success of the Company depends upon its senior management and key personnel. The future performance of the Company will depend upon the continued services of these persons. In the event, the Company is not able to retain its senior management personnel or attract and retain new senior management personnel in the future; it may lead to an adverse impact on its business and results of operations.

**Management Perception**

Human Resource Management is a key focus area in our Company. The competitive compensation and perquisites offered to our personnel, challenging roles to steer a growing integrated packaging company will enable us to attract and retain new senior management personnel.

**25) The Company may face significant competition from a number of sources.**

The Beverage Packaging Industry in India is highly competitive with a large number of players. We expect the competition to intensify and increase from a number of sources. We believe that the principal competitive factors in our markets are price, quality and raw material supply. There are many companies in India, which are present across the value chain and hold a commanding position in the industry; such companies pose a threat to our Company.



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### **Management Perception**

The Company has been in the business and has over a period of time built a reputation of a supplier adhering to the delivery schedules with emphasized on consistency and quality. Any new entrant has to prove itself on these parameters which are very important for the end-users.

**26) The Company may not be fully insured for business losses, which we might incur.**

We have not taken any insurance for protecting us from future business losses and in the event of such losses occurring, the operations of our Company may be affected significantly. However, our Company has insured all our assets and properties adequately.

**27) The Company has planned capital expenditures, which may not yield the benefits intended.**

The Company has planned Capital expenditure at Neemrana, Rajasthan. The capital expenditure plans are subject to a number of variables, including possible cost overruns; construction/ development delays or defects; receipt of critical governmental approvals; and changes in management's views of the desirability of current plans, among others.

### **Management Perception**

The management has implemented the similar project in the past and doesn't foresee any difficulty in completing the project as intended. For details, please refer to page no. 43 of the Red Herring Prospectus.

**28) There could be any delay in the schedule of deployment of funds for the proposed growth plan and it may have an adverse impact on business.**

### **Management Perception**

The Company has the requisite experience and capabilities to achieve growth plan. It has flexibility and options to realign its project activities as warranted by the changing situation.

**29) The Company will be controlled by our Promoters as long as they own a majority of our Equity Shares and our other shareholders will be unable to affect the outcome of shareholder voting during such time.**

After the completion of this Issue, the Promoters and the Promoter Group will own approximately 52.53% of our issued Equity Share Capital. As a result, our Promoters and Promoter Group will have the ability to appoint the majority of the members of the Board, in accordance with the Companies Act and our Articles of Association, and determine the outcome of actions requiring the approval of our shareholders. The interests of our Promoter may conflict with the interests of our other investors, and you may not agree with actions it may take. Further, the extent of the Promoters shareholding in us may result in delay or prevention of a change of management or control of the Company, even if such a transaction may be beneficial to our other shareholders.

### **Management Perception**

AMD Metplast Limited is a transparently managed Company where participative management is encouraged. Our Company expects to draw substantial entrepreneurial resources from our existing promoters who have demonstrated significant organizational and administrative capabilities over the past 23 years. The promoters along with our management personnel have been involved with critical functions like finance, marketing, business development, technical and human resources. The total strength of the Board of Directors is 6 out of which 3 are independent directors, which would prevent the promoter group from taking actions that could adversely affect our Company and detrimental to the interests of the minority shareholders.

**30) Significant increase in the Share Capital of the Company**

We propose to significantly raise its share capital after the issue from Rs.900.00 lacs to Rs.1916.67 lacs. This will lead to a significant increase in the shareholding and servicing of enhanced equity.

**Management Perception**

We are confident of servicing the expanded equity.

**31) Any future equity offerings or implementation of an employee stock option scheme by us may lead to dilution of your shareholding in the Company.**

Purchasers of Equity Shares in this offer may experience dilution of their shareholding to the extent we make future equity offerings and to the extent stock options are issued under any employee stock option scheme that we may put into place.

**Management Perception**

Investors in this issue may experience dilution of their shareholding to the extent the Company makes future equity offerings and adopts an Employee Stock Option Plan. However, the Company will regard its Employee Stock Options Plan as an important tool for retention, motivation, high level performance.

**32) We have entered into certain transactions in which our promoters are interested parties. For details of the Related Party Transaction, please refer to page no. 85 of RHP.**

**Management Perception**

The Related Party Transactions have been entered at the prevailing market rates and they are not prejudicial to the interest of the company. The mode of transaction is through cheque in all the contracts. Except disclosed in Related Party Transactions, the company has not entered into any contract in which promoters are interested parties.

**33) The objects of the Issue for which the funds are being raised have not been appraised by any bank or financial institution.**

The objects of the Issue for which the funds are being raised have not been appraised by any bank or financial institution. In the absence of any such independent appraisal, the requirement of funds raised through this Issue as stated in the section titled "Objects of the Issue" on page 21 of this Red Herring Prospectus are based on our estimates. Board of Directors of the Company will monitor the use of the proceeds of the Issue.

**34) The total net worth of the company as of March 31, 2006 is Rs. 30.84 crores where as the issue size is 66.08-76.25 Crore.**

**Management Perception**

The issue price would be determined in consultation with BRLM and on the basis of book building process. Moreover, the issue size would be in compliance with the DIP Guidelines.

**35) Some of the loan documents provide for prepayment penalties and the company may have to pay such excess amount.**

**B. EXTERNAL RISK FACTORS**

**1. Our profitability could decrease if the Government of India or the applicable state governments reduce or withdraw tax benefits and other incentives provided to us.**

There are certain incentives and concessions granted or provided by the Government of India or the





applicable state governments that are currently being enjoyed by the Beverage Packaging Industry. There is no guarantee that such incentives or concessions will continue or will not be withdrawn by the Government of India or the applicable state governments in the future.

**2. The beverage packaging industry is subject to significant regulations.**

We are subject to numerous laws and regulations in all of the jurisdictions in which we operate. Our business is also subject to laws and regulations governing relationships with employees in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees. Furthermore, the success of our strategy to expand is contingent upon, amongst other things, receipt of all required licenses.

**3. Disruptions or lack of basic infrastructure such as our electricity supply and water supply could adversely affect our operations.**

**4. Acts of violence or war, in India or other neighboring countries, may affect Indian and worldwide economic markets.**

Terrorist attacks and other acts of violence or war may adversely affect Indian and worldwide economic markets. These acts may also result in a loss of business confidence and have other consequences that could adversely affect our business, profitability and financial condition. Increased volatility in the economic markets can have an adverse impact on the economies of India and other countries.

**5. Our operations could be effected by natural calamities at or in the vicinity of such facility.**

Our operations are dependent on our ability to protect our properties from any natural calamity like fire, earthquakes, floods, power losses and similar events. The occurrence of a natural disaster or other unanticipated problems at our units and registered office can cause interruptions in our operations. Any damage or failure that causes interruptions in our operations could have a negative impact on our profitability and financial condition.

**6. Our performance is linked to the stability of Government policies and the political situation in India.**

The role of the Indian central and state governments in the Indian economy, on producers, consumers and regulators has remained significant over the years. Since 1991, the Government of India has pursued policies of economic liberalization, including significantly relaxing restrictions on the private sector. The current Government in India, which was formed in June 2004, has continued policies and taken initiatives that support the continued economic liberalization policies that had been pursued by the previous governments. We cannot assure you that these liberalization policies will continue in the future. Protests against privatisation could slowdown the pace of liberalization and deregulation. The rate of economic liberalization could change, and specific laws and policies affecting Beverage Packaging Industry, foreign investment, currency exchange rates and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our business.

**7. There has been no public market for Company's equity shares and the prices of the equity Shares may fluctuate after this offer.**

There can be no assurance that an active trading market for Company's equity shares will develop or be sustained after this Offer or that the Offer price or the price at which its equity shares are initially traded will correspond to the prices at which its equity shares will trade in the market subsequent to this offering.

**8. After this Issue, the price of our Equity Shares may be highly volatile, or an active trading market for our Equity Shares may not develop.**

The prices of our Equity Shares on the Indian stock exchanges may fluctuate after this Issue as a result of several factors, including:

- Volatility in the Indian and global securities market or in the Rupees value relative to the U.S. dollar, the Euro and other foreign currencies;
- Our profitability and performance;
- Perceptions about our future performance or the performance of Indian beverage packaging companies in general; Performance of our competitors in the Indian Beverage Packaging Industry and the perception in the market about investments in the Beverage Packaging Industry;
- Adverse media reports on the Company or the Indian Beverage Packaging Industry;
- Changes in the estimates of our performance or recommendations by financial analysts;
- Significant developments in India's economic liberalization and deregulation policies; and
- Significant developments in India's fiscal and environmental regulations.

**9. The Company is subject to risk rising from changes in interest rates and banking policy. The Company is dependent on various banks and financial institutions for arranging the Company's working capital requirements, term loans, etc. Accordingly, any change in the extent banking policy or increase in interest rates may have an adverse impact on the Company's profitability.**

**10. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business and could materially affect our future financial performance and the trading price of our equity shares.**

**11. Investors may have difficulty enforcing judgments against the Company or its management.**

We are incorporated under the laws of India. All of our directors and executive officers and some of our advisors and experts named in this Red Herring Prospectus are residents of India. Further, all of our assets and the assets of such persons are located in India. As a result, it may not be possible for investors to effect service of process upon the Company or such persons in jurisdictions outside India or to enforce judgments obtained against us or such persons outside India. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908 (the "Civil Code"). Section 13 of the Civil Code provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon except (i) where it has not been pronounced by a court of competent jurisdiction, (ii) where it has not been given on the merits of the case, (iii) where it appears on the face of the proceedings to be founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable, (iv) where the proceedings in which the judgment was obtained were opposed to natural justice, (v) where it has been obtained by fraud or (vi) where it sustains a claim founded on a breach of any law in force in India.

Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty.



The United States has not been declared by the Government to be a reciprocating territory for the purpose of Section 44A of the Civil Code. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered.

### C. NOTES TO RISK FACTORS

1. Public Issue of 1,01,66,700 Equity Shares of Rs. 10/- each for Cash at a Price of Rs [●] per Equity Share aggregating Rs. [●] Lacs. Out of this Issue 10,70,180 Equity Shares of Rs. 10/- each is promoters' contribution, 10,16,670 Equity Shares of Rs. 10 each is Employee Reservation and net offer to public is 80,79,850 Equity Shares of Rs.10/- each. The present issue would constitute 53.04% of the post issue paid up capital of the Company.
2. Net worth of the Company as on 31st March 2006 is Rs.3084.89 lacs (based on unconsolidated financial statements). The book value of the Equity Shares of the Company as on 31<sup>st</sup> March 2006 is Rs. 34.25 per Equity Share of face value Rs.10/- per share.
3. Investors are advised to refer the paragraph on "Basis for the Issue Price" on page 28 of this Red Herring Prospectus before making an investment in the Issue.
4. The Issue is being made through a 100% Book Building Process wherein up to 50% of the Net issue to the public will be allocated to Qualified Institutional Buyers ("QIBs") on a proportionate basis. Out of the portion available for allocation to the QIBs, 5% will be available for allocation on a proportionate basis to Mutual Funds. Mutual Fund applicants shall also be eligible for proportionate allocation under the balance available for the QIBs. Further, at least 15% of the Net issue to the public will be available for allocation on a proportionate basis to Non-Institutional Bidders and at least 35% of the Net issue to the public will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.
5. In case of oversubscription in the Issue, Allotment will be made on a proportionate basis to Qualified Institutional Bidders, Retail Individual Bidders, Non Institutional Bidders and to Bidders under the Employees Reservation Portion. For details, please refer to the paragraph titled "Basis of Allocation" beginning on page 209 of this Red Herring Prospectus.
6. Investors are free to contact the Book Running Lead Manager for any clarification or information pertaining to the Issue.
7. Investors may note that allotment and trading in shares of our Company shall be done only in dematerialized form.
8. All information shall be made available by the Book Running Lead Manager and the Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever.
9. The average cost of acquisition of Equity Shares of face value of Rs.10 each by our promoters is given below:

**AMD Metplast Limited**

<b>Sr.No.</b>	<b>Name of Promoter</b>	<b>Avg. Cost ofAcquisition (Rs.)</b>
1.	Mr. Harswarup Gupta	Rs.9.63
2.	Mr. Ashok Gupta	Rs.11.54
3.	Mr. Adit Gupta	Rs.11.50
4.	Mrs. Chitra Gupta	Rs.13.37

10. There have been no transactions in the Company's Equity Shares by the Promoters/Promoter Group and the Directors of the Company during a period of six months preceding the date of filing of this Red Herring Prospectus with ROC.
11. The Cumulative value of related party transactions of AMD with group/subsidiary companies is Rs. 959.90 lacs for the period ended 31<sup>st</sup> October, 2006 and Rs. 181.41 lacs for the year 2005-06. For details, please refer page 85 under heading "Related Party Transactions" of the Red Herring Prospectus.
12. The name of the Company was changed to AMD Metplast Private Limited and a Fresh Certificate of Incorporation consequent to change of name was granted to the company on 27th August, 2004. The Company subsequently became a public limited Company and the name of the Company was further changed to AMD Metplast Limited and the fresh certificate of incorporation was granted to the Company on 2nd June, 2006.



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## SECTION III – INTRODUCTION

### SUMMARY

#### INDUSTRY OVERVIEW

AMD Metplast Limited operates in the Beverage Packaging Industry. Beverage Packaging Sector includes packaging for carbonated soft drinks (CSD), mineral waters, beer and other alcoholic beverages, juices, sauces, ready-to-drink milk products etc. Other sectors where specific products of AMD can be used are pharmaceuticals and personal care products as well as non-alcoholic items like edible oils etc.

Increase in GDP has created huge market demand for the fast moving consumer goods and also resulted in the marked change in the habits of the people. The increase in the disposable earnings have also contributed in increase in the spending in the products like cold drinks, packaged juices, milk products and also alcoholic beverages like beer etc. Besides this, to attract consumer attention, the market players are using innovative, attractive and convenient packaging solutions for these edible items and drinks.

Traditionally glass bottles are used for liquid items; however, due to logistical problems newer alternatives like PET Bottles are used to pack the items like cold drinks, beer, edible oil, cosmetics, pharmaceuticals etc.

#### Industry Sectors

Crown caps are mainly used as metallic closures for various edible items packed in glass bottles e.g. Carbonated Soft Drinks, Beer, Juices, Sauces, Ready-to-drink Milk products etc.

Plastic Closures are mainly used in plastic bottles like CSD Pet Bottles for mineral water and for juices. Various other end-users have started using plastic bottles as packaging medium. The requirements of closures with respect to design and quality depend upon the need of the end-user.

The main usage of PET Preforms (before blowing to full size bottles, capsules are called Preforms) is in cold drinks, water and juices. PET Bottles is finding increasing usage in the products like edible oil, personal care products, pharmaceuticals and confectionery industry.

#### Outlook

The Overall Beverage Packaging Industry is growing at over 10% per annum. The negative growth of glass bottles has been overtaken by the growth of PET as a useful alternate.

PET Packaging has started getting success due to multiple factors like supply chain cost factors on account of logistics, unbreakability, and light weight together with transparency and inertness and seems to be replacing glass usage in many areas. There is tremendous scope for beer to be supplied in PET.

#### Business Overview

M/s AMD Metplast Limited was incorporated in 1983 with a prime objective to manufacture and deal in all kind of packaging containers and related products. The Company started its first plant in 1986 and subsequently second plant in the year 1989. Subsequent to the approval of its products by number of clients the Company again expanded its manufacturing base by setting up the third unit in the year 1995 and expanded the same in the year 2000. The Company later ventured in the pre-forms manufacturing in the year 2002 by setting up the first line and second line in the year 2003. The Company also installed CSD Closure Plant successfully in the year 2003 only. The Company in the year 2004 imported the complete crown manufacturing plant from Italy and installed the same at Neemrana, Rajasthan. AMD is manufacturing and supplying all the three products namely, crown cap, PET Preform and CSD Closures to its customers.

AMD Metplast Limited (AMD) an existing profit making company has facilities for the manufacture of carbonated soft drinks closures (CSD Closures), crown caps and PET Preforms at its three plants located in District Ghaziabad in the state of Uttar Pradesh and one at Neemrana, Distt. Alwar in the state of Rajasthan with the following capacities:

## AMD Metplast Limited

Name of the Product	Installed capacity (Nos.)
Crown Caps	2661.12 Million per annum (184800 cases)
PET PREFORM	4620 MT/ Annum of Resin Processing
CSD Closures	288 Million per annum

### Plant Locations

Sr. No.	Plant Location	Product
1	C-10, Site-3, Meerut Road, Industrial Area, Ghaziabad.	Crown Caps
2	145, Anand Industrial Area, Mohan Nagar, Ghaziabad	Crown Caps
3	C-4, C-5, Site 3, Meerut Road, Industrial Area, Ghaziabad.	CSD Closures and PET Preforms
4	SP-32 RIICO Industrial Area, Neemrana (Rajasthan)	Crown Caps



## THE ISSUE

Issue of Equity Shares :	1,01,66,700 Equity Shares
Of which, Promoter's Contribution :	10,70,180 Equity Shares
Employee Reservation Portion	10,16,670 Equity Shares
<b>Net Issue to Public</b>	<b>80,79,850 Equity Shares</b>
Of which the QIB Portion	upto 40,39,924 Equity Shares (allocation on proportionate basis)
Of which Available for Allocation to Mutual Funds :	2,01,997 Equity Shares (allocation on proportionate basis)
Balance for all QIB including Mutual Funds :	38,37,927 Equity Shares (allocation on proportionate basis)
Non-Institutional Portion	Minimum of 12,11,978 Equity Shares (Allocation on proportionate basis).
Retail Portion	Minimum of 28,27,948 Equity Shares (Allocation on proportionate basis).
Equity Shares outstanding prior to the Issue :	90,00,000 Equity Shares
Equity Shares outstanding after the Issue :	1,91,66,700 Equity Shares
Objects of the Issue:	Please see the section titled "Objects of the Issue" on page 21

### Notes:

- (1) Eligible Employees of the Company shall be entitled to apply in the reserved category for Employees portion. However, the Promoter Directors and Promoter Group (relatives of Promoters) shall not be eligible to apply in the Employees Reservation Portion
- (2) The unsubscribed portion, if any, in the employee reservation portion will be added back to Net Issue to Public and will be considered for allotment only on a proportionate basis. Under-subscription, if any, in the QIBs portion, Non- institutional portion or Retail Individual Investors shall be allowed to be met with spillover from the other categories, at the sole discretion of the Company and BRLM.
- (3) As per the amendments to the SEBI Guidelines, allocation to QIBs is proportionate as per the terms of this RHP. 5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion.



## AMD Metplast Limited

### SUMMARY FINANCIAL INFORMATION

The following table sets forth summary financial data derived from our restated financial statements for the financial period ended October 31st 2006 and fiscal years ended March 31, 2002, 2003, 2004, 2005 and 2006 prepared in accordance with Indian GAAP and SEBI Guidelines and as described in the Statutory Auditor's report dated January 23, 2007 included in the section titled Financial Statements (Restated) beginning on page 88 of this Red Herring Prospectus and should be read in conjunction with those financial statements and notes thereto.

### SUMMARY STATEMENT OF PROFIT AND LOSSES, AS RESTATED

The Profit and Loss Statements of the Company for five financial years ended March 31 of 2002 to 2006 & for the period ended October 31st, 2006 read with significant accounting policies, notes on accounts and the notes to adjusted accounts are set out below.

(Rs. lacs)

Particulars	Period ended 31-10-06	Year ended March 31st				
		2006	2005	2004	2003	2002
<b>Income</b>						
Sales (Net of Excise duty )	3440.79	6581.13	6412.69	6216.68	4603.39	2278.59
Other Income	373.34	520.06	322.41	110.74	12.85	17.47
Increase / (decrease) in inventories	(2.75)	33.59	192.44	67.25	71.33	5.58
<b>Total Income</b>	<b>3811.38</b>	<b>7134.78</b>	<b>6927.54</b>	<b>6394.67</b>	<b>4687.57</b>	<b>2301.64</b>
<b>Expenditure</b>						
Materials consumed	1861.14	3245.47	4079.35	3847.24	2636.29	1215.36
Cost of Goods Sold	517.72	1420.22	0.00	37.57	21.23	79.08
Staff Costs	60.33	110.97	95.42	94.25	58.45	38.20
Other manufacturing expenses	388.45	544.37	629.04	510.67	326.46	131.95
Administrative, selling and distribution expenses	369.42	545.47	955.08	815.87	832.47	514.95
Financial Expenses	245.71	429.11	444.07	434.83	253.53	115.35
Depreciation	165.63	317.68	335.17	316.51	112.20	49.43
Miscellaneous expenditure written off	-	2.73	2.37	2.37	1.40	0.76
<b>Total Expenditure</b>	<b>3608.40</b>	<b>6616.02</b>	<b>6540.50</b>	<b>6059.31</b>	<b>4242.03</b>	<b>2145.08</b>
Net Profit before tax	202.98	518.76	387.04	335.36	445.54	156.56
Tax expense - Current tax	30.23	44.03	30.33	27.00	35.12	11.98
Tax expense - Deferred tax	0.00	63.28	236.67	128.12	94.45	0.00
Fringe Benefit Tax	2.47	6.06	0.00	0.00	0.00	0.00
Excess/(Short) Provision for tax	0.00	0.00	0.80	1.09	-0.28	0.00
Net Profit after tax (A)	170.28*	405.39	119.96	179.15	314.66	144.58
Impact of material adjustments for restatement in corresponding years (net of tax) (B)	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net Profit after adjustments (A) + (B)</b>	<b>170.28*</b>	<b>405.39</b>	<b>119.96</b>	<b>179.15</b>	<b>314.66</b>	<b>144.58</b>

The accompanying statement of adjustments to Audited Profit and Loss Account (Annexure III) and Significant Accounting Policies and Notes on Accounts (Annexure IV) are an integral part of this statement.

**Note :** \* Provision for deferred tax liability has not been made it shall be worked out at the end of the year.



## SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Assets and Liabilities of the Company at the end of each financial period/year regrouped wherever necessary and read with significant accounting policies, notes on accounts and the notes to adjusted accounts are set out below.

Rs. in lacs

Particulars	Period ended 31-10-06	Year ended March 31st				
		2006	2005	2004	2003	2002
<b>A. Fixed Assets</b>						
Gross block	6150.06	5904.28	5800.23	5523.95	2555.06	2084.10
Less: Depreciation	1442.41	1280.27	963.15	627.98	312.42	200.41
Net Block	4707.65	4624.01	4837.08	4895.97	2242.64	1883.69
Capital Work-in-Progress	208.04	189.45	133.00	132.03	423.07	0.00
<b>TOTAL</b>	<b>4915.69</b>	<b>4813.46</b>	<b>4970.08</b>	<b>5028.00</b>	<b>2665.71</b>	<b>1883.69</b>
<b>B. Investments</b>	43.11	11.93	114.86	0.00	0.00	0.00
<b>C. Current assets, loans and advances</b>						
Inventories	1420.98	1984.67	2204.59	1043.52	648.87	529.88
Receivables	716.65	1494.29	1644.32	2066.91	1498.17	1025.46
Cash and bank balances	67.30	308.16	123.76	163.41	210.17	59.11
Loans and advances	1650.31	663.15	481.36	762.96	605.17	224.45
<b>TOTAL</b>	<b>3855.24</b>	<b>4450.27</b>	<b>4454.02</b>	<b>4036.81</b>	<b>3022.38</b>	<b>1838.90</b>
<b>D. Total assets (A + B + C)</b>	<b>8814.04</b>	<b>9275.66</b>	<b>9538.96</b>	<b>9064.81</b>	<b>5688.09</b>	<b>3722.59</b>
<b>E. Liabilities and provisions</b>						
Loan funds						
Secured loans	3449.92	4764.79	5036.46	5141.78	2567.43	1472.35
Unsecured loans	620.40	24.49	277.50	535.05	470.18	365.70
<b>TOTAL</b>	<b>4070.32</b>	<b>4789.28</b>	<b>5313.96</b>	<b>5676.83</b>	<b>3037.61</b>	<b>1838.05</b>
<b>F. Deferred Tax Liability</b>	523.55*	523.55	460.27	223.59	95.48	0.00
<b>G. Current liabilities and provisions</b>						
Current liabilities	818.42	758.74	1202.83	957.56	637.16	620.37
Provisions	155.94	119.20	242.11	159.35	100.06	59.20
<b>TOTAL</b>	<b>974.36</b>	<b>877.94</b>	<b>1444.94</b>	<b>1116.91</b>	<b>737.22</b>	<b>679.57</b>
<b>H. Total Liabilities and provisions (E+F+G)</b>	<b>5568.23</b>	<b>6190.77</b>	<b>7219.16</b>	<b>7017.33</b>	<b>3870.31</b>	<b>2517.62</b>
<b>I. Net worth (D - H)</b>	3245.81	3084.89	2319.80	2047.48	1817.78	1204.97
Represented by Shareholders funds						
Share capital	900.00	900.00	756.50	553.50	553.50	493.50
Share Application Money	0.00	53.00	0.00	0.00		
Reserves and surplus	2359.17	2188.89	1568.25	1448.30	1269.14	714.48
<b>TOTAL</b>	<b>3259.17</b>	<b>3088.89</b>	<b>2324.75</b>	<b>2054.80</b>	<b>1822.64</b>	<b>1207.98</b>
Less Miscellaneous Expenditure	13.36	4.00	4.95	7.32	4.876	3.01
<b>TOTAL</b>	<b>3245.81</b>	<b>3084.89</b>	<b>2319.80</b>	<b>2047.48</b>	<b>1817.78</b>	<b>1204.97</b>

The accompanying Statement of Adjustments to Audited Profit and Loss Account (Annexure III) and Significant Accounting Policies and Notes on Accounts (Annexure IV) are an integral part of this statement

**Note :** \* Provision for deferred tax liability has not been made it shall be worked out at the end of the year.

## AMD Metplast Limited

### GENERAL INFORMATION

#### AMD Metplast Limited (Registration No.55-17141)

The Company was originally incorporated as Ashoka Metal Décor Private Ltd on 17th December, 1983 with Registrar of Companies, Delhi & Haryana. The name of the Company was changed to AMD Metplast Private Limited and a Fresh Certificate of Incorporation consequent to change of name was granted to the company on 27th August, 2004. The Company subsequently became a public limited Company and the name of the Company was further changed to AMD Metplast Limited and the fresh certificate of incorporation was granted to the Company on 2nd June, 2006.

**Regd. Office:** 18, Pusa Road, 1st Floor, Karol Bagh, New Delhi - 110 005

(The registered office of the Company was changed from 53/73, Ramjas Road, Karolbagh, New Delhi - 110 005 to the present address w.e.f 5th April, 2000.)

Tel: +91-11- 2575 8645, 2575 8649/50, **Fax:** +91-11-2575 3591,

**E-mail:** info@amdmetplast.com, Website: www.amdmetplast.com

**Contact person:** Mr. Rajkumar Aggarwal, Compliance Officer

**We have registered with the Registrar of Companies, Delhi and Haryana bearing company registration number 55-17141. The address of the RoC is as under:**

Registrar of Companies,  
N.C.T., Delhi & Haryana,  
CGO complex,  
Paryavaran Bhavan,  
Lodhi Road,  
New Delhi 110 003

#### BOARD OF DIRECTORS

Our Board of Directors currently comprises of the following persons:

Sr. No.	Name	Designation
1	Mr. Harswarup Gupta	Executive Chairman
2	Mr. Ashok Gupta	Managing Director
3	Mr. Adit Gupta	Whole Time Director
4.	Mr. Mahipal Ahluwalia	Independent Director
5	Mr. Prem Lal Madan	Independent Director
6	Mr. Seshadri Ratnam	Independent Director

**For further details of our Chairman, Managing Director & Whole Time Director see the section titled "Our Promoters" on page no. 83 and brief profile of other members of the Board of Directors is mentioned under the section titled "Our Management" on page no. 73 of this Red Herring Prospectus.**

#### COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Rajkumar Aggarwal  
18, Pusa Road,  
1st Floor, Karol Bagh,  
New Delhi - 110 005  
Tel: +91-11- 2575 8645 2575 8649/50,  
Fax: +91-11-2575 3591,  
E-mail: info@amdmetplast.com

**Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post- Issue related problems, such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary accounts or refund orders etc.**



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## **LEGAL ADVISORS TO THE ISSUE**

### **Dinesh Kumar Gupta**

Advocate

C-58, Vivek Vihar,

Phase-1, Delhi - 110095

Tel: +91-11-2214 4284/85

Telefax: + 91-11-2214 4285

E-mail: dkgupta5758@yahoo.com

## **BANKERS TO THE COMPANY**

### **State Bank of India**

Overseas Branch

Jawahar Vyapar Bhawan,

1 Tolstoy Marg, New Delhi - 110001

Tel: +91-11-2332 1791/2337 4915

Fax: +91-11-2371 1580\

E-mail: sbiobat@nde.vsnl.net.in

### **Union Bank of India**

F 14/15, Connaught Place,

New Delhi - 110001

Tel: +91-11 - 2335 4234/2331 4777

Fax: +91-11-2332 3809

Email: cpmain@unionbankofindia.com

### **State Bank of Indore**

M - 94, Connaught Circus,

New Delhi-, 110001

Tel: +91-11-2341 5044/ 2341 7104

Fax: +91-11-2341 4711

E-mail: sbindore@bol.net.in, sbn3203@sbindore.co.in

## **ISSUE MANAGEMENT TEAM**

### **BOOK RUNNING LEAD MANAGER**

#### **Chartered Capital And Investment Ltd**

711, Mahakant,

Opp V S Hospital, Ellisbridge,

Ahmedabad 380 006,

Tel: +91-79-2657 5337, 2657 7571

Fax: +91-79-2657 5731

E-mail: amdipo@charteredcapital.net

Website: www.charteredcapital.net

Contact person: Mr. Sagar Bhatt

## **REGISTRAR TO THE ISSUE**

### **BIGSHARE SERVICES PVT. LTD.**

E-2, Ansa Industrial Estate,

Saki-Vihar Road, Sakinaka,

Mumbai - 400 072.

Tel.: +91 22 2847 0652

Fax: +91 22 2852 5207

E-mail: ipo@bigshareonline.com

Website: www.bigshareonline.com

Contact Person: Mr. NVK Mohan

## **AMD Metplast Limited**

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### **BANKERS TO THE ISSUE AND ESCROW COLLECTION BANKS**

#### **State Bank of India,**

New Issues & Securities Services Division,  
Mumbai Main Branch,  
Mumbai Samachar marg,  
P.B. No.13, Fort,  
Mumbai - 400 023  
Tel: +91-22-2265 1579, 2266 2133, 2265 1363  
Fax: +91-222267 0745, 2269 5277  
E mail: mmbncwiss@sbi.co.in, rajeev.kumar@sbi.co.in  
Website: www.sbi.co.in  
Contact Person: Mr. Kannan Raj, Mr. Rajeev Kumar

#### **HDFC Bank Ltd,**

Maneckji Wadia Bldg., Ground Floor,  
Nanik Motwani Marg,  
Mumbai - 400001  
Tel: +91-22-22679961, 22679947, 9324637297  
Fax: +91-22-22671661  
E mail: Sunil.Kolenchery@hdfcbank.com  
Website: www.hdfcbank.com  
Contact Person: Mr. Sunil Kolenchery

#### **The Hongkong And Shanghai Banking Corporation Ltd,**

52/60, Mahatma Gandhi Road,  
Mumbai - 400 001  
Tel.: +91-22-2268 5568,  
Fax: +91-22-2262 3890  
E-mail: zersisirani@hsbc.co.in  
Website: www.hsbc.co.in  
Contact Person: Mr. Zersis Irani

#### **Kotak Mahindra Bank**

Cash Management Services - operation  
4th Floor, Dani Corporate Park,  
158, C.S.T Raod, Kalina, Santacruz East,  
Mumbai 400098.  
Tel.: +91-22-2675 94850 / 022-66596216  
Fax: +91-22-5648 2710  
E-mail: Mahesh.shekdar@kotak.com, Ibrahim.sharief@kotak.com  
Website: www.kotak.com  
Contact Person: Mr. Ibrahim Sharief, Mr. Mahesh Shekdar

#### **ABN Amro Bank**

Brady House,  
14, Veer Nariman Road,  
Hornimon Circle, Fort,  
Mumbai - 400 001  
Tel.: +91-22-6658 5817, 6658 5858  
Fax: +91-22-2287 3042  
E-mail: Neeraj.chabra@in.abnamro.com  
Website: www.in.abnamro.com  
Contact Person: Mr. Neeraj Chabra



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## SYNDICATE MEMBER

### **Chartered Capital And Investment Ltd**

711, Mahakant,  
Opp V S Hospital, Ellisbridge,  
Ahmedabad 380 006,  
Tel: +91-79-2657 5337, 2657 7571  
Fax: +91-79-2657 5731  
E-mail: amdipo@charteredcapital.net  
Website: www.charteredcapital.net  
Contact person: Mr. Sagar Bhatt

### **Religare Securities Limited,**

14, Mittal Chambers,  
1st Floor, Nariman Point,  
Mumbai - 400 021  
Tel: +91-22-4007 4800  
Fax: +91-22-4007 4869  
E-mail: anil.mehta@religare.in  
Website: www.religare.in  
Contact person: Mr. Anil Mehta

## STATUTORY AUDITORS TO THE COMPANY

### **Suresh & Associates,**

Chartered Accountants  
3A, Bigjo's Tower,  
Netaji Subhash Place,  
Pitam Pura, Delhi 110 034  
Contact Person: Mr. Suresh K Gupta  
Tel: +91-11-2719 6916/17, Fax: +91-11-2719 6918  
E-mail: suresh\_associates@rediffmail.com

## INTER SE ALLOCATION OF RESPONSIBILITIES OF THE BRLM

Since Chartered Capital And Investment Limited is the sole BRLM for this Issue, all the Issue related activities are handled by Chartered Capital And Investment Limited.

## CREDIT RATING

As this is an issue of Equity Shares there is no credit rating for this Issue.

## IPO GRADING

CARE has assigned a “**CARE IPO Grade 3**” to the proposed IPO of AMD Metplast Ltd. (AMDML). “**CARE IPO Grade 3**” indicates **Average Fundamentals**. CARE assigns IPO grades on a scale of Grade 5 to Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals. CARE's IPO grading is an opinion on the fundamentals of the issuer. The grade assigned to any individual issue represents a relative assessment of the 'fundamentals' of the issuer. AMDML proposes an initial public offering of its 1,01,66,700 equity shares.

The grading takes into account AMDML's established track record of more than two decades in beverage packaging industry, its long standing supply relationship with Hindustan Coca-cola Beverages Pvt. Ltd. (HCCBL) and other beverage manufacturers, its advanced manufacturing technology, sustained operating margin and satisfactory debt servicing track record. The grading is, however, constrained by concentration risk in the form of AMDML's over-dependence on a single customer (HCCBL), slow down in the growth of carbonated soft drink industry and moderate corporate governance practices.

## TRUSTEES

As this is an issue of Equity Shares, the appointment of Trustees is not required.

## AMD Metplast Limited

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### MONITORING AGENCY

There is no requirement for a monitoring agency in terms of Clause 8.17 of the SEBI DIP Guidelines. Board of Directors of the Company will monitor the use of the proceeds of the Issue.

### APPRAISING ENTITY

The project for which the present public issue is being made has not been appraised by any Bank or financial institution.

### WITHDRAWAL OF THE ISSUE

The Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at anytime including after the Bid Closing Date, without assigning any reason thereof.

### BOOK BUILDING PROCESS

Book Building refers to the collection of Bids from investors, which is based on the Price Band, with the Issue Price being finalized after the Bid/Issue Closing Date, The principal parties involved in the Book Building Process are:

1. The Company.
2. The Book Running Lead Manager; and
3. The Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchange (s) and eligible to act as underwriters. The BRLM appoints the Syndicate Members.

The SEBI Guidelines has permitted an issue of securities to the public through the 100% Book Building Process, wherein not more than 50 % of the Net Issue shall be allocated on a proportionate basis to QIBs, including upto 5% of the QIB portion that shall be available for Allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB portion shall be available for Allocation on a proportionate basis to all QIB Bidders, including Mutual Funds. Further, not less than 15% of the Net Issue shall be available for allotment on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allotment on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. We will comply with the SEBI DIP Guidelines for this Issue. In this regard, we have appointed the BRLM to procure subscriptions to the Issue.

The process of book building, under SEBI Guidelines, is relatively new and the investors are advised to make their own judgment about investment through this process prior to making a Bid in the Issue. Pursuant to recent amendments to SEBI DIP Guidelines, QIBs are not allowed to withdraw their Bid after the Bid/Issue Closing Date. Please refer to the section entitled "Terms of the Issue" on page 186 of this Red Herring Prospectus for more details.

Steps to be taken by the Bidders for bidding:

- " Check whether he/she is eligible for bidding;
- " Bidder necessarily needs to have a demat account; and
- " Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form.

**Illustration of Book Building and Price Discovery Process** *(Investors should note that the following is solely for the purpose of illustration and is not specific to this Issue)*

Bidders can bid at any price within the price band. For instance, assuming a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the website of the BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)) during the bidding period. The illustrative book as shown below shows the demand for the shares of our Company at various prices and is collated from bids from various investors.





Number of equity shares Bid for	Bid Price (Rs.)	Cumulative equity shares Bid for	Subscription
500	24	500	16.67%
1000	23	1500	50.00%
2000	21	5000	166.67%
2500	20	7500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired quantum of shares is the price at which the book cuts off i.e. Rs. 21 in the above example. The issuer, in consultation with the BRLM will finalise the issue price at or below such cut off price i.e. at or below Rs. 21. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in respective category.

#### UNDERWRITING AGREEMENT

After the determination of the Issue Price and prior to filing of the Prospectus with the RoC, we will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfill their underwriting obligations.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

Name and Address of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (Rs. in Lacs)
<b>Chartered Capital And Investment Ltd</b> 711, Mahakant, Opp V S Hospital, Ellisbridge, Ahmedabad 380 006, Tel: +91-79-2657 5337, 2657 7571 Fax: +91-79-2657 5731 E-mail: amdipo@charteredcapital.net Website: www.charteredcapital.net Contact person: Mr. Sagar Bhatt	[●]	[●]
<b>Religare Securities Limited,</b> 14, Mittal Chambers, 1st Floor, Nariman Point, Mumbai - 400 021 Tel: +91-22-4007 4800 Fax: +91-22-4007 4869 E-mail: anil.mehta@religare.in Website: www.religare.in Contact person: Mr. Anil Mehta	[●]	[●]

The above Underwriting Agreement is dated [●].

In the opinion of our Board of Directors (based on a certificate dated [●] given by the Underwriters), the resources of all the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange (s) The above Underwriting Agreement has been accepted by the Board of Directors acting through our Chairman and Managing Director, at their meeting held on [●], and we have issued letters of acceptance to the Underwriters.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the BRLM and the Syndicate Members shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/subscribe to the extent of the defaulted amount. Allotment to QIBs is proportionate as per the terms of this Red Herring Prospectus.

## AMD Metplast Limited

### CAPITAL STRUCTURE

Our share capital as at the date of filing this Red Herring Prospectus with ROC (before and after the Issue) is set forth below.

(Rs. In lacs, except share data)

	Aggregate Nominal Value	Aggregate Value
<b>A. Authorised Share Capital</b> 2,50,00,000 Equity Shares of Rs. 10 each	2500.00	
<b>B. Issued, Subscribed and Paid-Up Share Capital before the Issue</b> 90,00,000 Equity Shares of Rs. 10 each fully paid-up	900.00	1535.25
<b>C. Issue in terms of this Red Herring Prospectus</b> 1,01,66,700 Equity Shares of Rs. 10 each fully paid-up	1016.70	[●]
<b>Of which:</b>		
<b>Promoter's Contribution</b> 10,70,180 Equity Shares of Rs.10 each as Promoter's Contribution	107.02	[●]
<b>Employee Reservation Portion</b> 10,16,670 Equity Shares of Rs. 10 each fully paid-up	101.67	[●]
<b>Net Issue to Public</b> 80,79,850 Equity Shares of Rs.10 each	807.99	[●]
<b>Of which</b>		
QIB Portion of upto 40,39,924 Equity Shares	403.99	[●]
Non-Institutional Portion of at least 12,11,978 Equity Shares	121.20	[●]
Retail Portion of at least 28,27,948 Equity Shares	282.79	[●]
<b>D. Equity Share Capital after the Issue</b> 1,91,66,700 Equity Shares of Rs. 10 each fully paid-up	1916.67	[●]
<b>E. Share Premium Account</b>		
Before the Issue	635.25	
After the Issue	[●]	

#### History of change in Authorised Capital

Date	No. of Shares	Face Value	Authorised Capital	Particulars
17.12.1983	15,000	100	15,00,000	Incorporation
07.09. 1994	1,00,000	100	1,00,00,000	Increase
10.01.1997	2,00,000	100	2,00,00,000	Increase
28.09.2001	5,00,000	100	5,00,00,000	Increase
30.09.2002	10,00,000	100	10,00,00,000	Increase
03.05.2006	1,00,00,000	10	10,00,00,000	Share Split
03.05.2006	2,50,00,000	10	25,00,00,000	Increase

Our current authorised capital is sufficient to meet the requirements of the Issue.



## NOTES TO THE CAPITAL STRUCTURE

### 1. Share Capital History of our Company:

The current capital structure of the Company is built up as under.

Date of Allotment of Equity Shares.	No. of Shares	Face Value (Rs.)	Issue Price (Rs.)	Nature of payment	Reasons for allotment.	Cumulative Total Shares	Cumulative paid up capital (Rs)	Cumulative Share Premium (Rs.in Lacs)
17.12.1983	100	100	100	Cash	Subscription to Memorandum	100	10000	Nil
05.04.1984	4300	100	100	Cash	Further Issue	4400	440000	Nil
28.04.1984	3100	100	100	Cash	Further Issue	7500	750000	Nil
01.08.1984	3000	100	100	Other than Cash*	Further Issue	10500	1050000	Nil
07.08.1984	3000	100	100	Cash	Further Issue	13500	1350000	Nil
24.03.1986	1500	100	100	Cash	Further Issue	15000	1500000	Nil
09.09.1994	22500	100	100	Bonus	Bonus Issue	37500	3750000	Nil
02.01.1995	47500	100	100	Cash	Further Issue	85000	8500000	Nil
26.03.1997	5800	100	500	Cash	Further Issue	90800	9080000	23.20
28.03.1997	400	100	500	Cash	Further Issue	91200	9120000	24.80
31.03.1998	46500	100	100	Cash	Further Issue	137700	13770000	24.80
20.08.1998	14000	100	500	Cash	Further Issue	151700	15170000	80.80
27.03.2000	16800	100	500	Cash	Further Issue	168500	16850000	148.00
30.03.2001	8000	100	500	Cash	Further Issue	176500	17650000	180.00
28.11.2001	317000	100	100	Cash	Further Issue	493500	49350000	180.00
26.03.2003	60000	100	500	Cash	Further Issue	553500	55350000	420.00
30.03.2005	203000	100	100	Cash	Further Issue	756500	75650000	420.00
31.03.2006	143500**	100	250	Cash	Further Issue	900000	90000000	635.25
03.05.2006	<b>One Equity Share of Face Value Rs.100/- each was split into 10 Equity Shares of Face Value Rs.10/- each.</b>					9000000	90000000	635.25

\* In the year 1984 (on 01.05.1984) Ashoka Metal Décor Private Limited (Now AMD Metplast Limited) took over the business of M/s Ashoka Sales Agency (a partnership firm having two partners i.e. Mr. Harswarup Gupta and Mr. Ashok Gupta). In consideration of goodwill of the firm M/s Ashoka Sales Agency, Ashoka Metal Décor Private Limited (now AMD Metplast Limited) issued the above mentioned equity shares of the Ashoka Metal Décor Private Limited (now AMD Metplast Limited)

\*\*The details of allotment made on 31.03.2006 are as follows:

S. No.	Name of Allottees	Number of Shares Allotted
1	Ashok Gupta	20660
2	Harswarup Gupta	200
3	Chitra Gupta	20800
4	Adit Gupta	22500
5	Sharp Commercial Enterprises Limited	3900
6	Vidhi Gupta	8660
7	Ashok Sons HUF	39000
8	AMD Financial Services Ltd	23940
9	Asha Arora	3840
	<b>Total</b>	<b>143500</b>

## AMD Metplast Limited

### 2. Promoters' Contribution and Lock-in

The following Equity Shares of the Promoters shall be locked-in for a period of three years as a part of Promoters' Contribution:

Name of Promoter	Date of Allotment/ Transfer and made fully paid up	Consideration (Cash, Bonus, Kind etc.)	No of Shares	Face Value (Rs.)	No. of Shares after split i.e. face value Rs. 10	Issue / Purchase / Transfer Price	% Of Post Issue Capital	Lock in Period
Harswarup Gupta	28.11.2001	Cash	92,000	100	9,20,000	100	4.80%	
	27.11.2005	Cash	10,300	100	1,03,000	100	0.54%	
	Promoters' Contribution in the public issue	Cash		10	2,67,545	[●]	1.40%	
	<b>Sub - Total</b>				<b>12,90,545</b>		<b>6.73%</b>	<b>3 Years</b>
Ashok Gupta	30.03.2005	Cash	62,000	100	6,20,000	100	3.23%	
	27.11.2005	Cash	3,450	100	34,500	100	0.18%	
	Promoters' Contribution in the public issue	Cash		10	2,67,545	[●]	1.40%	
	<b>Sub - Total</b>				<b>9,22,045</b>		<b>4.81%</b>	<b>3 Years</b>
Chitra Gupta	28.11.2001	Cash	40,000	100	4,00,000	100	2.09%	
	30.03.2005	Cash	8,000	100	80,000	100	0.42%	
	27.11.2005	Cash	5,800	100	58,000	100	0.30%	
	Promoters' Contribution in the public issue	Cash		10	2,67,545	[●]	1.40%	
	<b>Sub - Total</b>				<b>8,05,545</b>		<b>4.20%</b>	<b>3 Years</b>
Adit Gupta	30.03.2005	Cash	47,766	100	4,77,660	100	2.49%	
	27.11.2005	Cash	7,000	100	70,000	100	0.37%	
	Promoters' Contribution in the public issue	Cash		10	2,67,545	[●]	1.40%	
	<b>Sub - Total</b>				<b>8,15,205</b>		<b>4.25%</b>	<b>3 Years</b>
	<b>Total</b>				<b>38,33,340</b>		<b>20.00%</b>	

The following Equity Shares of the Promoter Group shall be locked-in for a period of one year as a part of Promoters' Contribution:



## Promoters

Name of Promoter	Date of Allotment/ Transfer and made fully paid up	Consideration (Cash, Bonus, Kind etc.)	No of Shares	Face Value (Rs.)	No. of Shares after split i.e. face value Rs. 10	Issue / Purchase / Transfer	% Of Post Issue Capital Price	Lock in Period
Harswarup Gupta	05.04.1984	Cash	50	100	500	100		
	05.04.1984	Cash	950	100	9,500	100		
	28.04.1984	Cash	500	100	5,000	100		
	01.08.1984	Consideration other than cash	1,500	100	15,000	Consideration other than cash		
	24.03.1986	Cash	500	100	5,000	100		
	09.09.1994	Bonus	5,250	100	52,500	Bonus		
	02.01.1995	Cash	8,750	100	87,500	100		
	31.03.1998	Cash	15,000	100	1,50,000	100		
	31.03.2006	Cash	200	100	2,000	250		
	<b>Sub - Total</b>				<b>3,27,000</b>		<b>1.71%</b>	<b>1 Year</b>
Ashok Gupta	05.04.1984	Cash	50	100	500	100		
	05.04.1984	Cash	950	100	9,500	100		
	28.04.1984	Cash	350	100	3,500	100		
	01.08.1984	Consideration other than cash	1,500	100	15,000	Consideration other than cash		
	09.09.1994	Bonus	4,275	100	42,750	Bonus		
	02.01.1995	Cash	7,875	100	78,750	100		
	31.03.1998	Cash	6,500	100	65,000	100		
	28.11.2001	Cash	1,17,000	100	11,70,000	100		
	02.03.2002	Cash	-50,000	100	(5,00,000)	100		
	31.03.2006	Cash	20,660	100	2,06,600	250		
	<b>Sub - Total</b>				<b>10,91,600</b>		<b>5.70%</b>	<b>1 Year</b>
Chitra Gupta	05.04.1984	Cash	500	100	5,000	100		
	28.04.1984	Cash	250	100	2,500	100		
	09.09.1994	Bonus	1,125	100	11,250	Bonus		
	02.01.1995	Cash	2,875	100	28,750	100		
	31.03.1998	Cash	10,000	100	1,00,000	100		
	31.03.2006	Cash	20,800	100	2,08,000	250		
	<b>Sub - Total</b>				<b>3,55,500</b>		<b>1.85%</b>	<b>1 Year</b>
Adit Gupta	05.04.1984	Cash	300	100	3,000	100		
	21.08.1985	Cash	300	100	3,000	100		
	24.03.1986	Cash	300	100	3,000	100		
	09.09.1994	Bonus	1,350	100	13,500	Bonus		
	02.01.1995	Cash	2,250	100	22,500	100		
	31.03.1998	Cash	15,000	100	1,50,000	100		
	08.08.2002	Cash	15,600	100	1,56,000	100		
	07.10.2004	Cash	25,000	100	2,50,000	100		
	30.03.2005	Cash	78,234	100	7,82,340	100		
	31.03.2006	Cash	22,500	100	2,25,000	250		
	<b>Sub - Total</b>				<b>16,08,340</b>		<b>8.39%</b>	<b>1 Year</b>
	<b>Total</b>				<b>33,82,440</b>		<b>17.65%</b>	

## AMD Metplast Limited

### Promoter Group

Name of Promoter	Date of Allotment/ Transfer and made fully paid up	Consideration (Cash, Bonus, Kind etc.)	No of Shares	Face Value (Rs.)	No. of Shares after split i.e. face	Issue / Purchase / Transfer value Rs. 10	% Of Post Issue Capital Price	Lock in Period
Ashok Gupta- Karta Ashok Sons HUF	28.04.1984	Cash	1,000	100	10,000	100		
	07.08.1984	Cash	1,000	100	10,000	100		
	17.08.1987	Cash	2,000	100	20,000	100		
	09.09.1994	Bonus	6,000	100	60,000	Bonus		
	02.01.1995	Cash	10,000	100	1,00,000	100		
	26.03.2003	Cash	19,000	100	1,90,000	500		
	07.10.2004	Cash	15,000	100	1,50,000	100		
	27.11.2005	Cash	5,250	100	52,500	100		
	31.03.2006	Cash	39,000	100	3,90,000	250		
	<b>Sub - Total</b>		<b>98,250</b>		<b>9,82,500</b>		<b>5.46%</b>	<b>1 year</b>
AMD Financial Services Ltd	08.08.2002	Cash	18,800	100	18,800	100		
	15.10.2005	Cash	7,000	100	7,000	100		
	23.01.2006	Cash	1,03,800	100	1,03,800	219		
	31.03.2006	Cash	23,940	100	23,940	250		
	31.03.2006	Cash	3,900	100	3,900	250		
	<b>Sub - Total</b>		<b>1,57,440</b>		<b>15,74,400</b>		<b>8.75%</b>	<b>1 year</b>
Seema Narayan	05.04.1984	Cash	500	100	5,000	100		
	09.09.1994	Bonus	750	100	7,500	Bonus		
	02.01.1995	Cash	1,750	100	17,500	100		
	<b>Sub - Total</b>		<b>3000</b>		<b>30000</b>		<b>0.17%</b>	<b>1 year</b>
Ashok Singh	24.03.1986	Cash	300	100	3,000	100		
	09.09.1994	Bonus	450	100	4,500	Bonus		
	<b>Sub - Total</b>		<b>750</b>		<b>7,500</b>		<b>0.04%</b>	<b>1 year</b>
Raj Singh	24.03.1986	Cash	400	100	4,000	100		
	09.09.1994	Bonus	600	100	6,000	Bonus		
	<b>Sub - Total</b>		<b>1,000</b>		<b>10,000</b>		<b>0.05%</b>	<b>1 year</b>
Mamta Anand	07.10.2004	Cash	9,000	100	90,000	100		
	<b>Sub - Total</b>		<b>9,000</b>		<b>90,000</b>		<b>0.50%</b>	<b>1 year</b>
Vidhi Gupta	07.10.2004	Cash	1,000	100	10,000	100		
	31.03.2006	Cash	8,660	100	86,600	250		
	<b>Sub - Total</b>		<b>9,660</b>		<b>96,600</b>		<b>0.54%</b>	<b>1 year</b>
Asha Arora	21.12.2003	Cash	150	100	1,500	100		
	31.03.2006	Cash	3,840	100	38,400	250		
	<b>Sub - Total</b>		<b>3,990</b>		<b>39,900</b>		<b>0.22%</b>	<b>1 year</b>
Neena Lal	05.04.1984	Cash	500	100	5,000	100		
	09.09.1994	Bonus	750	100	7,500	Bonus		
	02.01.1995	Cash	1,000	100	10,000	100		
	<b>Sub - Total</b>		<b>2,250</b>		<b>22,500</b>		<b>0.13%</b>	<b>1 year</b>
	<b>Total</b>				<b>28,53,400</b>		<b>15.85%</b>	

\*Unless otherwise referred to means subscription of fully paid-up Equity Shares



Out of the total Promoters' holding, 20% of the Post-Issue Equity Share Capital i.e. 38,33,340 Equity Shares will be locked in for 3 years, which would comprise of promoters' holding of Equity Shares in our Company as detailed in the table above. The lock in period shall commence from the date of allotment of Equity Shares in this Issue. The promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as promoters under the SEBI Guidelines.

In terms of clause 4.14.1 of the SEBI Guidelines, in addition to the lock-in of 20% of post Issue shareholding of the Promoter for three years, as specific above, the entire pre-Issue share capital shall be locked-in for a period of one year from the date of allotment in this Issue.

Locked-in Equity Shares held by the Promoter can be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions. In terms of clause 4.16 (b) of the SEBI Guidelines, Equity Shares held by the Promoter may be transferred to and amongst the Promoter/ Promoter Group or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI Takeover Regulations, as applicable.

Further, in terms of clause 4.16 (a) of the SEBI Guidelines, Equity Shares held by shareholders other than the Promoter may be transferred to any other person holding shares which are locked-in as per Clause 4.14 of the SEBI Guidelines, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with SEBI Takeover Regulations, as applicable.

Other than as stated above, the entire pre-Issue equity share capital of our Company will be locked-in for the period of one year from the date of allotment of Equity Shares in this Issue.

3. Our Company, our Directors and the BRLM have not entered into any buy-back and/or standby arrangements for purchase of Equity Shares of our Company from any person.
4. The list of our top 10 shareholders and the number of Equity Shares of face value Rs. 10 held by them on the date of filing of this Red Herring Prospectus with ROC is as under:

Sr. No.	Name of the shareholder	No. of shares held	Pre issue % holding
1	Adit Kumar Gupta	2156000	23.96%
2	Ashok Gupta	1746100	19.40%
3	AMD Financial Services Ltd	1574400	17.50%
4	Harswarup Gupta	1350000	15.00%
5	Ashok Gupta- Karta	982500	10.92%
6	Chitra Gupta	893500	9.93%
7	Vidhi Gupta	96600	1.07%
8	Mamta Anand	90000	1.00%
9	Asha Arora	39900	0.44%
10	Seema Narayan	30000	0.33%

5. The list of our top 10 shareholders and the number of Equity Shares of face value Rs. 10 held by them 10 days prior to the date of filing of this Red Herring Prospectus with ROC is as under:

Sr. No.	Name of the shareholder	No. of shares held	Pre issue % holding
1	Adit Kumar Gupta	2156000	23.96%
2	Ashok Gupta	1746100	19.40%
3	AMD Financial Services Ltd	1574400	17.50%
4	Harswarup Gupta	1350000	15.00%
5	Ashok Gupta- Karta	982500	10.92%
6	Chitra Gupta	893500	9.93%
7	Vidhi Gupta	96600	1.07%
8	Mamta Anand	90000	1.00%
9	Asha Arora	39900	0.44%
10	Seema Narayan	30000	0.33%

## AMD Metplast Limited

6. The list of our top 10 shareholders and the number of Equity Shares held by them two years prior to the date of filing of this Red Herring Prospectus with ROC is as under:

Sr. No.	Name of the shareholder	No. of shares held	Face value (Rs.)	% holding*
1	Mr. Harswarup Gupta	125500	100	22.49
2	Hind Ispat Limited	103800	100	18.75
3	Mr. Ashok Gupta	88500	100	15.99
4	Mr. Adit Kumar Gupta	60100	100	10.86
5	Mrs. Chitra Gupta	54750	100	9.89
6	Ashok Sons ( HUF)	54000	100	9.76
7	AMD Financial Services Ltd.	18800	100	3.40
8	Ms. Mamta Gupta	9000	100	1.63
9	Tobro Investment	5250	100	0.95
10	Mr. Seema Narayan	3000	100	0.54
11	Mr. Chander Kant Malhotra	3000	100	0.54

\* % holding is calculated as a percentage of the paid up share capital as on that date i.e. two years prior to the date filing of this Red Herring Prospectus with ROC.

7. Shareholding pattern of our Company before and after the Issue:

	Before the issue		After the issue	
	No. of shares	% of paid up capital	No. of shares	% of post issue paid up capital
<b>Promoters</b>				
Mr. Harswarup Gupta	1350000	15.00	1617545	8.44
Mr. Ashok Gupta	1746100	19.40	2013645	10.51
Mrs. Chitra Gupta	893500	9.93	1161045	6.06
Mr. Adit Gupta	2156000	23.96	2423545	12.64
<b>Sub Total</b>	<b>6145600</b>	<b>68.28</b>	<b>7215780</b>	<b>37.65</b>
Promoter Group	2853400	31.70	2853400	14.89
<b>Sub Total</b>	<b>2853400</b>	<b>31.70</b>	<b>2853400</b>	<b>14.89</b>
Total Promoter Group	8999000	99.99	10069180	52.53
Other than promoters prior to IPO	1000	0.01	9097520*	47.47
Public through IPO	0	0.00		
<b>Sub Total</b>	<b>1000</b>	<b>0.01</b>	<b>9097520</b>	<b>47.47</b>
<b>Total</b>	<b>9000000</b>	<b>100.00</b>	<b>19166700</b>	<b>100.00</b>

\* This includes 10,16,670 Equity Shares reserved for Employees under the Employee Reservation Portion, which will be determined after allotment of Equity Shares pursuant to the Issue.

8. There have been no transactions in the Company's Equity Shares by the Promoters/Promoter Group and the Directors of the Company during a period of six months preceding the date of filing of this Red Herring Prospectus with ROC.
9. In the year 1984 (on 01.05.1984) Ashoka Metal Décor Private Limited (Now AMD Metplast Limited) took over the





business of M/s Ashoka Sales Agency (a partnership firm having two partners i.e. Mr. Harswarup Gupta and Mr. Ashok Gupta). In consideration of goodwill of the firm M/s Ashoka Sales Agency, Ashoka Metal Décor Private Limited (now AMD Metplast Limited) issued 3000 equity shares of the Ashoka Metal Décor Private Limited (now AMD Metplast Limited). Other than this, the Company has not issued Equity Shares for consideration other than cash on 01.08.1984.

10. A Bidder cannot make a Bid for more than the number of Equity Shares Issued through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
11. In case of under subscription in the reserved category, the same shall be added back to the net offer to the public. In case of over subscription in the reserved category, excess shall be made from shortfall if any, in the Retail and Non- Institutional category (i.e shortfall in the retail or non-institutional category shall be first adjusted against excess demand in the non-institutional or retail category respectively and the balance shortfall if any, shall be available to the reserved category). Under subscription in the reserved category will be allocated first to Retail category and the balance under subscription if any, after allocating to retail category will be allocated to Non-institutional category.
12. In case of over-subscription in all categories, not more than 50% of the Net Issue, shall be available for allocation on a proportionate basis to Qualified Institutional Buyers, out of which 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all Qualified Institutional Buyers, including Mutual Funds, subject to valid Bids being received at or above Issue price. Further, not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid bids being received at or above the Issue Price.
13. Only Eligible Employees would be eligible to apply in this issue under Employee Reservation Portion on a competitive basis. Separate bid-cum-application Forms can be submitted by Eligible Employees under the Net Issue to Public category as well and such bids will not be treated as multiple bids. The unsubscribed portion, if any, out of the Equity Shares reserved for allotment to Eligible Employees of our Company will be added back to the Net Issue to Public.
14. The un-subscribed portion, if any, after such inter-se adjustments amongst the reserved categories shall be added back to the Net Issue to Public. And in case of under-subscription in the Net Issue to Public portion, spill over to the extent of under-subscription shall be permitted from the reserved category to the Net Issue Portion.
15. A Bidder cannot make a Bid for more than the number of Equity Shares offered through this Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.
16. Except as disclosed herein, there would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of Draft Red Herring Prospectus with SEBI until our Equity Shares to be issued in terms of this Red Herring Prospectus have been listed.
17. We presently do not intend or propose to alter our capital structure for six months from the date of opening of the Issue, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise, except that we may enter into acquisitions or joint ventures or may consider raising additional capital to fund such activity or use Equity Shares as currency for acquisition or participation in such joint ventures.
18. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
19. We have not raised any bridge loans against the proceeds of the Issue.
20. The Equity Shares locked in by the Promoters are not pledged to any party. The Promoter may pledge their Equity Shares with banks or financial institutions as additional security for loan whenever availed of from banks or financial institutions provided pledge of Equity Shares is one of the terms of sanction of loan.

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21. Our Company has not revalued any of its assets since inception.
22. We have not capitalised any of our reserves since inception except bonus.
23. As on the date of filing of this Red Herring Prospectus, the total number of holders of Equity Shares is 14.
24. Specific written consents have been obtained from Promoter(s)/ Promoter Group for inclusion of their securities as part of Promoter/Promoter Group subject to lock-in.
25. An over-subscription to the extent of 10% of the Issue can be retained for the purposes of rounding off to the nearest multiple of 90 Equity Shares while finalizing the basis of allotment.
26. Equity Shares offered through this Issue shall be made fully paid up or may be forfeited within 12 months from the date of allotment of Equity Shares in the manner specified in Clause 8.6.2 of the SEBI DIP Guidelines.
27. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into Equity Shares. Also, there are no Equity Shares in the company which are partly paid.



## OBJECTS OF THE ISSUE

The Company is operating in the beverage packaging industry and to exploit the increasing growth in the domestic market, the Company has come out with the capital expenditure program.

The objective of the issue is to finance the following requirements of the Company:

- Capital Expenditure to set up a new PET Preform Line at its existing plant at Neemrana, Rajasthan
- To part finance long term working capital requirements of the Company
- To prepay/repay the Debt
- To meet the Issue Expenses
- General Corporate Purposes

The main objects and objects incidental or ancillary to main objects set out in the Memorandum of Association of the Company enable the Company to undertake the activities for which the funds are being raised through the issue of equity shares to the public.

The fund requirement and deployment of the same is based on the internal management estimates and has not been appraised by any bank or financial institution. The fund requirement below is based on the current business plans. In case of any variations in the actual utilization of funds earmarked for the above activities, increased fund deployment for a particular activity will be met from the internal accruals of the Company.

No part of the issue proceeds is to be paid as consideration to promoter, directors, key management personnel, associate or group companies.

### Funds Requirement

The details of funds requirements are as under:

	Description	Amount (Rs. In Lacs)
A.	Capital Expenditure	2258.17
B.	Long Term Working Capital Requirements	2000.00
C.	Prepayment/Repayment of Debt	1200.00
D.	Issue Expenses	[●]
E.	General Corporate Purposes	[●]
	<b>Total</b>	[●]

### Means of Finance

	Description	Amount (Rs. In Lacs)
A.	Issue Proceeds (Including Promoters' contribution)	[●]
	<b>Total</b>	[●]

### A. CAPITAL EXPENDITURE

The company is a leading player in Beverage Packaging Industry. The company is manufacturing Pet Preforms at its existing plant at Ghaziabad. The capacity of the present PET Preform Lines is utilized optimally during the first seven months (summer) of the year as this is the season for the beverage market. The demand during the summer is very high and to meet the increased levels of demand and to explore new market segments including exports, the Company is setting up the fresh line to manufacture PET Preforms at Neemrana, Rajasthan.

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### Detail of the Capital Expenditure

The Company proposes to set up a fresh line to manufacture 27.00 gm PET Preform.

### Capacity Addition

The manufacturing capacity of the above manufacturing line is 2700 MTs per annum.

### Cost of Project

Sr. No.	Particulars	Amount (Rs. Lacs)
1.	Buildings	200.56
2.	Plant & Machinery (Imported)	1682.07
3.	Miscellaneous Fixed Assets	130.00
4.	Pre-Operative Expense	40.25
5.	Contingency Provisions	205.29
	<b>Total</b>	<b>2258.17</b>

### Land and Building

The company will utilize its existing factory site at Neemrana, Rajasthan for its Capital Expenditure. As estimated by the Company, the total cost of the civil work required for the project is Rs. 200.56 Lacs.

### The Break up of the Building Cost is as under:

Particular	Area	Rate p.sq. ft. (Rs.)	Total Amount (Rs. In Lacs)
Production Hall	150 ft. X 50 ft. = 7500 sq.ft.	500.00	37.50
Quality Room	20 ft X 20 ft. = 400 sq. ft.	450.00	1.80
Utility Room	20 ft X 50 ft. = 1000 sq. ft.	450.00	4.50
Dies & Spares Room	20 ft X 20 ft. = 400 sq. ft.	450.00	1.80
Storage	43560 sq. ft.	350.00	152.46
Others			2.50
<b>Total</b>			<b>200.56</b>

### Plant & Machinery

As estimated by the Company, the cost of Plant & Machinery for the above project is Approx. Rs. 1682.07 Lacs. The Company has obtained the quotations for the Plant & Machinery from M/s Krauss-Maffei, Germany. However, the orders for the same have not been placed. The gestation period after the delivery of machines at the existing site at Neemrana is approx. 4 months. The expected date of supply of the manufacturing line is within 4 months from the date of placement of orders. The detailed break-up of the Plant & Machinery items are as under:

Sr. No.	Description	Monetary Unit	Amount	Date of Quotations	Name of supplier
1.	PET Preform System Basic Machine KM 320-3500 CV incl. ROBOT and 4 position cooling station	Euro	1220000	24/08/2006	Krauss Maffei, Germany
2.	Complete 96 cavity Mould for 27 gms. Preform	Euro	Incl. in above		
3.	Hot runner for 56 cavity / 52 gm. preform	Euro	360000		
4.	Chiller for Mould	Euro	84000		
5.	Resin Drier	Euro	105000		
6.	De-humidifier	Euro	24500		



Sr. No.	Description	Monetary Unit	Amount	Date of Quotations	Name of supplier
7.	Preform. Dist. Device	Euro	2100		
8.	Quick Mould Change Device	Euro	8200		
9.	M/c preparation for internet	Euro	6700		
10.	Spares (Machine, Mould & HRB)	Euro	29400		
11.	Assembly	Euro	26100		
12.	Training for one week at KM	Euro	8000		
13.	Other costs	Euro	22000		
	Complete System Cost	Euro	1896000		
	Conversion Price (EURO : Rs.)		59		
	Total Cost in Lacs INR duties		1118.64		
	Add Customs, Countervailing Duties, Education Cess, Additional Customs Duty Freight, Insurance, Handling charges etc.		410.51		
			152.92		
	<b>Total Cost of Plat &amp; Machinery</b>	<b>INR Lacs</b>	<b>1682.07</b>		

#### Calculation of Duties and Freight Insurance

Description	Rate of Duty	Amount (Rs. Lacs)
Basic Cost		1118.64
Custom Duty	12.50%	139.83
Sub -Total		1258.47
Countervailing Duty	16%	201.36
Sub -Total		1459.83
Education Cess	2% of CVD	4.03
Customs Cess	2% of CD+CVD+Cess	6.90
Additional Duty	4% of value after CVD	58.39
Total		1529.15
Freight Insurance	10% approx. rounded off	152.92
<b>Total Cost of Imported Plant &amp; Machinery</b>		<b>1682.07</b>

The Company proposes to buy the complete system from M/s Krauss Maffei, Germany. The above cost has been estimated as per the quotations received from Krauss Maffei, Germany dated 24/08/2006.

#### Miscellaneous Fixed Assets

The miscellaneous fixed assets essentially include ancillary items viz. compressor for compressed air, DG Sets, Conveyor Systems for handling the raw materials and finished products, packaging machines etc.

Particulars	Supplier	Qty.	Estimated Cost (Rs. Lacs)
Compressor	Atlas Copco	1	20.00
D G Set		1	60.00
Conveyor Systems			
for handling raw materials	Local		10.00
Conveyor Systems for Finished Goods	Local		10.00
Trolleys etc.	Local	Sets	5.00
Lab Instruments	Various Local Suppliers		20.00
Computers	Various Local Suppliers		5.00
<b>Total</b>			<b>130.00</b>

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The total cost of miscellaneous fixed assets has been estimated at Rs.130 Lacs. The Company has not placed any order for procurement of Miscellaneous Fixed Assets items as they are readily available in the local markets.

### Preoperative Expenses

The pre-operative expenses include expenses during the period of construction of buildings, commission of Plant & Machinery etc. The pre-operative expenses have been estimated at 2% of the total capital cost of Buildings, Plant & Machinery and Miscellaneous Fixed Assets.

### Contingency Margins

The Company has provided 10% of the total cost of the project as contingency margins, as the Company has not placed the orders for the Plant & Machinery and other items. The computation of the contingency margins is as under:

Particulars	Amount (Rs. Lacs)
Buildings	200.56
Plant & Machinery (Imported)	1682.07
Miscellaneous Fixed Assets	130.00
Pre-Operative Expense	40.25
Total	2052.88
<b>Contingency Provisions @ 10%</b>	<b>205.29</b>

### B. LONG TERM WORKING CAPITAL REQUIREMENT

State Bank of India, Overseas Branch, New Delhi has sanctioned the working capital limit vide their letter dated 06.02.2006 as per the details given below:

Particulars	Amount in Lacs
<b>Fund Based</b>	
● Cash Credit	1400.00
<b>Non Fund Based</b>	
● Letter of Credit	1400.00
● Bank Guarantee	750.00
<b>Total</b>	<b>3550.00</b>

Our Company has been doing a substantial work of processing resins in the form of job work for our Plastic Division located at Ghaziabad (UP) and Neemrana (Rajasthan).

Earlier the Government of Rajasthan had not implemented Value Added Tax (VAT). Now the Government of Rajasthan has implemented VAT and the Government of U.P. is also likely to implement VAT from the next financial year. With the implementation of VAT the cost of production can be reduced if the company procure the raw materials and then turn it in the final products instead of doing a job work. It will give the company the leverage in the operating profit because of the reduction in cost. Due to this, the Company proposes to purchase the raw material, process it and then sell the final products to the clients as against the job work done by it earlier and customers have also shown their willingness to give the entire job to AMD as it possesses the necessary skills to fulfill the quality requirements of the end-user. This shift will result in substantial increase in the requirement of working capital.

In view of the expanding scope of our business and the new project being set up by the company, there will be additional requirement of the working capital.



The long term working capital requirement for the FY 2007-08 is estimated as under:

Particulars	Amount (Rs. in Lacs) FY 2007-08
<b>Existing Operations</b>	
Inventories	1750
Sundry Debtors	1450
Other Current Assets incl. advances etc.	600
<b>Sub Total (a)</b>	<b>3800</b>
Sundry Creditors	450
Other Current Liabilities (excluding bank borrowings)	200
<b>Sub Total (b)</b>	<b>650</b>
<b>Total Working Capital Requirement (a-b)</b>	<b>3150</b>
Less : Available Working Capital Limits	1400
<b>Long Term Working Capital Requirements for existing operations (I)</b>	<b>1750</b>
<b>New Project</b>	
Inventories	90
Sundry Debtors	150
Other Current Assets incl. advances etc.	50
<b>Sub Total (a)</b>	<b>290</b>
Sundry Creditors	30
Other Current Liabilities (excluding bank borrowings)	10
<b>Sub Total (b)</b>	<b>40</b>
<b>Total Working Capital Requirement for new project (a-b) (II)</b>	<b>250</b>
<b>TOTAL LONG TERM WORKING CAPITAL REQUIREMENT ( I + II )</b>	<b>2000</b>

In case the requirement of long term working capital increases than the projected figure, the same shall be funded by internal accruals of the Company.

### C. PREPAYMENT/REPAYMENT OF DEBT

The Company has entered into various financing arrangements with a number of banks and financial institutions. These arrangements include fund based facilities from banks, financial institutions & other lender aggregating Rs.6733.93 Lacs and the amount outstanding under these facilities was Rs.4764.68 Lacs as on March 31, 2006.

The following loans would be repaid from the proceeds of the issue and they are in the same order in which they will be repaid:

Sr. No.	Name of the Lender	Amount to be repaid
1	UBI	315.00
2	State Bank of Indore	420.74
3	SBI	463.00
	<b>Total</b>	<b>1198.74</b>

For details of the above facilities, please refer to section "Financial Indebtedness" on page no. 66.

The Company will approach the banks after the completion of this Issue for pre-payment of the above high-cost loans/ advances. Some of the loan documents provide for payment of pre-payment penalties and the Company may have to pay such excess amounts. In view of the dynamic nature of our industry, the Company may have to revise its business plan from time to time and consequently our fund requirement may also change. Thus, the Company may reduce or increase the amount of prepayment or repayment of debt/advances.

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### D. ISSUE EXPENSES

As estimated by the Company, the issue expenses will be Rs. [●] Lacs. Detailed break-up of the issue expenses is given below:

Particulars	Amount* (Rs. In Lacs)	
	Amount	% of the net proceeds of Issue
Fees of BRLM, Registrar, Leal Advisors, Auditors and other advisors	[●]	[●]
Printing and Stationery, distribution and postages etc.	[●]	[●]
Underwriting Commission, Brokerage and Selling Commission	[●]	[●]
Advertising & Marketing Expenses	[●]	[●]
Other Expenses incl. contingencies	[●]	[●]
<b>Total</b>	<b>[●]</b>	<b>[●]</b>

\*Will be incorporated after the issue price is finalized.

### E. GENERAL CORPORATE PURPOSES

The Company intends to use up to Rs. [●] Lacs from the proceeds of the Issue for general corporate purposes. The Company intends to use the net proceeds of the Issue in accordance with the growth plan and long term strategy. Hence, the Company's management will utilize these funds including but not limited to various corporate purposes including purchase of capital equipments, working capital, repayment of debts/advances, etc. The Company's management, in accordance with the policies established by the Board, will have flexibility in deploying the proceeds received from the Issue for the purposes as stated in the Memorandum of Association.

The percentage of net tangible assets to be created out of the issue proceeds is more than 25%.

### Schedule of Implementation

Particulars	Activities		Existing Status
	Commencement	Completion	
Land Acquisition	Completed	Completed	Existing Site at Neemrana, Rajasthan
Buildings	March, 2007	June, 2007	
Identification of Suppliers of Plant & Machinery	Identified	Identified	
● Order	March, 2007	June, 2007	
● Delivery	April, 2007	July, 2007	
Identification of suppliers of Misc. Fixed Assets	Identified	To be finalized in March, 2007	All the items are available off the shelf
Misc. Fixed Assets			
● Order	March, 2007	June, 2007	
● Delivery	April, 2007	July, 2007	
Erection	July, 2007	August, 2007	
Commissioning	August, 2007	September, 2007	
Trial Production	September, 2007	September, 2007	
Commercial Production	End of September, 2007		

The Company has already implemented a similar project at its Ghaziabad Unit, hence there is no difficulty in setting up the project in the time lines mentioned hereinabove.





## Year wise Expenditure

(Rs. In Lacs)

	Project	2006-07	2007-08	Total
A.	Capital Expenditure	100.00	2158.20	2258.20
B.	Long Term Working Capital	1000.00	1000.00	2000.00
C.	Prepayment/repayment of Debt	1200.00	--	1200.00
D.	Issue Expenses	[●]	[●]	[●]
E.	General Corporate Purposes	[●]	[●]	[●]
	Total	[●]	[●]	[●]

## Interim Use of Funds

Pending utilization for the purpose described above, the Company intends to temporarily invest the funds in high quality interest bearing liquid instruments including deposits in banks, for the necessary duration or for reducing working capital requirements.

## Monitoring of utilization of funds

Our Board will monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the proceeds of the Issue under a separate head in our Balance Sheet for year 2006-2007 and 2007-2008 clearly specifying the purpose for which such proceeds have been utilized. We will also, in our Balance Sheet for year 2006-2007 and 2007-2008, provide details, if any, in relation to all such proceeds of the Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Issue.

We will disclose to the Audit Committee, the uses / applications of funds by major category (capital expenditure, sales and marketing, working capital, etc), on a quarterly basis as a part of their quarterly declaration of financial results. Further, on an annual basis, we will prepare a statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and place it before the audit committee. Such disclosure shall be made only till such time that the full money raised through the issue has been fully spent. This statement will be certified by the statutory auditors of the company. The audit committee shall make appropriate recommendations to the Board to take up steps in this matter.

**BASIS FOR ISSUE PRICE**

The Issue Price will be determined by us in consultation with the BRLM on the basis of assessment of market demand for the Equity Shares issued by way of Book Building.

**Qualitative Factors**

- 1) Our Company has been consistent profit making company for the last 20 years. The Company was incorporated since 1983 and since then, it has not posted any losses.
- 2) Our Company is catering to the packaging needs of the beverage industry for the last 23 years.
- 3) Our Company is an ISO 9001:2000 certified company since 1997. The Company has obtained the quality certification as ISO 9001:2000 on 21.02.1997 from Det Norske Veritas, The Netherlands.
- 4) Our Company is having a strong technical base with advanced Plant & Machinery. The crown caps manufacturing machines are imported from Sacmi, Italy, who is considered to be renowned manufacturer of beverage packaging machines and, imported the key plant from Krauss Maffei, Germany, a member of Siemens Group of Companies to manufacture PET PREFORMS.
- 5) Our Company is entitled to various tax benefits. For details please refer section "Regulations & policies" on page no 68.
- 6) Our Company is associated with world leaders like Coca Cola & Pepsi since beginning of their operations in India. The company is also associated with companies like UB and SAB. (Please refer page no. 118 for details of top 10 customers.)
- 7) Our Company is having experienced and professional Management. Please refer page no 73 for further details.

**Quantitative Factors**

The face value of the Equity Shares is Rs. 10 and the Issue Price is 6.5 times the face value at the lower end of the Price Band and 7.5 times the face value at the higher end of the Price Band.

**1. Adjusted Earning Per Share (EPS)**

Year	EPS (Rs.)	Weight
Fiscal 2004	3.24	1
Fiscal 2005	1.59	2
Fiscal 2006	4.51	3
<b>Weighted Average</b>	<b>3.33</b>	

EPS has been calculated as per the following formula:

Net Profit after adjustments attributable to equity shareholders divided by weighted average number of equity shares outstanding at the end of the period/year Cash earning per share represents Net Profit after adjustments plus non cash charges divided by the weighted average number of equity shares as at the end of the period/year

**2. Price to Earning Ratio (P/ E) in relation to Issue Price of Rs. [●]**

(i) Based on the Fiscal 2006 EPS of Rs. 4.51 is [●].

(ii) Industry P/ E.

(a) Highest: 227.1

(b) Lowest: 2.6

(c) Industry composite: 25.0

(Source: Capital Market Volume XXI/14, dated Sep 11 - Sep 24, 2006, Category "Packaging")



### 3. Return on Net Worth (RONW)

Year	RONW	Weight
Fiscal 2004	8.75	1
Fiscal 2005	5.17	2
Fiscal 2006	13.14	3
<b>Weighted Average</b>	<b>9.75</b>	

(i) RONW has been calculated as per the following formula:

(Net Profit after adjustments as restated divided by the Equity share holder's fund at the end of the year / period.)

### 4. Minimum Return on total Net Worth after the Issue required to maintain pre-Issue EPS of Rs. 4.51 is [●]%

### 5. Net Asset Value (NAV) per Equity Share

(i) As of March 31, 2006: Rs. 34.25;

(ii) After the Issue: Rs. [●]

NAV has been calculated as per the following formula:

(Net worth at the end of the period/year divided by Equity Shares outstanding at the end of the period)

### 6. Comparison with Industry Peers

Our financial information relates to our beverage packaging operations and as there are no other listed companies in the Indian beverage packaging industry, information about our peers is not available. Therefore, we have not provided any peer information.

The Issue Price of Rs. [●] being [●] times of the face value has been determined by us in consultation with the BRLM, on the basis of the demand from investors for the Equity Shares through the Book- Building Process and is justified based on the above accounting ratios.

**STATEMENT OF TAX BENEFITS**

**Statement of Possible Tax Benefits available to the Company and its Shareholders**

We hereby report that the enclosed statement states the possible tax benefits available to the Company and to the shareholders of the Company under the current Tax Laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws and the fact that the Company will not distinguish between the shares offered for subscription and the share offered for sale by the Selling shareholders, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance as to whether:

- i) the Company or its shareholders will continue to obtain these benefits in future; or
- ii) the conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

**For Suresh & Associates**

Chartered Accountant

(Suresh Gupta)

Partner

M.No.80050

Place : New Delhi

Date : 18/08/2006



## STATEMENT OF POSSIBLE BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

The tax benefits listed below are the possible benefits available under the current tax laws in India. Several of these benefits are dependent on the Company or its Shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence the ability of the Company or its Shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may not choose to fulfill. The following tax benefits shall be available to the Company and the prospective shareholders under Direct Tax.

### 1. To the Company - Under the Income-tax Act, 1961 (the Act)

- 1.1 There is no additional benefit arising to the Company under The Income-Tax Act, 1961, by proposed Initial Public Offer of Equity Shares to the public and institutions in India. Except for credit of tax deposited by the company u/s 115JB allowed to the company against future tax liabilities under provisions of section 115JAA (3) of the Act,

### 2. To the Members of the Company - Under the Income Tax Act

#### 2.1 Resident Members

- a) Under Section 10(34) of the Act, income earned by way of dividend from domestic company referred to in Section 115-O of the Act is exempt from income-tax in the hands of the shareholders.
- b) Under Section 10(38) of the Act, long term capital gain arising to the shareholders from transfer of a long term capital asset being an equity share in the company or units of an equity oriented mutual funds (i.e. capital asset held for the period of twelve months or more) entered into in a recognized stock exchange in India and being such a transaction, which is chargeable to Securities Transaction Tax, shall be exempt from tax.
- c) In terms of Section 88 E of the Act, the Securities Transaction Tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be eligible for rebate from the amount of income-tax on the income chargeable under the head 'Profits and Gains under Business or Profession' arising from taxable securities transactions.
- d) As per the provisions of Section 10(23D) of the Act, all mutual funds set up by public sector banks, public financial institutions or mutual funds registered under the Securities and Exchange Board of India (SEBI) or authorized by the Reserve Bank Of India are eligible for exemption from income-tax, subject to the conditions specified therein, on their entire income including income from investment in the shares of the company.
- e) Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds issued by -
  - (i) National Highways Authority of India constituted under Section 3 of National Highways Authority of India Act, 1988;
  - (ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956;

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.

- f) Under section 54F of the Act, where in the case of an individual or HUF capital gain arise from transfer of long term assets [(other than a residential house and those exempt u/s 10(38)] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.

## AMD Metplast Limited

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- g) Under Section 111 A of the Act, capital gains arising from transfer of short term capital assets, being an equity share in a company or unit of an equity oriented mutual fund, which is subject to securities transaction tax will be taxable under the Act @10% (plus applicable surcharge and educational cess).
- h) Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains (not covered under Section 10(38) of the Act) arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge and educational cess on income-tax) after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge and educational cess on income-tax (without indexation), at the option of the Shareholders.

### **2.2.1 Non Resident Indians/Members other than Foreign Institutional Investors and Foreign Venture Capital Investors**

- a) By virtue of Section 10(34) of the Act, income earned by way of dividend income from a domestic company referred to in Section 115-O of the Act, is exempt from tax in the hands of the recipients.
- b) Taxation of Income from investment and Long Term Capital Gains on its transfer
  - i) A non-resident Indian, i.e. an individual being a citizen of India or person of Indian origin has an option to be governed by the special provisions contained in Chapter XI1A of the Act, i.e. "Special Provisions Relating to certain incomes of Non-Residents".
  - ii) Under Section 115E of the Act, where shares in the company are subscribed for in convertible Foreign Exchange by a non-resident Indian, capital gains arising to the non resident on transfer of shares held for a period exceeding 12 months shall (in cases not covered under Section 10(38) of the Act) be concessionally taxed at a flat rate of 10% (plus applicable surcharge and educational cess on Income tax) without indexation benefit but with protection against foreign exchange fluctuation under the first proviso to Section 48 of the Act
  - iii) Under provisions of section 115F of the Act, long term capital gains (not covered under section 10(38) of the Act) arising to a non-resident Indian from the transfer of shares of the company subscribed to inconvertible Foreign Exchange shall be exempt from income tax in the net consideration is reinvested in specified assets mentioned in section 115C (f) within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition.

### **2.2.2 Return of Income not to be filed in certain cases**

Under provisions of Section 115-G of the Act, it shall not be necessary for a non-resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax deductible at source has been deducted therefrom.

### **2.2.3 Other Provisions of the Act**

- a) Under Section 115-I of the Act, a non resident Indian may elect not to be governed by the provisions of Chapter XII-A of the Act for any assessment year by furnishing his return of income under section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year and if he does so the provisions of this Chapter shall not apply to him. In such a case the tax on investment income and long term capital gains would be computed as per normal provisions of the Act.
- b) Under the first proviso to section 48 of the Act, in case of a non resident, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Cost indexation benefits will not be available in such a case.



- c) Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets [other than those exempt u/s 10(38)] shall be exempt from tax, subject to the conditions and to the extent specified therein, if the capital gain are invested within a period of six months from the date of transfer in the bonds issued by
  - i) National Highways Authority of India constituted under Section 3 of National Highways Authority of India Act, 1998;
  - ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956;

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.

- d) Under Section 54F of the Act, where in the case of an individual or HUF capital gain arise from transfer of long term assets (other than a residential house and those exempt u/s 10(38)) then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchases of residential house property within a period of one year before or two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.
- e) Under Section 111A of the Act, capital gain arising from transfer of short term capital assets, being an equity share in a company or unit of an equity oriented mutual fund, which is subject to securities transaction tax will be taxable under the Act @ 10% (plus applicable surcharge and educational cess).
- f) Under Section 112 of the Act and other relevant provisions of the Act, long term capital gains [not covered under Section 10(38) of the Act] arising on transfer of shares in the Company, if shares are held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge and educational cess on income-tax) after indexation as provided in the second proviso to Section 48 or at 10% (plus applicable surcharge and educational cess on income-tax) (without indexation), at the option of the Shareholders.

### **2.3.1 Foreign Institutional Investors (FIIs)**

- a) By virtue of Section 10(34) of the Act, income earned by way of dividend income from another domestic company referred to in Section 115-O of the Act, are exempt from tax in the hands of the institutional investor.
- b) Under Section 115AD capital gain arising on transfer of short capital assets, being shares and debentures in a company, are taxed as follows:
  - i) Short term capital gain on transfer of shares/debentures entered in a recognized stock exchange which is subject to securities transaction tax shall be taxed @10% (plus applicable surcharge and educational cess); and
  - ii) Short-term capital gains on transfer of shares/debentures other than those mentioned above would be taxable @30% (plus applicable surcharge and educational cess)

Provided that under Section 115AD capital gain arising on transfer of long term capital assets, being shares and debentures in a company, are taxed @10% (plus applicable surcharge and educational cess). Such capital gains would be computed without giving effect to the first and second proviso to section 48. In other words, the benefit of indexation, direct or indirect, as mentioned under the two provisos would not be allowed while computing the capital gains.

- c) Under Section 54EC of the Act, capital gain arising from transfer of long term capital assets (other than those exempt u/s 10(38)) shall be exempt from tax, subject to the consideration and to the

## AMD Metplast Limited

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extent specified therein, in the capital gain are invested within a period of six months from the date of transfer in bonds issued by -

- i) National Highways Authority of India constituted under Section 3 of the National Highways Authority of India Act, 1988;
- ii) Rural Electrification Corporation Limited a Company formed and registered under the Companies Act, 1956;

If the only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. However, the amount so exempted shall be chargeable to tax subsequently, if the new bonds are transferred or converted into money within three years from the date of their acquisition.

### 2.4 Venture Capital Companies / Funds

As per the provisions of section 10(23FB) of the Act, income of

- i) A venture capital company which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and notified as such in the Official Gazette; and
- ii) A venture Capital Fund, operating under a registered trust deed or a venture capital scheme made by Unit Trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India act, 1992 and notified as such in the Official Gazette set up for raising funds for investment in a Venture Capital Undertaking is exempt from income tax.

### 3. Wealth Tax Act, 1957

Shares in a company held by a shareholder will not be treated as an asset within the meaning of Section 2(ea) of Wealth-Tax Act, 1957; hence, wealth tax is not leviable on shares held in a company.

#### Notes

- a) All the above benefits are as per the current tax law and will be available only to the sole /first named holder in case the shares are held by joint holders.
- b) In respect of non-residents, taxability of capital gains mentioned above shall be further subject to any benefit available under the Double Taxation Avoidance Agreement, if any between India and the Company in which the non-resident has fiscal domicile.
- c) In view of the individual nature of tax consequence, each investor is advised to consult his/her own tax adviser with respect to specific tax consequences of his/her participation in the scheme.





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## SECTION IV - ABOUT THE ISSUER COMPANY

### INDUSTRY OVERVIEW

AMD Metplast Limited operates in the Beverage Packaging Industry. Beverage Packaging Sector includes packaging for carbonated soft drinks (CSD), mineral waters, beer and other alcoholic beverages, juices, sauces, ready-to-drink milk products etc. Other sectors where specific products of AMD can be used are pharmaceuticals and personal care products as well as non-alcoholic items like edible oils etc.

Increase in GDP has created huge market demand for the fast moving consumer goods and also resulted in the marked change in the habits of the people. The increase in the disposable earnings have also contributed in increase in the spending in the products like cold drinks, packaged juices, milk products and also alcoholic beverages like beer etc. Besides this, to attract consumer attention, the market players are using innovative, attractive and convenient packaging solutions for these edible items and drinks.

Traditionally glass bottles are used for liquid items; however, due to logistical problems newer alternatives like PET Bottles are used to pack the items like cold drinks, beer, edible oil, cosmetics, pharmaceuticals etc.

The Cold Drinks Industry is growing at about 7% per annum and alcoholic beverages industry mainly beer is growing at a rate of about 10% per annum. The company's products are mainly used by cold drink industry. The newer market segments like fruit juices, milk products, edible oil and cosmetics items have recently started shifting to the products which are manufactured by the Company.

#### Industry Sectors

Crown caps are mainly used as metallic closures for various edible items packed in glass bottles e.g. Carbonated Soft Drinks, Beer, Juices, Sauces, Ready-to-drink Milk products etc.

Plastic Closures are mainly used in plastic bottles like CSD PET Bottles for mineral water and for juices. Various other end-users have started using plastic bottles as packaging medium. The requirements of closures with respect to design and quality depend upon the need of the end-user.

The main usage of PET Preforms (before blowing to full size bottles, capsules are called Preforms) is in cold drinks, water and juices. PET Bottles is finding increasing usage in the products like edible oil, personal care products, pharmaceuticals and confectionery industry. There is tremendous scope for beer to be supplied in PET.

#### Outlook

The Overall Beverage Packaging Industry is growing at over 10% per annum. The negative growth of glass bottles has been overtaken by the growth of PET as a useful alternate.

PET Packaging has started getting success due to multiple factors like supply chain cost factors on account of logistics, unbreakability, and light weight together with transparency and inertness and seems to be replacing glass usage in many areas.

#### Segment Wise Review

##### CROWNS CAPS

The crown market is undergoing the negative growth in CSD market due to the fact that the dependence on the usage of glass bottles has been steadily coming down and more and more products are being packed in the PET Bottles. The usage of glass bottles has been decreasing due to inconvenience in handling, transportations, maintenance of hygienic conditions, wastage & breakages, higher cost of glass bottles and majority of glass bottles are not recycled etc.

Beer industry on the other hand is experiencing average growth of 10% annually and the main packaging medium is still the glass bottles. The negative growth of CSD Market is off-set by growth in beer market.

##### PLASTIC CLOSURES

In Indian scenario, the plastic closure market is getting momentum due to increased usage of PET Bottles. The organized market is still dominated by the CSD but it is expected that other usage will also form significant share of the over all market.

## AMD Metplast Limited

The demand of plastic closures will increase in segments where PET Bottles are gaining foothold as packaging media like water, juices, edible oil etc.

### PET PREFORMS

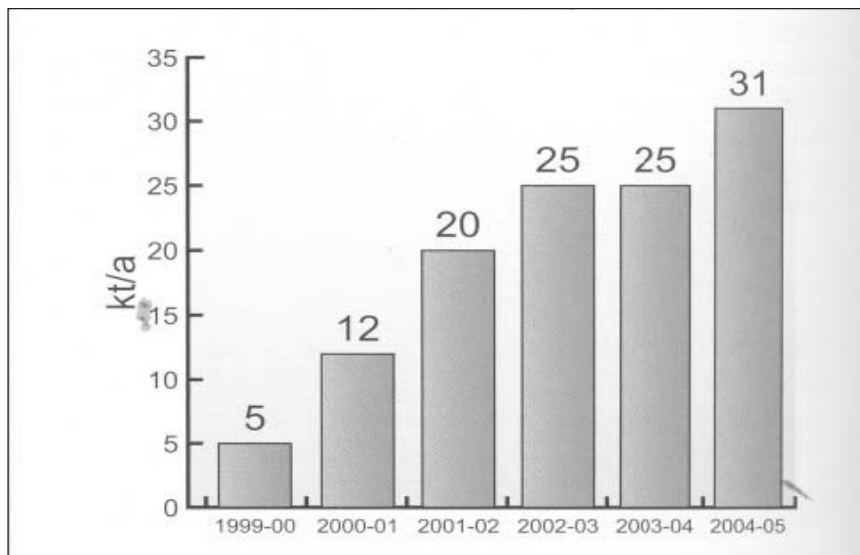
The main usage of PET Preforms (before blowing to full size bottles, capsules are called Preforms) is in cold drinks, water and juices. PET Bottles is finding increasing usage in the products like edible oil, personal care products, pharmaceuticals and confectionery industry. The status of usage of Preforms in various products is as follows:

#### Soft drinks

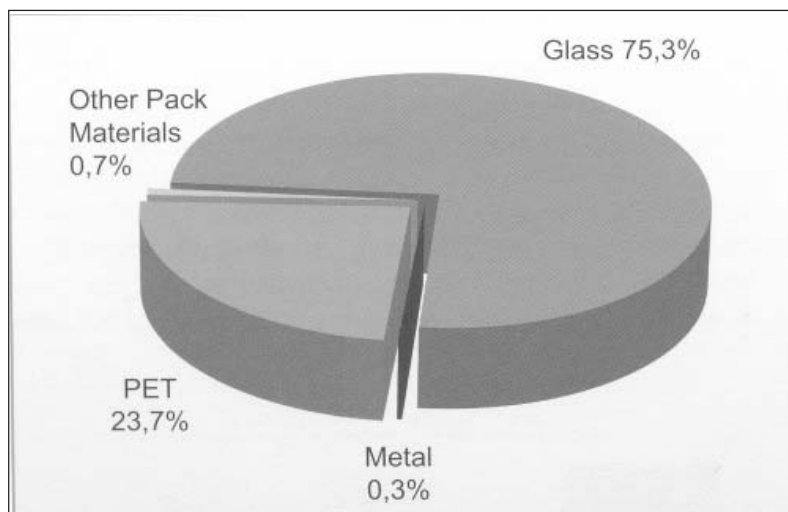
One of the most far-reaching events to hit beverage fillers in India was, about two years ago, the reported discovery of traces of pesticides in CSDs from Coca-Cola and Pepsi Cola. These were reported to be migrating their way into the drinks from the sugar being used. Meanwhile strenuous efforts by the brand owners and the growers have brought the problem under control, but nevertheless the market, previously enjoying growth rates of 25 percent, suffered a setback from which it has so far not recovered. The result is that there is now an over-capacity in both glass and PET filling. Between them the two big brand owners hold about 90 percent of the CSD market in India. 62 percent of all CSDs are still filled in glass, with the remaining 38 percent in PET. CSDs in cans are insignificant here.

Indirectly the attempted widespread introduction of functional drinks about three years ago also suffered. The big promoters (Coke and Pepsi) did not have a strong enough core business (CSDs) to support a widespread introduction. Furthermore, about four years ago, the 5 Rupee bottle (about 3 Eurocents) was introduced on the CSD market. This move added to the top line but not to the bottom line. The Indian market is evolving with increasing consumerism looking for value-added products. Therefore, product positioning is playing an increasingly important role i.e. volume v. value positioning, such as wellness, energy, health.

The CSD market is expected to see only moderate growth.



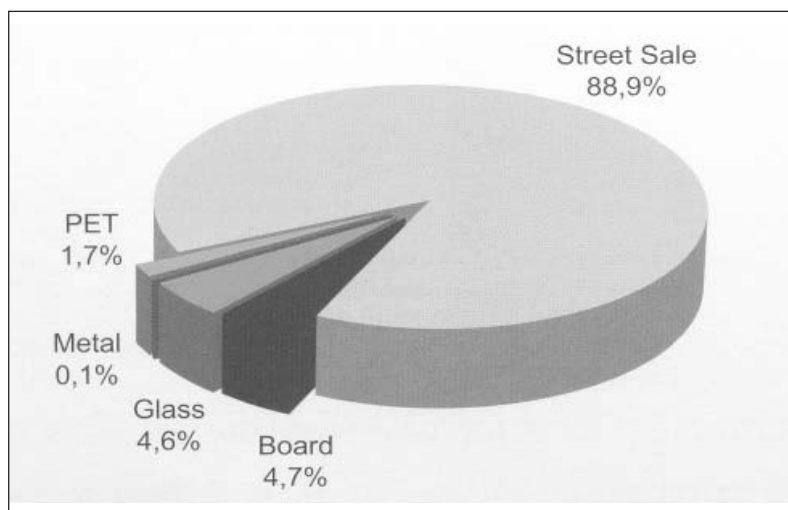
PET usage (in thousands of tonnes) for CSD  
(Source: Reliance)



Percentage packaging material mix for CSDs 2005  
(Source: Canadean)

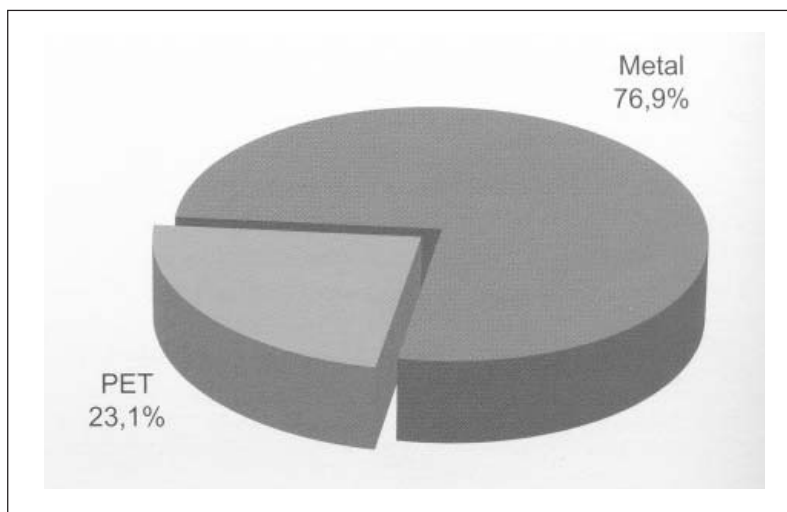
### Fruit juice

Hot filled fruit juices are relatively new on the Indian market. Traditionally a large amount of freshly squeezed juice is sold on stalls in the street, but the Indian consumer is increasingly demanding fruit juices without pathogens. Hot-filled juices are 2 to 3 times more expensive than CSDs but they are seen as safe, healthy, and for the young consumer, trendy. Preform manufacturers have developed a special preform for this sector, with built-in UV protection. Bottle sizes go from 500 ml to 1 litre. Until recently pre-packed juice was very much the exclusive domain of Tetra Pak but fruit juice in PET now has a firm hold.



Percentage packaging material mix for juices,  
nectars and still drinks 2005 (Source: Canadean)

Energy Drinks are insignificant at the moment. Bottles for this small market are imported.

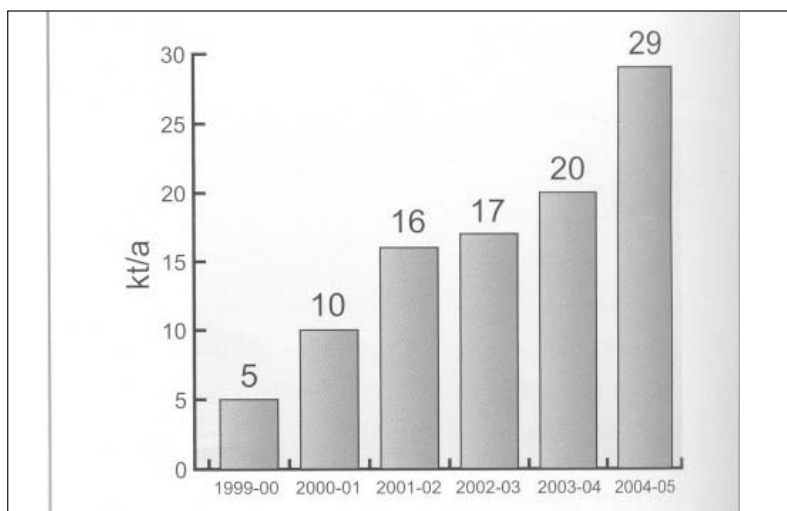


Percentage packaging material mix for energy drinks 2005  
(Source: Canadean)

### Water

The bottled water market, dominated by Parle, Coke, Pepsi and Bisleri, has not suffered in the reported pesticide controversy. Growth in this sector is more in line with what one would expect from India. Water is now almost exclusively sold in PET. Even in the best hotels water is placed on the table in a PET bottle.

There is, on the Indian market, a 100% spring water brand called Himalaya, directly sourced from the famous Mount Everest. It is very popular with foreign tourists visiting India as well all airlines, 5-star hotels, etc.

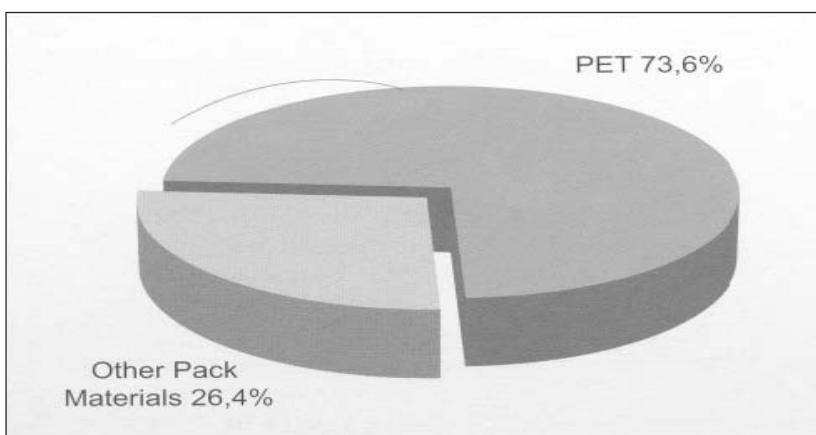


PET resin usage for water containers  
(Source: Reliance)



A large number of local fillers compete for the bottled water market - all under strict state control. The single trip mentality of the water industry has now spread to the 5-gallon container for water dispensers. Until now these have been refillable PC or PET containers weighing over 800 grams. Now, at the Plastindia exhibition, Techno PET have been showing a single trip container weighing only a little over 400 grams, and a few other manufacturers are also looking forward to launching drinking water in the non-returnable or single trip 5-gallon container.

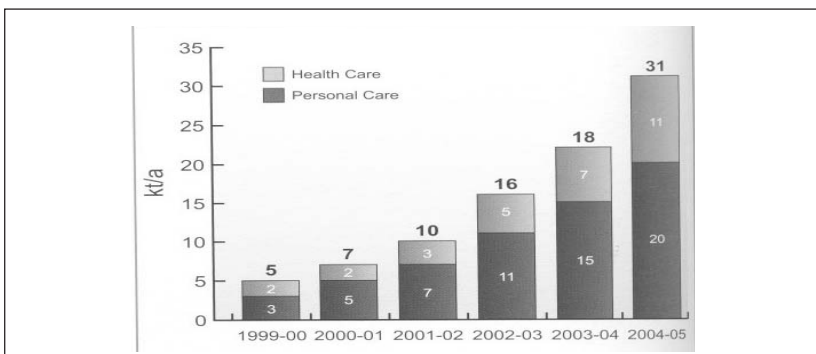
The long transport distances in India are one of the reasons why single trip containers are preferred. Transport means trucks with almost no suspension on very bumpy roads. The main means of transport within the towns is provided by three-wheeled, motorised rickshaws. This mode of transport is certainly not the ideal solution for refillable bottles. The abuse, poor handling, weathering and scuffing during frequent transport on bumpy roads, together with multiple washing, make the refillable 5 gallon container look shabby. This in turn tends to defeat the very purpose of the "look and feel" USP of the container and its contents i.e. clean water in a transparent container.



Percentage packaging material mix for water 2005  
(Source: Canadean)

### Pharmaceuticals and Personal Care

The transport network, still to a large extent under construction, is also the reason why the PET business has taken off so well in pharmaceuticals and personal care. Glass containers were all too often broken during transport, and consumers are now becoming more demanding. The main winners here are wide-mouth jars and specially shaped cosmetics bottles. This market sector also includes, of course, hair oil - a very popular product in India - with a large number of brands vying for the consumer's favour, all in PET bottles. Some of the main customers for PET resin are P&G, Dabur, HLL, Ranbaxy, Pfizer, Wockhardt, Johnson & Johnson etc.



PET resin usage for pharmaceuticals and personal care  
(Source: Reliance)

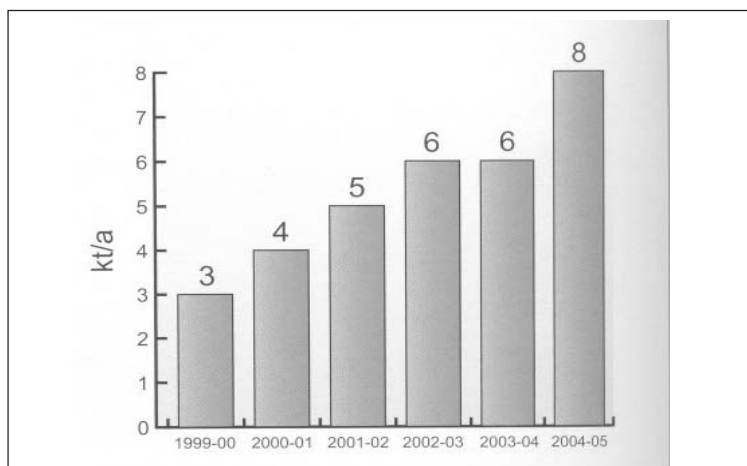
## AMD Metplast Limited

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### Edible Oil

Whilst the consumer has a wide choice of products in PET bottles up to 2.5 liters, larger containers for the commercial user are almost exclusively refillable tinplate.

These metal canisters stack well and stand up well to the rigours of road transport. They are however difficult to clean via the relatively narrow pouring orifice. Rectangular PET containers are now in development. They can be stacked like their tinplate cousins, and the Chinese market has shown that commercial users favour oil in large PET containers. It is certainly only a question of time until the large PET containers find widespread acceptance across India. Agrotech, Amrit and Agro lead the way here.



PET resin usage for edible oil (Source: Reliance)

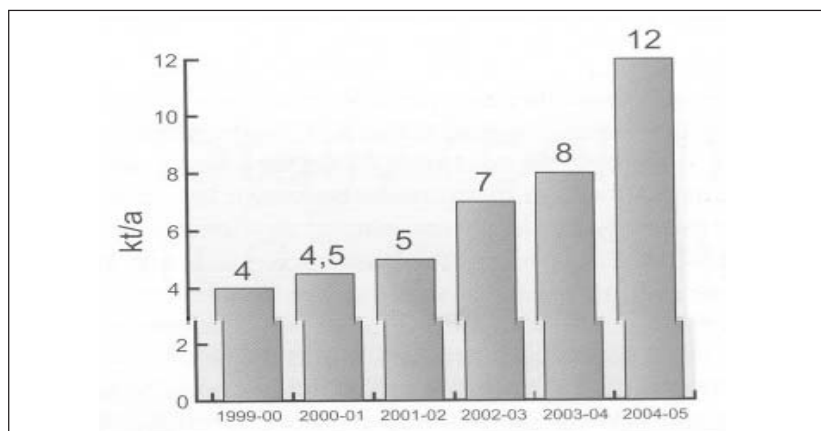
### Alcoholic Beverages

Despite the positive image enjoyed by the PET bottle in CSDs, water, healthcare and edible oil, its image with regard to liquor is somewhat negative.

For the lower, price-sensitive end of the market distilled liquor is sold in small and large PET bottles. In the upper market sector glass is the container material. Although glass is also widely used for the middle market sector PET had started penetrating in this area solely on account of its unbreakability in a market with a very long supply chain. The buyer of cheap liquor is not really interested in the type of material used to the packaging, which means that the "cheap" image ascribed to PET will probably restrict it principally to the low income consumer sector of the liquor market.

The cheap image is also reinforced by the quality of the PET bottles used, the price for a new empty PET bottle is lower than the normal cost of the PET material, which can only mean unspecified material - be it new or recycled - is being used. The investment in high quality filling lines is also not worthwhile because in general the state only allows single shift working. Modern filling lines, as a rule, need to run on at least a 2-shift basis to recoup the investment costs. And yet there is a chink of light here - as mentioned above the first middle market brands have switched to PET. High quality bottles with, for example, UV protection (as used by Smirnoff Vodka) are awakening the interest of the liquor market. The major players in this 112 million case (about 1 billion liters) market is the UB Group with a 54 % share, followed by Radico, Khaitan, and Seagram.

The laws governing the sale of alcohol are set by each Indian state, and so vary from area to area, Gujarat, for example, is a "dry" state, with no alcohol sales permitted.



PET resin usage for spirits  
(Source: Reliance)

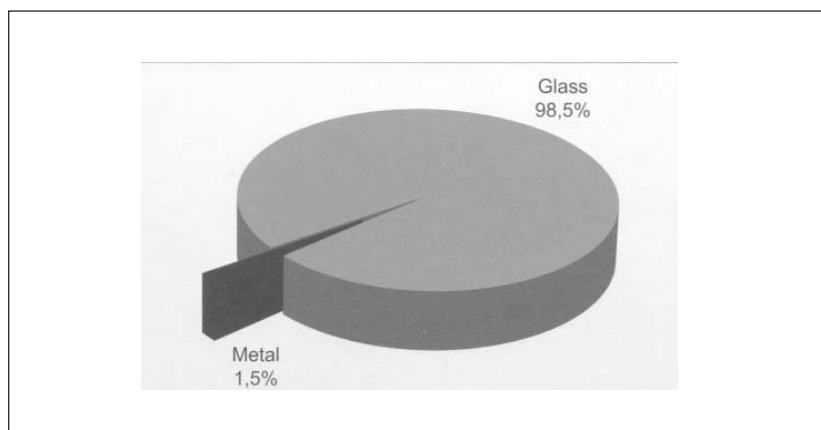
## Beer

Although the rules are not so rigid, beer falls into the same category as spirits and liquors. Like its stronger counterpart, beer can be sold only in liquor shops, although there is currently some discussion between the different states and the brewing industry, aimed at making beer more freely available. What is clear is that the discussions must be held on a state-by-state basis and if the outcome is positive the international brewers will quickly be lining up. Probably beer will first appear on supermarket shelves in Delhi and Mumbai.

Until now beer has been sold exclusively in glass. There is plenty of filling capacity and so it is hardly likely that any continued restrictive regulations by the state governments will encourage brewers to invest in new filling lines and possibly switch to PET.

In India beer bottles are pasteurised and the temperature are not at all favourable for PET. Futura claims that they have suitable polyester material with adequate barrier properties, that will withstand pasteurisation temperatures - this assumes that brewers run their pasteurisers at a constant temperature and do not take the same view as they do about glass, i.e. "a bit more is a bit better!" - exceeding the prescribed temperature and time. Nevertheless Krones has already installed four lines in India, which can be used for glass or for PET.

The beer market, at 91 million cases (equivalent here to 700 million liters) is shared mainly by the UB Group and their strong Kingfisher brand (49% share) and SAB with a 28 % market share.



Percentage packaging material mix for beer 2005  
(Source: Canadean)

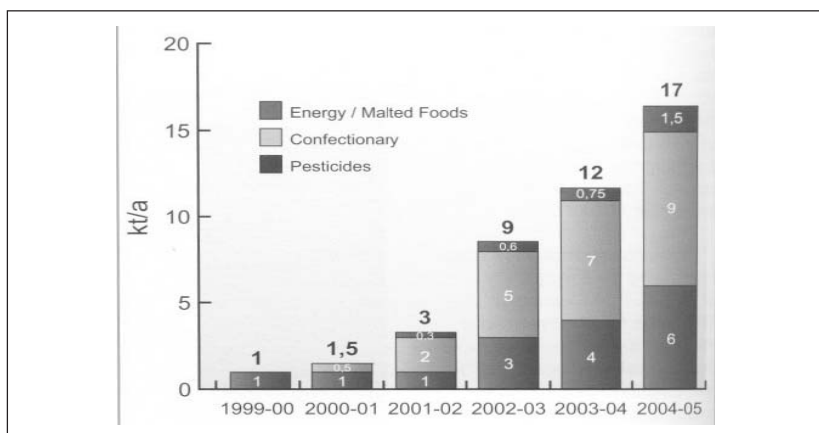
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### Dairy

The dairy business has almost totally bypassed the PET market. The ubiquitous sacred cows, seen even in the biggest cities, mean that Indians drink a lot of cow's milk. There is a certain amount of pasteurised milk sold in pouches. The rest is sold in blow moulded polyolefin bottles or cartons. Only a minimal amount goes into PET - as a functional beverage.

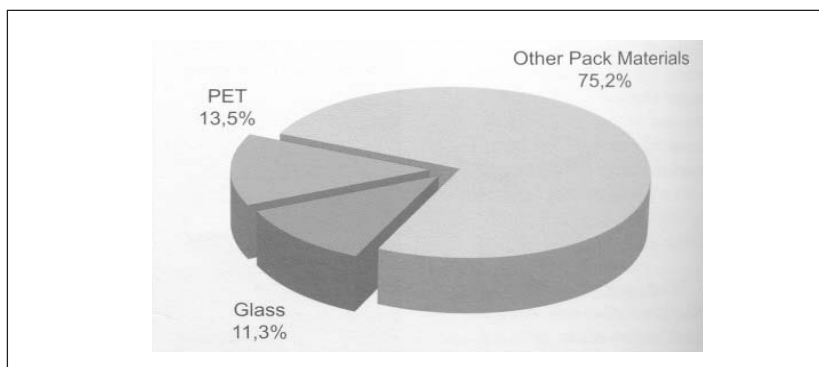
### Jars

One third of all PET container material usage goes into jars and other applications. All kinds of liquid and dry products are filled in PET jars. Such branded jars are also sold in retail shops as kitchenware. Indians love these containers and, after they have been emptied, use them as storage jars etc in the home. About 9,000 tones per annum are used for candies and confectionery, with many candies in display jars.



PET resin usage for confectionery, powdered drinks and pesticides (Source: Reliance)

A further 1,500 tones per annum is used to pack cocoa and coconut drink powder, and the first stretch blow-moulded polypropylene containers are found here in India. PET container users include Perfetti und Nestle. In addition there is a certain amount of PET used for agro chemicals i.e. pesticides for farming. Rallis, Bayer etc. are typical users.



Percentage packaging material mix for dilutables 2005 (Source: Canadean)

### Risk and Concerns

Decline in glass bottle usage thereby reducing the market share of crown caps is cause of concern. The Company may face competition from unorganized sectors and new entrants. The Company is likely to be affected by change in governmental policies as it may affect the usage of end products.

However, the Company has established itself as quality supplier to its clients and is accepted as reliable player in the industry thereby not only retaining its base but increasing it as well.





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## BUSINESS OVERVIEW

The Company was originally incorporated as Ashoka Metal Décor Private Ltd on 17th December, 1983 by Registrar of Companies, Delhi & Haryana. The name of the Company was changed to AMD Metplast Private Limited and a Fresh Certificate of Incorporation consequent to change of name was granted to the Company on 27th August, 2004. The Company subsequently became a public limited Company and the fresh certificate of incorporation was granted to the Company on 2nd June, 2006 consequent to change of name to AMD Metplast Limited.

The company is having a complete packaging solution for the Beverage industry. The product profile includes Crowns, Plastic closures and PET Preforms for carbonated soft drinks and bottled water market segment. The company has one of the largest installed capacities of crowns in India and has a complete array of preform sizes for all bottles sizes ranging from 500 ml to 2 L for soft drink and water applications. The company uniquely positions itself as a one stop shop for cola majors for their entire packaging needs.

AMD initially set-up crowns manufacturing facility at Ghaziabad in the year 1986. The total cost of the initial project of the company was Rs. 35.00 Lacs which was part financed by a Term Loan of Rs. 26.50 Lacs from Uttar Pradesh Financial Corporation (UPFC) and balance cost of the project was met from promoter's contribution. The management of the company has remained focused on high precision latest technologies and greater efficiencies in the manufacture since beginning; therefore, the key machinery for the initial project was imported from Germany. The company became a leading supplier to beverage industry catering to brands like Gold Spot, Limca, Bisleri-Soda, Thumps-Up, Double-7, etc.

Since the time when Coke and Pepsi commenced operations in India in 1991-92 the company has been supplying beverage packing materials to these Industry leaders. The company expanded its capacities in the year 1995 after being recognized as an approved supplier by PepsiCo and The Coca Cola Company for Crown Caps. For its expansion project AMD imported, the first Dry blend fully computerized machine from Sacmi, Italy, which was a pioneering effort in India by the company in the manufacture of Crown caps, installing a fully computerized manufacturing line. Sacmi, Italy is considered to be the World leader in manufacture of beverage packing machines. The total cost of the expansion project was Rs. 400 Lacs which was part financed by a term loan of Rs. 220 Lacs from Union Bank of India and balance cost was met from promoter's contribution and internal accruals.

The manufacturing capacities for crowns were doubled from 1000 to 2000 Million cases annum, in the year 1999 by importing a second machine from Sacmi, Italy at a total cost of Rs. 525 Lacs. The cost of expansion project was part financed by a term-loan of Rs. 340.00 Lacs from Dena Bank and balance cost was financed by promoter's contribution and internal accruals.

The company obtained ISO 9001:2000 certification in the year 1997 implementing standard policies procedure and systems for production, quality and marketing functions.

In the year 2002 AMD diversified its operation by setting up a facility to manufacture 2300 MT per annum of PET PREFORMS, which was a new concept in the beverage PET packaging in India. Since plastic Packaging was a new industry segment for the company the management decided to go for one of the best available technology and therefore imported the key plant from Krauss Maffei, Germany, a member of Siemens Group of Companies and a leading supplier of machinery. The Pet Preform project of the company was set-up at a cost of Rs. 1200 Lacs. The diversification project of the company was part financed by a Term Loan of Rs. 700 Lacs from PICUP and balance was funded through promoter's contribution and internal accruals.

PET PREFORMS capacities were doubled in May 2003 by adding another machine from M/s. Krauss Maffei, Germany at a cost of Rs. 915 Lacs. The cost of the expansion project was part financed by a term loan of Rs. 530.00 Lacs and Equity contributions of Rs. 240.00 Lacs from promoters and internal accruals of Rs. 145.00 Lacs.

In May 2003 AMD diversified further in the plastic packaging by adding a facility to manufacture 288 million pcs. per annum of plastic Carbonated Soft drinks Closures (CSD). The addition of CSD closures was an extension of PET PREFORM manufacturing in line with the requirement of company's leading customers. The compression molding technology is key to CSD manufacturing. AMD received all help and co-operation from PepsiCo and The Coca Cola Co, the two leading players in Beverage industry in the World, in selection of the technology and machinery for CSD closures facility. With their active participation the technology was brought in with licensing arrangement of Fully Top from France. CSD closure facility of the company was set-up at a cost of Rs. 1250 Lacs approximately. The project was part financed with

## AMD Metplast Limited

a term Loan of Rs. 780 Lacs from Bank of India and balance cost of the project was met from internal accruals and by raising additional equity from promoters and their friends.

In March 2004 AMD expanded its crown cap manufacturing capacity from 2000 Million per annum to 2800 Million per annum by setting up facilities at Neemrana, Distt. Alwar, Rajasthan. For Neemrana facility, AMD has imported latest generation fully integrated manufacturing plant. The company has already spent about Rs. 1700 Lacs on its Neemrana facility and plans to further expand the capacity at Neemrana facility in the next phase of expansion.

The company has raised Term Loans of Rs. 800 Lacs from a consortium of State bank of India and State Bank of Indore to part finance expenditure at Neemrana. Neemrana crowns manufacturing facility has been set-up by using latest technology in crown manufacturing which offers high precision products. The management is of the view that the Neemrana facility of the company is comparable with the best crown manufacturing facilities in the World.

The company has been regular in meeting its financial obligations to Banks and financial institutions in repayment of Loans and service of interest.

The turnover of AMD has increased from Rs.6927.54 Lacs in the year 2004-05 to Rs.7134.78 Lacs in the year 2005-06. The operating profit of the company has also grown from Rs.1169 Lacs to Rs.1268.3 Lacs in the corresponding period. The management is of the view that the profitability margins shall improve in the coming years as a result of economies of scale due to enhanced capacity utilization, lower incidence of interest on long term loans and cost reduction measures taken by the company on ongoing basis.

The company has been regularly diversifying, expanding and modernizing to keep pace with latest technological developments in the International arena. During the past four years company has diversified in the manufacture of PET Preforms & CSD Closures and has also set up crown manufacturing facility employing latest technology and methods of production to improve overall productivity.

### Expansion project

The Company is one of the leading players in the beverage packaging market and to exploit the increasing growth in the domestic market, the Company has come out the capital expenditure programme at its existing unit at Neemrana, Rajasthan, aimed at taking the Company as largest player. The Company is setting up a new project to manufacture PET Preform (27gm) having a total capacity of 2700 MT per annum.

### Products of the Company



#### Crown Caps

We are producing high quality Crown Caps from the most advanced fully automatic plant with all imported technology and equipment.

Raw Material for Crown Caps

- Tin Free Steel (TFS) of .235 to .25 thickness.
- PVC Compound / PVC Free Compound.
- Inks & Coatings

#### Usage

Used for packing Glass Bottles (like Beer, Cold Drinks, Juices, Sauces, Ready-to-Drink Milk Products etc.)



#### Plastic Closures

We are producing high quality Double Lip Liner CSD Closures in 28 mm neck size and 2.9gm by using following machinery and terms

- Fully automatic, compression molding machine from SACMI (Italy), world leaders in plastic Caps machine.
- Cap design licensed by Fully Top - France and internationally approved by Coca Cola and Pepsi.
- In - shell double lip liner molding which has world wide acceptance.
- In house printing facility.
- Fully equipped quality lab.
- Dust free environment.

#### Raw Material for Plastic CSD Closures

- Poly-Propylene
- PVC Liner
- Master Batch

#### Usage :

Used for packing the plastic bottles like Cold Drinks, Liquids in Pet Bottles, Sauces, Fruit juices etc.



#### Pet Preforms

We are producing high quality PET Preforms in following grammages /neck :-

- P.C.O. Neck: 48 Gms 42 Gms, 27 Gms, 28 Gms , 54 Gms. (CSD)
- Half Twist Neck: 23 Gms in 30mm .( Water)

#### Raw Material for PET Preforms

- PET Resin.

#### Usage :

PET Preforms are used for Carbonated Soft Drinks, Juices, Purified Water etc.

#### Plant Locations

We have 4 manufacturing units at various places, a detail of which is given below:

Unit	Location	Product
1	C-10, Site-3, Meerut Road, Industrial Area, Ghaziabad.	Crown Caps
2	145, Anand Industrial Area, Mohan Nagar, Ghaziabad	Crown Caps
3	SP-32 RIICO Industrial Area, Neemrana (Rajasthan)	Crown Caps
4	C-4, C-5, Site 3, Meerut Road, Industrial Area, Ghaziabad.	CSD Closures and PET Preforms

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### Plant and Machineries

The main plant & Machinery comprises of the following

#### Unit I

Particulars	Capacity	Make	Nos.	Year of Installation
PTC 170	11.8 cases/hr	SACMI, Italy	1	2000
PMC 250	10 cases/hr	SACMI, Italy	1	2000
Printing machine	3000 Sheets/Hr.	Crabtree, UK	1	2000
Coating machine	2700 Sheets/Hr.	Wagnor, UK	1	2000
Oven's	3000 Sheets/Hr	AIFSO,Bombay	2	2000

#### Unit II

Particulars	Capacity	Make	Nos.	Year of Installation
PTC 170	11.80 C/s/Hr.	SACMI, Italy	1	1995
PMC 250	10 C/s / Hr.	SACMI, Italy	1	1995

#### Unit III

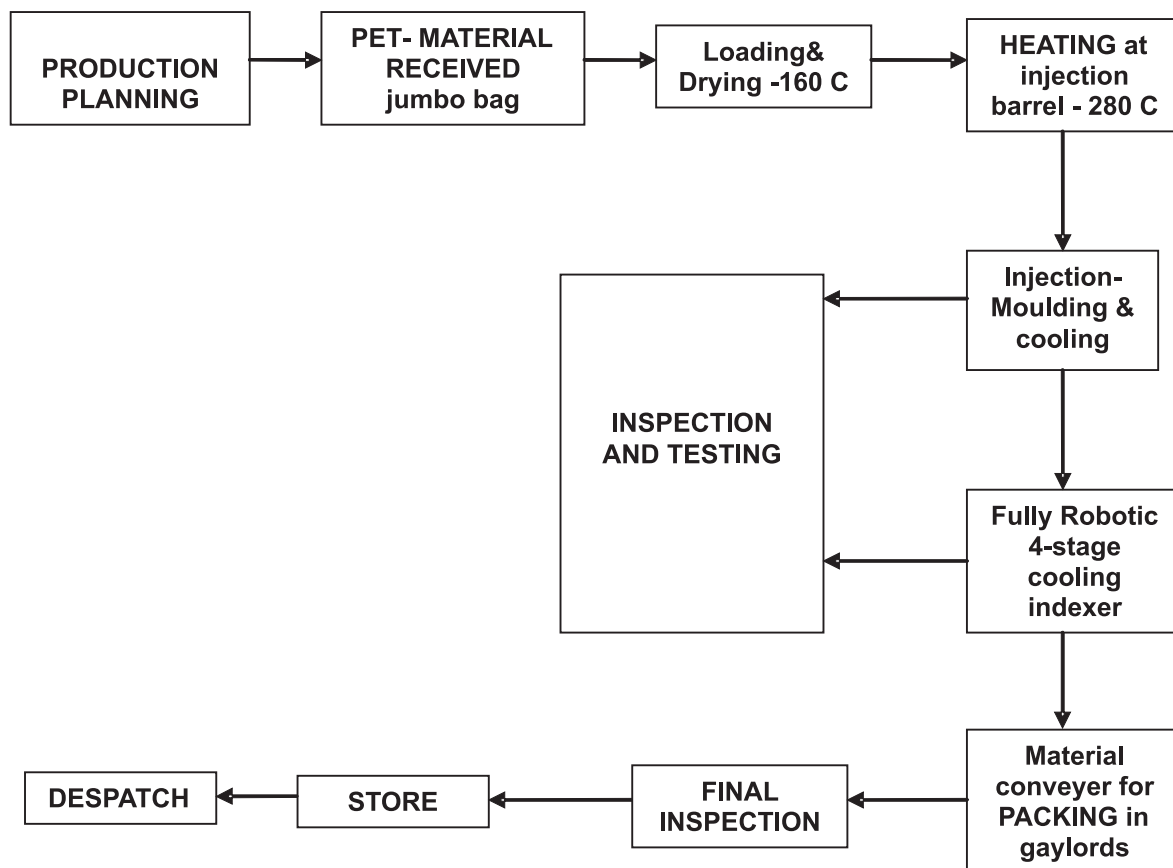
Particulars	Capacity	Make	Nos.	Year of Installation
PTC 027	18.00 C/s / Hr.	SACMI, Italy	1	2004
PMC 250	10.40 C/s/Hr.	SACMI, Italy	1	2004
PMC 250	10.40 C/s/Hr.	SACMI, Italy	1	2004
Printing Machine	2500 Sheets/hr.	Crabtree,UK	1	2004
Coating Machine	2500 Sheets/hr.	Recon,India	1	2004
Double Color Printing Machine	2500 Sheets/Hr.	Crabtree,UK	1	2005

#### Unit IV

Particulars	Capacity	Make	Nos.	Year of Installation
<b>PET PREFORMS</b>				
KM 450	2640 tons	Krauss Maffei, Germany	1	2001
KM 350	1980 tons	Krauss Maffei, Germany	1	2003
<b>PLASTIC CLOSURES</b>				
CCM 001	30,000 /hr	SACMI, Italy	1	2003
CCM 001	30,000/hr	SACMI, Italy	1	2003
PMV	60,000/hr	SACMI, Italy	1	2003



#### Process flow chart - Pet Preforms



PET resin is received from the suppliers as the raw material. Since PET Chips are hygroscopic, they are dried at 160 degree Celsius in a hopper for six hours.

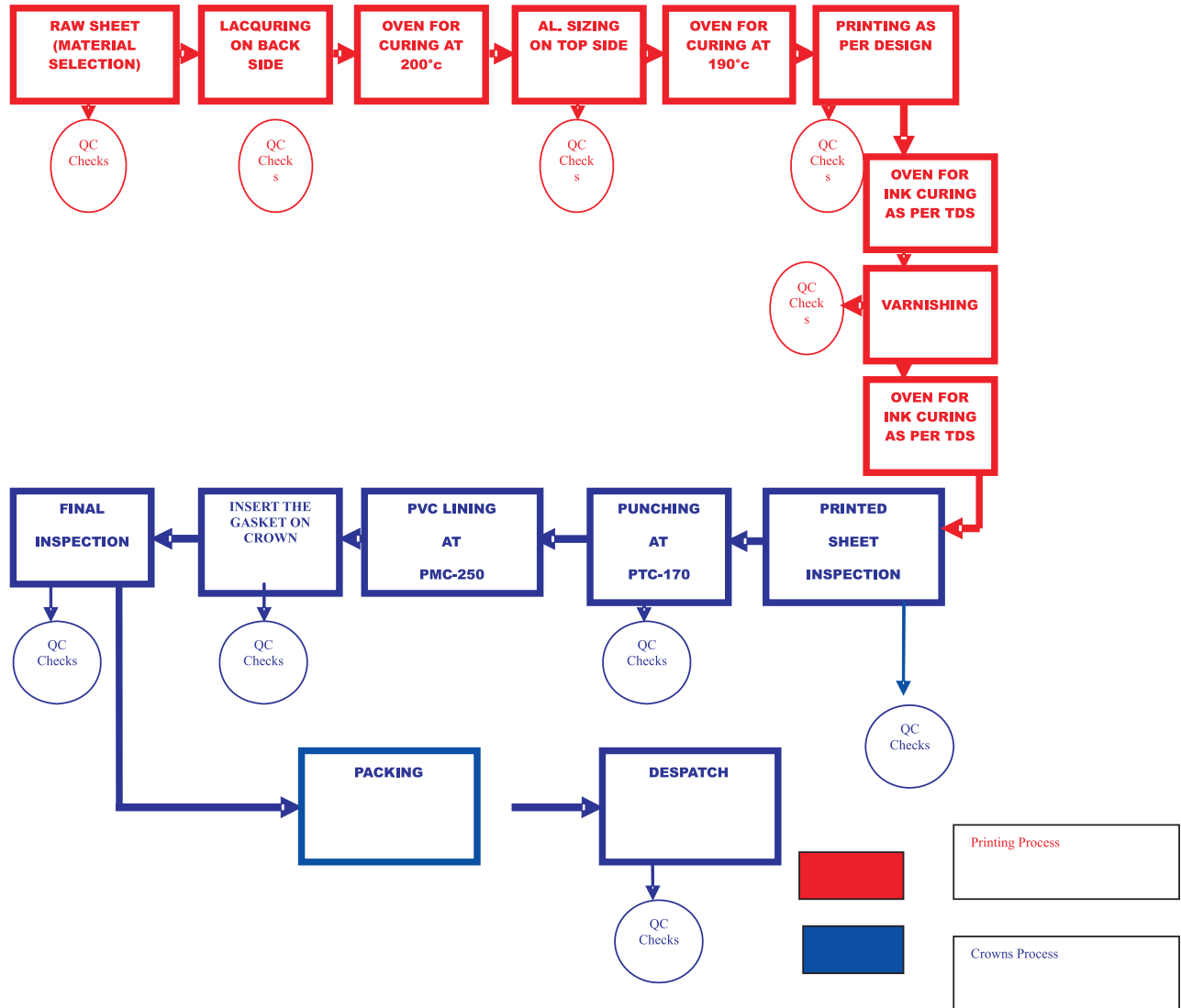
The Dried PET is then fed into the injection molding machine for further process. In the injection molding machine, the PET Resin is melted at 280 degree Celsius. This molten material is injected into the mould and Preforms are formed by circulating chilled water in the mould.

These Preforms are ejected and picked up by the robot and placed in the cooling station.

After the final cooling, Preforms are ejected on a conveyor and transferred to Gaylords (Boxes) for inspection and final packing.

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### Process flow chart - Cap Crowns



Initially raw sheet selected as per the customers' requirement in respect of thickness, source etc. Then one side of the sheet is put on the lacquering and after lacquering, sheets are passed through the conventional oven for baking as per the technical data. After the lacquering on, the other side of sheet.

The sheet is put on the machine for A1/vinyl sizing and again the sized sheet is passed through the oven for baking as per TDS.

After lacquering and silver/vinyl sizing, the sheet is ready for second process i.e. printing on the top side i.e. silver/vinyl. The respective ink so as to match the requirement of the customer is placed in the machine. In case of multi color printing, the color is placed on the sheet through machine one by one and the finally printed sheet is passed out of the machine after varnishing. Again these sheets are passed through the oven for baking as per TDS.

After the printing operation, the sheet is sent for crowning operation for crown manufacturing. Inspection is carried out as per the art work and color scheme. After the inspection, sheet is passed through the punching press where the shells are produced. These shells are passed through another machine for lining operations through Magnetic Elevator Belt. PVC



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In PMV three drums work at the same time but having different process.

- Insertion Drum : Inserting lining material inside the closure
- Forming Drum : forms the liner profile in pressure block of closure
- Quality Drum : Check the liner profile for the short liner

Then finished closure goes in printing unit for printing its corresponding logo at the top of the closure. Then after, the finished closure undergoes the final quality checks and then packing in corrugated boxes.

### Collaborations

Except availing financial assistance from banks and others, we have not entered into any technical or financial agreement.

### Infrastructure Facilities

#### Raw Materials

The main raw Material in case of Crowns manufacturing are

- Tin Free Steel Sheets  
Main Suppliers  
Local: Tinsplate Company of India Limited  
International: Nippon, Japan , Resselstien ( RTG), Germany
- Inks for Printing  
Main Suppliers  
Local: Hindustan Inks, DIC Coating, Coates of India  
International: Axzo Nobel
- Liners  
Main Suppliers  
Local: SriSol  
International: DS Chemie (Germany), W.R Grace (France)

The main raw materials in case of PET Preforms manufacturing are

- PET resin  
Main Suppliers  
Local: Reliance, South Asian Petrochemical  
International: Vordian, Spain, Dupont, USA, Milliken, USA
- Liquid Master Batch for colored preforms  
Main Suppliers  
International: Color matrix, UK and Holland Colors, Netherlands

The main raw materials in case of Plastic Closure manufacturing are

- Polypropylene resin  
Main Suppliers  
Local: Reliance  
International: Basell, France and Samsung, Korea
- PVC Free resin  
Main Suppliers  
Local: Srisol  
International: W.R.Grace, France and , D S Chemie, Germany, DuPont, USA
- Master Batch  
Main Suppliers  
Local: Clariant, Platichemix  
International: Color matrix, UK and Holland colors, Netherlands

We normally procure these raw materials from various domestic and international suppliers. All the raw materials are easily available to us.





## Utilities

Our company mainly requires the following utilities:

### Power

Our Company has adequate power load connection to carry out our present business operations. The projected requirement of the power is about 750 KVA which will be procured from Rajasthan State Electricity Board (RSEB). The Company does not foresee any problem in procuring its requirement from RSEB. Besides this, the company proposes to have 100% back-up facilities in the form of Generator Sets.

### Water

Water is required for general purposes viz. sanitation etc. The company does not foresee any difficulty in procuring the required 500 Liters of water.

### Manpower

#### Existing Arrangements

At present, our Company has 200 employees, out of which 165 employees are stationed at the existing four manufacturing units. The balance 35 employees are placed at our registered office and other locations. The detailed break-up of our employees at four units is mentioned hereunder:

Description	Unit I	Unit II	Unit III	Unit IV Pet Preforms	Unit IV Plastic Closures	Total
Skilled Labourers	4	2	15	6	10	37
Semi Skilled Labourers	9	2		8	15	34
Un Skilled Labourers	9	2	25			36
Supervisory Staff	11	1	6	3	9	30
Technical Staff (Junior Levels)				4	4	8
Technical Staff (Senior Levels)	3	1	10	2	4	20
<b>Total</b>	<b>36</b>	<b>8</b>	<b>56</b>	<b>23</b>	<b>42</b>	<b>165</b>

The detailed break-up of our employees at Head Office is mentioned hereunder:

Particulars	Nos.
Managerial	10
Executives	7
Assistants	12
Others	6
<b>Total</b>	<b>35</b>

Additional Manpower requirements for the project

Particulars	Nos.
Manager	1
Shift In charge	3
Helpers	6
<b>Total</b>	<b>10</b>

The Company is already running a manufacturing unit at Neemrana and as it is fast growing industrial area, it does not foresee any problem in getting the required human resource for the efficient running of the project.

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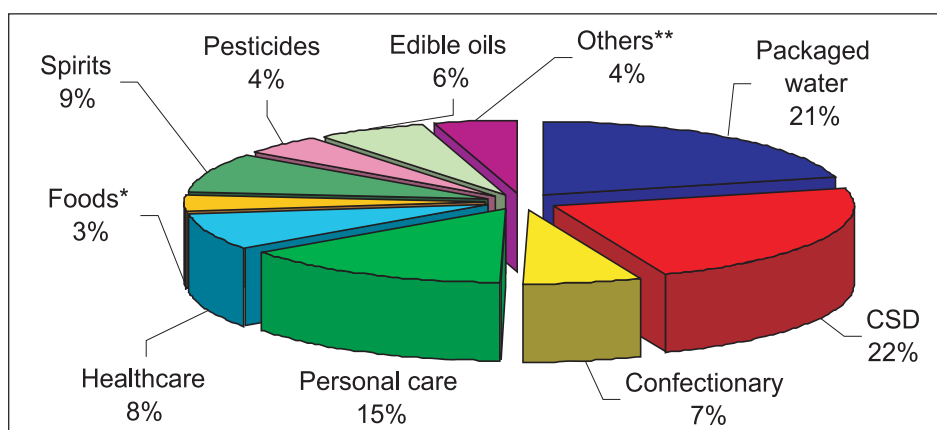
### PAST PRODUCTION FIGURES FOR THE INDUSTRY

The Beverage Packaging Industry is highly fragmented and is dominated by large number of unorganized players. There are no published data available to our Company for past production figures, existing installed capacity, past trends and future prospects regarding exports & supply forecasts. Pet demand forecast is given below as provided by Reliance based on research done by IMA India.

**PET Demand Forecast (Source: Reliance based on the research done by IMA India, Date of the report: January, 2005, Place of the report: Reliance Industries Ltd (Pet Division), New Delhi.)**

#### PET consumption in India

**Bottle-grade PET consumption: 137 Kilotonnes (2004-05)**



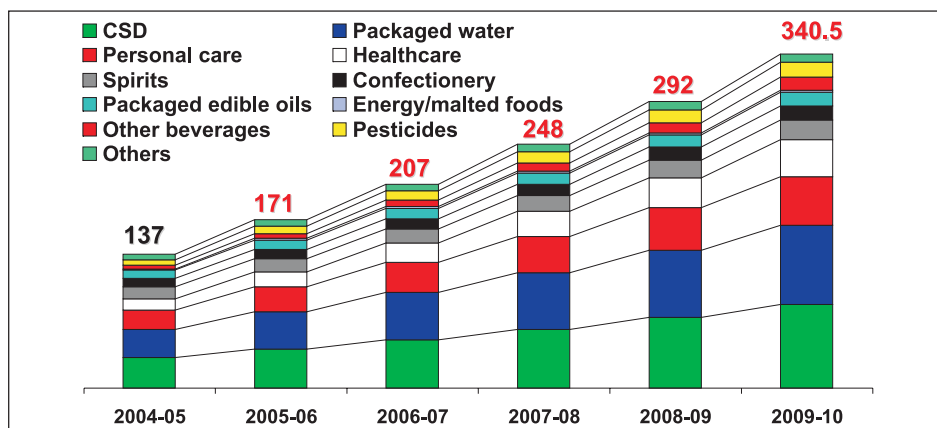
\* Includes malted and other food products and artificial juices/drinks

\*\* includes retail PET bottles/jars, homecare products, sheets and strapping

- CSD, packaged water and personal care account for over half of the total consumption currently
- Last 5 years' CAGR: 42%; an explosive rate of growth - in part due to a relatively low base (e.g. 4-year CAGR is 36%, 3-year CAGR is 29%)

#### PET Demand: Year-on-Year Estimates (KT)

##### Base case forecasts only

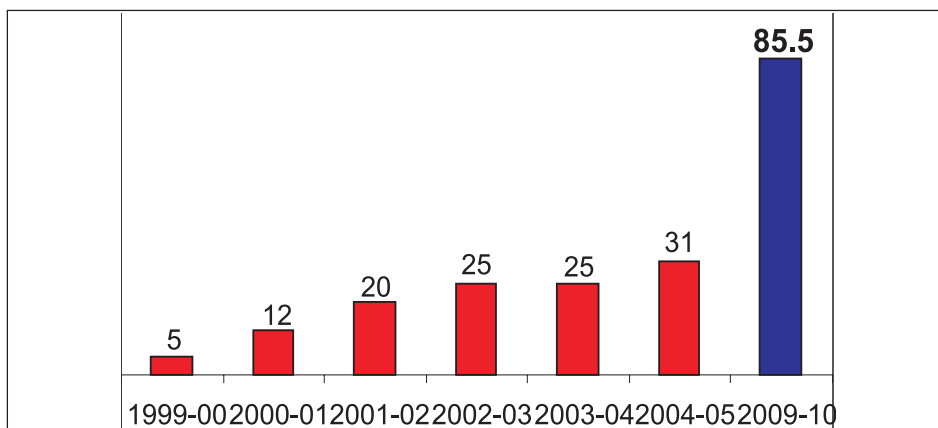


Forecasts do not include PET usage in beer and natural fruit juices



## CSD: Growth Estimates

### PET demand (kilotones)



### 5-year PET demand growth forecast: 22.5% CAGR

Computation: 13% growth in CSD + conversion to PET

Conversion: 20% of total CSD in PET will rise to 30% by 2009-10

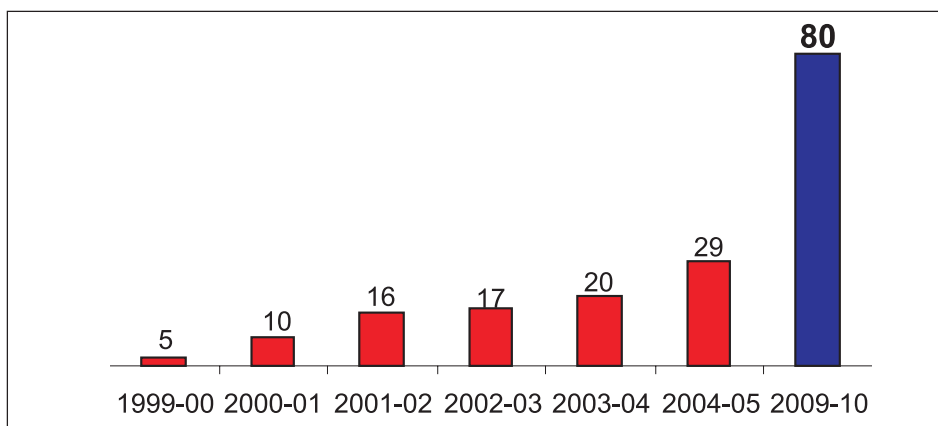
Implied rate of PET growth with 13% industry growth: 22.5%

### Additional considerations:

- Focus on family/home consumption (i.e. 1-2 litre bottles) will drive PET usage, as will rapid urban retail development (which encourages 'consumption on the go')
- Over a 5 year period, PET growth will be robust, but not linear - continuous sales-driven innovations in CSD will shift the balance from time to time

## Packaged Water: Growth Estimates

### PET demand (kilotones)



### 5-year PET demand growth forecast: 22.5% CAGR

Computation: 22.5% industry growth [18% growth in bottled segment (55% weightage) and 28% growth in bulk segment (45% weightage) ] + conversion to PET

Conversion: Nil. Packaging mix to remain constant (predominantly PET)

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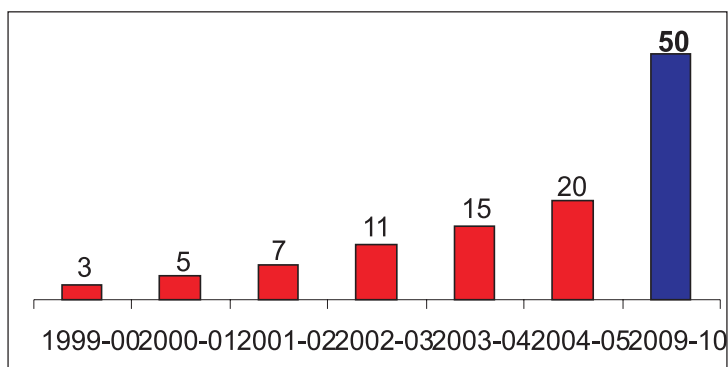
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### Additional considerations:

- Rapid urbanisation and emphasis on hygiene will bring new consumers into the fold and sustain healthy growth in the bottled water segment
- Bulk packs will increasingly become an alternative to (poor) municipal water supply (which is unable to keep pace with urban population growth), in both major and second-rung urban centers - will grow even faster

### Personal Care: Growth Estimates

#### PET demand (kilotones)



#### 5-year PET demand growth forecast: 20% CAGR

Computation: 20% growth in industry + conversion to PET

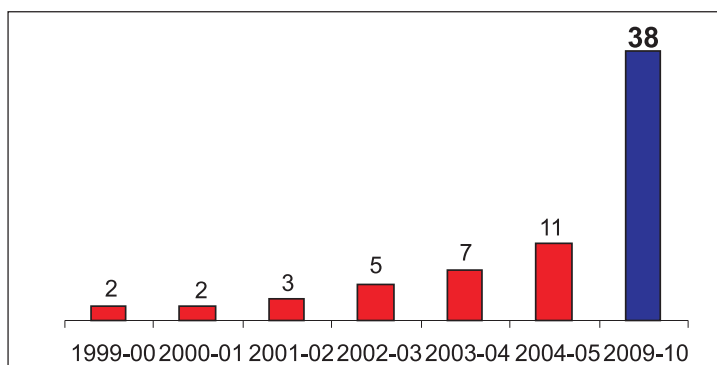
Conversion: Nil. Packaging mix (~20% PET) to remain broadly constant

### Additional considerations:

- Current growth will be sustained through 'sachetisation' (to reduce entry cost and bring new consumers into the fold) and 'category branding' (to create need for specialised application products - e.g. skin care, facial care etc - amongst existing consumers to enhance their consumption)
- (Marginal) scope for change in packaging mix exists based on price equations vis-à-vis substitutes (see summary of scenarios)

### Healthcare: Growth Estimates

#### PET demand (kilotones)



#### 5-year PET demand growth forecast: 28% CAGR

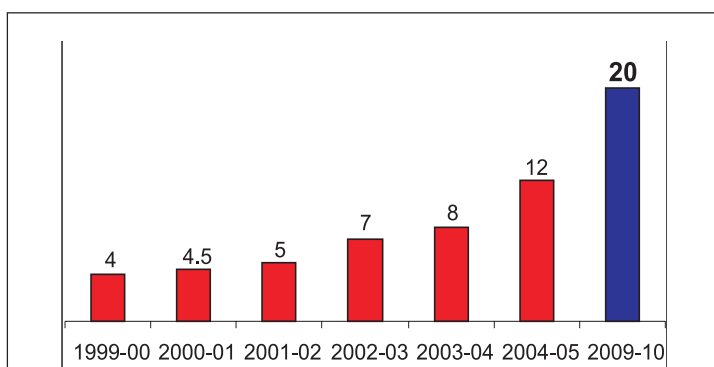


#### Additional considerations:

- Convenience will drive shift towards PET; technology advancement (e.g. PET that does not react with vitamins) can spur this trend further
- However, relative cost of PET (vis-à-vis substitutes) will determine rate of shift; scope for faster conversion exists if price equation changes significantly

#### Spirits (excluding beer): Growth Estimates

##### PET demand (kilotones)



##### 5-year PET demand growth forecast: 10.5% CAGR

Computation: 10.5% growth in regular segment (low priced brands) [Based on industry estimate that growth in the regular segment will lead overall industry growth by 1-2 percentage points; regular segment defined as spirits priced below Rs 180-200 a litre] + conversion to PET

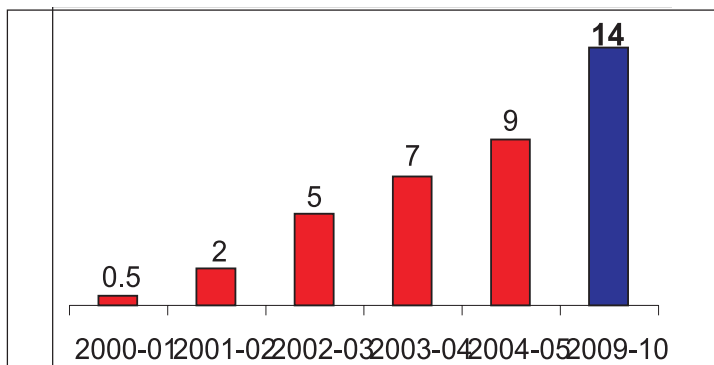
Conversion: Nil. Packaging mix to remain broadly constant but year-to-year variations may exist (based on relative prices)

#### Additional considerations:

- PET usage will be limited to some regular segment brands and defense supplies
- No scope for PET usage in premium brands due to consumer perceptions and technical constraints (guala caps cannot be fitted on PET bottles)
- However, regular segment will witness higher-than-industry growth on account of entry of consumers shifting up from the informal sector

#### Confectionery: Growth Estimates

##### PET demand (kilotones)



##### 5-year PET demand growth forecast: 9% CAGR

## AMD Metplast Limited

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Computation: 6% growth in industry + conversion to PET

Conversion: 70% of total confectionery in PET will rise to 80% by 2009-10

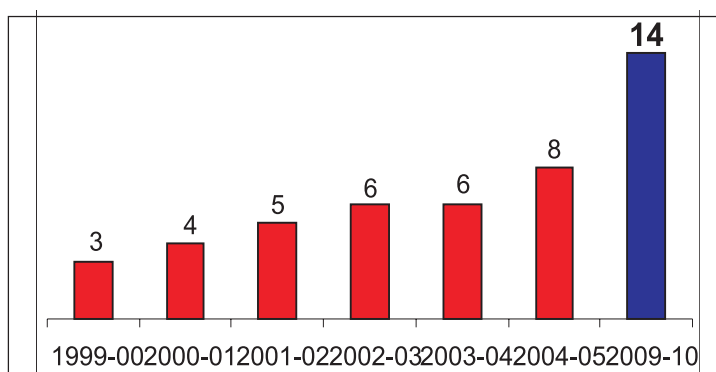
Implied rate of PET growth: 9%

### Additional considerations:

- PET will remain the primary packaging option but pouches in small proportions will continue to be used as 'refills'
- Entry of players with deep rural distribution (e.g. HLL, ITC) will help drive penetration in these markets

### Packaged Edible Oils: Growth Estimates

#### PET demand (kilotones)



#### 5-year PET demand growth forecast: 12% CAGR

Computation: 12% growth in industry + conversion to PET

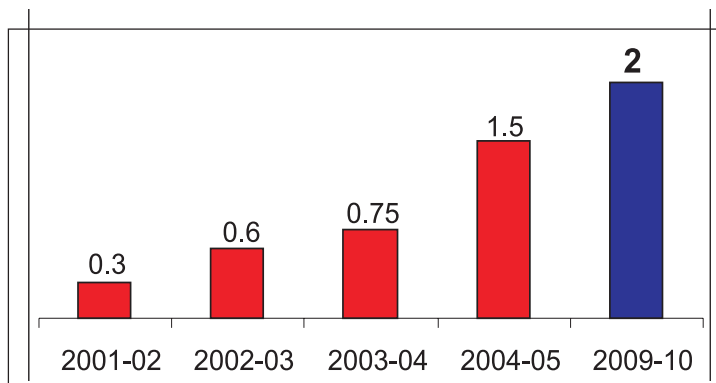
Conversion: Nil. Packaging mix to remain broadly constant

### Additional considerations:

- PET packaging limited to specific brands and consumer segments where transparency is a desirable feature; other materials will remain important due to molding flexibility and opacity
- In the long term, an increase in domestic oilseed production can help maintain growth by reducing dependence on highly-taxed imports

### Energy/Malted Foods: Growth Estimates

#### PET demand (kilotones)





#### 5-year PET demand growth forecast: 5% CAGR

Computation: 5% growth in industry + conversion to PET

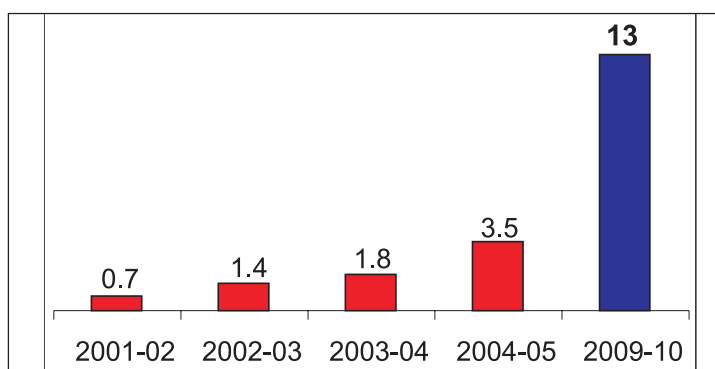
Conversion: NIL

#### Additional considerations:

PET usage will remain limited to promotional supplies/specific Stock keeping units - due to cost, perceived technical issues (such as moisture absorption by PET and lower shelf life of PET-packaged bottles) and availability of well-accepted 'familiar' substitutes (glass, tins, etc) in this product category

**Other Beverages** (Fruit juices, RTS (ready-to-serve) drinks, etc): **Growth Estimates**

**PET demand (kilotones)**



#### 5-year PET demand growth forecast: 30% CAGR

Computation: 20% growth in industry + conversion to PET

Conversion: 20% of total beverages in PET will rise to 30% by 2009-10

Implied rate of PET growth: 30%

#### Additional considerations:

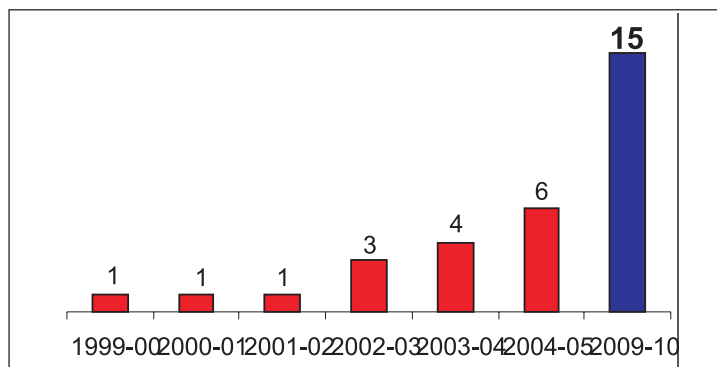
- Players will drive 'depth of consumption' to achieve continuing growth - this will favour greater usage of PET (e.g. 1 litre PET bottles)
- PET will also increasingly become a means for product differentiation vis-à-vis conventional tetrapak packaging
- Availability of PET heat-filling technology will also encourage conversion (The greatest impact of this technology will however, be in the natural fruit juice segment)

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### Pesticides: Growth Estimates

PET demand (kilotones)



#### 5-year PET demand growth forecast: 21% CAGR

Computation: 5% growth in industry + conversion to PET

Conversion: 5% of total pesticides in PET will rise to 10% by 2009-10

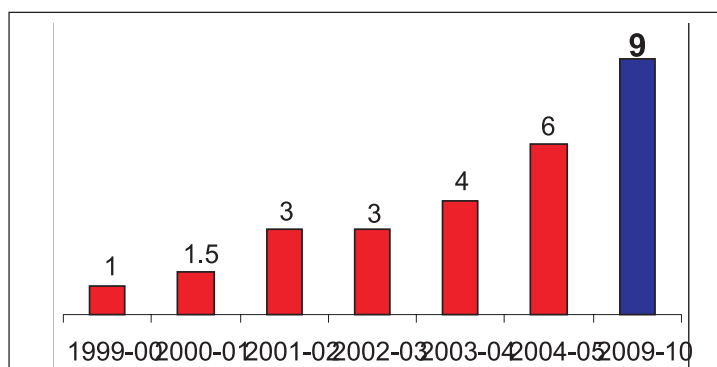
Implied rate of PET growth: 21%

#### Additional considerations:

A gradual focus on shelf-appeal and packaging quality will drive the shift to PET

**Others (Includes retail PET bottles/ jars, homecare products, sheets and strapping)**

PET demand (kilotones)



#### 5-year PET demand growth forecast: 8% CAGR

Computation: 8%\* growth in industry + conversion to PET (\* Forecasts based on inputs by PET/ pre-form manufacturers)

Conversion: not applicable





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**Key considerations:**

- Lifestyle improvements and aspirations driving demand for hygienic home storage options (PET jars/ containers)
- Penetration being driven by new shapes, sizes and colours of PET jars and containers
- However, re-usage of PET-packaged products (e.g. CSD, bottled water, foods, etc) will moderate the demand for new jars and containers

**New Uses For PET****Beer**

- Research reveals divided opinions on PET usage in beer due to cost, technical limitations (crown cap fitting, chilling, pre-pasterising) and consumer perception issues
- However, technology exists globally and can potentially be introduced in India within 1-2 years
- PET usage by 2010 could be in the range of 5.5 KT (assuming 7% growth in the beer industry and a shift of 5% of the total beer market shifting to PET every year between 2007-08 and 2009-10\*)

\* Estimate provided by PET/pre-form manufacturers

**Natural fruit juices (fruit content >85%)**

- Currently, natural fruit juices are not packaged in PET since heat-filling technology for PET was not available in India\*
- With the technology becoming available, scope for shifting partially to PET exists - primarily for differentiation and shelf appeal purposes
- PET usage in 2010 would be <1 KT, assuming 30% of natural fruit juices are packaged in PET by 2010
  - ❑ Size of natural fruit juice market is 4 million cases currently
  - ❑ This will grow to 10 million cases (56.6 million liters<sup>^</sup>) at a CAGR of 20% by 2010
  - ❑ 30% of this volume with a conversion factor of 25 grams of PET resin per 500 ml implies PET consumption of 0.85 KT by 2010

\* No other PET use (e.g. CSD, water, etc) requires heat-filling technology

<sup>^</sup> 1 case = 8 ounces x 24 = 5.66 litres

**Dairy products (flavoured milk, long-life milk, etc)**

- Immediate constraint is inability to sterilise PET bottles
- Although technology to overcome this constraint exists globally, it is not considered feasible in the foreseeable future, due to prohibitive costs
- However, this is a preliminary assessment by industry players - made in the absence of detailed cost estimates of the new technology

**Competition**

The business of the company does not face significant competition from rival manufacturers in day to day basis as the buyers enter in to long term agreement with the company. However the competition for long term basis cannot be ruled out.

## AMD Metplast Limited

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The major competitors of the Company in various segments are:

### **CROWN CAPS:**

M/s Oriental Containers India Limited  
M/s Manakashea Closures Limited  
M/s Integrated caps  
M/s Varun Beverages Limited  
M/s Awadh Crowns  
M/s Emcee crowns  
M/s Cans and Closures

### **PLASTIC CLOSURE:**

M/s Oriental Containers India Limited  
M/s Berricap  
M/s Alcoa Closures Pvt. Ltd.

### **PET PREFORMS:**

M/s Futura Polymers Ltd.  
M/s Integrated caps  
M/s Amcor  
M/s Varun Beverages Limited  
M/s Gwala

### **SWOT ANALYSIS**

Strengths	Opportunities
<ul style="list-style-type: none"><li>● Qualified and Experienced Management</li><li>● Market Reputation</li><li>● Industry Experience</li><li>● Adherence to Delivery Schedules</li><li>● Client Base</li><li>● Human Resources</li><li>● Quality Control and R&amp;D</li></ul>	<ul style="list-style-type: none"><li>● Market Size</li><li>● Market Size</li><li>● Growth of end-user industry</li><li>● Growth of International Market</li></ul>
Weakness	Threats
<ul style="list-style-type: none"><li>● Cyclical Nature of the Industry</li><li>● Dependence on Limited Customers Base</li></ul>	<ul style="list-style-type: none"><li>● Competition</li><li>● Adverse Government Policies</li><li>● Demand Down-turn for Crown Caps</li><li>● Human Resource</li></ul>

#### **Strengths**

- **Qualified and Experienced Management**

Promoters / Directors of AMD are well qualified & having vast experience in the Beverage Packaging Industry. Under their leadership AMD has emerged as one of the leading players in the Industry.

- **Market Reputation**

AMD has proven track record of adherence to quality standard & Delivery schedule which are the key factors for emerging as the leading company in this field.



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- **Industry Experience**

AMD has established as total beverage packaging solution provider having formidable presence in the preform, CSD Closures & Crowns Caps.

- **Adherence to Delivery Schedules**

The end-users require strict adherence to the delivery schedules and the company has policy to ensure that the production models are designed in such manner that the delivery schedules are met as per the requirements of the client.

- **Client Base**

AMD has got customers base which includes Multinational Soft drink Companies & leading Beer Manufactures.

- **Human Resources**

AMD has highly motivated technically qualified management team

- **Quality Control and R & D**

AMD's quality control department monitors adherence to the highest quality standards at every level of production process. The R & D Department is engaged in the innovation in design and technical parameter of various products.

#### **Weaknesses**

- **Cyclical nature of Industry**

The end-user industry is cyclical as the demand is high in the period of 7 months i.e. February to August and remaining 5 months the demand for company's products is moderate.

- **Dependence on limited Customers Base**

As the end-user industry is dominated by limited players, the Company is dependent upon limited customer base.

#### **Opportunities**

- **Market Size**

Increase in the usage & demand of pet preforms and plastic closures, the main products of the Company. The crown caps are also one of the major products of the company

- **Locational Advantage**

Locational Advantage as our manufacturing units are located in the high demand region.

- **Growth of end-user industry**

Growth in end users of the company's products resulting in expansion in the market size

- **Growth of International Market**

Export opportunities in the South East-Asian countries & African continent

#### **Threats**

- **Competition**

The company may face competition from unorganized sector and new entrants.

- **Adverse Government Policies**

Any change in the Government policies on end-users may affect the product usage.

- **Demand Down-turn for Crown Caps**

Decline in Glass Bottles usage thereby reducing the market of crown Caps

- **Human Resource**

Labour unrest can cause disruption of operations.

Our Company is well positioned to meet the challenges and the opportunities thrown open to the beverage packaging industry. With its strengths in operations and continued management emphasis on quality, consistency, adherence to delivery schedules, the Company is expected to do well in the future.

## AMD Metplast Limited

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### USP of the company

The company is having a complete packaging solution for the Beverage industry. The product profile includes Crowns, Plastic closures and PET Preforms for carbonated soft drinks and bottled water market segment. The company has one of the largest installed capacities of crowns in India and has a complete array of preform sizes for all bottles sizes ranging from 500 ml to 2 Liter for soft drink and water applications. The Company uniquely positions itself as a one stop shop for cola majors for their entire packaging needs.

### MARKETING ARRANGEMENTS

#### Domestic

The Company operates as a total beverage packaging solution company operating in PET Prefroms, Plastic Closures and Crown Caps. The Company has over a period of time emerged as a reliable supplier having a track record of quality, consistency and cost effective for its customer and consequently supplying to crème la de crème of the beverages companies in India.

The major customers in the CSD market include Hindustan Coca Cola Beverages, PEPSICO and their bottlers. In water segment, all the PET Bottle requirement of Rail Neer is met by Company. The Company's other customers include AMUL, Khoday Breweries, Associated Breweries & Distilleries, Mount Shivalik Breweries, Narang Breweries, UB Group, SAB, Amrit Banaspati etc. The Company proposes to supply to major packaged juice manufacturers like Dabur. The Company's R & D Department also working on improvisation of company's product not only for the existing end-user segments catered to by the Company but also for the other market segment which offer immense market potential.

The Company's Marketing Department works in pro-active manners and constantly interacts with its customer so as to improve the quality as well as carry out the modification, if any required by the customers.

The Company's existing customer base and their increasing requirement of various products as well as Company's efforts to break through in the newer market segment will result in optimum utilization of its existing and new capacities.

#### Exports

There is no export obligation. AMD started its focus in export market for its range of packaging products in year 2003-04 by initiating ground work to access the potential, feasibility and viability across the globe. Segmenting its market to African Continent, Middle-East and SAARC countries grew in the range of 124% to 600% by exporting to world majors in Beverage, Distilleries, Liquor & Breweries segments.

Export data for product range:

	2003-04	2004-05	2005-06	% Growth
Closure( in pcs)	94.50 lac	127.93 lac	286.65 lac	124%
Crown ( in pcs)	Nil	12.00 lac	85.00 lac	608%

#### Business Strategy

The Company has devised the business strategy to take the advantage of the growing PET and Closure Market and manage the present market share in crown caps segment. The key elements of our business strategy include the following:

- **Expand market share**

AMD has a diverse client list which includes end-users in CSD market, Milk Products, Beer etc. However, the majority of the revenues are earned through Soft Drink Market. The Company has embarked upon a strategy to increase its presence in other market segments as well as new market segments.

- **Maintain high standards of quality**

AMD has created a reputation of a supplier which can consistently supply quantity without compromising on the quality and delivery schedules. We intend to continue to focus on this besides being innovative in the products. As we are using best technologies in various products segments manufactured by us, we intend to continue this for the new project of the company as well.



- **Actively pursue opportunities in newer market segments**

We have successfully established ourselves in the markets like CSD, Beer, water and Milk Products. We further intend to pursue the opportunities exists in the new market segments like edible oil, cosmetics, alcoholic beverages etc. We believe that these segments will dominate the demand of our projects in near future as the consumption levels are very high in these segments.

- **Expansion of Manufacturing Capacities**

To maintain its dominant position in the Beverage Packaging Industry and to enhance the exports of its products, the Company is aiming to enhance manufacturing capacity of PET Preform to cater northern and central region of India. This is in line with our belief that maximum values can be created by way of making products at the locations where the raw material are available and customers/markets currently exists or will grow in future.

### Past Capacity Utilisation

#### Crowns

(in cases)

Particulars	2003-04	2004-05	2005-06
Installed Capacity	184800	184800	184800
Additions	-	-	-
Total Installed Capacity	184800	184800	184800
Actual Production	114,563	122,555	84,589
Capacity Utilisation (%)	62.81	66.34	45.78

#### Plastic Closures

(million pcs.)

Particulars	2003-04	2004-05	2005-06
Installed Capacity	288	288	288
Additions	-	-	-
Total Installed Capacity	288	288	288
Actual Production	66.36	154.56	167
Capacity Utilisation (%)	23.04	53.70	57.99

#### PET Preforms

(tons)

Particulars	2003-04	2004-05	2005-06
Installed Capacity	4620	4620	4620
Additions	-	-	-
Total Installed Capacity	4620	4620	4620
Actual Production (Own) (a)	3212	2694	1814
Actual Production (Job Work)(b)	438	1800	1457
Total actual Production(a+b)	3650	4494	3271
Capacity Utilisation (%)	79.00	97.27	70.80

## AMD Metplast Limited

### Projected Capacity Utilization for next 3 years

#### Crown Caps

(in cases)

Particulars	2006-07	2007-08	2008-09
Installed Capacity	184800	184800	184800
Additions	-	-	-
Total Installed Capacity	184800	184800	184800
Projected Production	96,000	105,000	115,000
Capacity Utilisation (%)	52.00	56.82	62.29

**Note:** projected capacity utilization has increased on account of increase in Exports. Even though domestic demand has fallen down, export market has picked up and sales have increased with potentials orders in pipeline.

#### Plastic Closures

(million pcs)

Particulars	2006-07	2007-08	2008-09
Installed Capacity	288	288	288
Additions	-	-	-
Total Installed Capacity	288	288	288
Projected Production	185	203	220
Capacity Utilisation (%)	64.2	70.4	76.3

**Note:** 10% growth in plastic closures

#### PET Preforms

#### Existing Operations

(tons)

Particulars	2006-07	2007-08	2008-09
Installed Capacity	4620	4620	4620
Additions	-	-	-
Total Installed Capacity	4620	4620	4620
Projected Production	3925	3925	3925
Capacity Utilisation (%)	85.00	85.00	85.00

**Projected Production for 2006-07 = actual production for 2005-06\*1.20 (20% increase)**

#### New Project

(tons)

Particulars	2006-07	2007-08	2008-09
Installed Capacity	0.00	0.00	2700.00
Additions	0.00	2700.00	0.00
Total Installed Capacity	0.00	2700.00	2700.00
Projected Production	0.00	2160.00	2295.00
Capacity Utilisation (%)	0.00	80.00%	85.00



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**Property**

The details of the properties owned by the Company are as under:

Particulars	Unit	Nature of ownership
C-10, Site No. 3, Meerut Road Industrial Area, Gaziabad, UP	Unit I	Company Owned
145, Mohan Nagar, Gaziabad, UP	Unit II	Company Owned
C-4/5, Site No. 3, Meerut Road Industrial Area, Gaziabad, UP	Unit III	Company Owned
SP32, RIICO Indl. Area, Neemrana, Distt. Alwar, Rajasthan	Unit IV	Company Owned

**Registered Office of the Company**

The registered office of the company is located at 18, Pusa Road, 1st Floor, Karol Bagh, New Delhi - 110 005. The premise of the registered office of the Company is owned by one of the Directors of the Company Mr. Adit Gupta and is given on lease to the Company.

## AMD Metplast Limited

### FINANCIAL INDEBTEDNESS

Set forth below is a brief summary of our aggregate borrowings:

Category of Borrowing	Outstanding Amount (Rs. in lacs)	
	As on 31.10.06	As on 31.03.06
Secured Loan	3449.92	4764.79
Unsecured Loan	620.40	24.49
Total Borrowings	4070.32	4789.28

The details of our secured borrowings are as below:

(Rs. in lacs)

S.No	Name of the lender	Facility	Sanctioned Amount	Balance as on 30.10.06	Balance as on 31.3.06	Rate of Interest	Repayment Schedule
1	Deferred sale tax PICUP	Under Defer Sale Tax Scheme	429.65	119.58	154.03	Nil	Repayable up to 31.05.2009
2.	Hindustan Coca-Cola Beverages Pvt Ltd	Advance	500.00	0.00	195.95	Nil	N.A.
3	State Bank of India(CC)	Cash Credit	865.11	528.19	714.05	10.75	Repayable on Demand
4	FCNRB From SBI	Demand Loan	534.89	534.89	534.89	3.5 over six month LIBOR with monthly Rest	Repayment in Lump sum up to Nov 2006
5	SBI	Term Loan	1280.00	463.00	613.50	10.75	Monthly installment
6	UBI	Term loan	600.00	315.00	388.63	11.00	Monthly installment
7	G.E. Capital	Term loan	800.00	556.52	678.26	8.58	Monthly installment
8	ABN Amro Bank	O.D.	650.00	233.53	628.75	8.5	N.A.
9	SBI	Term Loan	200.00	142.08	174.89	10.75	Payable up to 31.01.2010
10	Citi Bank (Housing Loan)	Term Loan	84.28	45.36	47.12	7.5	120 Monthly Installments
11	Citi Bank ( Court yard)	Term Loan	190.00	91.03	114.45	9.5	84 Monthly Installment
12	State Bank of Indore	Term Loan	600.00	420.74	520.16	10.75	Payable up to 31.01.2010





During the currency of the bank's credit facilities, the company will not, without the bank's prior permission in writing.

- a) effect any change in the company's special structure;
- b) implement any scheme of expansion / modernization / diversification / renovation or acquire any fixed assets during any accounting year, except such schemes which have already been approved by the bank;
- c) formulate any scheme of amalgamation or re-construction;
- d) invest by way of share capital in, or lend or advance funds to, or place deposits with any other concern including sister / associate / family concerns. Normal trade credit or security deposits in the normal course of business or advances to employees can, however, be extended;
- e) enter into borrowing arrangements either secured or unsecured, with any other bank, financial institutions, company or persons;
- f) undertake guarantee obligations on behalf of any other company, firm or persons;
- g) declare dividends for any year except out of profits relating to that year after paying all dues and, making all necessary provisions and provided further that no default had occurred in any repayment obligations; Also if the Current Ratio is below 1.33 as on the date of Balance Sheet on classification of financial data as per Bank's requirements. Dividend may be declared only after obtaining the Bank's prior approval.
- h) Monies brought in by principal shareholders/directors/depositors/friends and relatives of the directors will not be allowed to be withdrawn without the bank's permission;
- i) the company should not make an drastic change in their management set-up without the bank's permission;
- j) in addition to the normal insurance cover the company will arrange for insurance cover in respect of standing charges and loss of profit in the event of any stoppage of production for any reason;
- k) effect any change in the remuneration payable to the directors either in the form of sitting fees or otherwise;
- l) pay guarantee commission to the guarantors whose guarantees have been stipulated/furnished for the credit limits sanctioned by the Bank;
- m) create any further charge, lien of encumbrance over the assets and properties of the company to be charged to the bank in the favour of any other Bank, Financial Institutions, Company, Firm or person,
- n) sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the bank; and

We have, for this Issue, received approval from all our lenders.

#### **UNSECURED BORROWINGS**

The total amount outstanding for repayment under these loans was Rs. 24.49 Lacs and Rs.620.40 Lacs as of March 31, 2006 and October 31, 2006 respectively

## AMD Metplast Limited

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### REGULATIONS AND POLICIES

There are no specific regulations in India governing the beverage packaging industry. However all the acts, statutes, rules and regulations applicable to any entity carrying on business in India are applicable to us. In addition, we are entitled to following exemptions/benefits/ subsidy etc.

#### **Subsidies / Sales Tax Benefits**

##### **For Manufacturing Units in the Uttar Pradesh**

##### **For our existing Crown unit in Uttar Pradesh (Unit No. 1)**

Company is availing Sales Tax Benefit under section 4 A of U.P.Trade Tax Act. Presently it is payable @ 75 % of the applicable rate of Sales Tax. That is in case of UPTT applicable rate is 2.5 % but to our company it is 75 % of 2.5 % that is 1.875%, a saving of 0.625%.

In case of CST, the applicable rate is 4 % but in our case it is 3% that means saving of 1% in CST.

This is applicable up to 23.03.2008.

Besides this No subsidy / sales tax benefits are allowed to the Company's manufacturing units in the state of Uttar Pradesh.

##### **For Manufacturing Unit in Rajasthan**

The Company is presently having one unit in Neemrana, Rajasthan.

##### **Sales Tax Benefit:**

The Company is allowed CST exemption on the central sales outside Rajasthan subject to investment of Rs 30 Crores in Fixed assets.

Earlier the company was supposed to complete the investment by 31.12.2005. But now it has been extended for another 2 years up to 31.12.2007.

That extension is granted by Notification dated 5th August, 2006 No.F.4 (6) FD/Tax/2003-III-76 by the Rajasthan Govt. in continuation of earlier notification No.14 (6) Fd/Tax-Div/2003-Pt-29 Dated 28.04.2003.

##### **Obligations to be fulfilled by the Company:**

As stated above of Investment of Rs. 30 Crores in fixed assets.

##### **Quantum of Benefits**

Scheme operative under special notification for 10 years w.e.f 31.03.04 date of production. Quantum of benefit on this account is around Rs10 Million P.A. For 10 Years.

##### **For Manufacturing Unit in Rajasthan**

##### **Subsidy:**

The Company is allowed subsidy on the followings:

- 1) For investment in D.G. Set as per clause 3 of the Rajasthan Grant of subsidy for purchase of Diesel Generating Sets Regulations under notification No.F -5( 54 ) Ind./1/90 Dated 27th March 2003

##### **Obligations to be fulfilled by the Company:**

Investment of Rs 30 Crores As stated above

##### **Quantum of Benefits:**

Maximum Rs 15 Lacs

- 2) 50 % Electricity duty subsidy under section 3 (3) of Rajasthan Electricity (Duty) Act 1962 & as per notification No. F 4 (10) FD / Tax Div/02-191 dated 13.02.2003 for 5 years w.e.f 31.03.2004 the date of Commencement of production



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**Obligations to be fulfilled by the Company:**

Investment of Rs 30 Crores As stated above

**Quantum of Benefits:**

Maximum App. Rs 2 Lac P.A. For 5 Years.

**Other Governmental regulations which can have impact on the manufacturing sector including the company are as under:**

**Liberalization of FDI Policy**

Government has allowed foreign equity participation upto 100% through automatic route.

**Export Promotion Capital Goods Scheme**

The Scheme facilitates import of capital goods at 5% concessional rate of duty with appropriate export obligation. Import of even second hand capital goods is allowed under EXIM policy as announced on 31.03.2003.

**Advance Licensing Scheme**

With a view to facilitate exports and to excess duty free inputs, standard input-output norms have been prescribed and this scheme remains under operations.

**Duty Exemption Pass Book (DEPB) Scheme**

DEPB Credit rates have been prescribed for exports.

**Duty Draw Back Scheme**

The Exporters are allowed refund of the excise duty and import duty suffered on raw materials under the scheme so as to make the products more competitive in the international market.

## AMD Metplast Limited

### HISTORY AND CORPORATE MATTERS

The Company was originally incorporated as Ashoka Metal Décor Private Ltd on 17th December, 1983 by Registrar of Companies, Delhi & Haryana. The name of the Company was changed to AMD Metplast Private Limited and a Fresh Certificate of Incorporation consequent to change of name was granted to the Company on 27th August, 2004. The Company subsequently became a public limited company and the fresh certificate of incorporation was granted to the Company on 2nd June, 2006 consequent to change of name to AMD Metplast Limited.

M/s AMD Metplast Limited was incorporated with a prime objective to manufacture and deal in all kind of packaging containers and related products. The Company started its first plant in 1986 and subsequently second plant in the year 1989. Subsequent to the approval of its products by number of clients the Company again expanded its manufacturing base by setting up the third unit in the year 1995 and expanded the same in the year 2000. The Company later ventured in the pre-forms manufacturing in the year 2002 by setting up the first line and second line in the year 2003. The Company in the year 2004 imported the complete crown manufacturing plant from Italy and installed the same at Neemrana, Rajasthan.

AMD Metplast Limited (AMD) an existing profit making company has facilities for the manufacture of Carbonated soft drinks closures (CSD Closures), crown caps and PET Preforms at its four plants located in District Ghaziabad in the state of Uttar Pradesh and at Neemrana, Distt. Alwar in the state of Rajasthan with the following capacities:

Name of the Product	Installed capacity (Nos.)
Crown Caps	2661.12 Million per annum (184800 cases)
PET PREFORM	4620 MT/ Annum of Resin Processing
CSD Closures	288 Million per annum

#### MAJOR EVENTS

Year	Activities
1983	The Company was incorporated under the name and style as Ashoka Metal Décor Private Limited
1986	AMD's first Crown Cork Plant imported from Germany started commercial production
1989	AMD imported plant from Sacmi (Italy) and started commercial production.
1995	The Company established fully automatic, computerized plant of Sacmi (Italy) to manufacture quality crown corks
1997	The Company received ISO Certification from DNV
1999- 2000	To expand the capacities, the Company installed one more plant from Sacmi (Italy)
2002	The Company established its first PET Preforms manufacturing line imported from Krauss-Maffei of Germany
2003	The Company established the second line to manufacture PET Preforms to meet the demands of its customers
2003	To provide the total packaging solutions, the Company established a unit to manufacture plastic closures for carbonated soft drinks with the machines from Sacmi of Italy
2004	The Company installed the most Advanced Crown Plant at Neemrana



## OUR MAIN OBJECTS

A. Our main objects as per our Memorandum of Association are:

1. To carry on the work of mechanical and electrical engineers and to run workshops for doing all types of mechanical jobs
2. To carry the business of manufacturers of and dealers in all kinds of containers, closures, cartons, drums, packaging and packing requisites made of metal or any other material.

The main objects clause and the objects incidental or ancillary to the main objects of our Memorandum of Association enable us to undertake our existing activities and the activities for which the funds are being raised through this Issue.

## CHANGES IN MEMORANDUM OF ASSOCIATION

Date of Amendment	Amendment
7th September, 1994	Increase of Authorised Capital Rs. 15,00,000 to Rs. 1,00,00,000
10th January, 1997	Increase of Authorised Capital Rs. 1,00,00,000 to Rs. 2,00,00,000
28th September, 2001	Increase of Authorised Capital Rs. 2,00,00,000 to Rs. 5,00,00,000
30th September, 2002	Increase of Authorised Capital Rs. 5,00,00,000 to Rs. 10,00,00,000
27th August, 2004	Change of name from Ashoka Metal Décor Private Ltd to AMD Metplast Private Limited
3rd May, 2006	One Equity Share of Face Value Rs.100/- each was split into 10 Equity Shares of Face Value Rs.10/- each.
3rd May, 2006	Increase of Authorised Capital Rs. 10,00,00,000 to Rs. 25,00,00,000
2nd June, 2006	Conversion of Company from Pvt Ltd to Public Ltd (Change of name from AMD Metplast Private Limited to AMD Metplast Limited.)

## CHANGE OF ADDRESS OF THE REGISTERED OFFICE OF THE COMPANY

The registered office of our company was shifted from 53/73, Ramjas Road, Karolbagh, New Delhi - 110 005 to 18, Pusa Road, 1st Floor, Karol Bagh, New Delhi - 110 005 on 5th April, 2000.

## OUR SUBSIDIARY

### 1. AMD Estates & Developers Private Limited

AMD Estates & Developers Private Limited was incorporated on December 7, 2005. The registered office of the company is situated at 18 Pusa Road 1st Floor Karol Bagh, New Delhi-5. AMD Estates & Developers Private Limited is engaged in the colonization project.

AMD Estates & Developers Pvt. Ltd. has conceptualized its first project of colonization at Rewari - Haryana. The scheme envisages buying of 54 acres of land and developing the same into a residential colony.

### Shareholding Pattern

The shareholding pattern of AMD Estates & Developers Private Limited as on August 31, 2006 is as follows:

Sr. No.	Name of the Shareholder	No of Shares	% of shareholding
1.	Ashok Gupta	100	0.5%
2.	Harswarup Gupta	100	0.5%
3.	AMD Metplast Ltd	19,800	99%
	<b>Total</b>	<b>20,000</b>	<b>100%</b>

## AMD Metplast Limited

### Board of Directors

The Board of Directors on the Board of AMD Estates & Developers Private Limited as of August 31, 2006 is:

Sr No.	Name of Director	Designation
1	Mr. Harswarup Gupta	Director
2	Mr. Ashok Gupta	Director

### Financial Performance

(Rs in Lacs) (except per share data)

Particulars	For the year ending		
	March 31, 2006	March 31, 2005	March 31, 2004
Equity capital	1.0	N.A.	N.A.
Reserves & surplus (excluding Rev. reserves)	Nil	N.A.	N.A.
Total revenue	Nil	N.A.	N.A.
Profit after tax	(0.02)	N.A.	N.A.
EPS (Rs.)	(0.17)	N.A.	N.A.
NAV per share (Rs.)	Nil	N.A.	N.A.

The Equity Share of the Company is not listed on any Stock Exchange.

### SHAREHOLDER'S AGREEMENT

Our Company has not entered into any shareholder's agreement.

### OTHER MATERIAL AGREEMENTS

As on the date of filing this Red Herring Prospectus with ROC, we are not a party to any material contract:

- (i) not being a contract entered into in the ordinary course of our business carried on or intended to be carried on by us; or
- (ii) which was entered into more than two years before the date of filing of Draft Red Herring Prospectus with SEBI.

### STRATEGIC PARTNERS

Our Company does not have any strategic partners.

### FINANCIAL PARTNERS

Our Company does not have any financial partners.



## OUR MANAGEMENT

### BOARD OF DIRECTORS

The following table sets forth details regarding our Board of Directors as at the date of this Red Herring Prospectus:

Name, Fathers name, Age, Designation & Occupation	Qualification	Residence Address	Other directorship
<b>Mr. Harswarup Gupta</b> S/ O Late Sh. T. L. Gupta Age 78 years Executive Chairman Business		60/5 Ramjas Road, Karol Bagh, New Delhi - 110005	<ul style="list-style-type: none"> <li>● AMD Textiles Ltd.</li> <li>● AMD Estates &amp; Developers Pvt. Ltd.</li> <li>● AMD Foods &amp; Hotels Pvt. Ltd.</li> </ul>
<b>Mr. Ashok Gupta</b> S/ O Sh. Harswarup Gupta Age 53 Years Managing Director Business	B. Sc. Agri. (Hons)	60/5 Ramjas Road, Karol Bagh, Karol Bagh,	<ul style="list-style-type: none"> <li>● AMD Textiles Ltd.</li> <li>● AMD Estates &amp; Developers Pvt. Ltd.</li> <li>● Ashoka Productions &amp; Communications Pvt. Ltd</li> <li>● Manglam Buildtech Pvt. Ltd.</li> <li>● Prime Techno Build Pvt. Ltd.</li> <li>● Chitra Buildtech Pvt. Ltd.</li> <li>● Aditya Infrabuilt Pvt. Ltd.</li> <li>● AMD Foods &amp; Hotels Pvt. Ltd.</li> </ul>
<b>Mr. Adit Gupta</b> S/ O Ashok Gupta Age 27 Years. Whole Time Director Business	Engineering & MBA Finance from USA	60/5 Ramjas Road, Karol Bagh, New Delhi - 110005	Nil
<b>Mr. Mahipal Ahluwalia</b> S/o Mr. Raj Pal Ahluwalia Age 55 years Non- Executive Independent Director Practice as a Lawyer	LLB	2230, Hardhiyan Singh Road, Karol Bagh, New Delhi -110 005	Nil
<b>Mr. Prem Lal Madan</b> S/o Mr. Sohan Lal Madan Age 60 Years Non- Executive Independent Director Ex-Banker - Consultant at present	<ul style="list-style-type: none"> <li>● Post Graduate in Economics from Shriram College of Commerce, Delhi</li> <li>● CAIIB from Indian Institute of Bankers</li> </ul>	1123, IFFCO Nagar, Sector 17-B, Gurgaon, Haryana	Nil
<b>Mr. Seshadri Ratnam</b> S/o Mr. Sambamurthy Ratnam Age 63 Years Non- Executive Independent Director Practicing Chartered Accountant	<ul style="list-style-type: none"> <li>● B.Sc. (Hons) (Physics) from St. Stephens College, Delhi</li> <li>● FCA from The Institute of Chartered Accountants of England &amp; Wales, London, U.K.</li> </ul>	Amba Bhavani, 164, Surajpur Road, ist Block, Koramangala, Bangalore 5600 34	Nil

## AMD Metplast Limited

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### BRIEF BIOGRAPHIES OF OUR DIRECTORS

Brief details of our directors are given below:

#### Mr. Mahipal Ahluwalia

Mr. Mahipal Ahluwalia is a LLB. He has Over 30 years of experience in handling legal cases both in High Court as well as Supreme Court. He is a Non- Executive Independent Director of the company.

#### Mr. Prem Lal Madan

Mr. Prem Lal Madan is a Post Graduate in Economics and a CAIIB from Indian Institute of Bankers. He worked as Chief General Manager (operations) at Head Office of Punjab National Bank in Top Executive Grade and responsible for developing policy guidelines, National Operations of alternative banking delivery channels, Back Office Centralization and Reengineering of customer service. He possesses varied work experience of over 39 years of Banking both in field and administration. He is a Non- Executive Independent Director of the company.

#### Mr. Seshadri Ratnam

Mr. Seshadri Ratnam is a B.Sc. (Hons) (Physics) and FCA from The Institute of Chartered Accountants of England & Wales, London, U.K. He has over 35 years of experience in the field of corporate law, finance and taxation. He has also been involved in financial consultancies relating to fund raising through GDRs, IPOs and also through agencies like ADB, World Bank etc. He was Director Finance of Uttaranchal Jal Vidyut Nigam Limited. He has also worked in the capacity of Director Finance of Bharti Telecom. He is a Non- Executive Independent Director of the company.

**For further details of our Chairman, Managing Director & Whole Time Director see the section titled "Our Promoters" on page no. 83 of this Red Herring Prospectus.**

### BORROWINGS POWERS OF THE DIRECTORS

Vide an resolution approved at the Annual General Meeting of the shareholders of the company held on June 14, 2006 the current borrowing powers of the Directors pursuant to Section 293(1)(d) of the Companies Act is Rs.200 Crores.

### TERMS OF APPOINTMENT & COMPENSATION OF MANAGING DIRECTOR/WHOLETIME DIRECTOR

#### 1. Mr. Ashok Gupta, Managing Director

The Members of the Company have vide resolution passed in the meeting held on 14th June, 2006 approved the appointment and remuneration be paid to him as the Managing Director of the company for the period 01.07.2006 to 30.06.2009.

##### **SALARY**

Rs. 2, 00,000/- per month in the scale of Rs.40,000/-Rs 45,000/-Rs 50,000/-

##### **PERQUISITES AND ALLOWANCES:**

##### **Housing:**

Managing Director shall be entitled to Rent-free furnished housing accommodation or house rent allowance @ 20% of Salary in case housing accommodation is not available.

##### **Medical Allowance / Medical Insurance**

Medical Allowance @ Rs. 15,000/- per month.

Medical Insurance premium shall be paid by the Company

##### **Personal Accident Insurance**

Personal Accident Insurance as per the policy of the company

##### **Entertainment Expenses**

Reimbursement of entertainment expenses on actual basis incurred during the course of the business.

##### **Club Fees**

Fees of Clubs inclusive of admission and life membership fee subject to a maximum of two clubs.





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**Contribution to super annuation fund**

The contribution to super-annuation fund or annuity fund, if any, and if introduced by the company will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

**Facilities**

Car with chauffeur for official use, telephones, Internet and fax facility at residence. These will not be considered as perquisites.

**BONUS**

Bonus equivalent to one month basic salary.

**COMMISSION**

The Commission is payable monthly @ 1% of the turnover of the Company, however subject to the condition that it shall not exceed 75 % of basic salary.

Where in any financial year the company has no profits or inadequate profits, the remuneration payable to him by way of salary, house rent allowance, perquisites, bonus and commission or in any other form, shall not exceed the maximum limits specified in Part-II of Schedule XIII of the Companies Act, 1956.

**2. Mr. Harswarup Gupta, Executive Chairman**

The Members of the Company have vide resolution passed in the meeting held on 14th June, 2006 approved the appointment and remuneration payable to Mr. Harswarup Gupta, Executive Chairman of the company be and is modified and the following remuneration be paid as the Executive Chairman of the company for the period 01.07.2006 to 30.06.2009.

**SALARY**

Rs.1,75,000/- per month in the scale of Rs. 25,000/- Rs.35,000/- Rs45,000/-

**PERQUISITES AND ALLOWANCES:****Housing:**

Executive Chairman shall be entitled to house rent allowance of 20% of Salary (i.e. Rs. 35,000/- per month in first year), which will be suitably increased by the Board of Directors if required.

**Medical Allowance / Medical Insurance**

Medical Allowance @ Rs. 15,000/- per month.

Medical Insurance premium shall be paid by the Company

**Personal Accident Insurance**

Personal Accident Insurance as the policy of the Company

**Entertainment Expenses**

Reimbursement of entertainment expenses on actual basis incurred during the course of the business.

**Club Fees**

Fees of Clubs inclusive of admission and life membership fee subject to a maximum of two clubs

**Contribution to super annuation fund**

The contribution to super-annuation fund or annuity fund, if any, and if introduced by the company will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

**Facilities**

Car with chauffeur for official use, telephones, Internet and fax facility at residence. These will not be considered as perquisites.

## AMD Metplast Limited

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### **BONUS**

Bonus equivalent to one month basic salary.

### **COMMISSION**

The Commission is payable @ 0.5% of the turnover of the Company however subject to the condition that it shall not exceed 75 % of basic salary.

Where in any financial year the company has no profits or inadequate profits, the remuneration payable to him by way of salary, house rent allowance, perquisites, bonus and commission or in any other form, shall not exceed the maximum limits specified in Part-II of Schedule XIII of the Companies Act, 1956.

### **3. Mr. Adit Gupta, Whole Time Director**

The Members of the Company have vide resolution passed in the meeting held on 14th June, 2006 approved the appointment and remuneration of Mr. Adit Gupta as Whole Time Director of the Company for the period 01.07.2006 to 30.06.2009 on the following terms and conditions of remuneration:

#### **SALARY**

Rs.1,50,000/- per month in the scale of Rs.25,000/- Rs.35,000/- Rs45,000/-

#### **PERQUISITES AND ALLOWANCES:**

##### **Housing:**

Director shall be entitled to house rent allowance @ 20% of Salary (i.e. Rs. 30,000/- per month in first year), which will be suitably increased by the Board of Directors if required.

##### **Medical Allowance / Medical Insurance**

Medical Allowance @ Rs. 15,000/- per month.

Medical Insurance premium shall be paid by the Company

##### **Personal Accident Insurance**

Personal Accident Insurance as the policy of the Company

##### **Entertainment Expenses**

Reimbursement of entertainment expenses on actual basis incurred during the course of the business.

##### **Club Fees**

Fees of Clubs inclusive of admission and life membership fee subject to a maximum of two clubs

##### **Contribution to super annuation fund**

The contribution to super-annuation fund or annuity fund, if any, and if introduced by the company will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.

##### **Facilities**

Car with chauffeur for official use, telephones, Internet and fax facility at residence. These will not be considered as perquisites.

### **BONUS**

Bonus equivalent to one month basic salary.

### **COMMISSION**

The Commission is payable @ 0.5% of the turnover of the Company however subject to the condition that it shall not exceed 75 % of basic salary.

Where in any financial year the company has no profits or inadequate profits, the remuneration payable to him by way of salary, house rent allowance, perquisites, bonus and commission or in any other form, shall not exceed the maximum limits specified in Part-II of Schedule XIII of the Companies Act, 1956.



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## CORPORATE GOVERNANCE

We have established a tradition of best practices in corporate governance. We have complied with the requirements of the applicable regulations, including the listing agreement with Stock Exchanges and the SEBI Guidelines, in respect of corporate governance, including constitution of the Board and Committees thereof. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management and constitution of Board Committees, majority of them comprising of independent directors and chaired by an independent director to oversee critical areas.

We have a broad based Board of Directors constituted in compliance with the Companies Act and listing agreement with Stock Exchanges and in accordance with best practices in corporate governance. The Board of Directors functions either as a full Board or through various committees constituted to oversee specific operational areas. Our management provides the Board of Directors detailed reports on its performance on a quarterly basis.

The Board of Directors has six Directors of whom three directors are independent directors. The Chairman of the Board of Directors is an Executive Director.

### COMMITTEES OF THE BOARD

#### Audit Committee

The terms of the Audit Committee comply with the requirements of Clause 49 of the listing agreement to be entered into with the Stock Exchanges.

The Committee consists of following Directors:

1. Mr. Prem Lal Madan - Chairman
2. Mr. Mahipal Ahluwalia - Member
3. Mr. Adit Gupta - Member

Mr. Prem Lal Madan is the Chairman of the Audit Committee. The Company Secretary is the Secretary of our Audit Committee.

The principal functions of the Committee are to:

- Review the Company's financial statements, before submission to, and approval by, the Board;
- Review the Company's procedures for detecting fraud and whistle blowing and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or other matters;
- Review management's and the internal auditor's reports on the effectiveness of the systems for internal financial control, financial reporting and risk management;
- Monitor the integrity of the Company's internal financial controls;
- Assess the scope and effectiveness of the systems established by management to identify, assess, manage and monitor financial and non-financial risks;
- Review the internal audit program and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company;
- Receive a report on the results of the internal auditor's work on a periodic basis;
- Review and monitor management's responsiveness to the internal auditor's findings and recommendations; and
- Monitor and assess the role and effectiveness of the internal audit function in the overall context of the Company's risk management system.

## AMD Metplast Limited

### Remuneration Committee

The Remuneration Committee of our Board comprises three Independent directors.

- 1) Mr. Seshadri Ratnam - Chairman
- 2) Mr. Prem Lal Madan - Member
- 3) Mr. Mahipal Ahluwalia - Member

The Company Secretary of the Company acts as the Secretary to the Committee.

### Investor Grievances and Share Transfer Committee

The Company has a Investor' Grievances and share Transfer Committee to redress the complaints of the share holders in respect of matters pertaining to transfer of shares, non-receipt of annual report, dematerialization of shares, non-receipt of dividend etc. The Committee currently comprises of the following three directors.

- 1) Mr. Mahipal Ahluwalia - Chairman
- 2) Mr. Prem Lal Madan - Member
- 3) Mr. Ashok Gupta- Member

The Company Secretary of the Company acts as the Secretary to the Committee.

The provisions of the listing agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares on the Stock Exchanges. We intend to comply with such provisions. We undertake to adopt the Corporate Governance Code in accordance with Clause 49 of the listing agreement to be entered into with the Stock Exchanges prior to obtaining the listing approval of the Stock Exchanges. We have complied with SEBI Guidelines in respect of corporate governance, especially with respect to broad basing of Board, constituting the Committees such as Shareholder/Investors Grievance and Share Transfer Committee, etc.

### SHAREHOLDING OF DIRECTORS

Details of the shareholdings of our Directors in our Company as on the date of filing this Red Herring Prospectus are given in the following table:

Sr. No.	Name of the Director	No. of Equity Shares held	As a % of Pre-Issue paid up capital
1	Mr. Harswarup Gupta	1350000	15.00%
2	Mr. Ashok Gupta	1746100	19.40%
3	Mr. Adit Gupta	2156000	23.96%
4	Mr. Mahipal Ahluwalia	0	0.00%
5	Mr. Prem Lal Madan	0	0.00%
6	Mr. Seshadri Ratnam	0	0.00%

### INTEREST OF DIRECTORS

All our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or committees thereof as well as to the extent of remuneration and/or reimbursement of expenses payable to them. Further, our Directors may also be deemed to be interested to the extent to the options, if any, which may granted to them under the ESOP Scheme

No options have been granted to any Director under the ESOP Scheme as on the date of filing the Red Herring Prospectus with ROC.

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



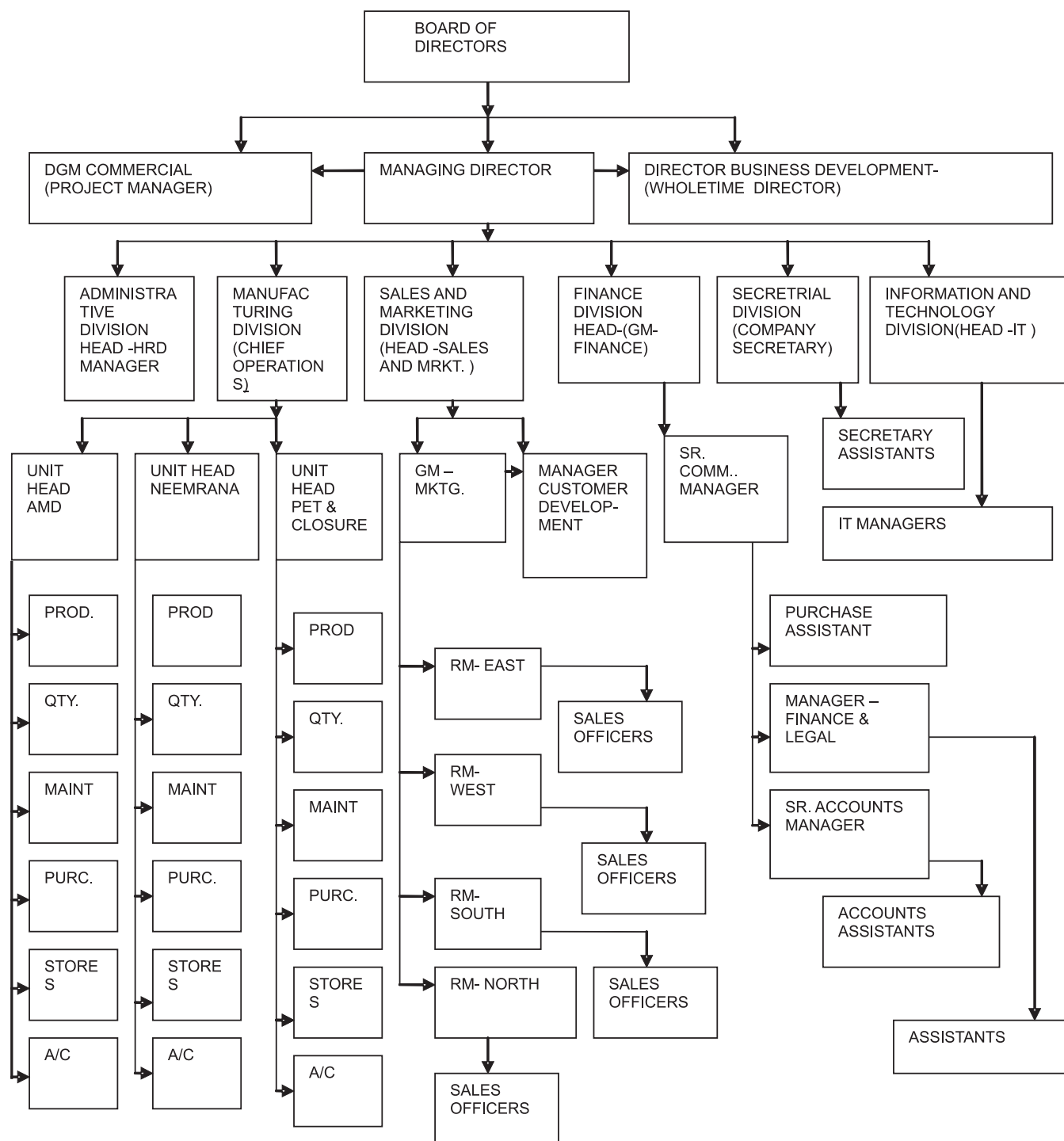
All the directors may also be deemed to be interested to the extent of normal transactions if any, with the Company. All the directors may also be deemed to be interested in the contracts, arrangements, agreements entered into or to be entered into by the Company with them/firms/companies/entities in which they are interested. For more information, please refer to the section titled "Related Party transactions" on page no. 85 of the Red Herring Prospectus.

#### **CHANGE IN BOARD OF DIRECTORS**

<b>Name</b>	<b>Date of appointment</b>	<b>Date of resignation</b>	<b>Reason</b>
Mr. Aseem Narain		10.08.2004	Withdrawal of nomination by PICUP
Mr. Adit Gupta	14.11.2005		
Mrs. Chitra Gupta		30.05.2006	Pre occupation
Mr. Mahipal Ahluwalia	07.08.2006		
Mr. Prem Lal Madan	01.08.2006		
Mr. Seshadri Ratnam	01.08.2006		

## AMD Metplast Limited

### MANAGEMENT ORGANISATION STRUCTURE





## KEY MANAGERIAL PERSONNEL

Name	Qualification	Designation/ Date of Appointment	Experience in years	Last Employment	Shareholding in the company
Mr. S.C.Dua	B.A.( Hons ), M.A.	Chief (Operation) 7/04/84	43	Factory manager in Batra industries , Ghaziabad	Nil
Mr.P.K.Bhasin	F.C.A.	G.M. Finance 16/10/1996	23	In own practice	Nil
Mr. H.S Agarwal	B.Com	Sr. Accounts Manager 1/08/1986	23	Rohit International Pvt. Ltd.	Nil
Mr. N.K.Aggarwal	B. Com	Finance Manager 1/01/2000	26	Adit Engg. Works Pvt. Ltd.	Nil
Mr. N.K.Punshi	B.A . ( Hons ) & M.A.	Senior Manager - System, HRD & MR 03/07/1995	34	District Manager in Modi Stone Tyres	Nil
Mr. Vinay Gupta	BSC ,CIPET- Engineering in PET	GM Plastic Division 1/12/2001	15	Manager - Production in Innovative Tech Pack Ltd.	Nil
Wg Cdr. M. L. Sharma	M.A.	G. M. Marketing 1/04/1999	14	Wg . Cdr. In IAF	Nil
Mr. B.K.Sahu	B.Sc. & PGDBA	Astt. Gen. Manager Production & Quality 1/05/1999	23	Adit Metal Decor	Nil
Mr. Dinesh Goel	BE Mech.	Production Manager- Neemrana 1/04/2002	12	Engineer in Jyna Time Industries Ltd.	Nil
Mr. Amit Aggarwal	BE Elect, MBA	Production Manager AMD-I & II 1/11/1997	9	NIL	Nil
Mr. Rajkumar Aggarwal	FCA,ACS,M.Com, B.Com	Company Secretary 11/07/2006	14	C.S.- Accounts Manager in Cosco India Ltd	Nil
Mr. S.P. Goel	MBA	Sr. Commercial Manager 28.08.2006	27	Consultant	Nil
Mr.B.B.Sharma	M.Com, MBA	DGM (Commercial & Liaison) 25/07/2005	25	DGM In Accurate Transformers Ltd.	Nil

All the abovementioned key managerial personnel are permanent employees of our Company, although some of them are currently on probation, since they have not completed six months from date of joining.

**There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any Director or Key Managerial Personnel was selected.**

### Shareholding of Our Key Managerial Personnel in our Company

Our Articles of Association do not require our key managerial personnel to hold any Equity Shares in our Company. Currently none of the key managerial personnel hold Shares in our Company.

## AMD Metplast Limited

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### Bonus or Profit Sharing Plan for Our Key Managerial Personnel

There is no bonus or profit sharing plan with our Key Managerial Personnel save and except the bonus paid including under the payment of Bonus Act, 1972 to the Key Managerial Personnel.

### Interest of Key Managerial Personnel

Except the payment of salaries and perquisites in accordance with their terms of employment and reimbursement of expenses incurred in the ordinary course of business, we have not paid / given any benefit to any of our key managerial personnel within the two preceding years and we do not intend to pay / give any benefit to any key managerial personnel of our Company.

### Changes in our Key Managerial Personnel during the last one year:

Name	Designation	Joining /Resignation date
Mr. Vinay Gupta	Factory Manager	Resigned on 20.01.2006
Mr. Vinay Gupta	GM Plastic Division	Appointed on 23.03.2006
Mr. Rajkumar Aggarwal	Company Secretary	Appointed on 11.07.2006
Mr. Sharad Bhandari	Head (Sales & Mktg)	Resigned on 25.08.2006
Mr. S.P.Goel	Sr. Commercial Manager	Appointed on 28.08.2006

### Disclosures Regarding Employees Stock Option Scheme / Employees Stock Purchase Scheme

Till date, the Company has not introduced any Employees Stock Option Scheme / Employees Stock Purchase Scheme, as required by the Guidelines or Regulations of SEBI relating to Employee Stock Option Scheme and Employee Stock Purchase Scheme.

### Payment or Benefit to Officers of the Company

Except the payment of salaries and perquisites, the Company makes ex-gratia payments to its officers as and when it deems fit.





## OUR PROMOTERS

Currently, our Promoters are Mr. Harswarup Gupta, Mr. Ashok Gupta, Mr. Adit Gupta and Mrs. Chitra Gupta.



**Mr. Harswarup Gupta** aged about 78 years is one of the founder promoters and Directors of the company. He has been associated with the packaging industry for more than 47 years. He started his new glass bottles trading business in Calcutta in the year 1958 in name and style of Ashoka Sales Agency. He is the Executive Chairman of **AMD**. Mr. Harswarup Gupta is running a charitable trust viz. **Shakuntala Gupta Trust** which is established for philanthropic activities. The Trust runs a high school at Village Kakore, Distt. Bulandshahar, Uttar Pradesh.

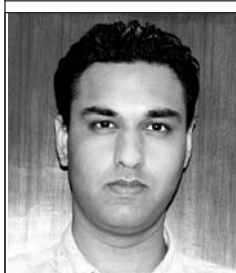
(PAN No. AADPG4124A, Bank A/c No. 104932, Dena Bank, Mangal Bhavan, Arya Samaj Road, Karol Bagh, New Delhi 110 005, Passport No.: E-2869686)



**Mr. Ashok Gupta** aged about 53 years is son of Shri Harswarup Gupta and Managing Director of AMD. Mr. Ashok Gupta is a Bachelor of Science and possesses an experience of more than 30 years in industrial and commercial activities. He commenced business in the year 1974 by setting up a unit under the name and style of Shyam Industries to manufacture pilfer proof Aluminum caps mainly used by liquor industry. The firm later diversified activities to manufacture different types of caps using imported machines and pioneered in the manufacture of PP Caps with side chemfered machine. Shyam Industries's manufacturing operations have since been discontinued in the year 2005 as its manufacturing operations ceased to be the core area of business for the group.

Mr. Ashok Gupta has traveled widely and has attended many prestigious seminars and exhibitions in India and abroad including Inter Pack and Metpack Dusserdolf, Germany, Pet Exhibition- Munich. He also participated as a Guest Speaker on the subject "The Growing Trends of Pet Industry in Asia Pacific Market" organized in Germany by PET PLANET, one of the World's most read PET magazines. He also attended textile exhibition in Singapore held in October 2005. Mr. Ashok Gupta, looks after the day-to-day operations of the company since its inception. He is a founder promoter and Managing Director of the company.

(PAN No. AADPG4122G, Bank A/c No. 50337, Dena Bank, Mangal Bhavan, Arya Samaj Road, Karol Bagh, New Delhi 110 005, Passport No.: E-6342263)



**Mr. Adit Gupta** aged about 27 years is son of Shri Ashok Gupta. He completed his B.Sc. in Chemical Engineering stream from Virginia, USA and MBA (Finance) from Boston, USA. Mr. Adit Gupta has been involved in business development and promotion function of AMD since 1999. In the year 1999 he underwent a training course at **Sacmi, Italy** to get first hand experience of beverage packaging trends and know-how in plastics and crowns manufacturing.

Mr. Adit Gupta was actively involved as a team leader for implementation of company's expansion and diversification projects of PET and Plastic closures in the year 2002 and 2003. He later went to Boston for his MBA degree course and during that MBA program he attended Kortec Seminar. Kortec is a leading technology company is Barrier PET Preforms for Beer operations. He is one of the promoter directors of the company and looks after business development function of the company.

(PAN No. AADPG1552J, Bank A/c No. 105441, Dena Bank, Mangal Bhavan, Arya Samaj Road, Karol Bagh, New Delhi 110 005, Passport No.: E-4871474)



**Mrs. Chitra Gupta** aged about 49 years is wife of Shri Ashok Gupta. She is a Graduate. She was one of the directors of the company and was looking after the administrative functions including MIS. She possesses an experience of over 20 years in industrial and commercial activities.

(PAN No. AAHPG2448K, Bank A/c No. 105466, Dena Bank, Mangal Bhavan, Arya Samaj Road, Karol Bagh, New Delhi 110 005, Passport No.: E-6067662)

## **AMD Metplast Limited**

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### **Declaration**

It is confirmed that the PAN, Bank account details and Passport Numbers of the Promoters have been submitted to the Stock Exchange on which Equity Shares are proposed to be listed, at the time of filling of Draft Red Herring Prospectus with it.

### **Common Pursuits and Interest of the Promoters**

Except as stated in the section titled "Related Party Transactions" beginning on page 85 of this Red Herring Prospectus, to the extent of reimbursement of expenses incurred or normal remuneration or benefits and their shareholding in the Company as stated in the section titled "Capital Structure" beginning on the page 12 of this Red Herring Prospectus, the Promoters of the Company have no interest in the business of the Company.

### **Payment or benefit to Promoters**

There is no payment or benefit to be given to the Promoters of the Company in the last two years other than as discussed in the section titled "Our Management - Compensation of the Managing Director/Executive Chairman/Whole Time Director" beginning on page 74 and "Our Management - Interest of Directors" beginning on page 78 of this Red Herring Prospectus.



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## **RELATED PARTY TRANSACTION**

For details on our related party transactions, please refer to the section titled "Financial Statements" on page 88 of this Red Herring Prospectus.

**CURRENCY OF PRESENTATION**

In this Red Herring Prospectus, all references to "Rupees" and "Rs." and "Indian Rupees" are to the legal currency of the Republic of India.



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## **DIVIDEND POLICY**

The declaration and payment of dividends will be recommended by our Board of Directors and approved by our shareholders, in their discretion, and will depend on a number of factors, including but not limited to our earnings, capital requirements and overall financial condition. No dividends have been declared by us since incorporation except for the year 1984-85.

## **SECTION V: FINANCIAL INFORMATION**

### **FINANCIAL INFORMATION OF THE COMPANY**

#### **Financial Information**

The Board of Directors  
AMD Metplast Ltd.,  
New Delhi.

Dear Sirs,

We have examined the financial information of AMD Metplast Ltd., as attached to this report and initialed by us for identification.

The said financial information has been prepared in accordance with the requirements of paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 (the 'Act') and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (as amended vide Circular no.17 dated November 11, 2005) (the "guidelines") issued by the Securities and Exchange Board of India ("SEBI") on January 19, 2000 in pursuance to section 11 of the Securities and Exchange Board of India Act, 1992, and related clarifications; and in accordance with instructions dated December 1, 2005., and company requesting us to carry out work in connection with the Offer Document being issued by the company in connection with its public issue of Equity shares (referred to as "the issue"). The financial information has been prepared by the Company and approved by the Board of Directors of the Company.

#### **A. Financial information as per audited financial statements**

We have examined:

- a) The attached "Summary Statement of Profits and Losses, as restated" of the Company for the financial period ended October 31<sup>st</sup> 2006 and years ended on March 31 of 2006, 2005, 2004, 2003 and 2002 enclosed in Annexure I; and
- b) The attached "Summary Statement of Assets and liabilities, as restated" as at the said dates enclosed as Annexure II to this report, together referred to as 'Summary Statements'.

The Summary Statements have been extracted from the financial statements of the respective periods/years audited by us and adopted by the Board of Directors/ Members for the respective years./ periods.

Based on our examination of these summary statements, we state that:

- \* The restated profits have been arrived at after making such adjustments and regrouping, which in our opinion are appropriate in the period/years to which they relate, as shown in Annexure III to this report.
- \* The summary statements of the Company have been restated with retrospective effect to reflect the significant accounting policies being adopted by the company as at October 31<sup>st</sup> 2006 as given in the Annexure IV to this report.
- \* There were no extra-ordinary items that need to be disclosed separately in the summary statements.

#### **B. Other Financial Information**

We have examined the following financial information relating to the Company proposed to be included in the Offer Document, as approved by the Board of Directors and annexed to this report:

- a) Statement of Cash Flows in respect of period ended October 31<sup>st</sup>, 2006 and years ended on March 31 of 2006, 2005, 2004, 2003 and 2002 as given in Annexure V to this report.
- b) Summary of accounting ratios based on adjusted profits relating to earnings per share, net asset value and return on net worth as given in Annexure VI to this report.
- c) Details of Secured Loans and Unsecured Loans as at October 31<sup>st</sup>, 2006 & March 31, 2006 as given in Annexure VII to this report.
- d) Statement of Age-wise analysis of Receivables as at October 31<sup>st</sup>, 2006 & March 31, 2006 given in Annexure VIII to this report.



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- e) Details of Loans and Advances as at October 31st, 2006 & March 31, 2006 as given in Annexure IX to this report.
  - f) Capitalisation statement of the Company as at October 31st, 2006 & March 31, 2006 as given in Annexure X to this report.
  - g) Statement of tax shelter as given in Annexure XI to this report.
  - h) Details of related party transactions given in Annexure XII to this report.
  - i) Details of contingent liabilities as given in Annexure XIII to this report.
  - j) Statement of Other Income given in Annexure XV to this report.
  - k) Statement of details of Reserves and Surplus given in Annexure XVI to this report.

In our opinion the financial information of the Company, attached to this report as mentioned in Paragraphs A and B above, read with respective significant accounting policies and notes as given in Annexure IV to this report, and after making adjustments rounding off figures in lacs and regrouping as considered appropriate, has been prepared in accordance with Part II of Schedule II of the Act and the Guidelines issued by SEBI.

Susequent to provision of Taxes this report supersedes our earlier report dated 27.11.2006 issued to the Board of Directors of AMD Metplast Limited.

This report is intended solely for your information and for inclusion in the Offering Memorandum in connection with proposed Public issue of the company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **Suresh & Associates**  
Chartered Accountants

**Narendra Arora**  
Partner  
Membership No. 88256

Place : Delhi  
Date : 23.01.2007

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The Board of Directors,  
AMD Metplast Ltd,  
New Delhi.

Dear Sirs,

In continuation of our Report dated 23.01.2007 submitted, we hereby add the following in the sub-paragraph a of A. Financial Information as per Audited Financial Statements.

"The Summary Statements have been extracted from the Financial Statements of the Years ended on 31st March, 2006, 2005, 2004, 2003 and 2002 have been audited and examined by us and adopted by the Board of Directors and Members for the respective years and in case of Financial Statements for the period ended 31st October, 2006 which have been audited, examined and found correct by us and approved by the Board of Directors of the Company".

This Statement is part of our Report dated 23.01.2007 submitted to the Board of Directors.

For **Suresh & Associates**  
Chartered Accountants

**Narendra Arora**  
Partner  
Membership No. 88256

Place : Delhi  
Date : 24.01.2007

**SUMMARY STATEMENT OF PROFIT AND LOSSES, AS RESTATED**

The Profit and Loss Statements of the Company for five financial years ended March 31 of 2002 to 2006 & for the period ended October 31st, 2006 read with significant accounting policies, notes on accounts and the notes to adjusted accounts are set out below.

**(Rs. lakhs)**

Particulars	Year ended March 31st					
	Period ended 31-10-06	2006	2005	2004	2003	2002
<b>Income</b>						
Sales (Net of Excise duty )	3440.79	6581.13	6412.69	6216.68	4603.39	2278.59
Other Income	373.34	520.06	322.41	110.74	12.85	17.47
Increase / (decrease) in inventories	(2.75)	33.59	192.44	67.25	71.33	5.58
<b>Total Income</b>	<b>3811.38</b>	<b>7134.78</b>	<b>6927.54</b>	<b>6394.67</b>	<b>4687.57</b>	<b>2301.64</b>
<b>Expenditure</b>						
Materials consumed	1861.14	3245.47	4079.35	3847.24	2636.29	1215.36
Cost of Goods Sold	517.72	1420.22	0.00	37.57	21.23	79.08
Staff Costs	60.33	110.97	95.42	94.25	58.45	38.20
Other manufacturing expenses	388.45	544.37	629.04	510.67	326.46	131.95
Administrative, selling and distribution expenses	369.42	545.47	955.08	815.87	832.47	514.95
Financial Expenses	245.71	429.11	444.07	434.83	253.53	115.35
Depreciation	165.63	317.68	335.17	316.51	112.20	49.43
Miscellaneous expenditure written off	-	2.73	2.37	2.37	1.40	0.76
<b>Total Expenditure</b>	<b>3608.40</b>	<b>6616.02</b>	<b>6540.50</b>	<b>6059.31</b>	<b>4242.03</b>	<b>2145.08</b>
Net Profit before tax	202.98	518.76	387.04	335.36	445.54	156.56
Tax expense - Current tax	30.23	44.03	30.33	27.00	35.12	11.98
Tax expense - Deferred tax	0.00	63.28	236.67	128.12	94.45	0.00
Fringe Benefit Tax	2.47	6.06	0.00	0.00	0.00	0.00
Excess/(Short) Provision for tax	0.00	0.00	0.80	1.09	-0.28	0.00
Net Profit after tax (A)	170.28*	405.39	119.96	179.15	314.66	144.58
Impact of material adjustments for restatement in corresponding years (net of tax) (B)	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net Profit after adjustments (A) + (B)</b>	<b>170.28*</b>	<b>405.39</b>	<b>119.96</b>	<b>179.15</b>	<b>314.66</b>	<b>144.58</b>

The accompanying statement of adjustments to Audited Profit and Loss Account (Annexure III) and Significant Accounting Policies and Notes on Accounts (Annexure IV) are an integral part of this statement.

**Note :** \*Provision for deferred tax liability has not been made it shall be worked out at the end of the year.





## Annexure II

### SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED

Assets and Liabilities of the Company at the end of each financial period/year regrouped wherever necessary and read with significant accounting policies, notes on accounts and the notes to adjusted accounts are set out below.

(Rs. lakhs)

Particulars	As at March 31st					
	As at 31-10-06	2006	2005	2004	2003	2002
<b>A. Fixed Assets</b>						
Gross block	6150.06	5904.28	5800.23	5523.95	2555.06	2084.10
Less: Depreciation	1442.41	1280.27	963.15	627.98	312.42	200.41
Net Block	4707.65	4624.01	4837.08	4895.97	2242.64	1883.69
Capital Work-in-Progress	208.04	189.45	133.00	132.03	423.07	0.00
<b>TOTAL</b>	<b>4915.69</b>	<b>4813.46</b>	<b>4970.08</b>	<b>5028.00</b>	<b>2665.71</b>	<b>1883.69</b>
<b>B. Investments</b>	<b>43.11</b>	<b>11.93</b>	<b>114.86</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>C. Current assets, loans and advances</b>						
Inventories	1420.98	1984.67	2204.59	1043.52	648.87	529.88
Receivables	716.65	1494.29	1644.32	2066.91	1498.17	1025.46
Cash and bank balances	67.30	308.16	123.76	163.41	210.17	59.11
Loans and advances	1650.31	663.15	481.36	762.96	605.17	224.45
<b>TOTAL</b>	<b>3855.24</b>	<b>4450.27</b>	<b>4454.02</b>	<b>4036.81</b>	<b>3022.38</b>	<b>1838.90</b>
<b>D. Total assets (A + B + C)</b>	<b>8814.04</b>	<b>9275.66</b>	<b>9538.96</b>	<b>9064.81</b>	<b>5688.09</b>	<b>3722.59</b>
<b>E. Liabilities and provisions</b>						
<b>Loan funds</b>						
Secured loans	3449.92	4764.79	5036.46	5141.78	2567.43	1472.35
Unsecured loans	620.40	24.49	277.50	535.05	470.18	365.70
<b>TOTAL</b>	<b>4070.32</b>	<b>4789.28</b>	<b>5313.96</b>	<b>5676.83</b>	<b>3037.61</b>	<b>1838.05</b>
<b>F. Deferred Tax Liability</b>	<b>523.55*</b>	<b>523.55</b>	<b>460.27</b>	<b>223.59</b>	<b>95.48</b>	<b>0.00</b>
<b>G. Current liabilities and provisions</b>						
Current liabilities	818.42	758.74	1202.83	957.56	637.16	620.37
Provisions	155.94	119.20	242.11	159.35	100.06	59.20
<b>TOTAL</b>	<b>974.36</b>	<b>877.94</b>	<b>1444.94</b>	<b>1116.91</b>	<b>737.22</b>	<b>679.57</b>
<b>H. Total Liabilities and provisions (E+F+G)</b>	<b>5568.23</b>	<b>6190.77</b>	<b>7219.16</b>	<b>7017.33</b>	<b>3870.31</b>	<b>2517.62</b>
<b>I. Net worth (D - H)</b>	<b>3245.81</b>	<b>3084.89</b>	<b>2319.80</b>	<b>2047.48</b>	<b>1817.78</b>	<b>1204.97</b>
<b>Represented by Shareholders funds</b>						
Share capital	900.00	900.00	756.50	553.50	553.50	493.50
Share Application Money			0.00	53.00	0.00	0.00
Reserves and surplus	2359.17	2188.89	1568.25	1448.30	1269.14	714.48
<b>TOTAL</b>	<b>3259.17</b>	<b>3088.89</b>	<b>2324.75</b>	<b>2054.80</b>	<b>1822.64</b>	<b>1207.98</b>
<b>Less Miscellaneous Expenditure</b>	<b>13.36</b>	<b>4.00</b>	<b>4.95</b>	<b>7.32</b>	<b>4.876</b>	<b>3.01</b>
<b>TOTAL</b>	<b>3245.81</b>	<b>3084.89</b>	<b>2319.80</b>	<b>2047.48</b>	<b>1817.78</b>	<b>1204.97</b>

The accompanying Statement of Adjustments to Audited Profit and Loss Account (Annexure III) and Significant Accounting Policies and Notes on Accounts (Annexure IV) are an integral part of this statement

**Note :** \*Provision for deferred tax liability has not been made it shall be worked out at the end of the year.

**NOTES TO ADJUSTED ACCOUNTS**  
**STATEMENT OF ADJUSTMENTS TO AUDITED PROFIT AND LOSS ACCOUNTS**

(Rs. lakhs)

Particulars	Year ended March 31st					
	Period ended 31-10-06	2006	2005	2004	2003	2002
<b>Profit for the year / period</b>	<b>170.28*</b>	<b>405.39</b>	<b>120.04</b>	<b>180.24</b>	<b>314.94</b>	<b>144.58</b>
<b>Add / (Less) adjustment for</b>						
a) Provision for tax of earlier years						
b) Excess/(short) provision for income tax -	0.00	0.00	0.00	-0.08	-1.09	-0.28
c) Provision for doubtful debts	0.00	0.00	0.00	0.00	0.00	0.00
d) Provision for doubtful claims	0.00	0.00	0.00	0.00	0.00	0.00
e) Write offs	0.00	0.00	0.00	0.00	0.00	0.00
f) Expenses relating to earlier years -	0.00	0.00	2.25	-1.63	0.09	-0.45
g) Interest and damages on delayed remittance of provident fund dues -	0.00	0.00	0.14	0.00	0.00	0.00
h) Changes in Accounting						
Policies relating to Loose tools written off	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Tax	0.00	0.00	0.00	0.00	0.00	0.00
Deferred revenue expenditure	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Adjustments</b>	<b>0.00</b>	<b>0.00</b>	<b>2.39</b>	<b>-1.71</b>	<b>-1.00</b>	<b>-0.73</b>
Of the above						
Adjustments to Profit before tax	0.00	0.00	2.39	-1.71	-1.00	-0.73
Effect of above on current tax	0.00	0.00	0.87	-0.61	-0.37	-0.26
Effect of above on deferred tax	0.00	0.00	0.00	0.00	0.00	0.00
Adjustments to Current tax expense	0.00	0.00	0.87	-0.61	-0.37	-0.26
Adjustments to Deferred tax expense	0.00	0.00	0.00	0.00	0.00	0.00
Total Adjustments (net of tax)	0.00	0.00	1.52	-1.10	-0.63	-0.47
Adjusted Profit after tax	170.28*	405.39	121.48	178.05	314.03	144.11

**Note :** \* Provision for deferred tax liability has not been made it shall be worked out at the end of the year.



# STATEMENT OF ADJUSTMENTS TO AUDITED ASSETS AND LIABILITIES

(Rs. lakhs)

Particulars	Year ended					
	31-10-06	2006	2005	2004	2003	2002
1) Share Capital	Since there is no adjustment Please see Annexure II as above					
2) Reserves and Surplus						
3) Current Liabilities						
4) Provisions						
5) Deferred tax liability						
6) Fixed Assets - Gross Block -						
7) Fixed Assets - Depreciation -						
8) Capital Work-in-Progress						
9) Miscellaneous Expenditure						
10) Receivables						
11) Loans and Advances						

## Treatment of various items adjusted in the re-stated accounts

### 1) Provision for tax of earlier years and Excess/(short) provision for income tax

Excess or short provision of taxes relating to earlier years have been adjusted to the year to which they relate.

### 2) Expenses relating to earlier years

These represent adjustments in respect of prior period items being material charges or credits which arise in a particular period as a result of errors or omission in the preparation of financial statements of one or more prior periods and/or material adjustments. These have been adjusted to the year to which they pertain.

### 3) Exceptional and non-recurring items

(Amount Rs in Lacs)

a) The Company has derived profit/(Loss) on sale of fixed assets as given below.

Financial Year	Profit/(Loss)
2001-02	(1.12)
2002-03	0.35
2003-04	(0.86)
2005-06	(0.29)
Period 31.10.06	125.45

b) The Company has derived profit/(Loss) on sale of Investments in shares as given below.

Financial Year	Profit/(Loss)
2004-05	0.07
2005-06	29.12
Period 31.10.06	2.26

c) Charge to Profit and Loss Account on account of amortisation of Preliminary Expenditure/Expenditure of Capital nature as given below:-

Financial Year	Profit/(Loss)
2001-02	0.75
2002-03	1.40
2003-04	2.37
2004-05	2.37
2005-06	2.73

**SIGNIFICANT ACCOUNTING POLICIES****1) Basis of Accounting**

The financial statements of the Company are prepared under the historical cost convention on an accrual basis and in accordance with the generally accepted accounting principles and Accounting Standards issued by the Institute of Chartered Accountants of India.

**2) Fixed Assets and Depreciation**

- (a) Fixed assets are stated at the values at which they are acquired, less accumulated depreciation. The value at which fixed assets are acquired includes all related expenses up to the date of putting them to use.
- (b) CENVAT Credit availed on acquisition of fixed assets is reduced from the cost of the concerned assets.
- (c) The Depreciation on Plant & Machinery including moulds installed in Unit No-I,II and Pet Division has been provided on 'Multiple Shift Basis'. The Depreciation on the other assets has been provided on 'Continuous Basis' at the rates prescribed in Schedule XIV of the Companies Act, 1956.

**3) Inventories**

The inventories has been valued on exclusive method as per Accounting Standard prescribed by ICAI. (AS-2) in the manner given below:-

- i) **Raw Material** : At cost or net realisable value whichever is lower (Rejected raw material at cost Less claim received thereon)
- ii) **Finished Goods** : At cost or net realisable value whichever is lower. For arriving at the cost for this purpose the cost includes material cost and manufacturing expenses.
- iii) **Semi Finished Goods** : At apportioned manufacturing expenses
- iv) **Job work in Process** : At apportioned manufacturing expenses .
- v) **Scrap** : At estimated realisable value.

**4) Interest On Outstanding Trade Debtors**

Income of interest on outstanding trade debtors is treated as income at the time of its recovery.

**5) Retirement Benefits**

- i) The provision for the gratuity has been made on the basis of provisions of Payment of Gratuity Act, 1972.
- ii) Leave encashment to employees are accounted for on cash basis.

**6) Sales**

- i) Sales have been accounted for by excluding sales tax/Vat and excise duty separately charged in the sale invoices.
- ii) Sales made to Nepal and Bhutan has been treated as local sale because there is no inflow of Foreign Exchange

**7) Foreign Currency Transactions**

The transactions in foreign currencies are recorded in the books of account at the rate of exchange prevalent on the date of transactions or the nearest date thereof.

**8) Accounting For Taxation On Income**

As per the mandatory Accounting Standard on "Accounting for Taxes on Income" issued by the ICAI(AS-22), the cumulative deferred tax liability (Net) in respect of timing differences.

**9) Cash Flow Statement**

The company has prepared the Cash Flow Statement using the Indirect Method in compliance of Accounting Standard issued by I.C.A.I(AS-3) as part of the Notes on Accounts. for all the financial years starting from 2001-02 to 2005-06 and for the period ended 31-10-2006.



10) **Segmental Reporting**

The company is principally engaged in the business of packaging products for cold drinks industry and resale of textile. The relevant information about these segments are given as part of Notes on Accounts. for financial year 2005-06.

11) **Impairment Of Assets**

The Net Realizable Amount (NRA) of the fixed assets of the company as on 31st March 2006 are more than the Actual Carrying Cost shown in the balance sheet hence no impairment loss is recognized and charged to the profit and loss account.

**B) NOTES ON ACCOUNTS**

**FINANCIAL YEAR 2001-02**

1. Contingent Liabilities not provided for on account of:

(Rupees in lakhs)

	2001-02	2000-01
a) Bill Discounted	18.90	88.82
b) Against Demand raised by the Central Excise Deptt which has been disputed by the company against which Rs1 lacs has been deposited under protest and the same is shown in loans and advances Rs 269275.		
c) Recovery suit against the company by M/s Patel Roadways against whom company has also filed for recovery of damages of the goods and transits for a sum of Rs 236000/- Claim of the above transporter is Rs. 32000/-		
d) The sale tax exemption in respect of one of the unit of the company is in process and directors feel that the same is likely to be granted by the authorities concerned and the sale tax exemption involves sale tax of Rs. 101.65 lacs.		

2. Secured Loans

- (a) Term loans from PICUP is secured against factory Premises and Plant & Machinery (under first charge at C-4 site -III Merrut Road Industrial area Ghaziabad), Loan under Sale Tax Exemption Scheme from PICUP is secured against immovable property-145 Mohan Nagar AIE, Ghazibad (under second charge). Term Loan from Dena Bank is secured against all the assets of the Company. except the above. All the above loans are also backed by personal guarantees of directors. Further loan from Citi Bank is secured by hypothecation of motor car owned by the Company.
- (b) Cash Credit from Dena Bank is secured by Hypothecation of all the movable and immovable, properties of the Company except c-4 site III Merrut Road industrial area Ghaziabad and also by the personal guarantees of directors.

3. The outstanding balances as on 31st March 2002 in respect of Sundry Debtors, Creditors Loans & Advances and other receivable Deposits are subject to confirmation from the parties and reconciliation of necessary.

4. In the opinion of management the value of the Current Assets, Loans & Advances and other receivable shown in the balance sheet is not less than their realisable in the ordinary course of business.

5.

Auditors Remuneration	2001-2002	2000-2001
Statutory Audit	30000.00	30000.00
Tax Audit Fee	15000.00	15000.00
Taxation Matter	20000.00	20000.00
Certification Fee	11510.00	0.00
	<b>76570.00</b>	<b>65000.00</b>

- 6) Sundry Creditors include due to small scale industrial undertaking Rs. 38.59 lacs (Previous year amount Rs. 6.38 lacs)

## AMD Metplast Limited

- 7) No provisions for doubtful debts amounting to Rs. 8.01 lacs (Previous year Rs. 3.44 lacs) has been made for which the company has filed suit for recovery and management of the company is quite hopeful for the recovery of debts.
- 8) Preliminary Expenses  
Preliminary expenditure is written off over a period of 5 years.
- 9) The Directors remuneration paid is Rs 26.80 lacs (Previous Year Rs 15.78 lacs)
- 10) Annual Capacities (As certified by the Management)

	2001-2002	2000-2001
Installed Capacity	Single Shift 8 Hours	Single Shift 8 Hours
Crown Corks	160 Cases of 100 Gross	160 Cases of 100 Gross
Pet Preforms	4 Ton Ressin Processed	-

- 11) Details of Production, Turnover and Stock of Finished Goods

ITEM	Op. Stock Nos.	Production Nos.	Sales		Closing Stock	
			Nos	Rs. lakhs	Nos	Rs. Lakhs
Crown Cork	180979	6849190	6875937	218.68	154232	31.13
Pet Preform	0	36120	36000	1.14	120	0.00

(Rupees in Lakhs)

Sales	2001-02		2000-01	
	Qty (Nos)	Value	Qty (Nos)	Value
Crown Caps	6875937	2186.82	5441757	1698.59
PP Caps	16933860	90.36	13079885	66.53
Pet Preform	36000	1.41	0	0.00

- 12) Details of Raw Materials & Others Consumed:

(Rs. in lakhs)

	2001-2002	2000-2001
Raw Material	1215.35	969.49
Stores & Components	7.50	3.53

- 13) Value of Imported & Indigenous Raw Material consumed and their percentage of Consumption.

### CONSUMPTION OF PRINCIPAL ITEM OF RAW MATERIAL

(Amt In Lacs)

	2001-02		2000-01	
	Quantity	Amt	Quantity	Amt
A TFS Sheets (in Kg.) Imported 26.67% and Indigenous 73.35 % (previous year Imported 5.20% Indigenous 94.80 %)	2519385	862.48	2000129	70.08
B PVC Compound (in Kg.) Imported Nil Indigenous 100% (Previous Year Imported 27.51% Indigenous 72.49 %)	243647	174.04	218199	133.04
C. Printing Material (in Kg./Ltr.)	58576.10	148.90	41740088	112.44
D. Resin (in Tons) Imported - Nil Indigenous 100% (Previous Year Imported NIL Indigenous 100 %)	1778	2.96	0	0.00



- 14) Expenditure in Foreign Currency during the financial year.
  - a) On account of travel Rs.8.70 lakhs (Previous year: Rs.7.12 lakhs)
  - b) On account of Machinery Maintenance: Rs. Nil (Previous year-Rs.3.53 lakhs)
  - c) On account of Exhibition Expenses: Rs.0.74 lakhs (Previous year: Rs.NIL lakhs)
- 15) CIF Value of Imports of Raw Material, Capital Goods & Stores, Spares & Components is of Rs.975.79 lakhs (Previous Year- Rs.272.47 lakhs).
- 16) Previous year's figures have been regrouped / reclassified wherever considered necessary to confirm to this year's classification.

#### FINANCIAL YEAR 2002-03

1. Contingent Liabilities not provided for on account of:

(Rupees in lakhs)

	2002-03	2001-02
a) Bills Discounted	21.48	18.90
b) Against demand raised of Rs. 269275/- (Previous year 269275/- by Central Excise department, which has been disputed by the company against which Rs. 1 lac has been deposited under protest and the same is shown in Loans and Advances but the case has been remanded to the Assessing Officer and determination of the final liability is yet to be made by the assessing officer.		
c) Recovery suit against the company by M/s Patel Roadways against whom company has also filed for recovery of damages of the goods and transits for a sum of Rs 236000/-. Claim of the above transporter is Rs. 32000/-. The matter is yet to be adjudicated.		
d) The sales tax exemption in respect of one of the units of the company is in process and directors felt that the same is likely to be granted by the authorities concerned and the sales tax exemption involves sales tax liability of Rs.168.75 lacs (Previous year Rs. 101.05 lacs)		
e) Against the demand of Entry Tax raised by the Sales Tax Officer the company has deposited Entry Tax Under Protest the entire amount and the same has been shown in the Loans and Advances. The liability of the Entry Tax is yet to be decided in the appeal proceedings.		

2. Secured Loans

- (a) Term loans from PICUP is secured against factory Premises and Plant & Machinery at c-4 site -III Merrut Road Industrial Area Ghaziabad (under first charge), Loan under Sale Tax Exemption Scheme from PICUP is secured against immovable properties at 145 Mohan Nagar AIE Ghaziabad (under second charge).Term Loans from Dena Bank and Bank of India are secured on pari-pasu basis against all the assets of the Company. except above. All the above loans are also backed by personal guarantees of directors. Further loans from Citi Bank and ICICI Bank are secured by hypothecation of motor cars owned by the Company.
- (b) Cash Credit from Dena Bank and Bank of India are secured by Hypothecation on pari-pasu basis of all the movable and immovable properties of the Company except above and also by the personal guarantees of directors.
- (c) Demand Loan from ICICI Bank is secured by the personal guarantee of the directors.

3. The outstanding balances as on 31st March 2003 in respect of Sundry Debtors, Creditors Loans & Advances and other receivable Deposits are subject to confirmation from the parties and reconciliation of necessary.
4. In the opinion of management the value of the Current Assets, Loans & Advances and other receivable shown in the balance sheet is not less than their realisable in the ordinary course of business.

## AMD Metplast Limited

### 5. Auditors Remuneration

	2002-2003	2001-2002
Statutory Audit	70000.00	30000.00
Tax Audit Fee	30000.00	15000.00
Taxation Matter	35000.00	20000.00
Certification Fee	13230.00	11510.00
	<b>148230.00</b>	<b>76570.00</b>

6. Sundry Creditors include due to small scale industrial undertaking Rs. 27.07 lacs (Previous year amount Rs. 38.59 lacs)

7. No provisions for doubtful debts amounting to Rs. 19.53 lacs (Previous year Rs. 8.01 lacs) has been made for which the company has filed suit for recovery and management of the company is quite hopeful for the recovery of debts.

### 8. Preliminary Expenses

Preliminary expenditure is written off over a period of 5 years.

9. The Directors remuneration: paid is Rs 42.15 lacs (Previous year Rs 26.80 lacs).

### 10. Annual Capacities (As certified by the Management)

	2002-03	2001-02
Installed Capacity	Single Shift 8 Hours	Single Shift 8 Hours
Crown Cork	160 Cases of 100 Gross	160 Cases of 100 Gross
Pet Preform	4 Ton Ressin Processed	4 Ton Ressin Processed

### 11. Details of Production, Turnover and Stock of Finished Goods

ITEM	Op. Stock Nos.	Production Nos.	Sales		Closing Stock	
			Nos	Rs. lakhs	Nos	Rs. Lakhs
Crown Cork	154232	10701582	10814650	3219.00	41164	7.43
Pet Preform	120	47275351	43425689	1319.49	3849782	100.08

(Rupees in Lakhs)

Sales	2002-03		2001-02	
	Qty(Nos)	Value	Qty(Nos)	Value
Crown Caps	10814650	3219.00	6875937	2186.82
PP Caps	4316580	22.60	16933860	90.36
Pet Preform	43425689	1319.49	36000	1.41

### 12. Details of Raw Materials & Others Consumed:

(Rs. in lakhs)

	2002-2003	2001-2002
Raw Material	2636.29	1215.35
Stores & Components	10.41	7.50





13. Value of Imported & Indigenous Raw Material consumed and their percentage of Consumption.

**CONSUMPTION OF PRINCIPAL ITEM OF RAW MATERIAL**

(Amt In Lacs)

		2002-03		2001-02	
		Quantity	Amt	Quantity	Amt
a.	TFS Sheets (in Kg.) Imported 38.57% and Indigenous 61.43 % (previous year Imported 26.67% Indigenous 73.33 %)	3785459	1258.69	2519385	862.48
b.	PVC Compound (in Kg.) Imported Nil Indigenous 100% (Previous Year Imported NIL Indigenous 100 %)	355847	217.93	243647	174.04
c.	Printing Material (in Kg./Ltr.)	87461.725	198.42	58576.10	148.91
d.	Resin (in Tons) Imported - Nil Indigenous 100% (Previous Year Imported NIL Indigenous 100 %)	1712.796	961.24	1778	2.96

14. Expenditure in Foreign Currency during the financial year.
- On account of travel Rs.2.43 lakhs (Previous year: Rs.8.70 lakhs)
  - On account of Machinery Maintenance: Rs. Nil (Previous year-Rs .NIL lakhs)
  - On account of Exhibition Expenses: Rs.2.04 lakhs (Previous year: Rs.0.74 lakhs)
15. CIF Value of Imports of Raw Material, Capital Goods & Stores, Spares & Components is of Rs.1062.65 lakhs (Previous Year- Rs.975.79 lakhs).
16. Previous year's figures have been regrouped / reclassified wherever considered necessary to confirm to this year's classification.

**FINANCIAL YEAR 2003-04**

1. Contingent Liabilities not provided for on account of:

(Rupees in lakhs)

	2003-04	2002-03
a) Bills Discounted	NIL	21.48
b) The Excise Duty demand raised of Rs. 2.69 lacs (Previous year 2.69 lacs) by Central Excise department, which has been disputed by the company against which Rs. 1 lac has been deposited under protest and the same is shown in Loans and Advances but the case has been remanded to the Assessing Officer and determination of the final liability is yet to be made by the assessing officer.		
c) Recovery suit against the company by M/s Patel Roadways against whom company has also filed for recovery of damages of the goods and transits for a sum of Rs 236000/-.Claim of the above transporter is Rs. 32000/-. The matter is yet to be adjudicated.		
d) Sales Tax demands under Local and Central Sales Acts raised by the UP Trade Tax Authorities for Rs. 2.63 lacs- and Rs. 5.87 lacs respectively for the years 1999-2000 to 2003-2004 are pending for final decision as demands are contested by the company in the Appellate Authorities.		
e) The Entry Tax demand for the financial year 2001-2002 are Rs. 19.07 lacs has been raised by the UP Trade Tax Authorities against which company has filed appeals and the demand is yet to be adjudicated upon by the appellate authorities.		
f) The Entry Tax @5% has been levied by U P State Govt. on HSD and LDO w.e.f 21.01.04. Liability of these on account of this comes to Rs.3.86 lacs for which the management has reported that writ has been filed by All India Manufactures Association (AIMO) in the High Court. No provision has been made for this liability as management is of the opinion that A.I.M.O will get the verdict in its favor.		

## AMD Metplast Limited

### 2. Secured Loans

- (a) (i) Term loans from State Bank of Indore and State Bank of India are secured against First charge on fixed assets except CSD Clousres Plant and Lining Machine, Plant & Machinery and Building at C-4 Site - 3 Merrut Road Plant and second charge on current assets pari-pasu and personal guarantee of directors.
- (ii) Term loan from PICUP is secured against the Plant & Machinery and Building at C-4 Site -3 Merrut Road Plant and personal guarantee of directors.
- (iii) Loan under Sale Tax Exemption Scheme from PICUP are secured against against second charge on factory Building and Plant & Machinery at 145 AIE Mohan Nagar Ghaziabad.
- (iv) Loan from GE-Capital Services India Ltd is secured on first charge on CSD Clousres Plant and Lining Machine and personal guarantee of Managing director.
- (v) Loan from Hindustan Coca-Cola Beverages Pvt Ltd.is secured against the Bank Guarantees of State Bank of India
- (vi) Loan from Standard Chartered Bank is arranged by the Hindustan Coca-Cola Beverages Pvt Ltd in Lieu of advance supply of material in future and secured against personal guarantee of Managing Director.
- (vii) Loans from Citi Bank and ICICI Bank are secured by hypothecation of motor cars owned by the Company.
- (b) Cash Credit from State Bank of India is secured against first charge on current assets and second pari-pasu charge on fixed assets and personal guarantee of directors.

3. The outstanding balances as on 31st March 2004 in respect of Sundry Debtors, Creditors Loans & Advances and other receivable Deposits are subject to confirmation from the parties and reconciliation of necessary.

4. In the opinion of management the value of the Current Assets, Loans & Advances and other receivable shown in the balance sheet is not less than their realisable in the ordinary course of business.

### 5. Auditors Remuneration

	2003-2004	2002-2003
Statutory Audit	100000.00	70000.00
Tax Audit Fee	40000.00	30000.00
Taxation Matter	76000.00	35000.00
Certification Fee	5670.00	13230.00
	<b>221670.00</b>	<b>148230.00</b>

6. Sundry Creditors include due to small scale industrial undertaking Rs.23.05 lacs (Previous year amount Rs. 27.07 lacs)

7. No provisions for doubtful debts amounting to Rs. 15.17 lacs (Previous year Rs. 19.53 lacs) has been made for which the company has filed suit for recovery and management of the company is quite hopeful for the recovery of debts.

### 8. Preliminary Expenses

Preliminary expenditure is written off over a period of 5 years.

### 9. Prior Period Expenses / Income

Expenses and Income pertaining to the prior period below Rs.20000/- are treated as current year's expenses/ incomes.



10. Related Party Disclosure

In compliance of mandatory accounting standard AS-18 prescribed by I.C.A.I , the transaction with the related parties entered into by the company are disclosed as under :-

Nature of Transactions	Holding/Subsidiary/ Fellow subsidiary Co.	Associates	Total (Rs. In Lacs)	Key Management Personnel and their relatives
Job Work	Nil	Shyam Industries	36.97	Sh. Ashok Gupta (MD) is proprietor.
Purchase of PP Caps	Nil	Shyam Industries	30.06	-do-
Purchase of Machinery	Nil	Shyam Industries	0.08	-do-
Rent Paid	Nil	Ashok Gupta	3.60	Sh. Ashok Gupta (MD)
Rent Paid	Nil	Addit Gupta	9.29	Son of MD
Rent Paid	Nil	H.S.Gupta	4.80	Chairman
Purchase of Car	Nil	Hind Ispat Ltd	17.00	Directors are the Directors of Hind Ispat Ltd

11. The Directors remuneration paid is Rs 48.46 lacs (Previous Year Rs 42.15 lacs)

12. Annual Capacities (As certified by the Management)

	2003-04	2002-03
Installed Capacity	Single Shift 8 Hours	Single Shift 8 Hours
Crown Cork	308 Cases of 100 Gross	160 Cases of 100 Gross
Pet Preform	7 Ton Ressin Processed	4 Ton Ressin Processed
Closures	480000 No. of Caps	-

13. Details of Production, Turnover and Stock of Finished Goods

ITEM	Op. Stock Nos.	Production Nos.	Sales		Closing Stock	
			Nos	Rs. lakhs	Nos	Rs. Lakhs
Crown Cork	41164	11456311	11367448	3229.00	130027	25.96
Pet Preform	3849782	94365779	95620406	2652.89	2595155	63.53
CSD-Closures	0	66367004	51339875	234.79	15027129	35.93

(Rupees in Lakhs)

Sales	2003-04		2002-03	
	Qty(Nos)(MT)	Value	Qty(Nos)(MT)	Value
Crown Caps	11367448	3229.00	10814650	3219.00
PP Caps	6573900	336.55	4316580	22.60
Pet Preform	95620406	2652.89	43425689	1319.49
CSD-Closures	51339875	234.79	0	0.00
Sugar	75	8.87	0	0.00
Waste & Scrap				
Crown		55.51		41.60
Pet & CSD Closures		1.95		3.35

## AMD Metplast Limited

14. Value of Imported & Indigenous Raw Material consumed and their percentage of Consumption.

### CONSUMPTION OF PRINCIPAL ITEM OF RAW MATERIAL

(Amt In Lacs)

		2003-04		2002-03	
		Quantity	Amt	Quantity	Amt
a	TFS Sheets (in Kg.) Imported 69.17% and Indigenous 30.83 % (previous year Imported 54.39% Indigenous 45.61 %)	4123959.71	1437.60	3785459	1258.69
b	PVC Compound (in Kg.) Imported 48.64% Indigenous 51.36% (Previous Year Imported NIL Indigenous 100 %)	388792	233.94	355847	217.93
c	Printing Material (in Kg./Ltr.) Imported 10.91% indigenous 89.09%	97205.30	212.05	86921.745	198.43
d	Resin (in Tons) Imported - Nil Indigenous 100% (Previous Year Imported NIL Indigenous 100%)	3211.963	1772.98	1712.796	961.24
e.	Polypropylene (in Tons) Imported 100% and indigenous Nil (Previous year Imported 100% and indigenous Nil)	198.564	108.50	0	0.00
f	PVC Liner - CSD closures ( in Tons) Imported -48.74% and Indigenous - 51.26% (Previous year Imported 100% and indigenous Nil)	18.178	25.76	0	0.00

15. Expenditure in Foreign Currency during the financial year.
- On account of travel Rs.2.15 lakhs (Previous year: Rs.2.43 lakhs)
  - On account of Machinery Maintenance: Rs. Nil (Previous year-Rs.NIL lakhs)
  - On account of Exhibition Expenses: Rs.0.77 lakhs (Previous year: Rs.2.04 lakhs)
16. CIF Value of Imports of Raw Material, Capital Goods & Stores, Spares & Components is of Rs.2325.08 lakhs (Previous Year- Rs.1062.65 lakhs).
17. Previous year's figures have been regrouped / reclassified wherever considered necessary to confirm to this year's classification.

### FINANCIAL YEAR 2004-05

1. Contingent Liabilities not provided for on account of:

(Rupees in lakhs)

	2004-05	2003-04
a) Bills Discounted	NIL	Nil
b) Bank Guarantees	511.55	Nil

- The excise duty demand raised for Rs. 269275/- (Previous year 269275/-) by Central Excise department has been disputed by the company by way of appeal and against which Rs. 1 lac has been deposited under protest which is shown in Loans and Advances. But the case has been remanded to the Assessing Officer and determination of the final liability is yet to be made by the assessing officer.
- Suit for recovery of Rs. 32,000/- filed by the transporter M/s. Patel Roadways is pending for adjudication by the court. The company has also filed counter suit for recovery of damages for Rs. 2,36,000/- against the said transporter, which is also pending. The company is of the opinion that no liability is likely to be raised against



the recovery suit of the transporter. Hence no accounting has been done with respect to the liability as well as possible recovery from the above suits.

- e) Sales Tax demands under Local and Central Acts raised by the UP Trade Tax Authorities for Rs. 8,90,210/- and Rs. 30,60,485/- respectively for the years 1999-2000 to 2004-2005 are pending for final decision as demands are contested by the company in the Appellate Authorities.
- f) The Sales Tax Authorities has raised a demand for the financial year 2002-2003 of Rs. 95098/- for non submission of export certificate and the assessee has filed an appeal with the Appellate Authorities for the same.
- g) The Entry Tax demand for the financial year 2001-2002 and 2002-2003 are Rs. 19,07,102/- and Rs. 14,55,731/- respectively has been raised by the UP Trade Tax Authorities against which company has filed appeals and the demand is yet to be adjudicated upon by the appellate authorities.
- h) The Entry Tax @5% has been levied by U P State Govt. on HSD and LDO w.e.f 21.01.04. Liability of these on account of this is estimated at to Rs. 17,27,159.30 till 31.03.2005 which includes the preceding year liability of Rs. 3,86,705.30 -for which the management has reported that writ has been filed by All India Manufactures Association (AIMO) in the High Court. No provision has been made for this liability as management is of the opinion that A.I.M.O will get the verdict in its favor.
- i) The company has claimed exemption from the payment of Central Sales Tax for its Neemrana Division and this exemption is dependent on the condition that the company shall make the investment in plant and machinery in the above project up to a level of Rs. 30 crores by 31.12.2005 as per the Govt. of Rajasthan Board of Infrastructure Development and Investment Promotion letter no. BIP/401-404, dated 26.10.2004. The liability of Central Sales Tax from the date of commercial production till 31.03.2005 is estimated at Rs. 7060842.88.

## 2. Secured Loans

- (a) (i) Term loans from State Bank of Indore, Union Bank of India and State Bank of India are secured against First charge on fixed assets and second charge on current assets pari-pasu and personal guarantee of directors.
- (ii) Housing loan from Citi Bank is secured against booking of flat at DLF Gurgaon.
- (iii) Loan under Sale Tax Exemption Scheme from PICUP are secured against second charge on fixed assets 145 AIE Mohan Nagar Ghaziabad.
- (iv) Loan from Hindustan Coca-Cola Beverages Pvt. Ltd. is secured against the Bank Guarantee of State Bank of India
- (v) Loan from Standard Chartered Bank is arranged by the Hindustan Coca-Cola Beverages Pvt Ltd in Lieu of advance supply of material in future and secured against personal guarantee of Managing Director
- (vi) Loans from Citi Bank and ICICI Bank are secured by hypothecation of motor cars owned by the Company.
- (b) Cash Credit from State Bank of India is secured against first charge on current assets and second charge on fixed assets on pari-pasu basis and personal guarantee of directors.

3. The outstanding balances as on 31st March 2005 in respect of Sundry Debtors, Creditors Loans & Advances and other receivable Deposits are subject to confirmation from the parties and reconciliation of necessary.

4. In the opinion of management the value of the Current Assets, Loans & Advances and other receivable shown in the balance sheet are not less than their realisable in the ordinary course of business.

5. The Directors remuneration paid is Rs. 47.55 lacs ( Previous year Rs. 48.46 lacs)

## 6. Auditors Remuneration

	2004-2005	2003-2004
Statutory Audit	120000.00	100000.00
Tax Audit Fee	50000.00	40000.00
Taxation Matter	134000.00	76000.00
Certification Fee	992.00	5670.00
	<b>304992.00</b>	<b>221670.00</b>

## AMD Metplast Limited

7. Sundry Creditors include due to small-scale industrial undertaking Rs. 30.41 lacs (Previous year amount Rs. 23.05 lacs)
8. Provisions for doubtful debts amounting to Rs. 20,06,561.48 (Previous year Rs. 15,17,275.48) for which no provision has been made. The company has filed suit for recovery against those and the management of the company is quite hopeful for the recovery of debts.
9. Preliminary Expenses  
Preliminary expenditure is written off over a period of 5 years.
10. Prior Period Expenses / Income  
Expenses and Income pertaining to the prior period below Rs.20000/- are treated as current year's expenses/ incomes.
11. Related Party Disclosure  
In compliance of mandatory accounting standard AS-18 prescribed by I.C.A.I , the transaction with the related parties entered into by the company are disclosed as under :-

Nature of Transactions	Holding/Subsidiary/ Fellow subsidiary Co.	Associates	Total (Rs. In Lacs)	Key Management Personnel and their relatives
Purchase of Machinery	NIL	Shyam Industries	4.87	Managing Director Being Proprietor
Rent Paid	NIL	Shyam Industries	3.60	Managing Director being proprietor
Rent Paid	NIL	Sh. Adit Gupta	17.50	Director
Rent Paid	NIL	Sh. H.S.Gupta	4.80	Chairman
Rent Paid	NIL	Smt. Chitra Gupta	1.08	Director

12. Annual Capacities (As certified by the Management)

	2004-05	2003-04
Installed Capacity	Single Shift 8 Hours	Single Shift 8 Hours
Crown Cork	308 Cases of 100 Gross	308 Cases of 100 Gross
Pet Preform	7 Ton Ressin Processed	7 Ton Ressin Processed
Closures	480000 No. of Caps	480000 No. of Caps

13. Details of Production, Turnover and Stock of Finished Goods

ITEM	Op. Stock Nos.	Production Nos.	Sales		Closing Stock	
			Nos	Rs. lakhs	Nos	Rs. Lakhs
Crown Cork	130027	12255530	11590848	3457.71	794708	144.71
Pet Preform	2595155	84599801	82838002	2275.87	4356954	102.22
CSD-Closures	15027129	154566139	158204477	677.41	11388791	43.47

(Rupees in Lakhs)

Sales	2004-05		2003-04	
	Qty(Nos)(MT)	Value	Qty(Nos)(MT)	Value
Crown Caps	11590848	3457.71	11367448	3229.00
PP Caps	0	0.00	6573900	336.55
Pet Preform	82838002	2275.87	95620406	2652.89
CSD-Closures	158204477	677.41	51339875	234.79
Sugar	0	0.00	75	8.87
Waste & Scrap				
Crown		90.00		55.51
Pet & CSD Closures		1.70		1.95



14. Details of Raw Materials & Others Consumed:

**CONSUMPTION OF PRINCIPAL ITEM OF RAW MATERIAL**

(Amt In Lacs)

		2004-05		2003-04	
		Quantity	Amt	Quantity	Amt
a	TFS Sheets (in Kg.) Imported 69.17% and Indigenous 30.83 % (previous year Imported 54.39% Indigenous 45.61 %)	4204792.90	1326.04	4123959.71	1437.60
b	PVC Compound (in Kg.) Imported 48.64% Indigenous 51.36% (Previous Year Imported NIL Indigenous 100 %)	397433.500	273.27	388792	233.94
c	Printing Material (in Kg./Ltr.) Imported 10.91% indigenous 89.09%	109707.26	247.97	97205.30	212.05
d	Resin (in Tons) Imported - Nil Indigenous 100% (Previous Year Imported NIL Indigenous 100 %)	2694.017	1707.65	3211.963	1772.98
e	Polypropylene (in Tons) Imported 100% and indigenous Nil (Previous year Imported 100% and indigenous Nil)	462.129	250.93	198.564	108.50
f	PVC Liner - CSD closures ( in Tons) Imported -48.74% and Indigenous - 51.26% (Previous year Imported 100% and indigenous Nil)	45.568	50.09	18.178	25.76

15. Expenditure in Foreign Currency during the year.

- (a) On account of travel Rs. 8.59 lakhs (Previous year: Rs.2.14 lakhs)
- (b) On account of Exhibition : Rs Nil. lakhs (Previous year: Rs.0.77 lakhs)
- (c) On account of advertisement Rs 1.68 lacs (Previous Year Rs. Nil lacs)

16. Earnings in Foreign currency: Rs. 62.45 lakhs (Previous year: Rs. 55.88 lakhs)

17. CIF Value of Imports of Raw Material, Capital Goods, Stores, Spares & Components is of Rs.1884.67 lakhs (Previous Year-Rs.2325.07 lakhs).

18. Sundry Creditors includes Rs.30.40 lakhs (Previous year-Rs 23.05 lakhs) due to SSI units, whose balance is outstanding for more than 30 days as on March 31, 2005.

**FINANCIAL YEAR 2005-06**

1) Contingent Liabilities not provided for on account of:

(Rupees in lakhs)

	2005-06	2004-05
a) Bills Discounted	NIL	Nil
b) Bank Guarantees	222.14	511.55

- c) Suit for recovery of Rs. 32,000/- filed by the transporter M/s. Patel Roadways is pending for adjudication by the court. The company has also filed counter suit for recovery of damages for Rs. 2,36,000/- against the said transporter, which is also pending. The company is of the opinion that no liability is likely to be raised against the recovery suit of the transporter. Hence no accounting has been done with respect to the liability as well as possible recovery from the above suits.



## AMD Metplast Limited

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- d) Sales Tax demands under Local and Central Acts raised by the UP Trade Tax Authorities for Rs. 8,92,740/- and Rs. 30,60,485/- respectively for the years 1999-2000 to 2005-2006 are pending for final decision as demands are contested by the company in the Appellate Authorities.
- e) The Sales Tax Authorities has raised a demand for the financial year 2002-2003 of Rs. 95098/- for non submission of export certificate and the assessee has filed an appeal with the Appellate Authorities for the same.
- f) The Entry Tax demand for the financial year 2001-2002 and 2002-2003 are Rs. 19,07,102/- and Rs. 14,55,731/- respectively has been raised by the UP Trade Tax Authorities against which company has filed appeals and the demand is yet to be adjudicated upon by the appellate authorities.
- g) The Entry Tax @5% has been levied by U P State Govt. on HSD and LDO w.e.f 21.01.04. Liability of these on account of this is estimated at to Rs. 20,89,213/- till 31.03.2006 for which the management has reported that writ has been filed by All India Manufactures Association (AIMO) in the High Court. No provision has been made for this liability as management is of the opinion that A.I.M.O will get the verdict in its favor.
- h) The company has claimed exemption from the payment of Central Sales Tax for its Neemrana Division and this exemption is dependent on the condition that the company shall make the investment in plant and machinery in the above project up to a level of Rs. 30 crores by 31.12.2005 as per the Govt. of Rajasthan Board of Infrastructure Development and Investment Promotion letter no. BIP/401-404, dated 26.10.2004. The liability of Central Sales Tax from the date of commercial production till 31.03.2006 is estimated at Rs. 15631340/-.
- i) The central excise department has raised demand of interest and penalty in two cases aggregating Rs. 18,85,440/- against which the company has filed appeal. before appellate authorities The company hopes to get relief against the above demand and there for no provision for the above demand has been made in the profit & loss account and in the balance sheet attached

### 2. Secured Loans

- (a)
  - (i) Term loans from State Bank of Indore, Union Bank of India and State Bank of India are secured against First charge on fixed assets except against item No vi below. and second charge on current assets pari-pasu and personal guarantee of directors.
  - (ii) Term loans FCNRB from State Bank of India is secured against first charge on current assets and second charge on fixed assets on pari-pasu basis and personal guarantee of directors.
  - (iii) Housing loan from Citi Bank is secured against the Booking of flats.
  - (iv) Loan under Sale Tax Exemption Scheme from PICUP are secured against against second charge on pari-pasu basis on the fixed assets..
  - (v) Loan from Hindustan Coca-Cola Beverages Pvt Ltd.is secured against the Bank Guarantees of State Bank of India
  - (vi) Term Loan from GE Capital Services India Ltd.is secured by way of Hypothecation of CSD closures plant & PMC250 lining machine and personal guarantee of Managing Director.
  - (vii) Loan from ABN Amro Bank is secured against personal guarantee of Managing Director.
- (b) Cash Credit from State Bank of India is secured against first charge on current assets and second charge on fixed assets on pari-pasu basis and personal guarantee of directors.

- 3. The outstanding balances as on 31st March 2006 in respect of Sundry Debtors, Creditors Loans & Advances and other receivable Deposits are subject to confirmation from the parties and reconciliation of necessary.
- 4. In the opinion of management the value of the Current Assets, Loans & Advances and other receivable shown in the balance sheet are not less than their realisable in the ordinary course of business.
- 5. The Managerial remuneration paid is Rs. 52.39 lacs Including monetary perquisite of Rs. 8.9 lacs ( Previous year Rs. 47.55 lacs- including monetary perquisites of Rs. 6.35 lacs)





6. Auditors Remuneration

	2005-2006	2004-2005
Statutory Audit	120000.00	120000.00
Tax Audit Fee	50000.00	45000.00
Taxation Matter	80000.00	134000.00
Certification Fee	24516.00	992.00
	<b>274516.00</b>	<b>304992.00</b>

7. Sundry Creditors include due to small-scale industrial undertaking Rs.30.42 lacs (Previous year amount Rs. 30.41 lacs)

8. Provisions for doubtful debts amounting to Rs. 19.77 lacs (Previous year Rs. 20.07 lacs) for which no provision has been made. The company has filed suit for recovery against those and the management of the company is quite hopeful for the recovery of debts.

9. Preliminary Expenses

Preliminary expenditure is written off over a period of 5 years.

10. Prior Period Expenses / Income

Expenses and Income pertaining to the prior period below Rs.20000/- are treated as current year's expenses/incomes

11. Related Party Disclosure

In compliance of mandatory accounting standard AS-18 prescribed by I.C.A.I , the transaction with the related parties entered into by the company are disclosed as under :-

(Amt. in Rs.)

Nature of Transactions	Holding/ Subsidiary/ Fellow subsidiary Co.	Associates	Total	Key Management Personnel and their relatives
Interest on unsecured loan	NIL	Sh. Adit Gupta	423000	Director
Interest on unsecured loan	NIL	Sh. H.S.Gupta	111042	Chairman
Interest on unsecured loan	NIL	Smt. Chitra Gupta	624000	Director
Interest on unsecured loan	NIL	Sh. Ashok Gupta	276507	Managing Director
Interest on unsecured loan	NIL	Ashok Sons(HUF)	1010417	Managing Director's HUF
Interest on unsecured loan	NIL	Ms. Vidhi Gupta	204962	Relative of Managing Director
Interest on unsecured loan	NIL	Sharp Commercial Enterprises Ltd.	200786	Common Director
Interest on unsecured loan	NIL	Smt. Asha Arora	100003	Relative of Director
Unsecured loan taken	NIL	Sh. Adit Gupta	3617598	Director
Unsecured loan taken	NIL	Sh. H.S.Gupta	51314	Chairman
Unsecured loan taken	NIL	Smt. Chitra Gupta	5338169	Director
Unsecured loan taken	NIL	Sh. Ashok Gupta	2689715.89	Managing Director
Unsecured loan taken	NIL	Ashok Sons(HUF)	9393125	Managing Director's HUF
Unsecured loan taken	NIL	Ms. Vidhi Gupta	1811898	Relative of Managing Director
Unsecured loan taken	NIL	Sharp Commercial Enterprises Ltd.	1013274	Common Director
Unsecured loan taken	NIL	Smt. Asha Arora	2022146	Relative of Director

## AMD Metplast Limited

Nature of Transactions	Holding/ Subsidiary/ Fellow subsidiary Co.	Associates	Total	Key Management Personnel and their relatives
Unsecured loan taken	NIL	AMD Financial Services Ltd.	5986945	Common Director
Remuneration to Director	NIL	Sh. Adit Gupta	228333	Director
Remuneration to Director	NIL	Sh. H.S.Gupta	922124	Chairman
Remuneration to Director	NIL	Sh. Ashok Gupta	4088953	Managing Director
Purchase of Material	NIL	Shyam Industries	9300	Managing Director being proprietor.
Purchase of Machinery	NIL	Shyam Industries	166920	Managing Director being proprietor
Rent Paid	NIL	Shyam Industries	360000	Managing Director being proprietor
Rent Paid	NIL	Sh. Adit Gupta	1749600	Director
Rent Paid	NIL	Sh. H.S.Gupta	480000	Chairman
Rent Paid	NIL	Smt. Chitra Gupta	108000	Director

### 12. Annual Capacities (As certified by the Management)

	2005-06	2004-05
Installed Capacity	Single Shift 8 Hours	Single Shift 8 Hours
Crown Cork	308 Cases of 100 Gross	308 Cases of 100 Gross
Pet Preform	7 Ton Ressin Processed	7 Ton Ressin Processed
Closures	480000 No. of Caps	480000 No. of Caps

### 13. Details of Production, Turnover and Stock of Finished Goods

ITEM	Op. Stock Nos.	Production Nos.	Sales		Closing Stock	
			Nos	Rs. lakhs	Nos	Rs. Lakhs
Crown Cork	794708	8458962	9127761	2669.79	125909	26.44
Pet Preform	4356954	58877148	62177220	1740.96	1036703	37.65
CSD-Closures	11388791	167267194	162897229	678.00	16016496	89.50

(Rupees in Lakhs)

Sales	2005-06		2004-05	
	Qty(Nos)(MT)	Value	Qty(Nos)(MT)	Value
Crown Caps	9127761	2669.79	11590848	3457.71
Pet Preform	62177220	1740.96	82838002	2275.87
CSD-Closures	162897229	678.00	158204477	677.41
TFS(Trading)	927.21	302.56	0	0.00
Textile(Trading)(Mtr)	829810	1125.39	0	0.00
Waste & Scrap				
Crown		61.26		90.00
Pet & CSD Closures		3.22		1.70



14. Details of Raw Materials & Others Consumed:

**CONSUMPTION OF PRINCIPAL ITEM OF RAW MATERIAL**

(Amt In Lacs)

		2005-06		2004-05	
		Quantity	Amt	Quantity	Amt
A	TFS Sheets (in Kg.) Imported 78.81% and Indigenous 21.19 % (previous year Imported 69.17% Indigenous 30.83 %)	3236320.30	1233.71	4204792.90	1326.04
B	PVC Compound (in Kg.) Imported 23.17% Indigenous 76.83% (Previous Year Imported 48.64% Indigenous 51.36 %)	253605.50	198.97	397433.500	273.27
C	Printing Material (in Kg./Ltr.) Imported 11.06% indigenous 88.94%	75997.69	150.47	109707.26	247.97
D	Resin (in Tons) Imported - Nil Indigenous 100% (Previous Year Imported NIL Indigenous 100 %)	1814182	1269.34	2694.017	1707.65
E	Polypropylene (in Tons) Imported 96.76% and indigenous 3.24% (Previous year Imported 100% and indigenous Nil)	483.356	292.00	462.129	250.93
F	PVC Liner - CSD closures ( in Tons) Imported -65.12% and Indigenous - 34.88% (Previous year Imported 48.74% and indigenous 51.26%)	41.461	57.22	45.568	50.09

15. Expenditure in Foreign Currency during the year.

- (a) On account of travel Rs. 12.14 lakhs (Previous year: Rs.8.59 lakhs)
- (b) On account of Interest & Finance Charges : Rs 10.50. lakhs (Previous year: Rs.Nil lakhs)
- (c) On account of advertisement Rs Nil lacs (Previous Year Rs.1.68 lacs)

16. Earnings in Foreign currency: Rs. 115.93 lakhs (Previous year: Rs. 62.45 lakhs)

17. CIF Value of Imports of Raw Material, Capital Goods, Stores, Spares & Components is of Rs.1501.75 lakhs (Previous Year-Rs.1884.67 lakhs).

18. Segmental Reporting

The company is principally engaged in the business of packaging products for cold drinks industry and resale of textile. The relevant information about these segments are given as below

**Amount in Thousands**

Particulars	Crown Caps Division	Pet Preform & Closure Division	Resale of Textiles	Resale of TFS Sheet	Total (Enterprise)
1. SEGMENT REVENUE					
a) External sales	273202	286257	112539	30256	702254
b) Inter-Segment Sale					
c) Total revenue	273202	286257	112539	30256	702254
2. Total revenue of each segment as a percentage of total revenue of all segments	38.90	40.77	16.03	4.30	100
3. Segment result (Profit/Loss)	17097	22753	609	80	40539

## AMD Metplast Limited

Particulars	Crown Caps Division	Pet Preform & Closure Division	Resale of Textiles	Resale of TFS Sheet	Total (Enterprise)
4. Combined result of all segments in profit/(Loss)					40539
5. Segment result as a percentage of profit in absolute amount	42	56.50	1.50	-	100
6. Segment Assets	210873	270472	0	-	481345
7. Segment assets as percentage of total assets of all segments	43.81	56.19	-	-	100
8. Segment Liabilities	51978	35469	337	10	87794
9. Segment Liabilities as percentage of total Liabilities of all segments	59.20	40.40	0.40	0.00	100

### FOR THE PERIOD ENDED OCTOBER 31ST, 2006

- 1) Contingent Liabilities not provided for on account of:

(Rupees in lakhs)

	31-10-06	2005-06
a) Bills Discounted	NIL	Nil
b) Bank Guarantees	22.14	222.14

- c) Suit for recovery of Rs. 32,000/- filed by the transporter M/s. Patel Roadways is pending for adjudication by the court. The company has also filed counter suit for recovery of damages for Rs. 2,36,000/- against the said transporter, which is also pending. The company is of the opinion that no liability is likely to be raised against the recovery suit of the transporter. Hence no accounting has been done with respect to the liability as well as possible recovery from the above suits.
- d) Sales Tax demands under Local and Central Acts raised by the UP Trade Tax Authorities for Rs.9,50,962/- and Rs. 31,18,746/- respectively for the years 1999-2000 to 31-10-2006 are pending for final decision as demands are contested by the company in the Appellate Authorities.
- e) The Sales Tax Authorities has raised a demand for the financial year 2002-2003 and for 2003-2004 of Rs. 95098/- & Rs.2,61,414/- respectively for non submission of export certificate and the assessee has filed an appeal with the Appellate Authorities for the same.
- f) The Entry Tax demand for the financial year 2001-2002 and 2002-2003 are Rs. 19,07,102/- and Rs. 14,55,731/- respectively has been raised by the UP Trade Tax Authorities against which company has filed appeals and the demand is yet to be adjudicated upon by the appellate authorities.
- g) The Entry Tax @5% has been levied by U P State Govt. on HSD and LDO w.e.f 21.01.04. Liability of these on account of this is estimated at to Rs.21,05,636/- till 31.10.2006 for which the management has reported that writ has been filed by All India Manufactures Association (AIMO) in the High Court. No provision has been made for this liability as management is of the opinion that A.I.M.O will get the verdict in its favor.
- h) The company has claimed exemption from the payment of Central Sales Tax for its Neemrana Division and this exemption is dependent on the condition that the company shall make the investment in plant and machinery in the above project up to a level of Rs. 30 crores by 31.12.2007 as per the Govt. of Rajasthan Notification No. F4(6)FD/TAX/2003-III-76, dated 05.08.2006.
- i) The central excise department has raised demand with interest and penalty aggregating Rs. 28,16,800/- against which the company has filed appeal. before appellate authorities The company hopes to get relief against the above demand and there for no provision for the above demand has been made in the profit & loss account and in the balance sheet attached
- j) Suit for recovery of Rs.2 Lacs has been filed by the company against Mr. P.K.Pandey for which no provision has been made.



## 2. Secured Loans

- (a) (i) Term loans from State Bank of Indore, Union Bank of India and State Bank of India are secured against First charge on fixed assets except against item No v below. and second charge on current assets pari-pasu and personal guarantee of directors.
- (ii) Term loans FCNRB from State Bank of India is secured against first charge on current assets and second charge on fixed assets on pari-pasu basis and personal guarantee of directors.
- (iii) Housing loan from Citi Bank is secured against the Booking of flats.
- (iv) Loan under Sale Tax Exemption Scheme from PICUP are secured against second charge on pari-pasu basis on the fixed assets..
- (v) Term Loan from GE Capital Services India Ltd. is secured by way of Hypothecation of CSD closures plant & PMC250 lining machine and personal guarantee of Managing Director.
- (vi) Loan from ABN Amro Bank is secured against personal guarantee of Managing Director.
- (b) Cash Credit from State Bank of India is secured against first charge on current assets and second charge on fixed assets on pari-pasu basis and personal guarantee of directors.

3. The outstanding balances as on 31st October 2006 in respect of Sundry Debtors, Creditors Loans & Advances and other receivable Deposits are subject to confirmation from the parties and reconciliation .

4. In the opinion of management the value of the Current Assets, Loans & Advances and other receivable shown in the balance sheet are not less than their realisable in the ordinary course of business.

5. The Managerial remuneration paid is Rs.42.55 lacs excluding monetary perquisite.

## 6. Auditors Remuneration

	31-10-06	2005-2006
Statutory Audit	28060.00	120000.00
Tax Audit Fee	0.00	50000.00
Taxation Matter	0.00	80000.00
Certification Fee	0.00	24516.00
	<b>28060.00</b>	<b>274516.00</b>

7. Sundry Creditors include due to small-scale industrial undertaking Rs.25.12 lacs (Previous year amount Rs. 30.42 lacs)

8. Provisions for doubtful debts amounting to Rs. 16.72 lacs (Previous year Rs. 19.77 lacs) for which no provision has been made. The company has filed suit for recovery against those and the management of the company is quite hopeful for the recovery of debts.

## 9. Preliminary Expenses

Preliminary expenditure is written off over a period of 5 years.

## 10. Prior Period Expenses / Income

Expenses and Income pertaining to the prior period below Rs.20000/- are treated as current year's expenses/ incomes

## AMD Metplast Limited

### 11. Related Party Disclosure

In compliance of mandatory accounting standard AS-18 prescribed by I.C.A.I., the transaction with the related parties entered into by the company are disclosed as under:-

(Amt. in Rs.)

Nature of Transactions	Holding/Subsidiary/ Fellow subsidiary Co.	Associates	Total	Key Management Personnel and their relatives
Interest on unsecured loan	NIL	Sh. Adit Gupta	282542	Director
Interest on unsecured loan	NIL	AMD Financial Services Ltd.	709903	Under the same management
Unsecured loan taken	NIL	Sh. H.S.Gupta	21500000	Chairman
Unsecured loan taken	NIL	Ashok Sons (HUF)	2500000	Managing Director's HUF
Unsecured loan taken	NIL	Smt. Asha Arora	1040000	Relative of Director
Unsecured loan taken	NIL	Vidhi Gupta	900000	Daughter of Director
Unsecured loan taken	NIL	Adit Gupta	13100000	Director
Unsecured loan taken	NIL	Ashok Gupta	23000000	Managing Director
Loan given	NIL	AMD Estates & Developers Pvt.Ltd.	88500000	Common Director
Loan Given	NIL	AMD Financial Services Ltd.	4100000	Under the same management
Remuneration to Director	NIL	Sh. Adit Gupta	1410000	Director
Remuneration to Director	NIL	Sh. H.S.Gupta	1465000	Chairman
Remuneration to Director	NIL	Sh. Ashok Gupta	1380000	Managing Director
Rent Paid	NIL	Shyam Industries	180000	Managing Director being proprietor
Rent Paid	NIL	Sh. Adit Gupta	1015000	Director
Rent Paid	NIL	Sh. H.S.Gupta	280000	Chairman
Rent Paid	NIL	Smt. Chitra Gupta	63000	Director
Sale of Company's Fixed Assets	NIL	Sh. Ashok Gupta	Sale Deed Registered on 14-09-06	Managing Director Agreement entered on 15-5-06 and sale deed executed on 14-09-06 for sale of company's property situated at 60/5, Ramjas Road, Karol Bagh, New Delhi for a consideration on Rs.13644000/-

### 12. Annual Capacities (As certified by the Management)

	31-10-06	2005-06
Installed Capacity	Single Shift 8 Hours	Single Shift 8 Hours
Crown Cork	308 Cases of 100 Gross	308 Cases of 100 Gross
Pet Preform	7 Ton Ressin Processed	7 Ton Ressin Processed
Closures	480000 No. of Caps	480000 No. of Caps



13. Details of Production, Turnover and Stock of Finished Goods

ITEM	Op. Stock Nos.	Production Nos.	Sales		Closing Stock	
			Nos	Rs. lakhs	Nos	Rs. Lakhs

Since the results are not for the full one complete year hence quantative information will be provided in the financial statement for the year 2006-07

(Rupees in Lakhs)

Sales	31-10-06		2005-06	
	Qty(Nos)(MT)	Value	Qty(Nos)(MT)	Value

Since the results are not for the full one complete year hence quantative information will be provided in the financial statement for the year 2006-07

14. Details of Raw Materials & Others Consumed:

**CONSUMPTION OF PRINCIPAL ITEM OF RAW MATERIAL**

(Amt In Lacs)

	Quantity	Amt	Quantity	Amt
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Since the results are not for the full one complete year hence quantative information will be provided in the financial statement for the year 2006-07

**STATEMENT OF CASH FLOWS**

The cash flows of the Company for the five financial years ended on March 31 of 2002 to 2006 and for the period ended October 31st, 2006 read with significant accounting policies, notes on accounts are set out below.

(Rs. in lakhs)

Particulars	For the year ended					
	For the Period 31-10-06	2006	2005	2004	2003	2002
<b>CASH FLOW FROM OPERATION ACTIVITIES</b>						
Net Profit before Tax	200.51	512.70	387.04	335.36	445.54	156.66
Depreciation	165.63	317.68	335.17	316.51	112.19	49.43
Dep. Written Back on Sale of Fixed Assets	(3.49)	(0.56)	-	-	-	-
Interest /Financial Expenses	245.71	428.63	443.79	434.83	253.53	115.35
Interest Income	(10.29)	(41.74)	(16.51)	(13.39)	(3.75)	(8.66)
Security Transaction Tax	0.01	0.48	0.28	-	-	-
Dividend Received	-	(1.48)	(0.22)	-	-	-
Profit on Sale of Fixed Assets	(125.45)	0.29	-	0.86	(0.35)	(0.32)
Profit on Sale of Investment	(2.26)	(29.12)	(0.07)	-	-	-
Provision for Gratuity	-	3.91	1.71	4.72	3.79	-
Miscellaneous Expenditure Written Off.	-	2.73	2.37	2.37	1.41	0.75
Provision for Deferred Tax	-	(63.28)	(236.67)	(128.12)	(95.48)	-
Provision for Taxation	(30.23)	(44.03)	(30.33)	(27.00)	(35.12)	(11.98)
Provision for Earlier Year Tax	-	-	(0.08)	(1.09)	(0.28)	-
Operating Profit before working capital Changes	440.14	1,086.21	886.48	925.05	681.48	301.13
Adjustment For Trade & Other Receivables	(209.51)	(31.78)	704.20	(666.53)	(913.44)	(197.13)
Inventories	563.69	219.92	(1,161.07)	(394.64)	(118.99)	(241.26)
Trade & Other Payables	96.42	(570.91)	326.32	374.97	53.85	414.06
Deferred Tax	-	63.28	236.67	128.12	95.48	-
Miscellaneous Expenditure	(9.36)	(1.78)	-	(4.82)	(3.25)	(3.77)
<b>Cash Generated From Operations</b>	<b>881.38</b>	<b>764.94</b>	<b>992.60</b>	<b>362.15</b>	<b>(204.87)</b>	<b>273.03</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Issue of Share Capital / Share Application Money	-	143.50	150.00	53.00	300.00	312.00
Share Premium	-	215.25	-	-	-	-
Net Secured Loan	(1314.88)	(271.66)	(105.32)	2,574.35	1,095.08	567.39
Net Unsecured Loan	595.91	(253.01)	(257.55)	64.87	104.48	13.11
Interest / Financial Charges	(245.71)	(428.63)	(443.79)	(434.83)	(253.53)	(115.35)
<b>Net Cash from (used for) Financing Activities</b>	<b>(964.68)</b>	<b>(594.55)</b>	<b>(656.66)</b>	<b>2,257.39</b>	<b>1,246.03</b>	<b>777.15</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Purchase for Fixed Assets	(264.37)	(164.37)	(277.25)	(2,680.34)	(894.24)	(1016.99)
Profit on Sale of Fixed Assets	125.45	(0.29)	-	-	-	-
Sale /Disposal of Fixed Assets	-	3.87	-	0.66	0.37	2.12
Investment in Shares	(31.18)	102.93	(114.86)	-	-	-
Interest Received	10.29	41.74	16.51	13.39	3.75	8.66
Dividend Received	-	1.48	0.22	-	-	-
Profit on Sale of Investment	2.26	29.12	0.07	-	-	-
Security Transaction Tax	(0.01)	(0.48)	(0.28)	-	-	-
<b>Net Cash form (used for) investing activities</b>	<b>(157.56)</b>	<b>14.00</b>	<b>(375.59)</b>	<b>(2,666.29)</b>	<b>(890.12)</b>	<b>(1006.21)</b>
<b>Total increase (decrease) in cash and cash requirements during the year (A+B+C)</b>	<b>(240.86)</b>	<b>184.39</b>	<b>(39.65)</b>	<b>(46.75)</b>	<b>151.05</b>	<b>43.97</b>
Cash & Cash Equilents at beginning of the year	308.16	123.75	163.41	210.17	59.12	15.15
<b>Cash &amp; Cash Equilents as at close of the year (i+ii)</b>	<b>67.30</b>	<b>308.14</b>	<b>123.76</b>	<b>163.42</b>	<b>210.17</b>	<b>59.12</b>





Annexure VI

**SUMMARY ACCOUNTING RATIOS**

(Amount in Rupees)

	2006	2005	2004	2003	2002
Basic Earning Per Share	45.05	15.86	32.37	56.85	29.30
Cash Earning Per Share	80.34	60.16	89.55	77.12	39.31
Return On Net Worth	0.13	0.05	0.09	0.17	0.12
Net Assets Value Per share	342.50	306.65	369.91	328.42	244.17
No. of Share	900000	756500	553500	553500	493500

**Note:** Since results are up to 31-10-06 hence accounting ratios not being given.

**The ratios have been computed as below:**

**Earnings per share**

Net Profit after adjustments attributable to equity shareholders divided by weighted average number of equity shares outstanding at the end of the period/year Cash earning per share represents Net Profit after adjustments plus non cash charges divided by the weighted average number of equity shares as at the end of the period/year

**Return on Net worth**

Net Profit after adjustments as restated divided by equity share holders' funds at the end of the period/year.

**Net Asset Value per share**

Net worth at the end of the period/year divided by the weighted average number of equity shares at the end of the period/year.

**PRINCIPAL TERMS OF SECURED LOANS**
**Rs. in lakhs**

S. No.	Name of the lender	Facility	Sanctioned Amount	Balance as on 31.10.06	Balance as on 31.3.06	Rate of Interest	Repayment Schedule	Repayment Clause
1.	Deferred sale tax PICUP	Under Defer Sale Tax Scheme	429.65	119.58	154.03	Nil	Repayable up to 31.05.2009	Yearly Installment
2.	Hindustan Coca-Cola Beverages Pvt Ltd	Advance	500.00	0.00	195.95	Nil	N.A.	N.A.
3.	Standard Chartered Bank	Demand Loan	1192.00	0.00	0.00	7.5	N.A.	N.A.
4.	State Bank of India (CC)	Cash Credit	865.11	528.19	714.05	10.75	Repayable on Demand	N.A.
5.	FCNRB From SBI	Demand Loan	534.89	534.89	534.89	3.5 over six month LIBOR with monthly Rest	Repayment in Lump sum up to Nov 2006	One Lump sum payment
6.	SBI	Term Loan	1280.00	463.00	613.50	10.75	Monthly installment	Monthly installment
7.	UBI	Term loan	600.00	315.00	388.63	11.00	Monthly installment	Monthly installment
8.	G.E. Capital	Term loan	800.00	556.52	678.26	8.58	Monthly installment	Monthly installment
9.	ABN Amro Bank	O.D.	650.00	233.53	628.75	8.5	N.A.	Payable on Demand Within 9 Months
10.	SBI	Term Loan	200.00	142.08	174.89	10.75	Payable up to 31.01.2010	Quarterly Installment
11.	Citi Bank (Housing Loan)	Term Loan	84.28	45.36	47.12	7.5	120 Monthly Installments	Monthly Installments
12.	Citi Bank (Court yard)	Term Loan	190.00	91.03	114.45	9.5	84 Monthly Installment	Monthly Installments
13.	State Bank of Indore	Term Loan	600.00	420.74	520.16	10.75	Payable up to 31.01.2010	Quarterly Installment

The details of the securities charged against the above loan are given in the notes on accounts in the relevant years & period.



# STATEMENT OF UNSECURED LOANS

Rs. in lakhs

<b>A</b>	<b>LOAN FROM DIRECTORS</b>	<b>As on October 31,2006</b>	<b>2006</b>
1.	Sh. Ashok Gupta	230.00	5.25
2.	Smt. Chitra Gupta	0.00	1.38
3.	Sh. H.S. Gupta	215.00	0.01
4.	Adit Gupta	131.00	3.93
	<b>TOTAL [A]</b>	<b>576.00</b>	<b>10.57</b>
<b>B</b>	<b>LOAN FROM OTHERS</b>		
1.	Sharp Commercial Enterprises Ltd.	0.00	0.38
2.	Vidhi Gupta	9.00	0.47
3.	Ashok Sons HUF	25.00	2.43
4.	Asha Arora	10.40	10.62
5.	AMD Financial Services Ltd	0.00	0.02
	<b>TOTAL [B]</b>	<b>44.40</b>	<b>13.92</b>
	<b>TOTAL [A+B]</b>	<b>620.40</b>	<b>24.49</b>

**STATEMENT OF AGE WISE ANALYSIS OF RECEIVABLES**
**(Rs. lakhs)**

Particulars	Year ended					
	31-10-06	2006	2005	2004	2003	2002
<b>Sundry Debtors</b> (Unsecured)						
a) Outstanding for more than six months (Considered good)						
from related parties	0.00	0.00	0.00	0.00	0.00	0.00
from Others	140.28	129.93	220.99	60.08	563.08	419.21
Considered Doubtful	16.72	19.77	20.07	15.17	19.53	8.01
<b>Sub Total</b>	<b>157.00</b>	<b>149.70</b>	<b>241.06</b>	<b>75.25</b>	<b>582.61</b>	<b>427.22</b>
b) <b>Other Debts - Considered good</b>	<b>559.65</b>	<b>1344.60</b>	<b>1403.26</b>	<b>1991.66</b>	<b>915.56</b>	<b>598.24</b>
<b>TOTAL</b>	<b>716.65</b>	<b>1494.30</b>	<b>1644.32</b>	<b>2066.91</b>	<b>1498.17</b>	<b>1025.46</b>

**Top ten customers as on October 31st, 2006.**

Name of the customer	Rs. in lakhs
Hindustan Coca-Coal Beverages Pvt Ltd	2412.09
Kandhari Beverages Ltd	180.56
Amrit Bottlers Pvt Ltd	109.75
Brindavan Agro Industries Ltd	105.76
Varun Beverages Ltd.	85.18
Amritsar Crown Caps	76.07
Moon Beverages Ltd.	66.13
SMV Beverages Pvt. Ltd.	64.39
Enrich Agro Food Products	60.52
Bottler Nepal Limited	48.96

**None of the above customers is related to the directors or promoters of the company.**



# Annexure IX

## STATEMENT OF LOANS AND ADVANCES

(Amount in Rs.)

(Considered Good) (Recoverable in cash or in kind for value to be received)	Year ended					
	As on 31-10-2006	2006	2005	2004	2003	2002
1 Securities	4427923.00	4,470,423.00	3,219,150.00	794,054.04	1,164,610.00	1,092,860.00
2 Employees	524814.00	658,274.20	637,432.44	3,951,484.00	820,053.44	617,039.09
3 Income Tax Refundable	600033.00	600,033.00	600,033.00	614,381.00	600,027.00	738,725.00
4 Advances Income Tax	3369714.38	-	1,568,250.00	2,150,000.00	3,150,000.00	816,000.00
5 Income Tax	1099194.00					
6 TDS	627688.00	435,103.38	1,449,399.38	162,788.00	73,387.00	35,004.63
7 SAD	1310435.00					
8 TDS 2006-07	0.00	2,930,945.00				
9 Others	0.00	-	8,296,328.83	22,455,970.00	4,213,463.00	930,821.96
10 Cenvat Receivable	0.00	9,397,227.62	30,364,854.83	44,504,723.38	22,771,626.67	18,114,131.80
11 Duty under Protest	0.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
12 Entry Tax under Protest	0.00				791,086.00	
13 Advance Against Machinery	0.00				32,833,036.00	
14 Excise Duty In PLA	287354.65	45,552.90	101,986.90	623,765.40		
15 Cess recoverable ( Cenvat & PLA)	0.00	200,149.73	269,312.05			
16 D.E.P.B Receivable	507878.83	875,574.83	210,953.00	862,135.00		
17 Sales Tax Under Protest	76652.00	76,652.00	76,652.00	76,652.00		
18 Insurance Claim Receivable	136945.00	495,890.00	582,360.00			
19 Service Tax & Cess Recoverable	844653.00	441,010.45	654,222.37			
20 Rajasthan Sales Tax Recoverable	0.00	-	4,636.33			
21 Advances to Suppliers	25164606.18	11,812,485.04				
22 Custom Duty	730169.00	295,236.00				
23 DLF Universal Ltd. Courtyard	20547030.00	8,520,905.00				
24 DLF Universal Ltd.	8566189.00	8,566,189.00				
25 Prepaid Insurance	901544.00	1,217,191.00				
26 Advance Against Land	0.00	5,000,000.00				
27 Interest Receivable	0.00	78,839.38				
28 C.S.T Refundable (Export)	93884.00	28,530.00				
29 Prepaid Bank Gurantee Charges	508325.00	56,690.00				
30 Prepaid Service Contract	0.00	12,322.00				
31 AMD Financial Services Ltd.	4100000.00					
32 AMD Estates & Developers Pvt. Ltd.	88500000.00					
33 Maheshwari Tech. & Financial Services Ltd.	3314.00					
34 Prepaid Expenses (Bill Discounting)	2102655.00					
Total	165031001.04	66,315,223.53	48,135,571.13	76,295,952.82	66,517,289.11	22,444,582.48

None of the above is related to the directors or promoters of the Company except item no. 31 & 32.

**STATEMENT OF CAPITALISATION**
**Rs. in lakhs**

<b>Particulars</b>	<b>Adjusted for Issue 2006</b>	<b>Pre Issue 31-10-2006</b>
<b>Borrowing</b>		
Short Term Debt		1296.60
Long Term Debt (A)		2153.32
<b>Total Debts</b>		<b>3449.92</b>
<b>Equity (Share Holders' Funds)</b>		
Equity Share Capital		900.00
Share Application money		
Share Premium		635.25
Reserves and Surplus (excluding share premium)		1723.92
<b>Total Equity (B)</b>		<b>3259.17</b>
<b>Long term Debt / Equity Share Holders' Funds ((A) / (B))</b>		<b>1.05</b>

**Notes:**

- 1) Long term debt is debt with a tenure of more than one year.
- 2) Share Capital and Reserves and Surplus after the issue can be calculated only on the conclusion of the issue process



## Annexure XI

### STATEMENT OF TAX SHELTER

Rs. in lakhs

Particulars	Year ended				
	2006	2005	2004	2003	2002
<b>Profit before tax as per books of accounts</b>	<b>512.70</b>	<b>387.04</b>	<b>335.36</b>	<b>445.53</b>	<b>156.56</b>
Normal tax rates	33.66%	36.5925%	35.875%	36.75%	35.70%
Minimum alternative tax rates	8.415%	7.84125%	7.6875%	7.875%	7.65%
<b>Notional tax at normal rates (A)</b>	<b>172.57</b>	<b>141.63</b>	<b>120.31</b>	<b>163.73</b>	<b>55.89</b>
<b>Permanent Differences</b>					
Other adjustments - Disallowances	21.75	14.40	9.33	5.44	5.01
<b>Total (B)</b>	<b>21.75</b>	<b>14.40</b>	<b>9.33</b>	<b>5.44</b>	<b>5.01</b>
<b>Timing Differences</b>					
Difference between tax depreciation and book depreciation	-121.12	-401.48	-628.44	-308.61	-188.35
Other adjustments	-37.85	-0.03	-0.03	0.00	0.00
<b>Total (C)</b>	<b>-158.97</b>	<b>-401.51</b>	<b>-628.47</b>	<b>-308.61</b>	<b>-188.35</b>
<b>Net Adjustments (B+C)</b>	<b>-137.22</b>	<b>-387.11</b>	<b>-619.14</b>	<b>-303.17</b>	<b>-183.34</b>
<b>Tax expense / (savings) thereon (D)</b>	<b>-46.19</b>	<b>-141.65</b>	<b>-222.17</b>	<b>-111.41</b>	<b>-65.45</b>
<b>Total taxation (E=A+D)</b>	<b>126.38</b>	<b>-0.02</b>	<b>-101.86</b>	<b>52.32</b>	<b>-9.56</b>
Brought forward losses set off (Depreciation)	375.48	0.00	0.00	46.75	0.00
Tax effect on the above (F)	-42.53	0.00	0.00	-17.18	0.00
<b>Net tax for the year / period (E+F)</b>	<b>83.85</b>	<b>-0.02</b>	<b>-101.86</b>	<b>35.14</b>	<b>-9.56</b>
<b>Tax payable as per MAT</b>	<b>43.01</b>	<b>30.33</b>	<b>25.78</b>	<b>35.13</b>	<b>11.98</b>
<b>Tax expense recognised</b>	<b>44.03</b>	<b>30.33</b>	<b>27.00</b>	<b>35.12</b>	<b>11.98</b>
<b>Tax as per return of income</b>	<b>43.01</b>	<b>30.33</b>	<b>25.78</b>	<b>35.13</b>	<b>11.98</b>

The statement of tax shelter has been prepared based on returns of income filed by the Company with the Income tax authorities, except for the year ended March 31, 2006 and not based on restated profits as per Annexure I. The effect of assessment/appellate orders have not been considered for the above statement.

## Annexure XII

### RELATED PARTY DISCLOSURES

The list of the related parties and relationship and nature of transactions detailed in the notes on accounts in Annexure IV

## Annexure XIII

### DETAILS OF CONTINGENT LIABILITIES

The Details of contingent liabilities in respective years are stated in the notes on accounts in Annexure IV

## Annexure XIV

### STATEMENT SHOWING RATES AND AMOUNT OF DIVIDEND

No dividend has been declared in past five years.

**STATEMENT OF OTHER INCOME FOR THE FOLLOWING YEARS/PERIOD**
**Rs. in lakhs**

Particulars	Period ended	Year ended					Nature of Income	Related or not related to business
	31-10-06	2006	2005	2004	2003	2002		
<b>SOURCES OF INCOME</b>								
Dividend	0.00	1.48	0.22	0.00	0.00	0.00	Non- Recurring	Related
Interest	10.29	41.74	16.51	13.39	3.75	8.66	Recurring	Related
Profit on sale of assets	125.45	0.00	0.00	0.00	0.36	0.33	Non-Recurring	Non related
Profit on sale of Investment	2.26	29.12	0.07	0.00	0.00	0.00	Recurring	Non related
Foreign exchange gain	0.00	2.04	0.00	13.07	8.67	0.00	Non- Recurring	Related
Miscellaneous income	0.19	4.26	0.80	10.16	0.07	8.48	Non- Recurring	Related
<b>TOTAL</b>	<b>138.19</b>	<b>78.64</b>	<b>17.60</b>	<b>36.62</b>	<b>12.85</b>	<b>17.47</b>		

The classification of income into recurring and non-recurring is based on the current operations and business activity of the Company

**DETAILS OF RESERVES AND SURPLUS**
**Rs. in lakhs**

Particulars	As on October 31, 2006	Year ended				
		2006	2005	2004	2003	2002
1) Capital Reserve	0.00	0.00	0.00	0.00	0.00	0.00
2) Securities Premium	635.25	635.25	420.00	420.00	420.00	180.00
3) General Reserve	108.27	108.26	108.26	96.27	78.35	46.89
4) Capital Redemption Reserve	0.00	0.00	0.00	0.00	0.00	0.00
5) Profit and Loss Account	1615.65	1445.38	1039.99	932.03	770.79	487.59
<b>TOTAL</b>	<b>2359.17</b>	<b>2188.89</b>	<b>1568.25</b>	<b>1448.30</b>	<b>1269.14</b>	<b>714.48</b>





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## FINANCIAL INFORMATION

The Board of Directors  
AMD Metplast Ltd.,  
New Delhi.

Dear Sirs,

We have examined the financial information of AMD Metplast Ltd., as attached to this report and initialed by us for identification together with its subsidiary AMD Estates & Developers Pvt. Ltd which became subsidiary on 04.07.06. Statement for the period ended Oct,31 2006 are consolidated merged with its subsidiary financial statements subsequent to 04-07-06.

The said financial information has been prepared in accordance with the requirements of paragraph B(1) of Part II of Schedule II to the Companies Act, 1956 (the 'Act') and the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 (as amended vide Circular no.17 dated November 11, 2005) (the "guidelines") issued by the Securities and Exchange Board of India ("SEBI") on January 19, 2000 in pursuance to section 11 of the Securities and Exchange Board of India Act, 1992, and related clarifications; and in accordance with instructions dated December 1, 2005, and the company requesting us to carry out work in connection with the Offer Document being issued by the company in connection with its public issue of Equity shares (referred to as "the issue"). The financial information has been prepared by the Company and approved by the Board of Directors of the Company.

### A. Financial information as per audited financial statements

We have examined:

- a) the attached "Summary Statement of Profits and Losses, as restated" of the Company for the financial period ended October 31st 2006 and years ended on March 31 of 2006, 2005, 2004, 2003 and 2002 enclosed in Annexure I; and
- b) the attached "Summary Statement of Assets and liabilities, as restated" as at the said dates enclosed as Annexure II to this report, together referred to as 'Summary Statements'.

The Summary Statements have been extracted from the financial statements of the respective periods/years audited by us and adopted by the Board of Directors/ Members for the respective years.

Based on our examination of these summary statements, we state that:

\* The restated profits have been arrived at after making such adjustments and regrouping, which in our opinion are appropriate in the period/years to which they relate, as shown in Annexure III to this report.

\* The summary statements of the Company have been restated with retrospective effect to reflect the significant accounting policies being adopted by the company as at October 31st 2006 as given in the Annexure IV to this report.

\* There were no extra-ordinary items that need to be disclosed separately in the summary statements.

### B. Other Financial Information

We have examined the following financial information relating to the Company proposed to be included in the Offer Document, as approved by the Board of Directors and annexed to this report:

- a) Statement of Cash Flows in respect of period ended October 31st, 2006 and years ended on March 31 of 2006, 2005, 2004, 2003 and 2002 as given in Annexure V to this report.
- b) Summary of accounting ratios based on adjusted profits relating to earnings per share, net asset value and return on net worth as given in Annexure VI to this report.
- c) Details of Secured Loans and Unsecured Loans as at October 31st, 2006 & March 31, 2006 as given in Annexure VII to this report.
- d) Statement of Age-wise analysis of Receivables as at October 31st, 2006 & March 31, 2006 given in Annexure VIII to this report.

## AMD Metplast Limited

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- e) Details of Loans and Advances as at October 31st, 2006 & March 31, 2006 as given in Annexure IX to this report.
- f) Capitalisation statement of the Company as at October 31st, 2006 & March 31, 2006 as given in Annexure X to this report.
- g) Statement of tax shelter as given in Annexure XI to this report.
- h) Details of related party transactions given in Annexure XII to this report.
- i) Details of contingent liabilities as given in Annexure XIII to this report.
- j) Statement of Other Income given in Annexure XV to this report.
- k) Statement of details of Reserves and Surplus given in Annexure XVI to this report.

In our opinion the financial information of the Company, attached to this report as mentioned in Paragraphs A and B above, read with respective significant accounting policies and notes as given in Annexure IV to this report, and after making adjustments rounding off figures in lacs and regrouping as considered appropriate, has been prepared in accordance with Part II of Schedule II of the Act and the Guidelines issued by SEBI.

Subsequent to provision of Taxes this report supersedes our earlier report dated 27.11.2006 issued to the Board of Directors of AMD Metplast Limited.

This report is intended solely for your information and for inclusion in the Offering Memorandum in connection with proposed Public issue of the company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **Suresh & Associates**  
Chartered Accountants

**Narendra Arora**  
Partner  
Membership No. 88256

Place : Delhi  
Date : 23.01.2007

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The Board of Directors,  
AMD Metplast Ltd,  
New Delhi.

Dear Sirs,

In continuation of our Report dated 23.01.2007 submitted, we hereby add the following in the sub-paragraph a of A. Financial Information as per Audited Financial Statements.

"The Summary Statements have been extracted from the Financial Statements of the Years ended on 31st March, 2006, 2005, 2004, 2003 and 2002 have been audited and examined by us and adopted by the Board of Directors and Members for the respective years and in case of Financial Statements for the period ended 31st October, 2006 which have been audited, examined and found correct by us and approved by the Board of Directors of the Company".

This Statement is part of our Report dated 23.01.2007 submitted to the Board of Directors.

For **Suresh & Associates**  
Chartered Accountants

**Narendra Arora**  
Partner  
Membership No. 88256

Place : Delhi  
Date : 24.01.2007



Annexure I

**SUMMARY STATEMENT OF PROFIT AND LOSSES, AS RESTATED**

The Profit and Loss Statements of the Company for five financial years ended March 31 of 2002 to 2006 & consolidated with its subsidiary AMD Estates & Developers Pvt. Ltd. for the period ended October 31st, 2006 read with significant accounting policies, notes on accounts and the notes to adjusted accounts are set out below.

(Rs. lakhs)

Particulars	Period ended Consolidated 31-10-06	Year ended March 31st				
		2006	2005	2004	2003	2002
<b>Income</b>						
Sales (Net of Excise duty )	3440.79	6581.13	6412.69	6216.68	4603.39	2278.59
Other Income	373.34	520.06	322.41	110.74	12.85	17.47
Increase / (decrease) in inventories	(2.75)	33.59	192.44	67.25	71.33	5.58
<b>Total Income</b>	<b>3811.38</b>	<b>7134.78</b>	<b>6927.54</b>	<b>6394.67</b>	<b>4687.57</b>	<b>2301.64</b>
<b>Expenditure</b>						
Materials consumed	1861.14	3245.47	4079.35	3847.24	2636.29	1215.36
Cost of Goods Sold	517.72	1420.22	0.00	37.57	21.23	79.08
Staff Costs	60.33	110.97	95.42	94.25	58.45	38.20
Other manufacturing expenses	388.45	544.37	629.04	510.67	326.46	131.95
Administrative, selling and distribution expenses	369.92	545.47	955.08	815.87	832.47	514.95
Financial Expenses	245.71	429.11	444.07	434.83	253.53	115.35
Depreciation	165.63	317.68	335.17	316.51	112.20	49.43
Miscellaneous expenditure written off	-	2.73	2.37	2.37	1.40	0.76
<b>Total Expenditure</b>	<b>3608.90</b>	<b>6616.02</b>	<b>6540.50</b>	<b>6059.31</b>	<b>4242.03</b>	<b>2145.08</b>
Net Profit before tax	202.48	518.76	387.04	335.36	445.54	156.56
Tax expense - Current tax	30.23*	44.03	30.33	27.00	35.12	11.98
Tax expense - Deferred tax	0.00	63.28	236.67	128.12	94.45	0.00
Fringe Benefit Tax	2.47	6.06	0.00	0.00	0.00	0.00
Excess/(Short) Provision for tax	0.00	0.00	0.80	1.09	-0.28	0.00
Net Profit after tax (A)	169.78*	405.39	119.96	179.15	314.66	144.58
Impact of material adjustments for restatement in corresponding years (net of tax) (B)	0.00	0.00	0.00	0.00	0.00	0.00
<b>Net Profit after adjustments (A) + (B)</b>	<b>169.78*</b>	<b>405.39</b>	<b>119.96</b>	<b>179.15</b>	<b>314.66</b>	<b>144.58</b>

The accompanying statement of adjustments to Audited Profit and Loss Account (Annexure III) and Significant Accounting Policies and Notes on Accounts (Annexure IV) are an integral part of this statement.

**Note :** \* Provision for deferred tax liability has not been made it shall be worked out at the end of the year.

**SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED**

Assets and Liabilities of the Company at the end of each financial year regrouped wherever necessary & consolidated with its subsidiary AMD Estates & Developers Pvt. Ltd. as at 31-10-06 read with significant accounting policies, notes on accounts and the notes to adjusted accounts are set out below.

(Rs. in lakhs)

Particulars	Consolidated As at 31-10-06	As at March 31st				
		2006	2005	2004	2003	2002
<b>A. Fixed Assets</b>						
Gross block	6150.06	5904.28	5800.23	5523.95	2555.06	2084.10
Less: Depreciation	1442.41	1280.27	963.15	627.98	312.42	200.41
Net Block	4707.65	4624.01	4837.08	4895.97	2242.64	1883.69
Capital Work-in-Progress	208.04	189.45	133.00	132.03	423.07	0.00
<b>TOTAL</b>	<b>4915.69</b>	<b>4813.46</b>	<b>4970.08</b>	<b>5028.00</b>	<b>2665.71</b>	<b>1883.69</b>
<b>B. Investments</b>	<b>43.11</b>	<b>11.93</b>	<b>114.86</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>C. Current assets, loans and advances</b>						
Inventories	2113.45	1984.67	2204.59	1043.52	648.87	529.88
Receivables	716.65	1494.29	1644.32	2066.91	1498.17	1025.46
Cash and bank balances	74.61	308.16	123.76	163.41	210.17	59.11
Loans and advances	952.06	663.15	481.36	762.96	605.17	224.45
<b>TOTAL</b>	<b>3856.77</b>	<b>4450.27</b>	<b>4454.02</b>	<b>4036.81</b>	<b>3022.38</b>	<b>1838.90</b>
<b>D. Total assets (A + B + C)</b>	<b>8815.59</b>	<b>9275.66</b>	<b>9538.96</b>	<b>9064.81</b>	<b>5688.09</b>	<b>3722.59</b>
<b>E. Liabilities and provisions</b>						
<b>Loan funds</b>						
Secured loans	3449.92	4764.79	5036.46	5141.78	2567.43	1472.35
Unsecured loans	620.40	24.49	277.50	535.05	470.18	365.70
<b>TOTAL</b>	<b>4070.32</b>	<b>4789.28</b>	<b>5313.96</b>	<b>5676.83</b>	<b>3037.61</b>	<b>1838.05</b>
<b>F. Deferred Tax Liability</b>	<b>523.55*</b>	<b>523.55</b>	<b>460.27</b>	<b>223.59</b>	<b>95.48</b>	<b>0.00</b>
<b>G. Current liabilities and provisions</b>						
Current liabilities	818.42	758.74	1202.83	957.56	637.16	620.37
Provisions	156.22	119.20	242.11	159.35	100.06	59.20
<b>TOTAL</b>	<b>974.64</b>	<b>877.94</b>	<b>1444.94</b>	<b>1116.91</b>	<b>737.22</b>	<b>679.57</b>
<b>H. Total Liabilities and provisions (E + F + G)</b>	<b>5568.51</b>	<b>6190.77</b>	<b>7219.16</b>	<b>7017.33</b>	<b>3870.31</b>	<b>2517.62</b>
<b>I. Net worth (D - H)</b>	<b>3247.08</b>	<b>3084.89</b>	<b>2319.80</b>	<b>2047.48</b>	<b>1817.78</b>	<b>1204.97</b>
<b>Represented by Shareholders funds</b>						
Share capital	902.00	900.00	756.50	553.50	553.50	493.50
Share Application Money			0.00	53.00	0.00	0.00
Reserves and surplus	2358.66	2188.89	1568.25	1448.30	1269.14	714.48
<b>TOTAL</b>	<b>3260.66</b>	<b>3088.89</b>	<b>2324.75</b>	<b>2054.80</b>	<b>1822.64</b>	<b>1207.98</b>
<b>Less Miscellaneous Expenditure</b>	<b>13.58</b>	<b>4.00</b>	<b>4.95</b>	<b>7.32</b>	<b>4.876</b>	<b>3.01</b>
<b>TOTAL</b>	<b>3247.08</b>	<b>3084.89</b>	<b>2319.80</b>	<b>2047.48</b>	<b>1817.78</b>	<b>1204.97</b>

The accompanying Statement of Adjustments to Audited Profit and Loss Account (Annexure III) and Significant Accounting Policies and Notes on Accounts (Annexure IV) are an integral part of this statement

**Note:** \* Provision for deferred tax liability has not been made it shall be worked out at the end of the year.



Annexure III

**NOTES TO ADJUSTED ACCOUNTS**  
**STATEMENT OF ADJUSTMENTS TO AUDITED PROFIT AND LOSS ACCOUNTS**

(Rs. in lakhs)

Particulars	Consolidated Period ended 31-10-06	Year ended March 31st				
		2006	2005	2004	2003	2002
<b>Profit for the year / period</b>	<b>169.78*</b>	<b>405.39</b>	<b>120.04</b>	<b>180.24</b>	<b>314.94</b>	<b>144.58</b>
<b>Add / (Less) adjustment for</b>						
a) Provision for tax of earlier years						
b) Excess/(short) provision for income tax -	0.00	0.00	0.00	-0.08	-1.09	-0.28
c) Provision for doubtful debts	0.00	0.00	0.00	0.00	0.00	0.00
d) Provision for doubtful claims	0.00	0.00	0.00	0.00	0.00	0.00
e) Write offs	0.00	0.00	0.00	0.00	0.00	0.00
f) Expenses relating to earlier years -	0.00	0.00	2.25	-1.63	0.09	-0.45
g) Interest and damages on delayed remittance of provident fund dues -	0.00	0.00	0.14	0.00	0.00	0.00
h) Changes in Accounting						
Policies relating to						
Loose tools written off	0.00	0.00	0.00	0.00	0.00	0.00
Deferred Tax	0.00	0.00	0.00	0.00	0.00	0.00
Deferred revenue expenditure	0.00	0.00	0.00	0.00	0.00	0.00
Total Adjustments	0.00	0.00	2.39	-1.71	-1.00	-0.73
Of the above						
Adjustments to Profit before tax	0.00	0.00	2.39	-1.71	-1.00	-0.73
Effect of above on current tax	0.00	0.00	0.87	-0.61	-0.37	-0.26
Effect of above on deferred tax	0.00	0.00	0.00	0.00	0.00	0.00
Adjustments to Current tax expense	0.00	0.00	0.87	-0.61	-0.37	-0.26
Adjustments to Deferred tax expense	0.00	0.00	0.00	0.00	0.00	0.00
Total Adjustments (net of tax)	0.00	0.00	1.52	-1.10	-0.63	-0.47
Adjusted Profit after tax	169.78*	405.39	121.48	178.05	314.03	144.11

Note : \* Provision for deferred tax liability has not been made it shall be worked out at the end of the year.

## AMD Metplast Limited

### STATEMENT OF ADJUSTMENTS TO AUDITED ASSETS AND LIABILITIES

Rs. in lakhs

Particulars	Year ended					
	31-10-06	2006	2005	2004	2003	2002
1) Share Capital	Since there is no adjustment Please see Annexure II as above					
2) Reserves and Surplus						
3) Current Liabilities						
4) Provisions						
5) Deferred tax liability						
6) Fixed Assets - Gross Block -						
7) Fixed Assets - Depreciation -						
8) Capital Work-in-Progress						
9) Miscellaneous Expenditure						
10) Receivables						
11) Loans and Advances						

#### Treatment of various items adjusted in the re-stated accounts

##### 1) Provision for tax of earlier years and Excess/(short) provision for income tax

Excess or short provision of taxes relating to earlier years have been adjusted to the year to which they relate.

##### 2) Expenses relating to earlier years

These represent adjustments in respect of prior period items being material charges or credits which arise in a particular period as a result of errors or omission in the preparation of financial statements of one or more prior periods and/or material adjustments. These have been adjusted to the year to which they pertain.

##### 3) Exceptional and non-recurring items (Amount Rs in Lacs)

a) The Company has derived profit/(Loss) on sale of fixed assets as given below.

Financial Year	Profit/(Loss)
2001-02	(1.12)
2002-03	0.35
2003-04	(0.86)
2005-06	(0.29)
Period 31.10.06	125.45

b) The Company has derived profit/(Loss) on sale of Investments in shares as given below.

Financial Year	Profit/(Loss)
2004-05	0.07
2005-06	29.12
Period 31.10.06	2.26

c) Charge to Profit and Loss Account on account of amortisation of Preliminary Expenditure/Expenditure of Capital nature as given below:-

Financial Year	Profit/(Loss)
2001-02	0.75
2002-03	1.40
2003-04	2.37
2004-05	2.37
2005-06	2.73

**SIGNIFICANT ACCOUNTING POLICIES****1) Basis of Accounting**

The financial statements of the Company are prepared under the historical cost convention on an accrual basis and in accordance with the generally accepted accounting principles and Accounting Standards issued by the Institute of Chartered Accountants of India.

**2) Fixed Assets and Depreciation**

- (a) Fixed assets are stated at the values at which they are acquired, less accumulated depreciation. The value at which fixed assets are acquired includes all related expenses up to the date of putting them to use.
- (b) CENVAT Credit availed on acquisition of fixed assets is reduced from the cost of the concerned assets.
- (c) The Depreciation on Plant & Machinery including moulds installed in Unit No-I,II and Pet Division has been provided on 'Multiple Shift Basis'. The Depreciation on the other assets has been provided on 'Continuous Basis' at the rates prescribed in Schedule XIV of the Companies Act, 1956.

**3) Inventories**

The inventories has been valued on exclusive method as per Accounting Standard prescribed by ICAI. (AS-2) in the manner given below:-

- i) **Raw Material** : At cost or net realisable value whichever is lower (Rejected raw material at cost Less claim received thereon)
- ii) **Finished Goods** : At cost or net realisable value whichever is lower. For arriving at the cost for this purpose the cost includes material cost and manufacturing expenses.
- iii) **Semi Finished Goods** : At apportioned manufacturing expenses
- iv) **Job work in Process** : At apportioned manufacturing expenses .
- v) **Scrap** : At estimated realisable value.

**4) Interest On Outstanding Trade Debtors**

Income of interest on outstanding trade debtors is treated as income at the time of its recovery.

**5) Retirement Benefits**

- i) The provision for the gratuity has been made on the basis of provisions of Payment of Gratuity Act, 1972.
- ii) Leave encashment to employees are accounted for on cash basis.

**6) Sales**

- i) Sales have been accounted for by excluding sales tax/Vat and excise duty separately charged in the sale invoices.
- ii) Sales made to Nepal and Bhutan has been treated as local sale because there is no inflow of Foreign Exchange

**7) Foreign Currency Transactions**

The transactions in foreign currencies are recorded in the books of account at the rate of exchange prevalent on the date of transactions or the nearest date thereof.

**8) Accounting For Taxation On Income**

As per the mandatory Accounting Standard on "Accounting for Taxes on Income" issued by the ICAI(AS-22), the cumulative deferred tax liability (Net) in respect of timing differences.

**9) Cash Flow Statement**

The company has prepared the Cash Flow Statement using the Indirect Method in compliance of Accounting Standard issued by I.C.A.I(AS-3) as part of the Notes on Accounts. for all the financial years starting from 2001-02 to 2005-06 and for the period ended 31-10-2006.

## AMD Metplast Limited

### 10) Segmental Reporting

The company is principally engaged in the business of packaging products for cold drinks industry and resale of textile. The relevant information about these segments are given as part of Notes on Accounts. for financial year 2005-06.

### 11) Impairment Of Assets

The Net Realizable Amount (NRA) of the fixed assets of the company as on 31st March 2006 are more than the Actual Carrying Cost shown in the balance sheet hence no impairment loss is recognized and charged to the profit and loss account.

## B) NOTES ON ACCOUNTS

### FINANCIAL YEAR 2001-02

- Contingent Liabilities not provided for on account of:

(Rupees in lakhs)

	2001-02	2000-01
a) Bill Discounted	18.90	88.82
b) Against Demand raised by the Central Excise Deptt which has been disputed by the company against which Rs1 lacs has been deposited under protest and the same is shown in loans and advances Rs 269275.		
c) Recovery suit against the company by M/s Patel Roadways against whom company has also filed for recovery of damages of the goods and transits for a sum of Rs 236000/-Claim of the above transporter is Rs. 32000/-		
d) The sale tax exemption in respect of one of the unit of the company is in process and directors feel that the same is likely to be granted by the authorities concerned and the sale tax exemption involves sale tax of Rs 101.65 lacs.		

- Secured Loans

- Term loans from PICUP is secured against factory Premises and Plant & Machinery (under first charge at C-4 site -III Merrut Road Industrial area Ghaziabad), Loan under Sale Tax Exemption Scheme from PICUP is secured against immovable property-145 Mohan Nagar AIE, Ghazibad (under second charge).Term Loan from Dena Bank is secured against all the assets of the Company. except the above. All the above loans are also backed by personal guarantees of directors. Further loan from Citi Bank is secured by hypothecation of motor car owned by the Company.
- Cash Credit from Dena Bank is secured by Hypothecation of all the movable and immovable, properties of the Company except c-4 site III Merrut Road industrial area Ghaziabad and also by the personal guarantees of directors.

- The outstanding balances as on 31st March 2002 in respect of Sundry Debtors, Creditors Loans & Advances and other receivable Deposits are subject to confirmation from the parties and reconciliation of necessary.

- In the opinion of management the value of the Current Assets, Loans & Advances and other receivable shown in the balance sheet is not less than their realisable in the ordinary course of business.

Auditors Remuneration	2001-2002	2000-2001
Statutory Audit	30000.00	30000.00
Tax Audit Fee	15000.00	15000.00
Taxation Matter	20000.00	20000.00
Certification Fee	11510.00	0.00
	76570.00	65000.00





- 6) Sundry Creditors include due to small scale industrial undertaking Rs. 38.59 lacs (Previous year amount Rs. 6.38 lacs)
- 7) No provisions for doubtful debts amounting to Rs. 8.01 lacs (Previous year Rs. 3.44 lacs) has been made for which the company has filed suit for recovery and management of the company is quite hopeful for the recovery of debts.
- 8) Preliminary Expenses  
Preliminary expenditure is written off over a period of 5 years.
- 9) The Directors remuneration paid is Rs 26.80 lacs (Previous Year Rs 15.78 lacs)
- 10) Annual Capacities (As certified by the Management)

	2001-02	2000-01
Installed Capacity	Single Shift 8 Hours	Single Shift 8 Hours
Crown Corks	160 Cases of 100 Gross	160 Cases of 100 Gross
Pet Preforms	4 Ton Ressin Processed	-

11) Details of Production, Turnover and Stock of Finished Goods

ITEM	Op. Stock Nos	Production Nos	Sales		Closing Stock	
			Nos	Rs. lakhs	Nos	Rs. Lakhs
Crown Cork	180979	6849190	6875937	218.68	154232	31.13
Pet Preform	0	36120	36000	1.14	120	0.00

(Rupees in Lakhs)

Sales	2001-02		2000-01	
	Qty(Nos)	Value	Qty(Nos)	Value
Crown Caps	6875937	2186.82	5441757	1698.59
PP Caps	16933860	90.36	13079885	66.53
Pet Preform	36000	1.41	0	0.00

12) Details of Raw Materials & Others Consumed:

(Rs. in lakhs)

	2001-02	2000-01
Raw Material	1215.35	969.49
Stores & Components	7.50	3.53

13). Value of Imported & Indigenous Raw Material consumed and their percentage of Consumption.

(Amt In Lacs)

CONSUMPTION OF PRINCIPAL ITEM OF RAW MATERIAL		2001-02		2000-01	
		Quantity	Amt	Quantity	Amt
A	TFS Sheets (in Kg.) Imported 26.67% and Indigenous 73.35 % (previous year Imported 5.20% Indigenous 94.80 %)	2519385	862.48	2000129	70.08
B	PVC Compound (in Kg.) Imported Nil Indigenous 100% (Previous Year Imported 27.51% Indigenous 72.49 %)	243647	174.04	218199	133.04
C	Printing Material (in Kg./Ltr.)	58576.10	148.90	41740088	112.44
D	Resin (in Tons) Imported - Nil Indigenous 100% (Previous Year Imported NIL Indigenous 100 %)	1778	2.96	0	0.00

## AMD Metplast Limited

- 14) Expenditure in Foreign Currency during the financial year.
- On account of travel Rs.8.70 lakhs (Previous year: Rs.7.12 lakhs)
  - On account of Machinery Maintenance: Rs. Nil (Previous year-Rs.3.53 lakhs)
  - On account of Exhibition Expenses: Rs.0.74 lakhs (Previous year: Rs.NIL lakhs)
- 15) CIF Value of Imports of Raw Material, Capital Goods & Stores, Spares & Components is of Rs.975.79 lakhs (Previous Year- Rs.272.47 lakhs).
- 16) Previous year's figures have been regrouped / reclassified wherever considered necessary to confirm to this year's classification.

### FINANCIAL YEAR 2002-03

#### 1. Contingent Liabilities not provided for on account of: (Rupees in lakhs)

	2002-03	2001-02
a) Bills Discounted	21.48	18.90
b) Against demand raised of Rs. 269275/- (Previous year 269275/- by Central Excise department, which has been disputed by the company against which Rs. 1 lac has been deposited under protest and the same is shown in Loans and Advances but the case has been remanded to the Assessing Officer and determination of the final liability is yet to be made by the assessing officer.		
c) Recovery suit against the company by M/s Patel Roadways against whom company has also filed for recovery of damages of the goods and transits for a sum of Rs 236000/- Claim of the above transporter is Rs. 32000/- The matter is yet to be adjudicated.		
d) The sales tax exemption in respect of one of the units of the company is in process and directors felt that the same is likely to be granted by the authorities concerned and the sales tax exemption involves sales tax liability of Rs.168.75 lacs (Previous year Rs. 101.05 lacs)		
e) Against the demand of Entry Tax raised by the Sales Tax Officer the company has deposited Entry Tax Under Protest the entire amount and the same has been shown in the Loans and Advances. The liability of the Entry Tax is yet to be decided in the appeal proceedings.		

#### 2. Secured Loans

- Term loans from PICUP is secured against factory Premises and Plant & Machinery at c-4 site -III Merrut Road Industrial Area Ghaziabad (under first charge), Loan under Sale Tax Exemption Scheme from PICUP is secured against immovable properties at 145 Mohan Nagar AIE Ghaziabad (under second charge). Term Loans from Dena Bank and Bank of India are secured on pari-pasu basis against all the assets of the Company. except above. All the above loans are also backed by personal guarantees of directors. Further loans from Citi Bank and ICICI Bank are secured by hypothecation of motor cars owned by the Company.
  - Cash Credit from Dena Bank and Bank of India are secured by Hypothecation on pari-pasu basis of all the movable and immovable properties of the Company except above and also by the personal guarantees of directors.
  - Demand Loan from ICICI Bank is secured by the personal guarantee of the directors.
- 3 The outstanding balances as on 31st March 2003 in respect of Sundry Debtors, Creditors Loans & Advances and other receivable Deposits are subject to confirmation from the parties and reconciliation of necessary.
4. In the opinion of management the value of the Current Assets, Loans & Advances and other receivable shown in the balance sheet is not less than their realisable in the ordinary course of business.

Auditors Remuneration	2002-2003	2001-2002
Statutory Audit	70000.00	30000.00
Tax Audit Fee	30000.00	15000.00
Taxation Matter	35000.00	20000.00
Certification Fee	13230.00	11510.00
	148230.00	76570.00



- 6 Sundry Creditors include due to small scale industrial undertaking Rs. 27.07 lacs (Previous year amount Rs. 38.59 lacs)
- 7 No provisions for doubtful debts amounting to Rs. 19.53 lacs (Previous year Rs. 8.01 lacs) has been made for which the company has filed suit for recovery and management of the company is quite hopeful for the recovery of debts.
- 8 Preliminary Expenses  
Preliminary expenditure is written off over a period of 5 years.
9. The Directors remuneration: paid is Rs 42.15 lacs (Previous year Rs 26.80 lacs).
10. Annual Capacities (As certified by the Management)

	2002-03	2001-02
Installed Capacity	Single Shift 8 Hours	Single Shift 8 Hours
Crown Cork	160 Cases of 100 Gross	160 Cases of 100 Gross
Pet Preform	4 Ton Ressin Processed	4 Ton Ressin Processed

11 Details of Production, Turnover and Stock of Finished Goods

ITEM	Op. Stock Nos	Production Nos	Sales		Closing Stock	
			Nos	Rs. lakhs	Nos	Rs. Lakhs
Crown Cork	154232	10701582	10814650	3219.00	41164	7.43
Pet Preform	120	47275351	43425689	1319.49	3849782	100.08

Sales	2002-03		2001-02	
	Qty(Nos)	Value	Qty(Nos)	Value
Crown Caps	10814650	3219.00	6875937	2186.82
PP Caps	4316580	22.60	16933860	90.36
Pet Preform	43425689	1319.49	36000	1.41

12. Details of Raw Materials & Others Consumed:

(Rs. in lakhs)

	2002-03	2001-02
Raw Material	2636.29	1215.35
Stores & Components	10.41	7.50

13. Value of Imported & Indigenous Raw Material consumed and their percentage of Consumption.

(Amt In Lacs)

CONSUMPTION OF PRINCIPAL ITEM OF RAW MATERIAL		2002-03		2001-02	
		Quantity	Amt	Quantity	Amt
a	TFS Sheets (in Kg.) Imported 38.57% and Indigenous 61.43 % (previous year Imported 26.67% Indigenous 73.33 %)	3785459	1258.69	2519385	862.48
b	PVC Compound (in Kg.) Imported Nil Indigenous 100% (Previous Year Imported NIL Indigenous 100 %)	355847	217.93	243647	174.04
c	Printing Material (in Kg./Ltr.)	87461.725	198.42	58576.10	148.91
d	Resin (in Tons) Imported - Nil Indigenous 100% (Previous Year Imported NIL Indigenous 100 %)	1712.796	961.24	1778	2.96

## AMD Metplast Limited

14. Expenditure in Foreign Currency during the financial year.
  - a) On account of travel Rs.2.43 lakhs (Previous year: Rs.8.70 lakhs)
  - b) On account of Machinery Maintenance: Rs. Nil (Previous year-Rs .NIL lakhs)
  - c) On account of Exhibition Expenses: Rs.2.04 lakhs (Previous year: Rs.0.74 lakhs)
15. CIF Value of Imports of Raw Material, Capital Goods & Stores, Spares & Components is of Rs.1062.65 lakhs (Previous Year- Rs.975.79 lakhs).
16. Previous year's figures have been regrouped / reclassified wherever considered necessary to confirm to this year's classification.

### FINANCIAL YEAR 2003-04

#### 1. Contingent Liabilities not provided for on account of:

(Rupees in lakhs)

	2003-04	2002-03
a) Bills Discounted	NIL	21.48
b) The Excise Duty demand raised of Rs. 2.69 lacs (Previous year 2.69 lacs) by Central Excise department, which has been disputed by the company against which Rs. 1 lac has been deposited under protest and the same is shown in Loans and Advances but the case has been remanded to the Assessing Officer and determination of the final liability is yet to be made by the assessing officer.		
c) Recovery suit against the company by M/s Patel Roadways against whom company has also filed for recovery of damages of the goods and transits for a sum of Rs 236000/- Claim of the above transporter is Rs. 32000/- The matter is yet to be adjudicated.		
d) Sales Tax demands under Local and Central Sales Acts raised by the UP Trade Tax Authorities for Rs. 2.63 lacs- and Rs. 5.87 lacs respectively for the years 1999-2000 to 2003-2004 are pending for final decision as demands are contested by the company in the Appellate Authorities.		
e) The Entry Tax demand for the financial year 2001-2002 are Rs. 19.07 lacs has been raised by the UP Trade Tax Authorities against which company has filed appeals and the demand is yet to be adjudicated upon by the appellate authorities.		
f) The Entry Tax @5% has been levied by U P State Govt. on HSD and LDO w.e.f 21.01.04. Liability of these on account of this comes to Rs.3.86 lacs for which the management has reported that writ has been filed by All India Manufactures Association (AIMO) in the High Court. No provision has been made for this liability as management is of the opinion that A.I.M.O will get the verdict in its favor.		

#### 2. Secured Loans

- (a)
  - (i) Term loans from State Bank of Indore and State Bank of India are secured against First charge on fixed assets except CSD Clousres Plant and Lining Machine, Plant & Machinery and Building at C-4 Site - 3 Merrut Road Plant and second charge on current assets pari-pasu and personal guarantee of directors.
  - (ii) Term loan from PICUP is secured against the Plant & Machinery and Building at C-4 Site -3 Merrut Road Plant and personal guarantee of directors.
  - (iii) Loan under Sale Tax Exemption Scheme from PICUP are secured against against second charge on factory Building and Plant & Machinery at 145 AIE Mohan Nagar Ghaziabad.
  - (iv) Loan from GE-Capital Services India Ltd is secured on first charge on CSD Clousres Plant and Lining Machine and personal guarantee of Managing director.
  - (v) Loan from Hindustan Coca-Cola Beverages Pvt Ltd.is secured against the Bank Guarantees of State Bank of India
  - (vi) Loan from Standard Chartered Bank is arranged by the Hindustan Coca-Cola Beverages Pvt Ltd in Lieu of advance supply of material in future and secured against personal guarantee of Managing Director.
  - (vii) Loans from Citi Bank and ICICI Bank are secured by hypothecation of motor cars owned by the Company.
- (b) Cash Credit from State Bank of India is secured against first charge on current assets and second pari-pasu charge on fixed assets and personal guarantee of directors.



3. The outstanding balances as on 31st March 2004 in respect of Sundry Debtors, Creditors Loans & Advances and other receivable Deposits are subject to confirmation from the parties and reconciliation of necessary.
4. In the opinion of management the value of the Current Assets, Loans & Advances and other receivable shown in the balance sheet is not less than their realisable in the ordinary course of business.

5. <b>Auditors Remuneration</b>	<b>2003-2004</b>	<b>2002-2003</b>
Statutory Audit	100000.00	70000.00
Tax Audit Fee	40000.00	30000.00
Taxation Matter	76000.00	35000.00
Certification Fee	5670.00	13230.00
	221670.00	148230.00

6. Sundry Creditors include due to small scale industrial undertaking Rs.23.05 lacs (Previous year amount Rs. 27.07 lacs)
7. No provisions for doubtful debts amounting to Rs. 15.17 lacs (Previous year Rs. 19.53 lacs) has been made for which the company has filed suit for recovery and management of the company is quite hopeful for the recovery of debts.
8. Preliminary Expenses  
Preliminary expenditure is written off over a period of 5 years.
9. Prior Period Expenses / Income  
Expenses and Income pertaining to the prior period below Rs.20000/- are treated as current year's expenses/incomes.
10. Related Party Disclosure  
In compliance of mandatory accounting standard AS-18 prescribed by I.C.A.I , the transaction with the related parties entered into by the company are disclosed as under :-

<b>Nature of Transactions</b>	<b>Holding/Subsidiary/ Fellow subsidiary Co.</b>	<b>Associates</b>	<b>Total (Rs. In Lacs)</b>	<b>Key Management Personnel and their relatives</b>
Job Work	Nil	Shyam Industries	36.97	Sh. Ashok Gupta (MD) is proprietor.
Purchase of PP Caps	Nil	Shyam Industries	30.06	-do-
Purchase of Machinery	Nil	Shyam Industries	0.08	-do-
Rent Paid	Nil	Ashok Gupta	3.60	Sh. Ashok Gupta (MD)
Rent Paid	Nil	Addit Gupta	9.29	Son of MD
Rent Paid	Nil	H.S.Gupta	4.80	Chairman
Purchase of Car	Nil	Hind Ispat Ltd	17.00	Directors are the Directors of Hind Ispat Ltd

11. The Directors remuneration paid is Rs 48.46 lacs (Previous Year Rs 42.15 lacs)
12. Annual Capacities (As certified by the Management)

	<b>2003-04</b>	<b>2002-03</b>
Installed Capacity	Single Shift 8 Hours	Single Shift 8 Hours
Crown Cork	308 Cases of 100 Gross	160 Cases of 100 Gross
Pet Preform	7 Ton Ressin Processed	4 Ton Ressin Processed
Closures	480000 No. of Caps	-

## AMD Metplast Limited

### 13. Details of Production, Turnover and Stock of Finished Goods

ITEM	Op. Stock Nos	Production Nos	Sales		Closing Stock	
			Nos	Rs. lakhs	Nos	Rs. Lakhs
Crown Cork	41164	11456311	11367448	3229.00	130027	25.96
Pet Preform	3849782	94365779	95620406	2652.89	2595155	63.53
CSD-Closures	0	66367004	51339875	234.79	15027129	35.93

(Rs. in Lakhs)

Sales	2003-04		2002-03	
	Qty(Nos)/(MT)	Value	Qty(Nos)/(MT)	Value
Crown Caps	11367448	3229.00	10814650	3219.00
PP Caps	6573900	336.55	4316580	22.60
Pet Preform	95620406	2652.89	43425689	1319.49
CSD-Closures	51339875	234.79	0	0.00
Sugar	75	8.87	0	0.00
Waste & Scrap				
Crown		55.51		41.60
Pet & CSD Closures		1.95		3.35

### 14. Value of Imported & Indigenous Raw Material consumed and their percentage of Consumption.

(Amt In Lacs)

CONSUMPTION OF PRINCIPAL ITEM OF RAW MATERIAL		2003-04		2002-03	
		Quantity	Amt	Quantity	Amt
a	TFS Sheets (in Kg.) Imported 69.17% and Indigenous 30.83 % (previous year Imported 54.39% Indigenous 45.61 %)	4123959.71	1437.60	3785459	1258.69
b	PVC Compound (in Kg.) Imported 48.64% Indigenous 51.36% (Previous Year Imported NIL Indigenous 100 %)	388792	233.94	355847	217.93
c	Printing Material (in Kg./Ltr.) Imported 10.91% indigenous 89.09%	97205.30	212.05	86921.745	198.43
d	Resin (in Tons) Imported - Nil Indigenous 100% (Previous Year Imported NIL Indigenous 100 %)	3211.963	1772.98	1712.796	961.24
e	Polypropylene (in Tons) Imported 100% and indigenous Nil	198.564	108.50	0	0.00
f	(Previous year Imported 100% and indigenous Nil) PVC Liner - CSD closures ( in Tons) Imported -48.74% and Indigenous - 51.26% (Previous year Imported 100% and indigenous Nil)	18.178	25.76	0	0.00



15. Expenditure in Foreign Currency during the financial year.
  - a) On account of travel Rs.2.15 lakhs (Previous year: Rs.2.43 lakhs)
  - b) On account of Machinery Maintenance: Rs. Nil (Previous year-Rs.NIL lakhs)
  - c) On account of Exhibition Expenses: Rs.0.77 lakhs (Previous year: Rs.2.04 lakhs)
16. CIF Value of Imports of Raw Material, Capital Goods & Stores, Spares & Components is of Rs.2325.08 lakhs (Previous Year- Rs.1062.65 lakhs).
17. Previous year's figures have been regrouped / reclassified wherever considered necessary to confirm to this year's classification.

#### FINANCIAL YEAR 2004-05

##### 1. Contingent Liabilities not provided for on account of:

(Rupees in lakhs)

	2004-05	2003-004
a) Bill Discount	Nil	Nil
b) Bank Guarantees	511.55	Nil
c) The excise duty demand raised for Rs. 269275/- (Previous year 269275/-) by Central Excise department has been disputed by the company by way of appeal and against which Rs. 1 lac has been deposited under protest which is shown in Loans and Advances. But the case has been remanded to the Assessing Officer and determination of the final liability is yet to be made by the assessing officer.		
d) Suit for recovery of Rs. 32,000/- filed by the transporter M/s. Patel Roadways is pending for adjudication by the court. The company has also filed counter suit for recovery of damages for Rs. 2,36,000/- against the said transporter, which is also pending. The company is of the opinion that no liability is likely to be raised against the recovery suit of the transporter. Hence no accounting has been done with respect to the liability as well as possible recovery from the above suits.		
e) Sales Tax demands under Local and Central Acts raised by the UP Trade Tax Authorities for Rs. 8,90,210/- and Rs. 30,60,485/- respectively for the years 1999-2000 to 2004-2005 are pending for final decision as demands are contested by the company in the Appellate Authorities.		
f) The Sales Tax Authorities has raised a demand for the financial year 2002-2003 of Rs. 95098/- for non submission of export certificate and the assessee has filed an appeal with the Appellate Authorities for the same.		
g) The Entry Tax demand for the financial year 2001-2002 and 2002-2003 are Rs. 19,07,102/- and Rs. 14,55,731/- respectively has been raised by the UP Trade Tax Authorities against which company has filed appeals and the demand is yet to be adjudicated upon by the appellate authorities.		
h) The Entry Tax @5% has been levied by U P State Govt. on HSD and LDO w.e.f 21.01.04. Liability of these on account of this is estimated at to Rs. 17,27,159.30 till 31.03.2005 which includes the preceding year liability of Rs. 3,86,705.30 -for which the management has reported that writ has been filed by All India Manufactures Association (AIMO) in the High Court. No provision has been made for this liability as management is of the opinion that A.I.M.O will get the verdict in its favor.		
i) The company has claimed exemption from the payment of Central Sales Tax for its Neemrana Division and this exemption is dependent on the condition that the company shall make the investment in plant and machinery in the above project up to a level of Rs. 30 crores by 31.12.2005 as per the Govt. of Rajasthan Board of Infrastructure Development and Investment Promotion letter no. BIP/401-404, dated 26.10.2004. The liability of Central Sales Tax from the date of commercial production till 31.03.2005 is estimated at Rs. 7060842.88.		

##### 2. Secured Loans

- (a) (i) Term loans from State Bank of Indore, Union Bank of India and State Bank of India are secured against First charge on fixed assets and second charge on current assets pari-pasu and personal guarantee of directors.
- (ii) Housing loan from Citi Bank is secured against booking of flat at DLF Gurgaon.



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- (iii) Loan under Sale Tax Exemption Scheme from PICUP are secured against second charge on fixed assets 145 AIE Mohan Nagar Ghaziabad.
- (iv) Loan from Hindustan Coca-Cola Beverages Pvt. Ltd. is secured against the Bank Guarantee of State Bank of India
- (v) Loan from Standard Chartered Bank is arranged by the Hindustan Coca-Cola Beverages Pvt Ltd in Lieu of advance supply of material in future and secured against personal guarantee of Managing Director
- (vi) Loans from Citi Bank and ICICI Bank are secured by hypothecation of motor cars owned by the Company.
- (b) Cash Credit from State Bank of India is secured against first charge on current assets and second charge on fixed assets on pari-pasu basis and personal guarantee of directors.

3 The outstanding balances as on 31st March 2005 in respect of Sundry Debtors, Creditors Loans & Advances and other receivable Deposits are subject to confirmation from the parties and reconciliation of necessary.

4 In the opinion of management the value of the Current Assets, Loans & Advances and other receivable shown in the balance sheet are not less than their realisable in the ordinary course of business.

5 The Directors remuneration paid is Rs. 47.55 lacs ( Previous year Rs. 48.46 lacs)

<b>Auditors Remuneration</b>	<b>2004-2005</b>	<b>2003-2004</b>
Statutory Audit	120000.00	100000.00
Tax Audit Fee	50000.00	40000.00
Taxation Matter	134000.00	76000.00
Certification Fee	992.00	5670.00
	304992.00	221670.00

7 Sundry Creditors include due to small-scale industrial undertaking Rs. 30.41 lacs (Previous year amount Rs. 23.05 lacs)

8 Provisions for doubtful debts amounting to Rs. 20,06,561.48 (Previous year Rs. 15,17,275.48) for which no provision has been made. The company has filed suit for recovery against those and the management of the company is quite hopeful for the recovery of debts.

9. Preliminary Expenses

Preliminary expenditure is written off over a period of 5 years.

10 Prior Period Expenses / Income

Expenses and Income pertaining to the prior period below Rs.20000/- are treated as current year's expenses/incomes.

11 Related Party Disclosure

In compliance of mandatory accounting standard AS-18 prescribed by I.C.A.I , the transaction with the related parties entered into by the company are disclosed as under :-

<b>Nature of Transactions</b>	<b>Holding/Subsidiary/ Fellow subsidiary Co.</b>	<b>Associates</b>	<b>Total</b>	<b>Key Management Personnel and their relatives</b>
Purchase of Machinery	NIL	Shyam Industries	4.87	Managing Director Being Proprietor
Rent Paid	NIL	Shyam Industries	3.60	Managing Director being proprietor
Rent Paid	NIL	Sh. Adit Gupta	17.50	Director
Rent Paid	NIL	Sh. H.S.Gupta	4.80	Chairman
Rent Paid	NIL	Smt. Chitra Gupta	1.08	Director





12. Annual Capacities (As certified by the Management)

	2004-05	2003-04
Installed Capacity	Single Shift 8 Hours	Single Shift 8 Hours
Crown Cork	308 Cases of 100 Gross	308 Cases of 100 Gross
Pet Preform	7 Ton Ressin Processed	7 Ton Ressin Processed
Closures	480000 No. of Caps	480000 No. of Caps

13. Details of Production, Turnover and Stock of Finished Goods

ITEM	Op. Stock Nos	Production Nos	Sales		Closing Stock	
			Nos	Rs. lakhs	Nos	Rs. Lakhs
Crown Cork	130027	12255530	11590848	3457.71	794708	144.71
Pet Preform	2595155	84599801	82838002	2275.87	4356954	102.22
CSD-Closures	15027129	154566139	158204477	677.41	11388791	43.47

(Rupees in Lakhs)

Sales	2004-05		2003-04	
	Qty(Nos)/(MT)	Value	Qty(Nos)/(MT)	Value
Crown Caps	11590848	3457.71	11367448	3229.00
PP Caps	0	0.00	6573900	336.55
Pet Preform	82838002	2275.87	95620406	2652.89
CSD-Closures	158204477	677.41	51339875	234.79
Sugar	0	0.00	75	8.87
Waste & Scrap				
Crown		90.00		55.51
Pet & CSD Closures		1.70		1.95

14. Details of Raw Materials & Others Consumed:

(Amt In Lacs)

CONSUMPTION OF PRINCIPAL ITEM OF RAW MATERIAL		2004-05		2003-04	
		Quantity	Amt	Quantity	Amt
a	TFS Sheets (in Kg.) Imported 69.17% and Indigenous 30.83 % (previous year Imported 54.39% Indigenous 45.61 %)	4204792.90	1326.04	4123959.71	1437.60
b	PVC Compound (in Kg.) Imported 48.64% Indigenous 51.36% (Previous Year Imported NIL Indigenous 100 %)	397433.500	273.27	388792	233.94
c	Printing Material (in Kg./Ltr.) Imported 10.91% indigenous 89.09%	109707.26	247.97	97205.30	212.05
d	Resin (in Tons) Imported - Nil Indigenous 100% (Previous Year Imported NIL Indigenous 100 %)	2694.017	1707.65	3211.963	1772.98
e	Polypropylene (in Tons) Imported 100% and indigenous Nil	462.129	250.93	198.564	108.50
f	(Previous year Imported 100% and indigenous Nil) PVC Liner - CSD closures ( in Tons) Imported -48.74% and Indigenous - 51.26% (Previous year Imported 100% and indigenous Nil)	45.568	50.09	18.178	25.76

## AMD Metplast Limited

15. Expenditure in Foreign Currency during the year.
  - (a) On account of travel Rs. 8.59 lakhs (Previous year: Rs.2.14 lakhs)
  - (b) On account of Exhibition : Rs Nil. lakhs (Previous year: Rs.0.77 lakhs)
  - (c) On account of advertisement Rs 1.68 lacs (Previous Year Rs. Nil lacs)
- 16 Earnings in Foreign currency: Rs. 62.45 lakhs (Previous year: Rs. 55.88 lakhs)
17. CIF Value of Imports of Raw Material, Capital Goods, Stores, Spares & Components is of Rs.1884.67 lakhs (Previous Year-Rs.2325.07 lakhs).
18. Sundry Creditors includes Rs.30.40 lakhs (Previous year-Rs 23.05 lakhs) due to SSI units, whose balance is outstanding for more than 30 days as on March 31, 2005.

### FINANCIAL YEAR 2005-06

#### 1) Contingent Liabilities not provided for on account of: (Rs. in Lakhs)

		2005-06	2004-05
a)	Bill Discounted	Nil	Nil
b)	Bank Guarantees	222.14	511.55
c)	Suit for recovery of Rs. 32,000/- filed by the transporter M/s. Patel Roadways is pending for adjudication by the court. The company has also filed counter suit for recovery of damages for Rs. 2,36,000/- against the said transporter, which is also pending. The company is of the opinion that no liability is likely to be raised against the recovery suit of the transporter. Hence no accounting has been done with respect to the liability as well as possible recovery from the above suits.		
d)	Sales Tax demands under Local and Central Acts raised by the UP Trade Tax Authorities for Rs. 8,92,740/- and Rs. 30,60,485/- respectively for the years 1999-2000 to 2005-2006 are pending for final decision as demands are contested by the company in the Appellate Authorities.		
e)	The Sales Tax Authorities has raised a demand for the financial year 2002-2003 of Rs. 95098/- for non submission of export certificate and the assessee has filed an appeal with the Appellate Authorities for the same.		
f)	The Entry Tax demand for the financial year 2001-2002 and 2002-2003 are Rs. 19,07,102/- and Rs. 14,55,731/- respectively has been raised by the UP Trade Tax Authorities against which company has filed appeals and the demand is yet to be adjudicated upon by the appellate authorities.		
g)	The Entry Tax @5% has been levied by U P State Govt. on HSD and LDO w.e.f 21.01.04. Liability of these on account of this is estimated at to Rs. 20,89,213/- till 31.03.2006 for which the management has reported that writ has been filed by All India Manufactures Association (AIMO) in the High Court. No provision has been made for this liability as management is of the opinion that A.I.M.O will get the verdict in its favor.		
h)	The company has claimed exemption from the payment of Central Sales Tax for its Neemrana Division and this exemption is dependent on the condition that the company shall make the investment in plant and machinery in the above project up to a level of Rs. 30 crores by 31.12.2005 as per the Govt. of Rajasthan Board of Infrastructure Development and Investment Promotion letter no. BIP/401-404, dated 26.10.2004. The liability of Central Sales Tax from the date of commercial production till 31.03.2006 is estimated at Rs. 15631340/-.		
i)	The central excise department has raised demand of interest and penalty in two cases aggregating Rs. 18,85,440/- against which the company has filed appeal. before appellate authorities The company hopes to get relief against the above demand and there for no provision for the above demand has been made in the profit & loss account and in the balance sheet attached		



## 2. Secured Loans

- (a) (i) Term loans from State Bank of Indore, Union Bank of India and State Bank of India are secured against First charge on fixed assets except against item No vi below. and second charge on current assets pari-pasu and personal guarantee of directors.
- (ii) Term loans FCNRB from State Bank of India is secured against first charge on current assets and second charge on fixed assets on pari-pasu basis and personal guarantee of directors.
- (iii) Housing loan from Citi Bank is secured against the Booking of flats.
- (iv) Loan under Sale Tax Exemption Scheme from PICUP are secured against against second charge on pari-pasu basis on the fixed assets..
- (v) Loan from Hindustan Coca-Cola Beverages Pvt Ltd.is secured against the Bank Guarantees of State Bank of India
- (vi) Term Loan from GE Capital Services India Ltd.is secured by way of Hypothecation of CSD closures plant & PMC250 lining machine and personal guarantee of Managing Director.
- (vii) Loan from ABN Amro Bank is secured against personal guarantee of Managing Director.
- (b) Cash Credit from State Bank of India is secured against first charge on current assets and second charge on fixed assets on pari-pasu basis and personal guarantee of directors.

3. The outstanding balances as on 31st March 2006 in respect of Sundry Debtors, Creditors Loans & Advances and other receivable Deposits are subject to confirmation from the parties and reconciliation of necessary.
4. In the opinion of management the value of the Current Assets, Loans & Advances and other receivable shown in the balance sheet are not less than their realisable in the ordinary course of business.
5. The Managerial remuneration paid is Rs. 52.39 lacs Including monetary perquisite of Rs. 8.9 lacs ( Previous year Rs. 47.55 lacs- including monetary perquisites of Rs. 6.35 lacs)

6. Auditors Remuneration	2005-2006	2004-2005
Statutory Audit	120000.00	120000.00
Tax Audit Fee	50000.00	45000.00
Taxation Matter	80000.00	134000.00
Certification Fee	24516.00	992.00
	274516.00	304992.00

7. Sundry Creditors include due to small-scale industrial undertaking Rs.30.42 lacs (Previous year amount Rs. 30.41 lacs)
8. Provisions for doubtful debts amounting to Rs. 19.77 lacs (Previous year Rs. 20.07 lacs) for which no provision has been made. The company has filed suit for recovery against those and the management of the company is quite hopeful for the recovery of debts.
9. Preliminary Expenses  
Preliminary expenditure is written off over a period of 5 years.
10. Prior Period Expenses / Income  
Expenses and Income pertaining to the prior period below Rs.20000/- are treated as current year's expenses/ incomes

## AMD Metplast Limited

### 11 Related Party Disclosure

In compliance of mandatory accounting standard AS-18 prescribed by I.C.A.I , the transaction with the related parties entered into by the company are disclosed as under :-

(Amt in Rs.)

Nature of Transactions	Holding/ Subsidiary/ Fellow sub Co.	Associates	Total	Key Management Personnel and Their Relatives
Interest on unsecured loan	NIL	Sh. Adit Gupta	423000	Director
Interest on unsecured loan	NIL	Sh. H.S.Gupta	111042	Chairman
Interest on unsecured loan	NIL	Smt. Chitra Gupta	624000	Director
Interest on unsecured loan	NIL	Sh. Ashok Gupta	276507	Managing Director
Interest on unsecured loan	NIL	Ashok Sons(HUF)	1010417	Managing Director's HUF
Interest on unsecured loan	NIL	Ms. Vidhi Gupta	204962	Relative of Managing Director
Interest on unsecured loan	NIL	Sharp Commercial Enterprises Ltd.	200786	Common Director
Interest on unsecured loan	NIL	Smt. Asha Arora	100003	Relative of Director
Unsecured loan taken	NIL	Sh. Adit Gupta	3617598	Director
Unsecured loan taken	NIL	Sh. H.S.Gupta	51314	Chairman
Unsecured loan taken	NIL	Smt. Chitra Gupta	5338169	Director
Unsecured loan taken	NIL	Sh. Ashok Gupta	2689715.89	Managing Director
Unsecured loan taken	NIL	Ashok Sons(HUF)	9393125	Managing Director's HUF
Unsecured loan taken	NIL	Ms. Vidhi Gupta	1811898	Relative of Managing Director
Unsecured loan taken	NIL	Sharp Commercial Enterprises Ltd.	1013274	Common Director
Unsecured loan taken	NIL	Smt. Asha Arora	2022146	Relative of Director
Unsecured loan taken	NIL	AMD Financial Services Ltd.	5986945	Common Director
Remuneration to Director	NIL	Sh. Adit Gupta	228333	Director
Remuneration to Director	NIL	Sh. H.S.Gupta	922124	Chairman
Remuneration to Director	NIL	Sh. Ashok Gupta	4088953	Managing Director
Purchase of Material	NIL	Shyam Industries	9300	Managing Director being proprietor.
Purchase of Machinery	NIL	Shyam Industries	166920	Managing Director being proprietor
Rent Paid	NIL	Shyam Industries	360000	Managing Director being proprietor
Rent Paid	NIL	Sh. Adit Gupta	1749600	Director
Rent Paid	NIL	Sh. H.S.Gupta	480000	Chairman
Rent Paid	NIL	Smt. Chitra Gupta	108000	Director



12. Annual Capacities (As certified by the Management)

	2005-06	2004-05
Installed Capacity	Single Shift 8 Hours	Single Shift 8 Hours
Crown Cork	308 Cases of 100 Gross	308 Cases of 100 Gross
Pet Preform	7 Ton Ressin Processed	7 Ton Ressin Processed
Closures	480000 No. of Caps	480000 No. of Caps

13. Details of Production, Turnover and Stock of Finished Goods

ITEM	Op. Stock Nos	Production Nos	Sales		Closing Stock	
			Nos	Rs. lakhs	Nos	Rs. Lakhs
Crown Cork	794708	8458962	9127761	2669.79	125909	26.44
Pet Preform	4356954	58877148	62177220	1740.96	1036703	37.65
CSD-Closures	11388791	167267194	162897229	678.00	16016496	89.50

(Amt in lacs)

Sales	2005-06		2004-05	
	Qty(Nos)/(MT)	Value	Qty(Nos)/(MT)	Value
Crown Caps	9127761	2669.79	11590848	3457.71
Pet Preform	62177220	1740.96	82838002	2275.87
CSD-Closures	162897229	678.00	158204477	677.41
TFS(Trading)	927.21	302.56	0	0.00
Textile(Trading)(Mtr)	829810	1125.39	0	0.00
Waste & Scrap				
Crown		61.26		90.00
Pet & CSD Closures		3.22		1.70

14. Details of Raw Materials & Others Consumed:

(Amt In Lacs)

CONSUMPTION OF PRINCIPAL ITEM OF RAW MATERIAL		2005-06		2004-05	
		Quantity	Amt	Quantity	Amt
a	TFS Sheets (in Kg.) Imported 78.81% and Indigenous 21.19 % (previous year Imported 69.17% Indigenous 30.83 %)	3236320.30	1233.71	4204792.90	1326.04
b	PVC Compound (in Kg.) Imported 23.17% Indigenous 76.83% (Previous Year Imported 48.64% Indigenous 51.36 %)	253605.50	198.97	397433.500	273.27
c	Printing Material (in Kg./Ltr.) Imported 11.06% indigenous 88.94%	75997.69	150.47	109707.26	247.97
d	Resin (in Tons) Imported - Nil Indigenous 100% (Previous Year Imported NIL Indigenous 100 %) Polypropylene (in Tons)	1814.182	1269.34	2694.017	1707.65
e	Imported 96.76% and indigenous 3.24% (Previous year Imported 100% and indigenous Nil) PVC Liner - CSD closures ( in Tons)	483.356	292.00	462.129	250.93
f	Imported -65.12% and Indigenous - 34.88% (Previous year Imported 48.74% and indigenous 51.26%)	41.461	57.22	45.568	50.09

## AMD Metplast Limited

15. Expenditure in Foreign Currency during the year.
- On account of travel Rs. 12.14 lakhs (Previous year: Rs.8.59 lakhs)
  - On account of Interest & Finance Charges : Rs 10.50. lakhs (Previous year: Rs.Nil lakhs)
  - On account of advertisement Rs Nil lacs (Previous Year Rs.1.68 lacs)
- 16 Earnings in Foreign currency: Rs. 115.93 lakhs (Previous year: Rs. 62.45 lakhs)
17. CIF Value of Imports of Raw Material, Capital Goods, Stores, Spares & Components is of Rs.1501.75 lakhs (Previous Year-Rs.1884.67 lakhs).
- 18 Segmental Reporting
- The company is principally engaged in the business of packaging products for cold drinks industry and resale of textile. The relevant information about these segments are given as below

### Amount in Thousands

Particulars	Crown Caps Division	Pet Preform & Closure Division	Resale of Textiles	Resale of TFS Sheet	Total (Enterprise)
1. SEGMENT REVENUE					
a) External sales	273202	286257	112539	30256	702254
b) Inter-Segment Sale					
c) Total revenue	273202	286257	112539	30256	702254
2. Total revenue of each segment as a percentage of total revenue of all segments	38.90	40.77	16.03	4.30	100
3. Segment result (Profit/Loss)	17097	22753	609	80	40539
4. Combined result of all segments in profit/(Loss)					40539
5. Segment result as a percentage of profit in absolute amount	42	56.50	1.50	-	100
6. Segment Assets	210873	270472	0	-	481345
7. Segment assets as percentage of total assets of all segments	43.81	56.19	-	-	100
8. Segment Liabilities	51978	35469	337	10	87794
9. Segment Liabilities as percentage of total Liabilities of all segments	59.20	40.40	0.40	0.00	100

### FOR THE PERIOD ENDED OCTOBER 31ST, 2006

#### 1) Contingent Liabilities not provided for on account of: (Rs. in Lakhs)

		31-10-06	2005-06
a)	Bill Discounted	Nil	Nil
b)	Bank Guarantees	22.14	222.14

- c) Suit for recovery of Rs. 32,000/- filed by the transporter M/s. Patel Roadways is pending for adjudication by the court. The company has also filed counter suit for recovery of damages for Rs. 2,36,000/- against the said transporter, which is also pending. The company is of the opinion that no liability is likely to be raised against the recovery suit of the transporter. Hence no accounting has been done with respect to the liability as well as possible recovery from the above suits.



- d) Sales Tax demands under Local and Central Acts raised by the UP Trade Tax Authorities for Rs.9,50,962/- and Rs. 31,18,746/- respectively for the years 1999-2000 to 31-10-2006 are pending for final decision as demands are contested by the company in the Appellate Authorities.
- e) The Sales Tax Authorities has raised a demand for the financial year 2002-2003 and for 2003-2004 of Rs. 95098/- & Rs.2,61,414/- respectively for non submission of export certificate and the assessee has filed an appeal with the Appellate Authorities for the same.
- f) The Entry Tax demand for the financial year 2001-2002 and 2002-2003 are Rs. 19,07,102/- and Rs. 14,55,731/- respectively has been raised by the UP Trade Tax Authorities against which company has filed appeals and the demand is yet to be adjudicated upon by the appellate authorities.
- g) The Entry Tax @5% has been levied by U P State Govt. on HSD and LDO w.e.f 21.01.04. Liability of these on account of this is estimated at to Rs.21,05,636/- till 31.10.2006 for which the management has reported that writ has been filed by All India Manufactures Association (AIMO) in the High Court. No provision has been made for this liability as management is of the opinion that A.I.M.O will get the verdict in its favor.
- h) The company has claimed exemption from the payment of Central Sales Tax for its Neemrana Division and this exemption is dependent on the condition that the company shall make the investment in plant and machinery in the above project up to a level of Rs. 30 crores by 31.12.2007 as per the Govt. of Rajasthan Notification No. F4(6)FD/TAX/2003-III-76, dated 05.08.2006.
- i) The central excise department has raised demand with interest and penalty aggregating Rs. 28,16,800/- against which the company has filed appeal. before appellate authorities The company hopes to get relief against the above demand and there for no provision for the above demand has been made in the profit & loss account and in the balance sheet attached
- j) Suit for recovery of Rs.2 Lacs has been filed by the company against Mr. P.K.Pandey for which no provision has been made.

## 2. Secured Loans

- (a) (i) Term loans from State Bank of Indore, Union Bank of India and State Bank of India are secured against First charge on fixed assets except against item No v below. and second charge on current assets pari-pasu and personal guarantee of directors.
- (ii) Term loans FCNRB from State Bank of India is secured against first charge on current assets and second charge on fixed assets on pari-pasu basis and personal guarantee of directors.
- (iii) Housing loan from Citi Bank is secured against the Booking of flats.
- (iv) Loan under Sale Tax Exemption Scheme from PICUP are secured against second charge on pari-pasu basis on the fixed assets..
- (v) Term Loan from GE Capital Services India Ltd.is secured by way of Hypothecation of CSD closures plant & PMC250 lining machine and personal guarantee of Managing Director.
- (vi) Loan from ABN Amro Bank is secured against personal guarantee of Managing Director.
- (b) Cash Credit from State Bank of India is secured against first charge on current assets and second charge on fixed assets on pari-pasu basis and personal guarantee of directors.

3. The outstanding balances as on 31st October 2006 in respect of Sundry Debtors, Creditors Loans & Advances and other receivable Deposits are subject to confirmation from the parties and reconciliation .

4. In the opinion of management the value of the Current Assets, Loans & Advances and other receivable shown in the balance sheet are not less than their realisable in the ordinary course of business.

5. The Managerial remuneration paid is Rs.42.55 lacs excluding monetary perquisite.

<b>Auditors Remuneration</b>	<b>31-10-06</b>	<b>2005-2006</b>
Statutory Audit	28060.00	120000.00
Tax Audit Fee	0.00	50000.00
Taxation Matter	0.00	80000.00
Certification Fee	0.00	24516.00
	28060.00	274516.00

## AMD Metplast Limited

7. Sundry Creditors include due to small-scale industrial undertaking Rs.25.12 lacs (Previous year amount Rs. 30.42 lacs)
8. Provisions for doubtful debts amounting to Rs. 16.72 lacs (Previous year Rs. 19.77 lacs) for which no provision has been made. The company has filed suit for recovery against those and the management of the company is quite hopeful for the recovery of debts.
9. Preliminary Expenses  
Preliminary expenditure is written off over a period of 5 years.
10. Prior Period Expenses / Income  
Expenses and Income pertaining to the prior period below Rs.20000/- are treated as current year's expenses/ incomes
11. Related Party Disclosure  
In compliance of mandatory accounting standard AS-18 prescribed by I.C.A.I , the transaction with the related parties entered into by the company are disclosed as under :-

(Amt in Rs.)

Nature of Transactions	Holding/ Subsidiary/ Fellow sub Co.	Associates	Total	Key Management Personnel and Their Relatives
Interest on unsecured loan	NIL	Sh. Adit Gupta	282542	Director
Interest on unsecured loan	NIL	AMD Financial Services Ltd.	709903	Under the same management
Unsecured loan taken	NIL	Sh. H.S.Gupta	21500000	Chairman
Unsecured loan taken	NIL	Ashok Sons(HUF)	2500000	Managing Director's HUF
Unsecured loan taken	NIL	Smt. Asha Arora	1040000	Relative of Director
Unsecured loan taken	NIL	Vidhi Gupta	900000	Daughter of Director
Unsecured loan taken	NIL	Adit Gupta	13100000	Director
Unsecured loan taken	NIL	Ashok Gupta	23000000	Managing Director
Unsecured loan given	NIL	AMD Financial Services Ltd.	4150000	Under the same management
Remuneration to Director	NIL	Sh. Adit Gupta	1410000	Director
Remuneration to Director	NIL	Sh. H.S.Gupta	1465000	Chairman
Remuneration to Director	NIL	Sh. Ashok Gupta	1380000	Managing Director
Rent Paid	NIL	Shyam Industries	180000	Managing Director being proprietor
Rent Paid	NIL	Sh. Adit Gupta	1015000	Director
Rent Paid	NIL	Sh. H.S.Gupta	280000	Chairman
Rent Paid	NIL	Smt. Chitra Gupta	63000	Director
Sale of Company's Fixed Assets	NIL	Sh. Ashok Gupta	Sale Deed Registered on 14-09-06	Managing Director Agreement entered on 15-5-06 and sale deed executed on 14-09-06 for sale of company's property situated at 60/5, Ramjas Road, Karol Bagh, New Delhi for a consideration on Rs.13644000/-





12. Annual Capacities (As certified by the Management)

	31-10-06	2005-06
Installed Capacity	Single Shift 8 Hours	Single Shift 8 Hours
Crown Cork	308 Cases of 100 Gross	308 Cases of 100 Gross
Pet Preform	7 Ton Ressin Processed	7 Ton Ressin Processed
Closures	480000 No. of Caps	480000 No. of Caps

13. Details of Production, Turnover and Stock of Finished Goods

ITEM	Op. Stock Nos	Production Nos	Sales	Closing Stock
			Nos	Nos
			Rs. lakhs	Rs. Lakhs

Since the results are not for the full one complete year hence quantative information will be provided in the financial statement for the year 2006-07

(Amt in lacs)

Sales	31-10-06	2005-06
	Qty(Nos)/(MT)	Qty(Nos)/(MT)
	Value	Value

Since the results are not for the full one complete year hence quantative information will be provided in the financial statement for the year 2006-07

14. Details of Raw Materials & Others Consumed:

(Amt In Lacs)

CONSUMPTION OF PRINCIPAL ITEM OF RAW MATERIAL

	Quantity	Amt	Quantity	Amt
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Since the results are not for the full one complete year hence quantative information will be provided in the financial statement for the year 2006-07

**STATEMENT OF CASH FLOWS**

The cash flows of the Company for the five financial years ended on March 31 of 2002 to 2006 and consolidated with its subsidiary AMD Estates & Developers Pvt. Ltd. for the period ended October 31st, 2006 read with significant accounting policies, notes on accounts are set out below

**Rs. In lakhs**

PARTICULARS	For the period 31-10-06	For the year ended				
		2006	2005	2004	2003	2002
<b>CASH FLOW FROM OPERATION ACTIVITIES</b>						
Net Profit before Tax	200.01	512.70	387.04	335.36	445.54	156.66
Depreciation	165.63	317.68	335.17	316.51	112.19	49.43
Dep. Written Back on Sale of Fixed Assets	(3.49)	(0.56)	-	-	-	-
Interest /Financial Expenses	245.71	428.63	443.79	434.83	253.53	115.35
Interest Income	(10.29)	(41.74)	(16.51)	(13.39)	(3.75)	(8.66)
Security Transaction Tax	0.01	0.48	0.28	-	-	-
Dividend Received	-	(1.48)	(0.22)	-	-	-
Profit on Sale of Fixed Assets	(125.45)	0.29	-	0.86	(0.35)	(0.32)
Profit on Sale of Investment	(2.26)	(29.12)	(0.07)	-	-	-
Provision for Gratuity	-	3.91	1.71	4.72	3.79	-
Miscellaneous Expenditure Written Off.	-	2.73	2.37	2.37	1.41	0.75
Provision for Deferred Tax	-	(63.28)	(236.67)	(128.12)	(95.48)	-
Provision for Taxation	(30.23)	(44.03)	(30.33)	(27.00)	(35.12)	(11.98)
Provision for Earlier Year Tax	-	-	(0.08)	(1.09)	(0.28)	-
Operating Profit before working capital Changes	439.64	1,086.21	886.48	925.05	681.48	301.13
Adjustment For Trade & Other Receivables	488.71	(31.78)	704.20	(666.53)	(913.44)	(197.13)
Inventories	(128.78)	219.92	(1,161.07)	(394.64)	(118.99)	(241.26)
Trade & Other Payables	96.70	(570.91)	326.32	374.97	53.85	414.06
Deferred Tax	-	63.28	236.67	128.12	95.48	-
Miscellaneous Expenditure	(9.58)	(1.78)	-	(4.82)	(3.25)	(3.77)
<b>Cash Generated From Operations</b>	<b>886.69</b>	<b>764.94</b>	<b>992.60</b>	<b>362.15</b>	<b>(204.87)</b>	<b>273.03</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>						
Issue of Share Capital / Share Application Money	2.00	143.50	150.00	53.00	300.00	312.00
Share Premium	-	215.25	-	-	-	-
Net Secured Loan	(1314.88)	(271.66)	(105.32)	2,574.35	1,095.08	567.39
Net Unsecured Loan	595.91	(253.01)	(257.55)	64.87	104.48	13.11
Interest / Financial Charges	(245.71)	(428.63)	(443.79)	(434.83)	(253.53)	(115.35)
<b>Net Cash from (used for) Financing Activities</b>	<b>(962.68)</b>	<b>(594.55)</b>	<b>(656.66)</b>	<b>2,257.39</b>	<b>1,246.03</b>	<b>777.15</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>						
Purchase for Fixed Assets	(264.37)	(164.37)	(277.25)	(2,680.34)	(894.24)	(1016.99)
Profit on Sale of Fixed Assets	125.45	(0.29)	-	-	-	-
Sale /Disposal of Fixed Assets	-	3.87	-	0.66	0.37	2.12
Investment in Shares	(31.18)	102.93	(114.86)	-	-	-
Interest Received	10.29	41.74	16.51	13.39	3.75	8.66
Dividend Received	-	1.48	0.22	-	-	-
Profit on Sale of Investment	2.26	29.12	0.07	-	-	-
Security Transaction Tax	(0.01)	(0.48)	(0.28)	-	-	-
Net Cash from (used for) investing activities	(157.56)	14.00	(375.59)	(2,666.29)	(890.12)	(1006.21)
<b>Total increase (decrease) in cash and cash requirements during the year (A+B+C)</b>	<b>(233.55)</b>	<b>184.39</b>	<b>(39.65)</b>	<b>(46.75)</b>	<b>151.05</b>	<b>43.97</b>
Cash & Cash Equilents at beginning of the year	308.16	123.75	163.41	210.17	59.12	15.15
Cash & Cash Equilents as at close of the year (i+ii)	74.61	308.14	123.76	163.42	210.17	59.12



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**Annexure VI****SUMMARY ACCOUNTING RATIOS****Amount in Rupees**

	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
Basic Earning Per Share	45.05	15.86	32.37	56.85	29.30
Cash Earning Per Share	80.34	60.16	89.55	77.12	39.31
Return On Net Worth	0.13	0.05	0.09	0.17	0.12
Net Assets Value Per share	342.50	306.65	369.91	328.42	244.17
No. of Share	900000	756500	553500	553500	493500

Note : - Since results are up to 31-10-06 hence accounting ratios not being given.

**The ratios have been computed as below:**

**Earnings per share**

Net Profit after adjustments attributable to equity shareholders divided by weighted average number of equity shares outstanding at the end of the period/year Cash earning per share represents Net Profit after adjustments plus non cash charges divided by the weighted average number of equity shares as at the end of the period/year

**Return on Net worth**

Net Profit after adjustments as restated divided by equity share holders' funds at the end of the period/year.

**Net Asset Value per share**

Net worth at the end of the period/year divided by the weighted average number of equity shares at the end of the period/year.

**PRINCIPAL TERMS OF SECURED LOANS**
**Rs. in lakhs**

S.No	Name of the lender	Facility	Sanctioned Amount	Balance as on 31.10.06	Balance as on 31.3.06	Rate of Interest	Repayment Schedule	Repayment Clause
1	Deferred sale tax PICUP	Under Defer Sale Tax Scheme	429.65	119.58	154.03	Nil	Repayable up to 31.05.2009	Yearly Installment
2.	Hindustan Coca-Cola Beverages Pvt Ltd	Advance	500.00	0.00	195.95	Nil	N.A.	N.A.
3	Standard Chartered Bank	Demand Loan	1192.00	0.00	0.00	7.5	N.A.	N.A.
4	State Bank of India (CC)	Cash Credit	865.11	528.19	714.05	10.75	Repayable on Demand	N.A.
5	FCNRB From SBI	Demand Loan	534.89	534.89	534.89	3.5 over six month LIBOR with monthly Rest	Repayment in Lump sum up to Nov 2006	One Lump sum payment
6	SBI	Term Loan	1280.00	463.00	613.50	10.75	Monthly installment	Monthly installment
7	UBI	Term Loan	600.00	315.00	388.63	11.00	Monthly installment	Monthly installment
8	G.E. Capital	Term loan	800.00	556.52	678.26	8.58	Monthly installment	Monthly installment
9	ABN Amro Bank	O.D.	650.00	233.53	628.75	8.5	N.A.	Payable on Demand Within 9 Months
10	SBI	Term Loan	200.00	142.08	174.89	10.75	Payable up to 31.01.2010	Quarterly Installment
11	Citi Bank (Housing Loan)	Term Loan	84.28	45.36	47.12	7.5	120 Monthly Installments	Monthly Installments
12	Citi Bank (Court yard)	Term Loan	190.00	91.03	114.45	9.5	84 Monthly Installments	Monthly Installment
13.	State Bank of Indore	Term Loan	600.00	420.74	520.16	10.75	Payable up to 31.01.2010	Quarterly Installment

The details of the securities charged against the above loan are given in the notes on accounts in the relevant years & period..



# STATEMENT OF UNSECURED LOANS

Rs. in lakhs

<b>A</b>	<b>LOAN FROM DIRECTORS</b>	<b>As on October 31,2006</b>	<b>2006</b>
1	Sh. Ashok Gupta	230.00	5.25
2	Smt. Chitra Gupta	0.00	1.38
3	Sh. H.S. Gupta	215.00	0.01
4	Adit Gupta	131.00	3.93
	<b>TOTAL [ A ]</b>	<b>576.00</b>	<b>10.57</b>
<b>B</b>	<b>LOAN FROM OTHERS</b>		
1	Sharp Commercial Enterprises Ltd.	0.00	0.38
2	Vidhi Gupta	9.00	0.47
3	Ashok Sons HUF	25.00	2.43
4	Asha Arora	10.40	10.62
5	AMD Financial Services Ltd	0.00	0.02
	<b>TOTAL [ B ]</b>	<b>44.40</b>	<b>13.92</b>
	<b>TOTAL [A+B ]</b>	<b>620.40</b>	<b>24.49</b>

**STATEMENT OF AGE WISE ANALYSIS OF RECEIVABLES**
**Rs. in lakhs**

Particulars	Consolidated 31-10-06	Year ended				
		2006	2005	2004	2003	2002
<b>Sundry Debtors</b> (Unsecured)						
<b>a) Outstanding for more than six months</b> (Considered good)						
from related parties	0.00	0.00	0.00	0.00	0.00	0.00
from Others	140.28	129.93	220.99	60.08	563.08	419.21
Considered Doubtful	16.72	19.77	20.07	15.17	19.53	8.01
<b>Sub Total</b>	157.00	149.70	241.06	75.25	582.61	427.22
<b>b) Other Debts - Considered good</b>	559.65	1344.60	1403.26	1991.66	915.56	598.24
<b>TOTAL</b>	716.65	1494.30	1644.32	2066.91	1498.17	1025.46

**Top ten customers as on October 31st, 2006.**

Name of the customer	Rs. in lakhs
Hindustan Coca-Coal Beverages Pvt Ltd	2412.09
Kandhari Beverages Ltd	180.56
Amrit Bottlers Pvt Ltd	109.75
Brindavan Agro Industries Ltd	105.76
Varun Beverages Ltd.	85.18
Amritsar Crown Caps	76.07
Moon Beverages Ltd.	66.13
SMV Beverages Pvt. Ltd.	64.39
Enrich Agro Food Products	60.52
Bottler Nepal Limited	48.96

**None of the above customers is related to the directors or promoters of the company.**



# Annexure IX

## STATEMENT OF LOANS AND ADVANCES

(Amount in Rs.)

(Considered Good)

(Recoverable in cash  
or in kind for value to  
be received)

- Consolidated

	As on 31-10-2006	2006	2005	2004	2003	2002
1 Securities	4427923.00	4,470,423.00	3,219,150.00	794,054.04	1,164,610.00	1,092,860.00
2 Employees	524814.00	658,274.20	637,432.44	3,951,484.00	820,053.44	617,039.09
3 Income Tax Refundable	600033.00	600,033.00	600,033.00	614,381.00	600,027.00	738,725.00
4 Advances Income Tax	3369714.38		1,568,250.00	2,150,000.00	3,150,000.00	816,000.00
5 Income Tax	1099194.00					
6 TDS	627688.00	435,103.38	1,449,399.38	162,788.00	73,387.00	35,004.63
7 SAD	1310435.00					
8 TDS 2006-07	0.00	2,930,945.00				
9 Others	0.00		8,296,328.83	22,455,970.00	4,213,463.00	930,821.96
10 Cenvat Receivable	0.00	9,397,227.62	30,364,854.83	44,504,723.38	22,771,626.67	18,114,131.80
11 Duty under Protest	0.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
12 Entry Tax under Protest	0.00				791,086.00	
13 Advance Against Machinery	0.00				32,833,036.00	
14 Excise Duty In PLA	287354.65	45,552.90	101,986.90	623,765.40		
15 Cess recoverable (Cenvat & PLA)	0.00	200,149.73	269,312.05			
16 D.E.P.B Receivable	507878.83	875,574.83	210,953.00	862,135.00		
17 Sales Tax Under Protest	76652.00	76,652.00	76,652.00	76,652.00		
18 Insurance Claim Receivable	136945.00	495,890.00	582,360.00			
19 Service Tax & Cess Recoverable	844653.00	441,010.45	654,222.37			
20 Rajasthan Sales Tax Recoverable	0.00		4,636.33			
21 Advances to Suppliers	25164606.18	11,812,485.04				
22 Custom Duty	730169.00	295,236.00				
23 DLF Universal Ltd. Courtyard	20547030.00	8,520,905.00				
24 DLF Universal Ltd.	8566189.00	8,566,189.00				
25 Prepaid Insurance	901544.00	1,217,191.00				
26 Advance Against Land	0.00	5,000,000.00				
27 Interest Receivable	0.00	78,839.38				
28 C.S.T Refundable (Export)	93884.00	28,530.00				
29 Prepaid Bank Gurantee Charges	508325.00	56,690.00				
30 Prepaid Service Contract	0.00	12,322.00				
31 AMD Financial Services Ltd.	4150000.00					
32 Bhagwan Geeta Builders Ltd.	18100000.00					
33 Surender Sharma	525000.00					
34 Maheshwari Tech. & Financial Services Ltd.	3314.00					
35 Prepaid Expenses (Bill Discounting)	2102655.00					
Total	95206001.04	66,315,223.53	48,135,571.13	76,295,952.82	66,517,289.11	22,444,582.48

None of the above is related to the directors or promoters of the Company except item no.31.

**STATEMENT OF CAPITALISATION**
**Rs. in lakhs**

<b>Particulars</b>	<b>Adjusted for Issue 2006</b>	<b>Pre Issue Consolidated 31-10-2006</b>
<b>Borrowing</b>		
Short Term Debt		1296.60
Long Term Debt (A)		2153.32
<b>Total Debts</b>		3449.92
<b>Equity (Share Holders' Funds)</b>		
Equity Share Capital		902.00
Share Application money		
Share Premium		635.25
Reserves and Surplus (excluding share premium)		1723.41
<b>Total Equity (B)</b>		3260.66
<b>Long term Debt / Equity Share Holders' Funds ((A) / (B))</b>		1.05

Notes:

- 1) Long term debt is debt with a tenure of more than one year.
- 2) Share Capital and Reserves and Surplus after the issue can be calculated only on the conclusion of the issue process





## Annexure XI

### STATEMENT OF TAX SHELTER

Rs. in lakhs

Particulars	Year ended				
	2006	2005	2004	2003	2002
<b>Profit before tax as per books of accounts</b>	512.70	387.04	335.36	445.53	156.56
Normal tax rates	33.66%	36.5925%	35.875%	36.75%	35.70%
Minimum alternative tax rates	8.415%	7.84125%	7.6875%	7.875%	7.65%
<b>Notional tax at normal rates (A)</b>	172.57	141.63	120.31	163.73	55.89
<b>Permanent Differences</b>					
Other adjustments - Disallowances	21.75	14.40	9.33	5.44	5.01
<b>Total (B)</b>	21.75	14.40	9.33	5.44	5.01
<b>Timing Differences</b>					
Difference between tax depreciation and book depreciation	-121.12	-401.48	-628.44	-308.61	-188.35
Other adjustments	-37.85	-0.03	-0.03	0.00	0.00
<b>Total (C)</b>	-158.97	-401.51	-628.47	-308.61	-188.35
<b>Net Adjustments (B+C)</b>	-137.22	-387.11	-619.14	-303.17	-183.34
<b>Tax expense / (savings) thereon (D)</b>	-46.19	-141.65	-222.17	-111.41	-65.45
<b>Total taxation (E=A+D)</b>	126.38	-0.02	-101.86	52.32	-9.56
Brought forward losses set off (Depreciation)	375.48	0.00	0.00	46.75	0.00
Tax effect on the above (F)	-42.53	0.00	0.00	-17.18	0.00
<b>Net tax for the year / period (E+F)</b>	83.85	-0.02	-101.86	35.14	-9.56
<b>Tax payable as per MAT</b>	43.01	30.33	25.78	35.13	11.98
<b>Tax expense recognised</b>	44.03	30.33	27.00	35.12	11.98
<b>Tax as per return of income</b>	43.01	30.33	25.78	35.13	11.98

The statement of tax shelter has been prepared based on returns of income filed by the Company with the Income tax authorities, except for the year ended March 31, 2006 and not based on restated profits as per Annexure I. The effect of assessment/apellate orders have not been considered for the above statement.

## Annexure XII

### RELATED PARTY DISCLOSURES

The list of the related parties and relationship and nature of transactions detailed in the notes on accounts in Annexure IV

## Annexure XIII

### DETAILS OF CONTINGENT LIABILITIES

The Details of contingent liabilities in respective years are stated in the notes on accounts in Annexure IV

## Annexure XIV

### STATEMENT SHOWING RATES AND AMOUNT OF DIVIDEND

No dividend has been declared in past five years.

**STATEMENT OF OTHER INCOME FOR THE FOLLOWING YEARS/PERIOD**
**Rs. in lakhs**

Particulars	Period ended 31-10-06	Year ended					Nature of Income	Related or not related to business
		2006	2005	2004	2003	2002		
<b>SOURCES OF INCOME</b>								
Dividend	0.00	1.48	0.22	0.00	0.00	0.00	Non- Recurring	Related
Interest	10.29	41.74	16.51	13.39	3.75	8.66	Recurring	Related
Profit on sale of assets	125.45	0.00	0.00	0.00	0.36	0.33	Non-Recurring	Non related
Profit on sale of Investment	2.26	29.12	0.07	0.00	0.00	0.00	Recurring	Non related
Foreign exchange gain	0.00	2.04	0.00	13.07	8.67	0.00	Non- Recurring	Related
Miscellaneous income	0.19	4.26	0.80	10.16	0.07	8.48	Non- Recurring	Related
<b>TOTAL</b>	<b>138.19</b>	<b>78.64</b>	<b>17.60</b>	<b>36.62</b>	<b>12.85</b>	<b>17.47</b>		

The classification of income into recurring and non-recurring is based on the current operations and business activity of the Company

**DETAILS OF RESERVES AND SURPLUS**
**Rs. in lakhs**

Particulars	As on October 31, 2006 consolidated	2006	Year ended			
			2005	2004	2003	2002
1) Capital Reserve	0.00	0.00	0.00	0.00	0.00	0.00
2) Securities Premium	635.25	635.25	420.00	420.00	420.00	180.00
3) General Reserve	108.27	108.26	108.26	96.27	78.35	46.89
4) Capital Redemption Reserve	0.00	0.00	0.00	0.00	0.00	0.00
5) Profit and Loss Account	1615.14	1445.38	1039.99	932.03	770.79	487.59
<b>TOTAL</b>	<b>2358.66</b>	<b>2188.89</b>	<b>1568.25</b>	<b>1448.30</b>	<b>1269.14</b>	<b>714.48</b>



## FINANCIAL INFORMATION OF GROUP COMPANIES

### i) AMD Financial Services Limited

AMD Financial Services Limited was incorporated on 17.06.1996 as a public limited company and received Certificate of commencement of business on 20.08.1996. Its registered office is located at 18 Pusa Road 1st Floor, Karol Bagh, New Delhi-5. At present, the Company is engaged in the finance and investment activities.

#### Shareholding Pattern

The following is the shareholding of this Company as on March 31, 2006:

Sr. No.	Name of Shareholder	No of Shares	% to Total
1	Mr. Ashok Gupta	317100	29.48
2	Mr. Harswarup Gupta	66100	6.14
3	Mr. Ashok Gupta (karta)	105000	9.76
4	Mr. Adit Gupta	120000	11.16
5	Ms. Mamta Gupta	2000	0.19
7	Mrs. Chitra Gupta	38000	3.53
8	Ms. Vidhi Gupta	16000	1.49
	<b>Sub Total</b>	<b>664200</b>	<b>61.75</b>
	<b>Other Bodies Corporate</b>	<b>348100</b>	<b>32.36</b>
	<b>Others</b>	<b>63,400</b>	<b>5.89</b>
	<b>Total</b>	<b>1075700</b>	<b>100.00</b>

#### Board of Directors

Sr. No.	Name	Designation
1.	Mr. Bharat Bhushan Sharma	Director
2.	Mr. Parveen Kr. Bhasin	Director
3.	Mr. Naresh Kr. Aggarwal	Director

#### Financial Performance

(Rs in Lacs) (except per share data)

Particulars	For the year ending		
	March 31, 2006	March 31, 2005	March 31, 2004
Equity capital	107.57	39.97	32.87
Reserves & surplus (excluding Rev. reserves)	60.00	Nil	Nil
Total revenue	28.36	121.17	5.71
Profit after tax	(4.06)	(13.92)	0.33
EPS (Rs.)	(0.38)	(3.48)	0.10
NAV per share (Rs.)	13.29	5.11	2.27

The Equity Share of the Company is not listed on any Stock Exchange. The company has issued equity shares aggregating to Rs. 67.60 Lacs in the financial year 2005-06 and Rs. 7.10 Lacs during the financial year 2004-05 to augment the resources of the company. Other than that there has been no change in the capital structure of the Company during the past three years.

## AMD Metplast Limited

### ii) AMD Textiles Limited

AMD Textiles Ltd was incorporated on 24.06.2006 as a public limited company and received Certificate of commencement of business on 08.09.2006. Its registered office is located at 18, 1st Floor, Pusa Road, Karol Bagh, NewDelhi-110005. The main object of the company is to deal in textile and textile related products.

#### Shareholding Pattern

The following is the shareholding of this Company as on September 1, 2006:

Sr. No.	Name of Shareholder	No of Shares	% to Total
1	Mr. Ashok Gupta	10000	20.00%
2	Mr. Adit Gupta	15000	30.00%
3	Mr. Harswarup Gupta	10000	20.00%
4	Mrs. Chitra Gupta	3000	6.00%
5	Ms. Vidhi Gupta	10000	20.00%
6	Mr. Ajay Kumar Lal	1000	2.00%
7	Mr. Naresh Aggarwal	1000	2.00%
	<b>Total</b>	<b>50000</b>	<b>100%</b>

#### Board of Directors

Sr. No.	Name	Designation
1.	Mr. Ashok Gupta	Director
2.	Mr. Harswarup Gupta	Director
3.	Mrs. Chitra Gupta	Director

#### Financial Performance

(Rs in Lacs) (except per share data)

Particulars	For the year ending		
	March 31, 2006	March 31, 2005	March 31, 2004
Equity capital	5.0	N.A.	N.A.
Reserves & surplus (excluding Rev. reserves)	N.A.	N.A.	N.A.
Total revenue	N.A.	N.A.	N.A.
Profit after tax	N.A.	N.A.	N.A.
EPS (Rs.)	N.A.	N.A.	N.A.
NAV per share (Rs.)	N.A.	N.A.	N.A.

The Company is recently incorporated and first annual accounts will be made in March, 2007.

The Equity Share of the Company is not listed on any Stock Exchange. The Company is recently incorporated and there has been no change in the capital structure since incorporation.



**iii) AMD Foods & Hotels Private Ltd**

AMD Foods & Hotels Pvt Ltd was incorporated on 24.03.1998 as a private limited company. Its registered office is located at 53/73 Ramjas Road Karol Bagh New Delhi-110005. At present, the Company is engaged in the hotels and restaurant business.

**Shareholding Pattern**

The following is the shareholding of this Company as on March 31, 2006:

Sr. No.	Name of Shareholder	No of Shares	% to Total
1	Mr. Ashok Gupta	100	00.96%
2	Mr. Harswarup Gupta	100	00.96%
3	Mr. Sameer Goel	100	00.96%
4	Mr. Usha Goel	5,100	49.04%
5	Mr. Mamta Gupta	5,000	48.08%
	<b>Total</b>	<b>10,400</b>	<b>100%</b>

**Board of Directors**

Sr. No.	Name	Designation
1.	Mr. Ashok Gupta	Director
2.	Mr. Harswarup Gupta	Director
3.	Mr. Sameer Goel	Director

**Financial Performance**

(Rs in Lacs) (except per share data)

Particulars	For the year ending		
	March 31, 2006	March 31, 2005	March 31, 2004
Equity capital	1.04	1.04	1.04
Reserves & surplus (excluding Rev. reserves)	8.78	8.78	Nil
Total revenue	0.00	0.00	0.00
Profit after tax	(0.03)	(0.05)	(0.66)
EPS (Rs.)	(0.25)	(0.52)	(6.38)
NAV per share (Rs.)	(17.06)	(16.94)	(16.56)

The Equity Share of the Company is not listed on any Stock Exchange. There has been no change in the capital structure of the Company during the past three years.

**iv) Ashoka Productions & Communications Private Limited**

Ashoka Productions & Communications Pvt. Ltd was incorporated on 12.12.2005 as a private limited company. Its registered office is located at 18 Pusa Road 1st Floor Karol Bagh, New Delhi-5. At present, the Company is engaged in the media sector.

## AMD Metplast Limited

### Shareholding Pattern

The following is the shareholding of this Company as on March 31, 2006:

Sr. No.	Name of Shareholder	No of Shares	% to Total
1	Ashok Gupta	8000	80%
2	Chitra Gupta	2000	20%
	<b>Total</b>	<b>10000</b>	<b>100%</b>

### Board of Directors

Sr. No.	Name	Designation
1.	Mr. Ashok Gupta	Director
2.	Mrs. Chitra Gupta	Director

### Financial Performance

(Rs in Lacs) (except per share data)

Particulars	For the year ending		
	March 31, 2006	March 31, 2005	March 31, 2004
Equity capital	1.0	N.A.	N.A.
Reserves & surplus (excluding Rev. reserves)	N.A.	N.A.	N.A.
Total revenue	N.A.	N.A.	N.A.
Profit after tax	(0.02)	N.A.	N.A.
EPS (Rs.)	(0.17)	N.A.	N.A.
NAV per share (Rs.)	N.A.	N.A.	N.A.

The Equity Share of the Company is not listed on any Stock Exchange. The Company is recently incorporated and there has been no change in the capital structure since incorporation.

### v) Chitra Buildtech Private Limited

Chitra Buildtech Private Limited was incorporated on 12.12.2005 as a private limited company. Its registered office is located at 18 Pusa Road 1st Floor, Karol Bagh, New Delhi-5. At present, the Company is engaged in the construction activities.

### Shareholding Pattern

The following is the shareholding of this Company as on March 31, 2006:

Sr. No.	Name of Shareholder	No of Shares	% to Total
1	Ashok Gupta	8000	80%
2	Naresh Kumar Aggarwal	2000	20%
	<b>Total</b>	<b>10000</b>	<b>100%</b>

### Board of Directors

Sr. No.	Name	Designation
1.	Mr. Ashok Gupta	Director
2.	Mr. Naresh Kumar Aggarwal	Director



## Financial Performance

(Rs in Lacs) (except per share data)

Particulars	For the year ending		
	March 31, 2006	March 31, 2005	March 31, 2004
Equity capital	1.0	N.A.	N.A.
Reserves & surplus (excluding Rev. reserves)	N.A.	N.A.	N.A.
Total revenue	N.A.	N.A.	N.A.
Profit after tax	(0.02)	N.A.	N.A.
EPS (Rs.)	(0.17)	N.A.	N.A.
NAV per share (Rs.)	N.A.	N.A.	N.A.

The Equity Share of the Company is not listed on any Stock Exchange. The Company is recently incorporated and there has been no change in the capital structure since incorporation.

### vi) Prime Techno Build Private Limited

Prime Techno Build Private Limited was incorporated on 07.12.2005 as a private limited company. Its registered office is located at 18 Pusa Road 1st Floor, Karol Bagh, New Delhi-5. At present, the Company is engaged in the construction activities.

#### Shareholding Pattern

The following is the shareholding of this Company as on March 31, 2006:

Sr. No.	Name of Shareholder	No of Shares	% to Total
1	Ashok Gupta	8000	80%
2	Sanjeev Tandon	2000	20%
	<b>Total</b>	<b>10000</b>	<b>100%</b>

#### Board of Directors

Sr. No.	Name	Designation
1.	Mr. Ashok Gupta	Director
2.	Mr. Sanjeev Tandon	Director

## Financial Performance

(Rs in Lacs) (except per share data)

Particulars	For the year ending		
	March 31, 2006	March 31, 2005	March 31, 2004
Equity capital	1.0	N.A.	N.A.
Reserves & surplus (excluding Rev. reserves)	N.A.	N.A.	N.A.
Total revenue	N.A.	N.A.	N.A.
Profit after tax	(0.02)	N.A.	N.A.
EPS (Rs.)	(0.17)	N.A.	N.A.
NAV per share (Rs.)	N.A.	N.A.	N.A.

The Equity Share of the Company is not listed on any Stock Exchange. The Company is recently incorporated and there has been no change in the capital structure since incorporation.

## AMD Metplast Limited

### vii) Aditya Infrabuilt Private Limited

Aditya Infrabuilt Private Limited was incorporated on 12.12.2005 as a private limited company. Its registered office is located at 18 Pusa Road 1st Floor, Karol Bagh, New Delhi-5. At present, the Company is engaged in the construction activities.

#### Shareholding Pattern

The following is the shareholding of this Company as on March 31, 2006 :

Sr. No.	Name of Shareholder	No of Shares	% to Total
1	Mr. Ashok Gupta	8000	80%
2	Mr. Hari Shanker Aggrawal	2000	20%
	<b>Total</b>	<b>10000</b>	<b>100%</b>

#### Board of Directors

Sr. No.	Name	Designation
1.	Mr. Ashok Gupta	Director
2.	Mr. Hari Shanker Aggarwal	Director

#### Financial Performance

(Rs in Lacs) (except per share data)

Particulars	For the year ending		
	March 31, 2006	March 31, 2005	March 31, 2004
Equity capital	1.0	N.A.	N.A.
Reserves & surplus (excluding Rev. reserves)	N.A.	N.A.	N.A.
Total revenue	N.A.	N.A.	N.A.
Profit after tax	(0.02)	N.A.	N.A.
EPS (Rs.)	(0.17)	N.A.	N.A.
NAV per share (Rs.)	N.A.	N.A.	N.A.

The Equity Share of the Company is not listed on any Stock Exchange. The Company is recently incorporated and there has been no change in the capital structure since incorporation.

### viii) Manglam Buildtech Private Ltd

Manglam Buildtech Pvt. Ltd was incorporated on 07.12.2005 as a private limited company. Its registered office is located at 18 Pusa Road 1st Floor, Karol Bagh, New Delhi-5. At present, the Company is engaged in the construction activities.

#### Shareholding Pattern

The following is the shareholding of this Company as on March 31, 2006 :

Sr. No.	Name of Shareholder	No of Shares	% to Total
1	Mr. Ashok Gupta	8000	80%
2	Mr. Parveen Kumar Bhasin	2000	20%
	<b>Total</b>	<b>10000</b>	<b>100%</b>





#### Board of Directors

Sr. No.	Name	Designation
1.	Mr. Ashok Gupta	Director
2.	Mr. Parveen Kumar Bhasin	Director

#### Financial Performance

(Rs in Lacs) (except per share data)

Particulars	For the year ending		
	March 31, 2006	March 31, 2005	March 31, 2004
Equity capital	1.0	N.A.	N.A.
Reserves & surplus (excluding Rev. reserves)	N.A.	N.A.	N.A.
Total revenue	N.A.	N.A.	N.A.
Profit after tax	(0.02)	N.A.	N.A.
EPS (Rs.)	(0.17)	N.A.	N.A..
NAV per share (Rs.)	N.A.	N.A.	N.A.

The Equity Share of the Company is not listed on any Stock Exchange. The Company is recently incorporated and there has been no change in the capital structure since incorporation.

#### ix) Shyam Industries (Proprietorship concern)

Main Objects	Manufacturing ROPP caps
Address	C-41, Wazir Pur Industrial Area, Delhi.
Name of the Proprietor.	Mr. Ashok Gupta
Year of establishment	1974

#### Financial Performance

(Rs in Lacs) (except per share data)

Particulars	For the year ending		
	March 31, 2006	March 31, 2005	March 31, 2004
Proprietor's capital account	39.23	47.51	94.78
Sales/Income	5.62	136.81	405.31
Profit after tax	(6.17)	(43.75)	(1.51)

Shyam Industries's manufacturing operations have been discontinued in the year 2005 as its manufacturing operations ceased to be the core area of business for the group.

## AMD Metplast Limited

### x) Ashok Sons HUF

Address	18th Puse Road, 1st Floor, Karol Bagh New Delhi-110005.
Name of the Karta & Members.	Mr. Ashok Gupta - Karta Mrs. Chitra Gupta - Member Mr. Adit Gupta - Member Ms Vidhi Gupta - Member
Capital Details	Rs. 350 Lacs as on 31.03.2005.
Year of establishment	1980

None of our Promoter Group companies are a sick company within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 or are under winding up or have any BIFR proceedings initiated against them.

None of our Promoter Group companies have been struck off as a defunct company by any Registrar of Companies in India.

There are no sales or purchases between our Company and any company in the Promoter Group exceeding 10% of the sales or purchases of our Company.

For details on litigations and disputes pending against our group companies/concerns/subsidiary company and defaults made, please refer to section titled 'Outstanding Litigations' on page no. 172 of this Red Herring Prospectus.

#### Past Ventures of our Promoters

Companies with which our Promoters have disassociated themselves in the last three years are as mentioned below:

Sr. No.	Name of the Promoter	Name of the Company	Year of Disassociation	Reason for disassociation
1	Mr. Harswarup Gupta Mrs. Chitra Gupta	Hind Ispat Limited	2006	Pre Occupation
2	Mr. Adit Gupta	Sharp Commercial Enterprises Limited	2006	Pre Occupation



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## **CHANGE IN THE ACCOUNTING POLICIES**

There has been no change in the accounting policies in the last three years.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS AS REFLECTED IN THE FINANCIAL STATEMENTS**

### **Overview of the business of the Company**

AMD initially set-up crowns manufacturing facility at Ghaziabad in the year 1986. Over the period of last 20 years company has expanded by installing state of the art plants in manufacturing crown, pet preform and CSD-Closures. The plants were imported from Sacmi-Imola (Italy) and Karuss Maffei (Germany). Both are world leader in Manufacturing and Supplying plants meant for manufacturing Crowns, Pet Preform and CSD- Closures.

The management of the company has remained focused on high precision latest technologies and greater efficiencies in the manufacture since beginning; therefore, the key machinery for the initial project was imported from Germany. The company became a leading supplier to beverage industry catering to leading MNCs like Coca-Cola, Pepsi, SAB etc. Company has got opportunities to cater its product Pet Preform in the new industries like fruit juice, edible oils, milk etc.

Since the time when Coke and Pepsi commenced operations in India in 1991-92 the company has been supplying beverage packing materials to these Industry leaders The Company expanded its capacities in the year 1995 after being recognized as an approved supplier by PepsiCo and The Coca Cola Company for Crown Caps. For its expansion project AMD imported, the first Dry blend fully computerized machine from Sacmi, Italy, which was a pioneering effort in India by the company in the manufacture of Crown caps, installing a fully computerized manufacturing line. Sacmi, Italy is considered to be the World leader in manufacture of beverage packing machines. The total cost of the expansion project was Rs.400 Lacs which was part financed by a term loan of Rs.220 Lacs from Union Bank of India and balance cost was met from promoter's contribution and internal accruals.

The manufacturing capacities for crowns were doubled from 1000 to 2000 Million cases annum, in the year 1999 by importing a second machine from Sacmi, Italy at a total cost of Rs. 525 Lacs. The cost of expansion project was part financed by a term-loan of Rs. 340.00 Lacs from Dena Bank and balance cost was financed by promoter's contribution and internal accruals.

The company obtained ISO-9001:2000 certification in the year 1997 implementing standard policies procedure and systems for production, quality and marketing functions.

In the year 2002 AMD diversified its operation by setting up a facility to manufacture 3000 MT per annum of PET PREFORMS, which was a new concept in the beverage PET packaging in India. Since plastic Packaging was a new industry segment for the company the management decided to go for one of the best available technology and therefore imported the key plant from Krauss Maffei, Germany, a member of Siemens Group of Companies and a leading supplier of machinery. The Pet Preform project of the company was set-up at a cost of Rs. 1200 Lacs. The diversification project of the company was part financed by a Term Loan of Rs. 700 Lacs from PICUP and balance was funded through promoter's contribution and internal accruals.

PET PREFORMS capacities were doubled in the year 2003 by adding another machine from Krauss Maffei, Germany at a cost of Rs.915 Lacs. The cost of the expansion project was part financed by a term loan of Rs.530.00 Lacs and Equity contributions of Rs.240.00 Lacs from promoters and internal accruals of Rs.145.00 Lacs.

In the year 2003 AMD diversified further in the plastic packaging by adding a facility to manufacture 360 million pieces per annum of plastic Carbonated Soft drinks Closures (CSD). The addition of CSD closures was an extension of PET PREFORM manufacturing in line with the requirement of company's leading customers. The compression molding technology is key to CSD manufacturing. AMD received all help and co-operation from PepsiCo and The Coca Cola Co, the two leading players in Beverage industry in the World, in selection of the technology and machinery for CSD closures facility. With their active participation the technology was brought in with licensing arrangement of Fully Top from France. CSD closure facility of the company was set-up at a cost of Rs. 1250 Lacs approximately. The project was part financed with a term Loan of Rs. 780 Lacs from Bank of India and balance cost of the project was met from internal accruals and by raising additional equity from promoters and their friends.

In 2004 AMD expanded its crown cap manufacturing capacity from 2000 Million per annum to 2800 Million per annum by setting up facilities at Neemrana, Distt. Alwar, Rajasthan. For Neemrana facility, AMD has imported latest generation fully integrated manufacturing plant. The company has already spent about Rs. 1700 Lacs on its Neemrana facility and plans to further expand the capacity at Neemrana facility in the next phase of expansion.

Significant developments subsequent to the last financial year

There are no such significant developments that have taken place from the date of the last financial statements that have an adverse material impact on the financials.



#### Factors that may affect results of operations

- " Fluctuation and increase in raw material prices.
- " Non-availability of raw material and other resources
- " Any unusual increase in power cost would affect profitability
- " New Competitive businesses.
- " Government rules and regulation relating to Beverage Packaging Industry.
- " Any slowdown in the economic growth in general and infrastructural growth in particular.
- " Change in technology
- " Loss of Key Management Persons

#### Discussion on Results of operations

Investors should read the following discussion of the Company's financial condition and results of operations together with the restated audited financial statements and the notes to those statements included in this Red Herring Prospectus. The following discussion is based on the Company's restated financial statements and information available from other sources.

#### FINANCIAL ANALYSIS

(Rs. Lacs)

Period ended	2003	2004		2005		2006	
	Amount	Amount	Increase / Decrease (%)	Amount	Increase / Decrease	Amount	Increase / Decrease (%)
<b>Income</b>							
Net Sales	4603.39	6216.68	35.04	6412.69	3.15	6581.13	2.63
Other Income/Job Work	12.85	110.74	761.79	322.41	191.14	520.06	61.30
Increase/Decrease in inventories	71.33	67.25	(5.72)	192.44	186.16	33.59	(82.55)
<b>Total Income</b>	<b>4687.57</b>	<b>6394.67</b>	<b>36.42</b>	<b>6927.54</b>	<b>8.33</b>	<b>7134.78</b>	<b>2.99</b>
<b>Expenditure</b>							
Materials consumed	2636.29	3847.24	45.93	4079.35	6.03	3245.47	(20.44)
Manufacturing Exp.	326.46	510.67	56.43	629.04	23.12	544.37	(13.45)
Purchase of Traded Goods	21.23	37.57	76.97	0.00	(100.00)	1420.22	
Staff Cost							
- Direct Labour	58.45	94.25	61.25	95.42	1.24	110.97	16.30
- Admin. Salaries	69.74	85.52	22.63	113.75	33.01	100.00	(12.09)
Admin., Selling & Distribution expenses	762.72	730.34	(4.25)	841.33	15.20	451.52	(46.33)
Financial Expenses	253.53	434.83	71.51	444.07	2.12	429.11	(3.37)
<b>Net Profit Before Depreciation &amp; Tax</b>	<b>559.14</b>	<b>654.24</b>	<b>17.01</b>	<b>724.58</b>	<b>10.75</b>	<b>833.12</b>	<b>14.98</b>
Depreciation	112.20	316.51	182.09	335.17	5.90	317.68	(5.22)
Miscellaneous expenditure w/off off	1.40	2.37	69.29	2.37	0.00	2.73	15.19
<b>Net Profit before Tax</b>	<b>445.54</b>	<b>335.36</b>	<b>(24.73)</b>	<b>387.04</b>	<b>15.41</b>	<b>518.76</b>	<b>34.03</b>
Current Tax	35.12	27.00	(23.12)	30.33	12.33	44.03	45.17
Deferred tax	95.48	128.12	34.19	236.67	84.73	63.29	(73.26)
<b>Net Profit after Tax and before adjust.</b>	<b>314.94</b>	<b>180.24</b>	<b>(42.77)</b>	<b>120.04</b>	<b>(33.40)</b>	<b>405.39</b>	<b>237.71</b>
Adjustments	(0.28)	(1.09)	289.29	(0.08)	(92.66)	0.00	(100.00)
<b>Profit after tax and after adjustments</b>	<b>314.66</b>	<b>179.15</b>	<b>(43.07)</b>	<b>119.96</b>	<b>(33.04)</b>	<b>405.39</b>	<b>237.94</b>
<b>Appropriations</b>							
Balance of Profit Brought Forward	487.60	770.79	58.08	932.03	20.92	1039.99	11.58
<b>Balance Carried to Balance Sheet</b>	<b>770.79</b>	<b>932.03</b>	<b>20.92</b>	<b>1039.99</b>	<b>11.58</b>	<b>1445.38</b>	<b>38.98</b>

## AMD Metplast Limited

### COMPARISON FOR FY 2002-2003 TO 2003-2004

#### Total Income

The total income registered a growth of 36.42% from Rs. 4687.57 Lacs in 2003 to Rs. 6394.67 Lacs. The growth was mainly attributed to the growth of production of company's as listed below:

Product	FY2003	FY 2004	% Increase
Crown Caps (No. of cases)	108146	113674	5.11%
Plastic Closures (Nos.)	--	51339875	100%
PET Preforms (in Tones of Resin Processed)	--	3650	--

#### Other Income

The other income is basically the income derived from interests, foreign exchange fluctuations, DEPB Credit etc. However, the other income during FY 2004 also includes the job work charges (conversion charges) received by the company to the extent of Rs. 74.12 Lacs.

#### Raw Material Consumed

Material consumption has gone up from Rs. 2636.29 Lacs to Rs. 3847.24 Lacs showing an increase of 45.93% over the previous year. There has been a corresponding increase of 35% in net sales from Rs. 4603.39 Lacs to Rs. 6216.68 Lacs. In absolute terms, the increase in sales (Rs. 1613.29 Lacs) is more than the incremental cost in the materials consumed, amounting to Rs. 1210.95 Lacs.

#### Manufacturing Expenses

Manufacturing Expenses increased by 57.42% in absolute terms. The increase was mainly in the form of increase in power and fuel cost, job work charges for printing, expenses on maintenance of generator and direct labour.

#### Staff Cost

Staff cost, both Direct Labour and administrative salaries, increased by 61.25% and 22.63% respectively due to mainly increase in the level of operations. The total staff cost increased by about 40.23% than the corresponding FY 2003, it increased marginally to 2.81% from 2.73% as a percentage of the total income

#### Administrative, Selling & other expenses

Administrative, Selling and other expenses have gone down from Rs.762.72 Lacs to Rs.730.34 Lacs, showing decrease of 4.25% over the previous year despite 35% increase in the turnover from the previous financial year. Overall expenses as percentage of the total revenue has come down to 11.42% from 16.31%

#### Finance Charges

Finance Charges increased by 71.51% mainly due to increase in the level of operations and increase in the total loans from Rs. 3036.61 Lacs to Rs. 5676.83 Lacs. The increase in loans was to finance the project of the company.

#### Profit before Depreciation and Tax

Profit before Tax has increased by 17.01% from Rs. 559.14 Lacs in the preceding financial year to Rs. 654.24 Lacs, registering a increase of Rs 95.1 Lacs despite the higher interest costs. This is mainly attributed to increased levels of operations and decrease in indirect costs.

#### Depreciation

Depreciation charges increased by about 182.09% to Rs.316.51 Lacs from Rs.112.20 Lacs. The higher claim of depreciation is due to acquisition of Plant & Machinery for CSD Closures unit and other capital investment for major long term expansion.

#### Taxation

Though Current Tax Provision was declined to Rs. 27 Lacs from Rs. 35.12 Lacs (23.08%), the deferred tax provision increased to Rs. 128.12 Lacs from Rs. 95.48 Lacs (increase of 34.14%). In total, the tax provision jumped from Rs. 130.6 Lacs to Rs. 155.12 Lacs showing an increase of 18.75%

#### Profit after Tax

Profit after Tax has decreased from Rs. 314.94 Lacs to Rs. 180.24 Lacs in the year 2003-04 showing a decline of Rs. 134.7 Lacs or about 42.78%. This decline is attributed to the higher claim of depreciation explained above and higher provision of income tax (current and deferred).



## COMPARISON FOR FY 2003-2004 TO 2004-2005

### Total Income

The total income registered a growth of 8.33% from Rs. 6394.67 Lacs in 2004 to Rs. 6927.54 Lacs. The growth was mainly attributed to the growth in production as listed below:

Product	FY 2004	FY 2005	% Increase
Crown Caps (No. of cases)	113674	115908	1.96%
Plastic Closures (Nos.)	51339875	158204477	208.15%
PET Preforms (in Tones Resin Processed)	3650	4494	23%

### Other Income

The other income is basically the income derived from interests, foreign exchange fluctuations, DEPB Credit etc. However, the other income during FY 2005 also includes the job work charges received by the company to the extent of Rs. 304.81 Lacs from 74.12 Lacs during last year.

### Raw Material Consumed

Material consumption has gone up from Rs. 3847.24 Lacs to Rs. 4074.35 Lacs showing an increase of 6.03% over the previous year. There has been a corresponding increase of 8.33% in the total income from Rs. 6394.67 Lacs in FY 2004 to Rs. 6927.54 Lacs in FY 2005. In absolute terms, the increase in sales (Rs. 532.87 Lacs) is more than the incremental cost in the materials consumed, amounting to Rs. 227.11 Lacs. The above marginal increase in raw material consumption is because of the increase of raw materials PVC Compound and Resin in comparison to the sale rates of the end products.

### Manufacturing Expenses

Manufacturing Expenses increased by 23.15% in absolute terms. The increase was mainly in the form of increase in power and fuel cost and insurance.

### Staff Cost

Staff cost, both Direct Labour and administrative salaries, increased by 1.24% and 33.01% respectively due to mainly increase in the level of operations. The total staff cost increased by about 16.35% than the corresponding FY 2004, it increased marginally to 3.01% from 2.81% as a percentage of the total turnover.

### Administrative, Selling & other expenses

Administrative, Selling and other expenses have gone up from Rs. 730.34 Lacs to Rs. 841.33 Lacs, showing increase of 15.20% over the previous year. Overall expenses as percentage of the total revenue have also gone up to 12.14% as against 11.42% in FY 2004. This increase is partly attributed to increase in establishment cost which was necessary for the large scale expansion undertaken by the company and partly due to increase in commission on sales, higher rebate and discounts allowed to customers, higher packing material cost and freight outward cost. Increase in the above expenses was necessary to ensure deeper penetration in the market when company contemplating major expansion to ward off emerging competition of other manufactures.

### Finance Charges

Finance Charges increased marginally by 2.12% mainly due to increase in working capital borrowings and fresh term loan from Union Bank of India. This is largely on account of difference in amount of book borrowing interest and also due to foreign exchange fluctuations occasioned by the adoption of AS-11. However, overall the borrowings of the company registered a decrease of Rs. 362.87 Lacs to Rs. 5313.96 Lacs from Rs. 5676.83 Lacs in the previous year.

### Profit before Depreciation and tax

Profit before Tax has increased by 10.75% from Rs. 654.24 Lacs in the preceding financial year to Rs. 724.58 Lacs, registering an increase of Rs 70.34 Lacs despite the higher interest costs. This is mainly attributed to increased levels of operations and better efficiency / realization.

## AMD Metplast Limited

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### Depreciation

Depreciation charges increased by about 5.90% to Rs. 335.17 Lacs from Rs. 316.51 Lacs. The higher claim of depreciation is due to increase in the gross block of the company which is increased to Rs. 5933.24 Lacs from Rs. 5655.98 Lacs.

### Taxation

Current Tax Provision is increased to Rs.30.33 Lacs from Rs.27 Lacs (up 12.33%) and Deferred Tax Provision increased to Rs. 236.67 Lacs from Rs. 128.12 Lacs (increase of 84.73%). In total, the tax provision jumped from Rs. 155.12 Lacs to Rs. 267 Lacs showing an increase of 72.14%

### Profit after Tax

Profit after Tax has decreased from Rs. 180.24 Lacs to Rs. 120.04 Lacs in the year 2004-05 showing a decline of Rs.60.2 Lacs or about 33.40%. This decline is attributed mainly to higher tax provision (current and deferred) and higher claim of depreciation explained above.

## COMPARISON FOR FY 2004-2005 TO 2005-2006

### Total Income

The total income registered a marginal growth of 2.99% from Rs. 6927.54 Lacs in 2005 to Rs. 7134.78 Lacs in FY 2006. The total income grew to the fact that there has been a trading sale of Rs. 1427.95 Lacs in the current year. The raw material cost ratio to manufactured goods has shown an improvement of from 63% to 62% over the corresponding period.

### Other Income

The other income is basically the income derived from interests, foreign exchange fluctuations, DEPB Credit etc. However, the other income during FY 2006 also includes the job work charges (conversion charges) received by the company to the extent of Rs. 441.42 Lacs as against Rs. 304.81 Lacs during last year.

### Raw Material Consumed

Material consumption has gone down from Rs. 4079.35 Lacs to Rs. 3245.47 Lacs showing a decrease of 20.44% over the previous year due to lower manufacturing sale and trading sale of Rs. 1427.95 Lacs.

### Manufacturing Expenses

Manufacturing Expenses also decreased by 13.46 % in absolute terms. The decrease was mainly due to decrease in the manufacturing activities of the Company.

### Staff Cost

Direct Labour Cost has increased by about 16.30% but the administrative salaries decreased by 12.09%. The total staff cost increased by about 0.86% than the corresponding FY 2005. It is decreased marginally to 2.96% from 3.01% as a percentage of the total turnover.

### Administrative, Selling & other expenses

Administrative, Selling and other expenses have gone down from Rs. 841.33 Lacs to Rs. 451.52 Lacs, showing decrease of 46.33% over the previous year. Overall expenses as percentage of the total revenue have also gone down to 6.33% as against 12.41% in FY 2005. This decrease is partly attributed to the fact that the company has established itself as quality player in the industry due which expenses relating to commission on sales, rebates & discounts etc. have come down substantially. Expenditure in earlier years have ensured deeper penetration in the market and has established itself as a company having quality and consistency as its prime vision with an eye on adherence to the delivery schedules.

### Finance Charges

Finance Charges have also shown marginal decrease of 3.37% mainly due to repayment of term loans, swapping of high cost borrowings with the lower cost borrowings viz. FCNR (B) loans and decrease in working capital borrowings. Overall the borrowings of the company registered a decrease of Rs. 524.68 Lacs to Rs. 4789.28 Lacs from Rs. 5313.96 Lacs in the previous year.

### Profit before Depreciation and tax

Profit before Tax has increased by 14.98% from Rs. 724.58 Lacs in the preceding financial year to Rs. 833.12 Lacs, registering an increase of Rs. 108.54 Lacs. This is mainly attributed to increased better efficiency / realization.





### **Depreciation**

Depreciation charges decreased by about 5.22% to Rs. 317.68 Lacs from Rs. 335.17 Lacs despite marginal increase in the gross block of the company which has increased to Rs. 6093.73 Lacs (including capital work in progress) from Rs. 5933.24 Lacs.

### **Taxation**

The Current Tax Provision is increased to Rs. 44.03 Lacs from Rs. 30.33 Lacs (up 45.17%), the deferred tax provision decreased to Rs. 63.29 Lacs from Rs. 236.67 Lacs (decrease of 73.26%). In total, the tax provision has gone down from Rs. 267 Lacs (FY2005) to Rs. 107.32 Lacs (FY2006) showing a decrease of 59.81%. The overall deferred tax liability is standing at Rs. 523.55 Lacs as against Rs. 460.27 Lacs in the previous year i.e. up 13.75% in the Balance Sheet as on 31-03-2006.

### **Profit after Tax**

Profit after Tax has increased from Rs. 120.04 Lacs to Rs. 405.39 Lacs in the year 2005-06 showing an increase of Rs. 285.35 Lacs or about 237.71%. There is a marked improvement in the financial results of the company which is attributed to the company's efforts to bring down business contingencies, increased job work executed by the company as compared to the earlier years, higher margins in the business, lower tax provisions and expenditure control.

### **Information required as per clause 6.10.5.5 of SEBI (DIP) Guidelines.**

- 1) Unusual or infrequent events or transactions  
There are no unusual or infrequent events or transactions having significant impact on the operations of the company.
- 2) Significant economic changes that materially affected or likely to affect income from continuing operations.  
There are no economic changes that materially affected or likely to affect income from continuing operations
- 3) Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.  
No known trends and uncertainties are envisaged from continuing operations except for the fact that the company is substantially depend upon the orders from one or two major buyers. In the event of any buyer backing out, the company's business operations may hamper.
- 4) Future changes in relationships between costs and revenues in case of events such as future increase in labour or material cost or prices that will cause material change are known.  
There are no such changes in relationship between cost and revenues.
- 5) The extent to which material increase in the net sales/ revenue is due to increase in sales volume, introduction of new products or services or increased sales prices.  
Not applicable
- 6) Total turnover of each major industry segment in which the company operated.  
The total turnover for the financial year 2005-06 of Pet Division is Rs.2862.57 lacs, for Crown caps Division Rs.2731.05 lacs, textile resale division Rs. 1125.39 lacs
- 7) Status of any publicly announced new products or business segment.  
The Company has not publicly announced any new products or segments.
- 8) The extent to which the company's business is seasonal  
The Company's business is substantially seasonal.
- 9) Any significant dependence on a single or few suppliers or customers  
The revenues of the Company are highly dependent on a limited number of clients. However, the Company has excellent business relations with the existing customers by receiving repetitive orders from them. Hence the Company does not foresee any loss of business because of its dependence on few customers.
- 10) Competitive conditions  
The business of the company does not face significant competition from rival manufacturers in day to day basis as the buyers enter in to long term agreement with the company. However the competition for long term basis cannot be ruled out.

**SECTION VI - LEGAL AND OTHER INFORMATION****OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS**

The Issuer Company certifies that except as stated herein, there are no:

- a. Pending litigations in which the Promoters are involved, defaults to financial institutions/banks, non- payment of statutory dues and dues towards instrument holders like debenture holders, fixed deposits, and arrears on cumulative preference shares by the Promoters and the companies/firms promoted by the Promoters.
- b. Pending litigations, defaults, etc. in respect of companies/firms/ventures with which the Promoters were associated in the past but are no longer associated, where their names continue to be associated with particular litigation(s).
- c.
  - i) Litigations against our Company or against any other company whose outcome could have a materially adverse effect of the position of our Company.
  - ii) Litigations against the Promoters or directors involving violation of statutory regulations or criminal offence.
- d.
  - i) Pending proceedings initiated for economic offences against the directors, the Promoters, companies and firms promoted by the Promoters.
  - ii) Past cases in which penalties were imposed by the concerned authorities.
- e. Outstanding litigations, defaults, etc., pertaining to matters likely to affect operations and finances of our Company including disputed tax liabilities, prosecution under any enactment in respect of Schedule XIII to the Companies Act, 1956
- f. Pending litigations, defaults, non payment of statutory dues, proceedings initiated for economic offences/Civil offences (including the past cases, if found guilty), any disciplinary action taken by the Board/ stock exchanges against our Company/Promoters/subsidiary company and his other business ventures (irrespective of the fact whether they fall under the purview of Sec 370 (1B) of the Companies Act, 1956) / Directors.

**1. Criminal Laws**

(a) Cases filed by the Company

<b>Sr. No</b>	<b>Case No.(s) Institution Date</b>	<b>Plaintiff / Defendants</b>	<b>Name of Court</b>	<b>Amount Involved (in Rs.)</b>	<b>Subject Matter and Relief sought</b>	<b>Status as on Date</b>
1	Complaint 1127 dated 06/03/2002	AMD V/s P.K. Pandey	Metropolitan Magistrate	2,00,000/-	Negotiable Instrument Act	In Process before Court
2	2199/1/O6 dt. 9/11/2006	AMD Metplast Ltd. V/S M/S.Satyam Foods Specialities (P)Ltd. Jaipur	Metropolition Megistrarte	1,00,000/-	Negotiable Instrument Act	In Process before Court
3	2200/1/O6 dt. 9/11/2006	AMD Metplast Ltd. V/S M/S.Satyam Foods Specialities (P)Ltd. Jaipur	Metropolition Megistrarte	1,00,000/-	Negotiable Instrument Act	In Process before Court



- (b) Cases filed against the Company - Nil
- (c) Cases filed by the Promoters- Nil
- (d) Cases filed against the Promoters - Nil
- (e) Cases filed by the Directors- Nil
- (f) Cases filed against the Directors - Nil
- (g) Cases filed by the Group Companies/associate concerns/subsidiary company - Nil
- (h) Cases filed against the Group companies/associate concerns/subsidiary company - Nil

## 2. Under securities Laws

- (a) Cases filed by the Company - Nil
- (b) Cases filed against the Company- Nil
- (c) Cases filed by the Promoters- Nil
- (d) Cases filed against the Promoters- Nil
- (e) Cases filed by the Directors- Nil
- (f) Cases filed against the Directors- Nil
- (g) Cases filed by the Group Companies/associate concerns/subsidiary company - Nil
- (h) Cases filed against the Group companies/associate concerns/subsidiary company - Nil

## 3. Under Tax Laws

### (a) Cases filed by the Company

Sr. No	Case No. (s) Institution Date	Plaintiff / Defendants	Name of Court	Amount Involved (in Rs.)	Subject Matter and Relief sought	Status as on Date
1	113-CE/Appel/Gzb/06 Dt. 19.04.2006	AMD V/s Asstt, Commission Excise Div-I Gzb.	Commissioner Appeals - Gzb.	9,31,360/-	Refund Claim denied. To set aside order in original	Personnal hearing completed on dt.10/11/2006 order awaited
2	361/2005 dated 17/05/2005	AMD V/s Dy. Commissioner Sales Tax	Joint Commissioner Appeals (Trade Tax)- III Gzb	95,098/-	Custom Certificate not filed at the time of assessment for FY 2002-03. Case be remanded back.	In Process before Joint Commissioner Appeals
3	275/2004 dated 19/09/2004	AMD V/s Commissioner Trade Tax Lucknow	High Court Lucknow Bench	4069708/-	Sales Tax exemption be granted in Diversification.	In Process before Court

## AMD Metplast Limited

Sr. No	Case No. (s) Institution Date	Plaintiff / Defendants	Name of Court	Amount Involved (in Rs.)	Subject Matter and Relief sought	Status as on Date
4	277/2004 & 339/2005 dated 29/07/04 & 17/05/2005	AMD V/s Dy. Commissioner Sales Tax	Joint Commissioner Appeals (Trade Tax)- III Gzb	33,62,833/-	Entry Tax On Plant & Machinery Purchased from outside State. The demand is ultra virus and it should be quashed.	In Process before Joint Commissioner Appeals
5	354/06 dated 21/05/06	AMD V/s D.C. Trade Tax Gaziabad	Joint Comm. Appeal Court Gzb.	2,61,414/-	Order set a side on submission of Export Certificate	In Process before Joint Commissioner Appeals

### (b) Cases filed against the Company

Sr. No	Case No. (s) Institution Date	Plaintiff / Defendants	Name of Court	Amount Involved (in Rs.)	Subject Matter and Relief sought	Status as on Date
1	5/JC/Gzb/06 Dt. 13.02.2006	Joint Commission Excise Div-I Gzb. V/S AMD	Joint Commissioner - Gzb	9,31,360/-	Interest & Penalty demanded	Order recd., on dated 06/01/2007 by Addn. Commissioner Gzb. Appeal is to filed.
2	Show Cause Notice C-No.V(H)ST/ ADJ-I-175-2006-3458 dt.19.09.2006	J.C.Central Excise-Jaipur V/S AMD Metplast Ltd. Neemrana	Joint Commissioner Central Excise-I Jaipur	575351/- + Intt. & Penalty	Service Tax on goods Transport Agency disallowed for the period April 05 to March 06. Order not as per notifications issued for GTA and it should be quashed	Reply submitted to Joint Commissioner Central Excise-I Jaipur. Order/Personal hearing awaited.
3	191-CE/Appeal/GZB dated 22.11.2006	Commissioner of Central Excise Gzb V/S AMD Metplast	Commissioner Appeals - Gzb.	2,69,275/-	Our Modvate claim allowed by A.C.is not justified. A.C.order will be set a side	In Process of filing the appeal before Commissioner Appeal Central Excise Ghaziabad
4	186-CE/Apl/gzb/06 dated 06/11/06	CCE , Ghaziabad V/s AMD Metplast Limited	Commissioner Appeals - Gzb.	931360/-	Duty demanded by Department	Cross Objection filed on dt. 22/12/2006 personal hearing is to be held.

- (c) Cases filed by the Promoters - Nil  
(d) Cases filed against the Promoters - Nil  
(e) Cases filed by the Directors - Nil



- (f) Cases filed against the Directors - Nil  
 (g) Cases filed by the Group Companies/associate concerns/subsidiary company - Nil  
 (h) Cases filed against the Group companies/associate concerns/subsidiary company - Nil

#### 4. Under civil laws

##### (a) Cases filed by the Company

Sr. No	Case No. (s) Institution Date	Plaintiff / Defendants	Name of Court	Amount Involved (in Rs.)	Subject Matter and Relief sought	Status as on Date
1	R.F.A. 442/2001 dated 29/09/2001	AMD V/S Patel Roadways Ltd.	Delhi High Court	2.36,000/-	Case for goods damaged in Transit	Pending in High Court Recovery
2	Suit No. 77/2005 dated 03/03/2001	AMD V/s Poona Breweries Ltd	Civil Court	1050000	Recovery Case	In Process before Court

##### (b) Cases filed against the Company

Sr. No	Case No. (s) Institution Date	Plaintiff / Defendants	Name of Court	Amount Involved (in Rs.)	Subject Matter and Relief sought	Status as on Date
1	Suit No. 342/2000 dated 20/07/2000	Patel Roadways Ltd. V/S AMD	Civil Court	32,000/-	Asking freight of goods transported by them of our goods damaged in transit for Rs. 2.36.000/-	In Process before Court
2	R.F.A. 14/97 dr. 28.12.96	Bhandari Homeopathic Laboratories Vs. AMD	High Court	97,471.54	Against decree dt. 18.11.96 in our favor	Pending in High Court

##### (c) Cases filed by the Promoters-Nil

##### (d) Cases filed against the Promoters

Sr. No	Case No. (s) Institution Date	Plaintiff / Defendants	Name of Court	Amount Involved (in Rs.)	Subject Matter and Relief sought	Status as on Date
1	Complaint No. 292/01 dated 30/03/01	M.C.D.V/s Ashok Gupta AMD Metplast	Metropolitan Magistrate	5,000/-	Commercial Activities in residential area	In Process before Court
2	Complaint No. 362/01 dated 11/04/2001	M.C.D.V/s Ashok Gupta	Metropolitan Magistrate	5,000/-	Commercial Activities in residential area	In Process before Court
3 A	Suit No. 2043/89 dated 17/07/89	Prem Raj Choudhary V/s Babu Ram & Others	Delhi High Court	25 Lacs Approx	Challenging ownership of Residential Plot situated at 60/5 Ramjas Raod Karol Bagh New Delhi	In Process before Court

## AMD Metplast Limited

Sr. No	Case No. (s) Institution Date	Plaintiff / Defendants	Name of Court	Amount Involved (in Rs.)	Subject Matter and Relief sought	Status as on Date
3 B	Appeal No. 80, 87/2005, 72/2005 dated 23/05/2005, 550/2006 dated 12/04/2005	Prem Raj Choudhary V/s D.D.A. & Others	Civil Court	25 Lacs Approx	Challenging ownership of Residential Plot situated at 60/5 Ramjas Raod Karol Bagh New Delhi	In Process before Court

- (e) Cases filed by the Directors - Nil
- (f) Cases filed against the Directors - Nil
- (g) Cases filed by the Group Companies/associate concerns/subsidiary company - Nil
- (h) Cases filed against the Group companies/associate concerns/subsidiary company - Nil

### 5. Under Labour laws

- (a) Cases filed by the Company - Nil
- (b) Cases filed against the Company - Nil
- (c) Cases filed by the Promoters - Nil
- (d) Cases filed against the Promoters - Nil
- (e) Cases filed by the Directors - Nil
- (f) Cases filed against the Directors - Nil
- (g) Cases filed by the Group Companies/associate concerns/subsidiary company - Nil
- (h) Cases filed against the Group companies/associate concerns/subsidiary company - Nil

### 6. under various statutory laws

- (a) Cases filed by the Company - Nil
- (b) Cases filed against the Company- Nil
- (c) Cases filed by the Promoters- Nil
- (d) Cases filed against the Promoters- Nil
- (e) Cases filed by the Directors- Nil
- (f) Cases filed against the Directors- Nil
- (g) Cases filed by the Group Companies/associate concerns/subsidiary company - Nil
- (h) Cases filed against the Group companies/associate concerns/subsidiary company - Nil

### 7. Under various other laws including various notices, defaults, penalties etc

None

### Amount Outstanding to SSI Undertaking or other creditors

There are no SSI Undertakings or other creditors to whom an amount exceeding Rs.1 Lac is outstanding for more than 30 days as on the date of filing the RHP with ROC.

### Material Developments

There are no material developments after the date of the last audited balance sheet as on March 31, 2006, which may materially affect the performance, or prospects of the Company.

As per the opinion of the Directors, no circumstances have arisen since the date of last financial statement disclosed in the Prospectus that materially and adversely affect or are likely to effect the trading or profitability of the Company, the value of its assets, or its ability to pay liabilities within the next twelve months.



## GOVERNMENT APPROVALS /LICENSING ARRANGEMENTS

The Company has received all the necessary consents, licenses, permissions and approvals from the Government/ RBI and various Government Agencies required for its present business and no further approvals are required for carrying on the present as well as the proposed business of the company except the pending approvals as mentioned under this heading.

The Company can undertake all the present and proposed activities in view of the present approvals and no further approvals are required by the company from any statutory body to undertake the present and proposed activities except the pending approvals as mentioned under this heading.

The Company has received the following Government and/or Statutory approvals/licenses/ permissions:

### Factory License

Unit Details	Address & Contact Details	Factory License
Unit No. 1	C-10, Site 3, Meerut Road Ind. Area, Ghaziabad	Factory License No.GZB-1831 Date 29.04.86
Unit No. 2	145, Anand Ind. Area, Mohan Nagar, Ghaziabad	Factory License No. GZB 3498 Date 07.09.95
Unit No. 3	C-4 & C-5, Site 3, Meerut Road Indl. Area, Ghaziabad	Factory License No.GZB-4065 Date 18.07.02
Unit No. 4	SP-32, RIICO Ind. Area, Neemrana, Rajasthan	Factory License No.RJ-26432 Date 31.01.04

The Company has obtained all the above licenses/approvals and they are valid.

### SIA Approval

SIA Approval	Secretariat of Industrial Approvals, Ministry of Industry, Government of India	The Company has obtained SIA Approvals for each of units and they are in force
Approval Type	Validity	Date of Approval
Unit I	Valid	822/SIA/IMO/2000 Dated30.03.2000
Unit II	Valid	44/SIA/IMO.Dated 03/01/95
Unit III	Valid	21/SIA/IMO/2001 Dtd 4.12.2001 & 3029/SIA/IMO/2002 Dtd. 1/03/2003
Unit IV	Valid	3712/SIA/IMO/2003 Dated20.04.2004

The Company has obtained all the above approvals and they are valid.

### NOC From Pollution Control Board

Pollution Control Board Clearance	State Pollution Control Board	The Company has obtained Pollution Control Clearance for each of its unit and they are in force.
Approval Type	Validity	Date of Approval
Unit I	Valid	404 Dated 7.03.86
Unit II	Valid	NOC was not required. Only self deceleration was required.
Unit III	Valid	3057 / NOC - 92/A82/2002 Dated22.01.02
Unit IV	Valid	3251 Dated10.09.2004

The Company has obtained all the above certificates and they are valid.

## AMD Metplast Limited

### Sales Tax

Sales Tax Uttar Pradesh Sale Tax Department	Valid	<b>Ghaziabad, Uttar Pradesh</b> UPTT No. GD-0205137 Dated 1.04.84 CST No. GD - 5158904 Dated 23.04.84
Rajasthan Sales Tax Department Central Sales Tax		<b>Neemrana, Rajasthan</b> TIN No. 08640701268 S. T. Reg. No. AAA CA 2843C ST 004

The Company has obtained all the above registration certificates and they are valid.

### Income Tax

Income Tax No. (PAN) Tax Deduction No.	No. AACAA2843C Valid No. DELA16340C Valid	Income Tax Department, Ministry of Finance, Government of India Income Tax Department, Ministry of Finance, Government of India
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The Company has obtained all the above numbers and they are valid.

### Excise

Excise Registration	Excise Department, Government of India Valid	<b>AMD 1 : AAA CA 2843 CXM001</b> <b>AMD 2 : AAA CA 2843 CXM 002</b> <b>AMD 3 : AAA CA 2843 CXM 003</b> <b>AMD 4 : AAA CA 2843 CXM 004</b>
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The Company has obtained all the above registration certificates and they are valid.

### International Business

Importer Exporter Code	0594053471 Valid	Jt. Director General of Foreign Trade, Ministry Of Commerce, Govt. Of India
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The Company has obtained the above code and it is valid.

### Quality Certification

Quality Certification	ISO Certification No.03646-2006-AQ-BOM-RvA 21.02.1997 ORIGINAL CERTIFICATE DATE	From : DET NORSKE VERITAS
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The Company has obtained the above certificates and it is valid.

### Labour Approvals

Provident Fund	Regn. No.	Date	From :
For Neemrana For UP - GHB	RJ - 14152 UP -14506	01.06.04	Regional PF Commissioner Jaipur Regional PF Commissioner Meeru
ESIC	Regn. No.	Date	From :
For Neemrana Amd 4 For UP - GHB Amd 1 Amd 2 - Ghb. Amd3 - Ghb.	15/18511/57 21-17155-57 21-21342-56 21-33561-90 dated 1.04.02	02..04.04 7.04.1984	ESIC Jaipur ESIC Kanpur ESIC Kanpur ESIC Kanpur

The Company has obtained the above certificates and it is valid.

### Pending approvals

#### For PET project at Neemrana

<b>SIA</b> <b>Factory License</b> <b>NoC from PCB</b>	Required Required Required	It is to be added in the existing license. It is to be added in the existing license. It is to be added in the existing license.
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## SECTION VII - OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Present Issue

The Issue has been authorized pursuant to a resolution of the Board of Directors of the Company adopted at its meeting held on 5th June, 2006 and by a special resolution adopted pursuant to Section 81(1A) of the Companies Act, 1956, at the Annual General Meeting of the Company held on 14th June, 2006.

### Prohibition by SEBI

The Company, its Directors, its Promoters, its Subsidiary, other companies/ ventures promoted by the Promoters and companies with which the Company's Directors are associated as directors or promoters have not been prohibited from accessing the capital markets or restrained from buying, selling or dealing in securities under any direction or order passed by SEBI.

### Eligibility For The Issue

Our Company is eligible for the Issue in accordance with Clause 2.2.1 of the SEBI DIP Guidelines as explained under, with the eligibility criteria calculated in accordance with Restated Financial Statements as per Indian GAAP:

- Our Company has net tangible assets of at least Rs. 300 Lacs in each of the preceding three full years of which not more than 50% is held in monetary assets and is compliant with Clause 2.2.1(a) of the SEBI DIP Guidelines;
- Our Company has a track record of distributable profits in accordance with Section 205 of Companies Act, for at least three of the immediately preceding five years and is compliant with Clause 2.2.1(b) of the SEBI DIP Guidelines;
- Our Company has a net worth of at least Rs. 100 Lacs in each of the three preceding full years and is compliant with Clause 2.2.1(c) of the SEBI DIP Guidelines;
- The aggregate of the proposed Issue size and all previous issues made in the same financial year in terms of size (i.e. offer through the offer document + firm allotment + promoter's contribution through the offer document) is not expected to exceed five times the pre-Issue net worth of our Company as per the audited balance sheet of the last financial year and is compliant with Clause 2.2.1(e) of the SEBI DIP Guidelines.
- There has been no change in the name of our Company in the last one year.

In addition to satisfying the conditions mentioned in Clause 2.2.1 of the SEBI DIP Guidelines; the prospective allottees will not be less than one thousand (1000) in number.

Our net tangible assets, monetary assets, net profits (as restated) and networth (as restated) as derived from the Restated Financial Statements, as per Indian GAAP and included in this Red Herring Prospectus under the section titled "Financial Statements", beginning on page 88 of this Red Herring Prospectus as for the last five years ended March 31, 2006 is set forth below:

(Rs. In lacs)

For the Financial year ending	March 31, 2002	March 31, 2003	March 31, 2004	March 31, 2005	March 31, 2006
Distributable Profits	144.58	314.65	179.15	119.95	405.39
Net worth	1204.96	1817.77	2047.48	2319.80	3084.89
Net Tangible Assets	3719.58	5683.21	9057.49	9534.00	9271.66
Monetary Assets	1838.90	3022.38	4036.80	4454.01	4450.28
% of Monetary Assets to Net Tangible Assets	49.44%	53.18%	44.57%	46.72%	48%

Source: Audited Annual Accounts of the Company for the respective financial years.

## **AMD Metplast Limited**

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Monetary Assets have been considered as defined by AS-11 issued by Institute of Chartered Accountants of India, which is as follows:

"Monetary items are money held and assets and liabilities to be received or paid in fixed or determinable amounts of money, e.g., cash, receivables, payables."

Monetary Assets taken as per the above definition are: Cash and Bank, Sundry Debtors, Loans and Advances and Other Current Assets.

'Net tangible assets' shall mean the sum of all net assets of the company, excluding 'intangible assets', as defined in Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India.

Further, in accordance with Clause 2.2.2A of the SEBI DIP Guidelines, we undertake that the number of allottees, i.e., persons receiving allotment in the Issue shall be at least 1,000; otherwise, the entire application money will be refunded forthwith. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% per annum for the period of delay.

For a complete explanation of the above figures please refer to the section entitled "Financial Statements" beginning on page 88 of this Red Herring Prospectus.

### **SEBI DISCLAIMER CLAUSE**

**AS REQUIRED A COPY OF THE OFFER DOCUMENT HAS BEEN SUBMITTED TO SEBI, MUMBAI.**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE RED HERRING PROSPECTUS TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE RED HERRING PROSPECTUS. BOOK RUNNING LEAD MANAGER, CHARTERED CAPITAL AND INVESTMENT LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI GUIDELINES FOR DISCLOSURE AND INVESTOR PROTECTION FOR THE TIME BEING IN FORCE. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL THE RELEVANT INFORMATION IN THE RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, CHARTERED CAPITAL AND INVESTMENT LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED 16/9/2006 IN ACCORDANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:**

- 1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC., AND OTHER MATERIALS IN CONNECTION WITH THE FINALIZATION OF THE RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE;**
- 2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY;**
- 3. WE CONFIRM THAT**

**THE RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

**ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE, AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC, ISSUED BY SEBI, THE GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**



**THE DISCLOSURES MADE IN THE RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.**

**BESIDE OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATION IS VALID;**

**IF UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFILL THEIR UNDERWRITING COMMITMENTS."**

**THE FILING OF THIS RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI, FURTHER, RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER TO THE ISSUE, ANY IRREGULARITIES OR LAPSES IN THE RED HERRING PROSPECTUS.**

#### **Disclaimer Clause from our Company and the BRLM**

Investors may note that the Company and the Book Running Lead Manager accept no responsibility for statements made other than in this Red Herring Prospectus or in the advertisements or in any other material issued by or at the instance of the Company or the Book Running Lead Manager and that anyone placing reliance on any other source of information would be doing so at his/her own risk. All information shall be made available by the Book Running Lead Manager and the Issuer to the members at large and no selective or additional information would be available for a section of the members in any manner whatsoever. Further, Book Running Lead Manager and the Issuer undertake to update the offer document and keep the public informed of any material changes till the listing and trading commencement.

The BRLM accepts no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into among the BRLM, us and the Underwriting Agreement to be entered into between the Underwriter and us.

All information shall be made available by the BRLM and us to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

#### **Disclaimer in respect of Jurisdiction**

This Issue is being made in India to persons resident in India including Indian nationals resident in India who are not minors, Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. This Red Herring Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi, India only.

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

**Equity Shares have not been registered under the US Securities Act and are not being sold in the US. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "US Securities Act"), or any state securities laws in the United States and may not be offered or sold within the United**

## **AMD Metplast Limited**

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**States,(as defined in Regulations under the US Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Equity Shares will be offered and sold only outside the United States in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.**

### **DISCLAIMER CLAUSE OF BSE**

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. BSE has given vide its letter dated November 16, 2006, permission to this Company to use BSE's name in this Red Herring Prospectus as one of the stock exchanges on which this Company's securities are proposed to be listed. BSE has scrutinized Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of Draft Red Herring Prospectus; or
- warrant that this Company's securities will be listed or will continue to be listed on BSE; or
- take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed to mean that Draft Red Herring Prospectus has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

### **DISCLAIMER CLAUSE OF NSE**

As required, a copy of Draft Red Herring Prospectus has been submitted to NSE. NSE has given vide its letter dated December 14, 2006, permission to the Company to use the NSE's name in this Red Herring Prospectus as one of the stock exchanges on which this Company's securities are proposed to be listed, subject to the Company fulfilling the various criteria for listing including the one related to the paid-up capital and market capitalization (i.e. the paid up capital shall not be less than Rs. 1000 Lacs and market capitalization shall not be less than Rs. 2500 Lacs at the time of listing). The NSE has scrutinized Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed to mean that Draft Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of Draft Red Herring Prospectus; nor does it warrant that this Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

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

### **DISCLAIMER BY CARE, THE GRADING AGENCY**

CARE's IPO grading is a one time assessment and the analysis draws heavily from the information provided by the issuer as well as information obtained from sources believed by CARE to be accurate and reliable. However, CARE, does not guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. CARE's IPO grading does not take cognizance of the price of the security and it is not a recommendation to buy, sell or hold shares/securities. It is also not a comment on the offer price or the listed price of the scrip. It does not imply that CARE performs an audit function or forensic exercise to detect fraud. It is also not a forecast of the future market performance and the earnings prospects of the issuer; also it does not indicate compliance/violation of various statutory requirements. CARE shall not be liable for any losses incurred by users from any use of the IPO grading.



## Filing

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with Registrar of Companies, N.C.T., Delhi & Haryana, CGO complex, Paryavaran Bhavan, Lodhi Road, New Delhi 110 003. A copy of this Red Herring Prospectus has been filed with the Corporation Finance Department of SEBI at World Trade Center I, 29th Floor, Cuffe' Parade, Mumbai- 400 005.

## Listing

Applications have been made to the BSE and NSE for permission to deal in and for an official quotation of our Equity Shares. BSE will be the Designated Stock Exchange.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within 8 days after our Company become liable to repay it, i.e. from the date of refusal or within 70 days from the Bid/Issue Closing Date, whichever is earlier, then our Company, and every Director of our Company who is an officer in default shall, on and from such expiry of 8 days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 7 working days of finalization of the Basis of Allotment for the Issue.

## Impersonation

**Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68(A) of the Companies Act, 1956, which is reproduced below:**

**"Any person who:**

- a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or**
- b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name Shall be punishable with imprisonment for a term which may extend to five years."**

## Consents

Consents in writing of: (a) the Directors, our Company Secretary and Compliance Officer, the Statutory Auditors, Bankers to our Company and Bankers to the Issue; and (b) Book Running Lead Manager to the Issue and Syndicate Members, Registrar to the Issue and Legal Advisors to the Issue, to act in their respective capacities, have been obtained and filed along with a copy of the Prospectus with the Registrar of Companies, New Delhi as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

M/s Suresh & Associates, Chartered Accountants, and our statutory auditors have given their written consent to the inclusion of their report in the form and context in which it appears in this Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

M/s Suresh & Associates, Chartered Accountants, have given their written consent to the tax benefits accruing to our Company and its members in the form and context in which it appears in this Red Herring Prospectus and has not withdrawn such consent up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

## Expert Opinion

Except for the various tax benefits available to the Company and its members expressed by the auditors of the Company, the Company has not obtained any other expert opinion.

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### Public Issue Expenses

The expenses of the Issue payable by the Company inclusive of fees payable to the Book Running Lead Manager, fees payable to the Registrars to the Issue, fees of Legal Advisors, Stamp Duty, Printing, Publication, Advertising and Distribution expenses, Bank charges, Listing Fees, Brokerage and other Miscellaneous Expenses are estimated to be approximately Rs. [●] Lacs will be met out of the proceeds of the Issue.

### Details of Fees Payable

Particular	Amount (Rs. in lacs)	% of Total Issue Exp.*	% of Total Issue size *
Lead Management Fees, Underwriting and Selling commission *	[●]	[●]	[●]
Fees payable to Registrar	[●]	[●]	[●]
Fees payable to Legal Advisor	[●]	[●]	[●]
Fees payable to Auditor	[●]	[●]	[●]
Advertising and Marketing expenses	[●]	[●]	[●]
Printing, Stationary & postage	[●]	[●]	[●]
Other expenses	[●]	[●]	[●]
<b>TOTAL</b>	<b>[●]</b>	<b>[●]</b>	<b>[●]</b>

\* Will be incorporated after finalization of Issue Price.

### Details of Fees Payable

#### Fees Payable to the Book Running Lead Manager to the Issue

The total fees payable to the Book Running Lead Manager will be as per the Memorandum of Understanding signed with the Book Running Lead Manager, a copy of which is available for inspection at the Registered Office of the Company.

The Book Running Lead Manager will be reimbursed for all relevant out-of-pocket expenses including such as cost of travel, stationery, postage & communication expenses.

#### Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue will be as per the Memorandum of Understanding signed with the Company, a copy of which is available for inspection at the Registered Office of the Company.

The Registrar will be reimbursed for all relevant out-of-pocket expenses including such as cost of travel, stationery, postage, stamp duty & communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post.

#### Underwriting Commission, Brokerage and Selling Commission

The underwriting commission and brokerage for the Issue is set out in the Underwriting Agreement and the Syndicate Agreement.

### Previous Public or Rights Issues

This is the first public issue of the Company. The company has not made any public or right issue previously.

### Previous Issues Of Shares Otherwise Than For Cash

Other than as disclosed in the section titled "Capital Structure" on page 12 of this Red Herring Prospectus, the Company has not made any previous issues of shares for consideration otherwise than for cash.

### Commission or Brokerage on Previous Issues

The company has not made any public or rights Issue since its inception and has not paid any commission or brokerage.





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**Issues Made By The Companies Under The Same Management Under Section 370(1b) Of The Companies Act, 1956.**

Neither our Company nor any other company under the same management with the meaning of Section 370(1B) of the Companies Act, 1956, has made any capital issue during the last three years.

**Promise vis-à-vis Performance**

Since our Company has not made any public issue in past, Promise vis-à-vis Performance is not applicable to us.

**Companies under the Same Management**

We do not have any other company under the same management within the meaning of Section 370(1B) of the Companies Act, which has made any capital issue during the last three years.

Outstanding debentures, bonds, redeemable preference shares and other instruments issued by our Company

Our Company has no outstanding debentures, bonds or redeemable preference shares.

**Stock Market Data**

Currently our Equity Shares are not listed/ quoted on any Stock Exchange.

**Redressal of Investor Grievances**

The Memorandum of Understanding between the Registrar to the Issue and us will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have constituted a Shareholders/Investors Grievance and Share Transfer Committee. For details, please refer section titled "Our Management" beginning on page 73 of this Red Herring Prospectus. We have also appointed Mr. Rajkumar Aggarwal as the Compliance Officer for this Issue. Investors can contact the Compliance Officer or the Registrar in case of any pre-Issue or post-Issue related problems, such as non-receipt of letters of allocation, credit of allotted Equity Shares in the respective beneficiary accounts or refund orders etc. The contact details of the Compliance Officer are as follows:

18, Pusa Road, 1st Floor,  
Karol Bagh, New Delhi - 110 005  
Tel: +91-11- 2575 8645, 2575 8649/50,  
Fax: +91-11-2575 3591,  
E-mail: info@amdmetplast.com,

**Investor Grievances - Companies under the same Management**

None of the company under the same management is listed on any stock exchange as on the date of filing the RHP with ROC.

**Changes in Auditors during the Last Three Years and Reasons Thereof**

There is no change in the Statutory Auditors of the Company during last 3 years.

**Capitalisation of Reserves or Profits (During Last Five Years)**

No reserves or profits have been capitalized during last five years.

**Revaluation of Assets, If Any**

None of the assets of our Company have been revalued.

## **SECTION VIII - ISSUE RELATED INFORMATION**

### **TERMS OF THE ISSUE**

#### **Terms of the Issue**

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum and Articles of Association, the terms of this Red Herring Prospectus, Application Form and other terms and conditions as may be incorporated in the allotment advices and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

#### **Ranking of Equity Shares**

The Equity Shares being offered shall be subject to the provisions of Memorandum and Articles and shall rank pari passu in all respects with the other existing Equity Shares of the Company including rights in respect of dividend. The Allottees will be entitled to dividend or any other corporate benefits (including dividend), if any, declared by the Company after the date of Allotment.

#### **Mode of payment of dividend**

The declaration and payment of dividends will be recommended by the Board of Directors and its shareholders, at their discretion, and will depend on a number of factors, including but not limited to Company's earnings, capital requirements and overall financial condition.

#### **Face Value and Issue Price**

The Equity Shares with a face value of Rs. 10 each are being issued in terms of this Red Herring Prospectus at an Issue price of Rs. [●] per share. The Price Band is between Rs. 65 and Rs. 75 per share. At any given point of time, there shall be only one denomination for the Equity Shares of the Company, subject to applicable laws. The Floor Price is 6.5 times of the face value and the Cap Price is 7.5 times of the face value.

#### **Rights of the Equity Shareholder**

Subject to applicable laws and Articles of Association of the Company, the Equity Shareholders shall have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation;
- Right of free transferability; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act and Memorandum and Articles of Association of the Company.

#### **Market Lot and Trading Lot**

In terms of existing SEBI Guidelines, the trading in the Equity Shares shall only be in dematerialized form for all investors and hence, the tradable lot is one Equity Share. In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialized form in multiples of 90 Equity Share subject to a minimum Allotment of 90 Equity Shares.





### **Nomination Facility to the Investor**

In accordance with Section 109A of the Companies Act, the sole or first bidder, along with other joint bidders, may nominate any one person in whom, in the event of the death of sole bidder or in case of joint bidders, death of all the bidders, as the case may be, the Equity Shares transmitted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/ alienation of Equity Share(s) by the person nominating.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

**Notwithstanding anything stated above, since the allotment in the Issue will be made only in dematerialized mode, there is no need to make a separate nomination with the Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.**

### **Minimum Subscription**

If we do not receive the minimum subscription of 90% of the Issue to the public to the extent of the amount payable on application, including devolvement on Underwriters, if any, within 60 days from the Bid Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after we become liable to pay the amount (i.e., 60 days from the Bid Closing Date), we shall pay interest prescribed under Section 73 of the Companies Act.

### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Issue is with competent courts/authorities in New Delhi, India.

Subscription by Non-Residents/NRI/FIIs/Foreign Venture Capital Fund/Multilateral and Bilateral Development Financial Institutions

There is no reservation for any Non-Residents, NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions and such Non-Residents, NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions will be treated on the same basis with other categories for the purpose of allocation.

As per RBI regulations, OCBs cannot participate in the Issue.

### **Application in Issue**

Equity Shares being issued through this Red Herring Prospectus can be applied for in the dematerialized form only.

### **Withdrawal of the Issue**

The Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at anytime including after the Bid Closing Date but before Allotment, without assigning any reason thereof.

**The Equity Shares have not been and will not be registered under the US Securities Act of 1933 ("the Securities Act") or any state securities laws in the United States and may not be offered or sold within the United States or**

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to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act in reliance on Rule 144A under the Securities Act, and (ii) outside the United States to certain Persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

### **Arrangements for Disposal of Odd Lots**

The Company's shares will be traded in dematerialized form only and therefore the marketable lot is one share. Therefore there is no possibility of odd lots.

### **Restriction on Transfer And Transmission Of Shares**

Except as stated otherwise in this Red Herring Prospectus, there are no restrictions on transfer and transmission of our Equity shares and on their consolidation/splitting.



## ISSUE STRUCTURE

Public Issue of 1,01,66,700 Equity Shares of Rs 10 each at a price of Rs. [●] per Equity Share for Cash aggregating Rs. [●] Lacs. The issue would constitute 53.04 % of the fully diluted post issue paid-up capital of our Company. The Issue is being made through the Book Building process.

Particulars	Employees	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares*	Upto 10,16,670 Equity Shares	Upto 40,39,924 Equity Shares.	Minimum of 12,11,978 Equity Shares or Net issue to the public less allocation to QIBs and Retail Individual Bidders.	Minimum of 28,27,948 Equity Shares or Net issue to the public less allocation to QIBs and Non-Institutional Bidders.
Percentage of Issue Size available for allocation	Upto 10 % of Issue Size	Up to 50% of Net issue to the public. 5% of the QIB Portion shall be available for allocation to mutual Funds. Mutual funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs.	Minimum 15% of Net issue to the public or Net issue to the public less allocation to QIBs and Retail Individual Bidders.	Minimum 35% of Net issue to the public or Net issue to the public less allocation to QIBs and Non Institutional Bidders.
Basis of Allocation if Respective category is oversubscribed	Proportionate	Proportionate (a) 2,01,997 Equity shares shall be allocated on a proportionate basis to Mutual Funds ; and(b) 38,37,927 Equity shares shall be allocated on a proportionate basis to all QIBs including Mutual funds receiving allocation as per (a) above	Proportionate	Proportionate
Minimum Bid	90 Equity Shares and in multiples of 90 Equity Share thereafter	Such number of Equity Shares that the Bid Amount exceeds Rs.100,000 and in multiples of 90 Equity Shares thereafter.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of 90Equity Shares thereafter.	90 Equity Shares and in multiples of 90 Equity Share thereafter
Maximum Bid	Not exceeding 10,16,670 Equity Shares	Such number of Equity Shares not exceeding the Issue size, subject to applicable limits.	Such number of Equity Shares not exceeding the Issue size, subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.
Mode of Allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share

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Particulars	Employees	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Who can apply	Employees of the Company as on one (1) day prior to the Bid/ Issue Opening Date	Public financial institutions, as specified in Section 4A of the Companies Act: Scheduled commercial banks, mutual funds, foreign institutional investors registered with SEBI, , venture capital funds registered with SEBI, Foreign Venture Capital Investors registered with SEBI, and State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs.2500 Lacs in accordance with applicable law.	Resident Indian individuals, HUF (in the name of Karta), companies, Corporate bodies, NRIs, scientific institutions societies and trusts.	Individuals (including NRIs and HUFs) applying for Equity Shares such that the Bid Amount does not exceed Rs.100,000 in value.
Terms of Payment	Margin Amount applicable to Employees shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate.	Margin Amount applicable to QIB Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate.	Margin Amount applicable to Non Institutional Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate.	Margin Amount applicable to Retail Individual Bidders at the time of submission of Bid cum Application Form to the members of the Syndicate.
Margin Amount	Full Bid amount on Bidding	At least 10% of the Bid Amount on Bidding	Full Bid amount on Bidding	Full Bid amount on Bidding

\* **Subject to valid Bids being received at or above the Issue Price. Under subscription, if any, in any category would be allowed to be met with spill over from any of the other categories at the discretion of our Company in consultation with the BRLM. However, if the aggregate demand by Mutual Funds is less than 2,01,997 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under-subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange.**

\*\* **In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.**

Undersubscription, if any, in the Employees Reservation Portion will be added back to the Net Issue to the Public, and the undersubscription can be met with spill over from any other category at the discretion of the Company, in consultation with the BRLM.

### Bidding Period / Issue Period

Bid / Issue Opens on	<b>FEBRUARY 15, 2007</b>
Bid/ Issue closes on	<b>FEBRUARY 23, 2007</b>



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Bids and any revision in bids shall be accepted **only between 10 a.m. and 3 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form except that on the Bid/Issue Closing Date, the Bids shall be accepted **only between 10 a.m. and 1 p.m.** (Indian Standard Time) or uploaded till such time as may be permitted by the BSE and NSE on the Bid/Issue Closing Date.

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with SEBI Guidelines. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence the floor of the Price Band can move up or down to the extent of 20% of the floor of the Price Band advertised at least one day prior to the Bid Opening Date / Issue Opening Date.

**In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of Price Band, subject to the Bidding Period / Issue Period not exceeding ten working days. Any revision in the Price Band and the revised Bid/ Issue Period, if applicable, will be widely disseminated by notification to the BSE and NSE by issuing a press release, and also by indicating the change on our web site and/or the BRLM and at the terminals of the Syndicate Member.**

**ISSUE PROCEDURE****BOOK BUILDING PROCEDURE**

The Issue is being made through the 100% Book Building Process wherein up to 50% of the Net Issue shall be available for allocation on a proportionate basis to QIBs, including upto 5% of the QIB Portion which shall be available for allocation to Mutual Funds only. Further, not less than 35% of the Net Issue shall be available for allocation on a proportionate basis to the Retail Individual Bidders and not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Issue Price. It may be noted that the bids received in the Employee Reservation Portion shall not be considered for the purpose of determining the Issue Price through Book Building Process.

Bidders are required to submit their Bids through the Syndicate. Our Company, in consultation with the BRLM, may reject any Bid procured from QIBs, by any or all members of the Syndicate, for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons therefore shall be disclosed to the Bidders. In case of Non-Institutional Bidders, Retail Individual Bidders and employee, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that allotment of Equity Shares to all successful Bidders will only be in the dematerialized form. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialized segment of the Stock Exchanges.

**Bid-cum-Application Form**

Bidders shall only use the Bid-cum-Application Form bearing the stamp of a member of the Syndicate for making a Bid in terms of this Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid-cum-Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN and filing of the Prospectus with the RoC, the Bid-cum-Application Form shall be considered as the Application Form. Upon completing and submitting the Bid-cum-Application Form to a member of the Syndicate, the Bidder is deemed to have authorized us to make the necessary changes in this Red Herring Prospectus and the Bid-cum- Application Form as would be required for filing the Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed Colour of the Bid-cum-Application Form for various categories is as follows:

Category	Colour of Bid-cum-Application Form
Indian Public or NRIs applying on a non-repatriation basis	White
Non-Residents, NRIs or FII's or Foreign Venture Capital Funds registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on a repatriation basis	Blue
Employees	Pink

**Who Can Bid?**

1. Indian nationals resident in India who are majors, or in the names of their minor children as natural/legal guardians, in single or joint names (not more than three);
2. Hindu Undivided Families or HUFs, in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form as follows: "Name of Sole or First bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals;
3. Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the Equity Shares;



4. Indian Mutual Funds registered with SEBI;
5. Indian Financial Institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission, as applicable);
6. Venture Capital Funds registered with SEBI;
7. Foreign Venture Capital Investors registered with SEBI;
8. State Industrial Development Corporations;
9. Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts and who are authorised under their constitution to hold and invest in equity shares;
10. NRIs and FIIs on a repatriation basis or a non-repatriation basis subject to applicable laws;
11. Scientific and/or Industrial Research Organisations authorised to invest in equity shares;
12. Insurance Companies registered with Insurance Regulatory and Development Authority;
13. Provident Funds with minimum corpus of Rs. 2500 Lacs and who are authorised under their constitution to hold and invest in equity shares;
14. Pension Funds with minimum corpus of Rs. 2500 Lacs and who are authorised under their constitution to hold and invest in equity shares;
15. Multilateral and Bilateral Development Financial Institutions; and
16. Pursuant to the existing regulations, OCBs are not eligible to participate in the Issue.
17. Permanent Employees of the Company.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under the relevant regulations or statutory guidelines.

**Note: The BRLM, Syndicate Member and any associate of the BRLM and Syndicate Members shall not be entitled to subscribe to this issue in any manner except towards fulfilling their underwriting obligation.**

#### **APPLICATION BY MUTUAL FUNDS**

**As per the current regulations, the following restrictions are applicable for investments by mutual funds:**

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No mutual fund under its scheme should own more than 10% of any company's paid-up capital carrying voting rights. These limits would have to be adhered to by the mutual funds for investment in the Equity Shares.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual fund will not be treated as multiple bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

#### **Information on reservation for Mutual Funds**

5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion.

#### **Application by NRIs**

Bid cum application forms have been made available for NRIs at the Registered Office of the Company.

NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment under the NRI category. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (white in colour).

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### **As per current regulations, the following restrictions are applicable for investment by FIIs:**

The issue of Equity Shares to a single FII should not exceed 10% of the post-issue paid-up capital of the Company (i.e. 10% of 1,91,66,700 Equity Shares). In respect of an FII investing in Equity Shares of the Company on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of the total issued capital of the Company. As of now, the aggregate FII holding in the Company cannot exceed 24 % of the total paid-up capital of the Company. With the approval of the Board of Directors and the shareholders by way of a special resolution, the aggregate FII holding can go up to 100%. However, as of this date, no such resolution has been recommended for adoption.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its sub account may issue, deal or hold, off shore derivative instruments such as Participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

### **APPLICATION BY SEBI REGISTERED VENTURE CAPITAL FUNDS AND FOREIGN VENTURE CAPITAL INVESTORS**

#### **As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:**

The SEBI (Venture Capital) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the holding by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 33.33% of the corpus of the venture capital fund/ foreign venture capital investor.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

#### **Maximum and Minimum Bid Size**

- (a) **For Retail Individual Bidders:** The Bid must be for a minimum of 90 Equity Shares and in multiples of 90 Equity Share thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of Cut-off option, the Bid would be considered for allocation under the Non- Institutional Bidders portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.
- (b) **For Other Bidders (Non-Institutional Bidders and QIBs):** The Bid must be for a minimum of such number of Equity Shares in multiples of 90 Equity Share such that the Bid Amount exceeds Rs. 100,000 and in multiples of 90 Equity Shares thereafter. A Bid cannot be submitted for more than the Issue Size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by applicable laws. Under the existing SEBI DIP Guidelines, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date.
- (c) **For Bidders in the Employees Reservation Portion:** The Bid must be for a minimum of 90 Equity Shares and in multiples of 90 Equity Share thereafter. The maximum Bid in this portion cannot exceed 10,16,670 Equity Shares. Bidders in the Employees Reservation Portion applying for the maximum Bid in any of the Bidding options not exceeding Rs. 100,000 may bid at Cut-off.

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs. 100,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.





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### Information For The Bidders

- (a) Our Company will file the Red Herring Prospectus with the RoC at least 3 (three) days before the Bid/Issue Opening Date.
- (b) The members of the Syndicate will circulate copies of the Red Herring Prospectus along with the Bid cum Application Form to potential investors.
- (c) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our Registered Office or from any of the members of the Syndicate.
- (d) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

### METHOD AND PROCESS OF BIDDING

- (a) Our Company and the BRLM shall declare the Bid/Issue Opening Date, Bid/Issue Closing Date and Price Band at the time of filing the Red Herring Prospectus with RoC and also publish the same in two widely circulated newspapers (one each in English and Hindi) and in one regional newspaper. This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in Schedule XX- A of the SEBI DIP Guidelines, as amended vide SEBI Circular No. SEBI/CFD/DIL/DIP/14/2005/25/1 dated January 25, 2005. The Members of the Syndicate shall accept Bids from the Bidders during the Issue Period in accordance with the terms of the Syndicate Agreement.
- (b) Investors who are interested in subscribing for our Equity Shares should approach any of the members of the Syndicate or their authorised agent(s) to register their Bid.
- (c) The Bidding Period shall be for a minimum of three working days and not exceeding seven working days. In case the Price Band is revised, the revised Price Band and the Bidding Period will be published in two national newspapers (one each in English and Hindi) and in one regional newspaper and the Bidding Period may be extended, if required, by an additional three working days, subject to the total Bidding Period not exceeding 10 working days.
- (d) Each Bid cum Application Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph titled "Bids at Different Price Levels" on page 196 of this Red Herring Prospectus) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.
- (e) The Bidder cannot bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or allotment of Equity Shares in this Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph titled "Build up of the Book and Revision of Bids" beginning on page 198 of this Red Herring Prospectus.
- (f) The Members of the Syndicate will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("TRS"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form.
- (g) During the Bidding Period, Bidders may approach the members of the Syndicate to submit their Bid. Every member of the Syndicate shall accept Bids from all clients / investors who place orders through them and shall have the right to vet the Bids.
- (h) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the

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paragraph titled "Terms of Payment and Payment into the Escrow Accounts" beginning on page 197 of this Red Herring Prospectus.

- (i) It may be noted that the bids received in the Employee Reservation Portion shall not be considered for the purpose of determining the Issue Price through Book Building Process.

### **Bids at Different Price Levels**

- (a) The Price Band has been fixed at Rs. 65 to Rs. 75 per Equity Share of Rs. 10 each, Rs. 65 being the Floor Price and Rs. 75 being the Cap Price. The Bidders can bid at any price within the Price Band, in multiples of Re 1. In accordance with SEBI Guidelines, the Company in consultation with the BRLM can revise the Price Band by informing the stock exchanges, releasing a press release, disclosure on the website of the members of the Syndicate, if any and notification on the terminal of the members of the Syndicate. In case of a revision in the Price Band, the Issue will be kept open for a period of three working days after the revision of the Price Band, subject to the total Bidding Period not exceeding ten working days. The Company in consultation with BRLM, can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Bidders.
- (b) The Bidder can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders and Employees may bid at "Cut-off". However, bidding at "Cut-off" is prohibited for QIB or Non Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.
- (c) Retail Individual Bidders or Employees, who bid at the Cut-Off, agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders or Employees bidding at Cut-Off shall deposit the Bid Amount based on the Cap Price in the Escrow Account. In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders or Employees (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), Retail Individual Bidders and Employees shall receive the refund of the excess amounts from the Escrow Account.
- (d) The Price Band can be revised during the Bidding Period in which case the maximum revisions on either side of the Price Band shall not exceed 20% fixed initially.
- (e) Any revision in the Price Band shall be widely disseminated including by informing the Stock Exchanges, issuing Press Release and making available this information on the Bidding terminals.
- (f) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 90 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.
- (g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Employees, who had bid at Cut Off Price could either (i) revise their Bid or (ii) make additional payment based on the cap of the Revised Price Band, with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e. original Bid Amount plus additional payment) exceeds Rs.100,000, the Bid will be considered for allocation under the Non Institutional category in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares bid for shall be adjusted for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut off.
- (h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Employees who have bid at Cut Off price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account

### **Escrow Mechanism**

Our Company shall open Escrow Accounts with one or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account. The



Escrow Collection Banks will act in terms of this Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank (s) for and on behalf of the Bidders shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Account to the Public Issue Account as per the terms of the Escrow Agreement. Payments of refund to the Bidders shall also be made from the Escrow Account as per the terms of the Escrow Agreement and this Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between us, the members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

#### **Terms of Payment and Payment into the Escrow Account**

Each Bidder shall, with the submission of the Bid cum Application Form draw a cheque or demand draft in favour of the Escrow Account of the Escrow Collection Bank (for details refer to the paragraph "Payment Instructions" on page 205 of this Red Herring Prospectus) and submit the same to the member of the Syndicate with whom the Bid is being deposited. Bid cum Application Forms accompanied by cash shall not be accepted. The maximum Bid price has to be paid at the time of submission of the Bid cum Application Form based on the highest bidding option of the Bidder.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank. The Escrow Collection Bank will hold all monies collected for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank shall transfer the funds in respect of those Bidders whose Bids have been accepted from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account. The balance amounts after the transfer to the Public Issue Account, lying credited with the Escrow Collection Banks shall be held for the benefit of the Bidders who are entitled to a refund. On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for allocation, to the Bidders.

Each category of Bidders i.e. QIB Bidders, Non Institutional Bidders, Retail Individual Bidders and Bidders under the Employees Reservation Portion would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned in the section titled "Issue Structure" beginning on page 189 of this Red Herring Prospectus. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares allocated at the Issue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date, which shall be a minimum period of two days from the date of communication of the allocation list to the members of the Syndicate by the BRLM. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the members of the Syndicate do not waive such payment, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had bid for, the excess amount paid on bidding, if any, after adjustment for allocation, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which our Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

#### **Electronic Registration of Bids**

- (a) The members of the Syndicate will register the Bids using the on-line facilities of NSE and BSE. There will be at least one on-line connectivity to each city where the Bids are accepted.
- (b) NSE and BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the Syndicate Member and their authorized agents during the Bidding Period. Syndicate Member can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently download the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Syndicate Member shall upload the Bids till such time as may be permitted by the Stock Exchanges.

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- (c) BSE and NSE will aggregate demand and price for bids registered on their electronic facilities on a regular basis and display graphically the consolidated demand at various price levels. This information can be accessed on BSE's website at [www.bseindia.com](http://www.bseindia.com) or on NSE's website at [www.nseindia.com](http://www.nseindia.com)
- (d) At the time of registering each Bid, the Syndicate Member shall enter the following details of the investor in the on-line system:
  - a. Name of the investor
  - b. Investor Category such as Individual, Corporate, NRI, FII or Mutual Fund, etc.
  - c. Numbers of Equity Shares bid for
  - d. Bid price
  - e. Bid-cum-Application Form number
  - f. Whether payment is made upon submission of Bid-cum-Application Form
  - g. Depository Participant Identification No. and Client Identification No. of the Demat Account of the Bidder
- (e) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to request and obtain the TRS from the members of the Syndicate. The registration of the Bid by the Syndicate Member does not guarantee that the Equity Shares shall be allocated either by the Syndicate Member or the Company.
- (f) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
- (g) We, in consultation with the BRLM reserve the right to reject any QIB Bid procured by any or all members of the Syndicate provided the rejection is at the time of receipt of such Bids and the reason for rejection of the Bid is communicated to the bidder at the time of rejection of bid. In case of Non Institutional Bidders, Retail Bidders and Employees we would have a right to reject the Bids only on technical grounds listed on Page 207 in this Red Herring Prospectus.
- (h) It is to be distinctly understood that the permission given by NSE and BSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and BRLM are cleared or approved by NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.
- (i) It is also to be distinctly understood that the approval given by NSE and BSE should not in any way be deemed or construed that Draft Red Herring Prospectus has been cleared or approved by the NSE and BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of Draft Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the NSE and BSE.

### Build Up of the Book and Revision of Bids

- (a) Bids registered by various Bidders through the members of the Syndicate shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.
- (b) The book gets built up at various price levels. This information will be available with the BRLM on a regular basis.
- (c) During the Bidding Period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the price band using the printed Revision Form, which is a part of the Bid-cum-Application Form.
- (d) Revisions can be made in both the desired number of Equity Shares and the bid price by using the Revision Form. Apart from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in his or her Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has bid for three options in the Bid-cum-Application Form and he is changing only one of the options in the Revision Form, he must



still fill the details of the other two options that are not being changed, in the Revision Form unchanged. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

- (e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) of the Bid, the Bidders will have to use the services of the same members of the Syndicate through whom he or he had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.
- (f) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, if any, to be paid on account of upward revision of the Bid at the time of one or more revisions by the QIB Bidders.
- (g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the Syndicate Member. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.
- (h) Only bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allotment. In case of discrepancy of data between NSE or BSE and the Syndicate Member, the decision of the BRLM based on physical records of Bid cum Application Forms shall be final and binding to all concerned.

#### **Price Discovery and Allocation**

- (a) After the Bid/Issue Closing Date, the BRLM will analyze the demand generated at various price levels and discuss pricing strategy with us.
- (b) Our Company and BRLM shall finalise the "Issue Price", the number of Equity Shares to be allotted and the allocation to successful QIB Bidders.
- (c) The allocation for QIBs for an upto of 50% of the Net issue to the public (including 5% specifically reserved for Mutual Funds) would be on a proportionate basis in consultation with Designated Stock Exchange subject to valid bids being received at or above the Issue Price. The allocation to Non-Institutional Bidders, and Retail Individual Bidders of at least 15% and 35% of the Net issue to the public, respectively, would be on proportionate basis, in consultation with Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.
- (d) Under subscription, if any, in any category would be allowed to be met with spill over from any of the other categories at the discretion of our Company in consultation with the BRLM. However, if the aggregate demand by Mutual Funds is less than 2,01,997 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under-subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the BRLM and the Designated Stock Exchange
- (e) Allocation to eligible NRIs or FIIs or Foreign Venture Capital Fund registered with SEBI, Multilateral and Bilateral Development Financial Institutions applying on repatriation basis will be subject to the terms and conditions stipulated by RBI.
- (f) The BRLM, in consultation with us, shall notify the Syndicate Member of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.
- (g) Our Company reserves the right to cancel the Issue any time after the Bid/Issue Opening Date but before allotment.
- (h) In terms of SEBI Guidelines, QIB Bidders shall not be allowed to withdraw their Bid after the closure of Bidding.
- (i) The allotment details shall be put on the website of the Registrar to the Issue.

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### **Signing of Underwriting Agreement and RoC Filing**

- (a) The Company, the BRLM and the Syndicate Members shall enter into an Underwriting Agreement on finalization of the Issue Price and allocation(s) to the Bidders.
- (b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue Size, underwriting arrangements and would be complete in all material respects.

### **Filing Of the Prospectus with the Roc**

We will file a copy of the Prospectus with the Registrar of Companies, New Delhi & Haryana in terms of Section 56, Section 60 and Section 60B of the Companies Act.

### **Announcement of Pre-Issue Advertisement**

Subject to Section 66 of the Companies Act, our Company shall after receiving final observations, if any, on Draft Red Herring Prospectus from SEBI, publish an advertisement, in the form prescribed by the SEBI DIP Guidelines in an English national daily with wide circulation, one Hindi National newspaper and a regional language newspaper with wide circulation at New Delhi.

### **Advertisement Regarding Issue Price and Prospectus**

A statutory advertisement will be issued by us after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between Red Herring Prospectus and the Prospectus will be included in such statutory advertisement.

### **Issuance of Confirmation of Allocation Note (CAN)**

After the determination of Issue Price, the following steps would be taken

- (a) Upon approval of the basis of allotment by the Designated Stock Exchange, the BRLM or Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail Individual and Non-Institutional Bidders. However, Bidders should note that our Company shall ensure that the date of Allotment of the Equity Shares to all Bidders, in all categories, shall be done on the same date.
- (b) The BRLM or members of the Syndicate would despatch a CAN to their Bidders who have been allocated Equity Shares in the Issue. The despatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders who have not paid the entire Bid Amount into the Escrow Account at the time of bidding shall pay in full the Allocation Amount payable into the Escrow Account by the Pay-in Date specified in the CAN.
- (c) Bidders who have been allocated Equity Shares and who have already paid the Bid Amount into the Escrow Account at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account. The despatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the allotment to such Bidder.

### **Designated Date and Allotment of Equity Shares**

- (a) After the funds are transferred from the Escrow Account to the Issue Account on the Designated Date, we would ensure allotment of the Equity Shares to the allottees within two days of the finalization and adoption of the basis of allotment.
- (b) All allottees will receive credit for the Equity Shares directly in their depository account. Equity Shares will be issued only in the dematerialized form to the allottees. Allottees will have the option to re-materialize the Equity Shares so allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

**Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.**





We would ensure the allotment of Equity Shares within 15 days of Bid/Issue Closing Date and also ensure that credit is given to the allottees' depository accounts within two working days from the date of allotment.

## **GENERAL INSTRUCTIONS**

### **Do's:**

- (a) Check if you are eligible to apply;
- (b) Read all the instructions carefully and complete the Resident Bid cum Application Form (white in colour) or Non-Resident Bid cum Application Form (blue in colour) and Employee Reservation Portion Bid cum application form (pink in colour) as the case may be;
- (c) Ensure that the details about Depository Participant and beneficiary account are correct as allotment of Equity Shares will be in the dematerialized form only;
- (d) Investor must ensure that the name given in the Bid cum Application Form is exactly the same as the Name in which the Depository Account is held. In case the Bid cum Application Form is submitted in joint names, it should be ensured that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form;
- (e) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate;
- (f) Ensure that you have been given a TRS for all your Bid options;
- (g) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- (h) Ensure that the Bid is within the Price Band;
- (i) Ensure that you mention your Permanent Account Number (PAN) allotted under the I.T. Act where the maximum Bid for Equity Shares by a Bidder is for a total value of Rs. 50,000 or more. The copy of the PAN card or the PAN allotment letter should be submitted with the application form; and
- (j) If you have mentioned "Applied For" or "Not Applicable" in the Bid cum Application Form in the section dealing with PAN number, ensure that you submit Form 60 or 61, as the case may be, together with permissible documents as address proof.
- (k) Ensure that Demographic details (as defined herein below) are updated true and correct in all respects.

### **Don'ts:**

- (a) Do not Bid for lower than the minimum Bid size;
- (b) Do not Bid/ revise Bid Amount to less than the lower end of the Price Band or higher than the higher end of the Price Band;
- (c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;
- (d) Do not pay the Bid Amount in cash;
- (e) Do not send Bid cum Application Forms by post; instead submit the same to a member of the Syndicate only;
- (f) Do not Bid at Cut Off Price (for QIB Bidders, Non-Institutional Bidders) ;
- (g) Do not Bid at Bid Amount exceeding Rs 100,000 (for Retail Individual Bidders);
- (h) Do not fill up the Bid cum Application Form such that the Equity Shares bid for exceeds the Issue Size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- (i) Do not submit Bid accompanied with Stockinvest.

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- (j) Do not submit GIR number instead of PAN as Bid is liable to be rejected on this ground.
- (k) Do not submit the Bid without the QIB Margin Amount, in case of a Bid by a QIB.

### Instructions for Completing the Bid-cum-Application Form

Bidders can obtain Bid-cum-Application Forms and /or Revision Forms from the BRLM or Syndicate Member.

### Bids and Revisions of Bids

#### Bids and revisions of Bids must be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white colour for Resident Indians, blue colour for NRI, FII or foreign venture capital fund registered with SEBI applying on repatriation basis).
- (b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.
- (c) For Retail Individual Bidders, the Bid must be for a minimum of 90 Equity Shares and in multiples of 90 thereafter subject to a maximum Bid Amount of Rs. 100,000.
- (d) For Bidders under the Employees Reservation Portion, the Bid must be for a minimum of 90 Equity Shares and in multiples of 90 thereafter subject to a maximum of 10,16,670 Equity Shares
- (e) For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds Rs.100,000 and in multiples of 90 Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws or regulations.
- (f) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).
- (g) Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

### Bids by Permanent Employees of the Company

- i. For the purpose of this reservation, Permanent Employee means permanent employees of our Company .
- ii. Bids under Employee Reservation Portion by Permanent Employees shall be made only in the prescribed Bid cum Application Form or Revision Form (i.e. Pink colour Form).
- iii. Permanent Employees, as defined above, should mention the following at the relevant place in the Bid cum Application Form:

#### Employee Number

- iv. The sole/ first bidder should be Permanent Employees as defined above.
- v. Only Permanent Employees, as defined above, would be eligible to apply in this Issue under this Reservation Portion.
- vi. Bids by Permanent Employees, as defined above, will have to bid like any other Bidder. Only those bids, which are received at or above the Issue Price, would be considered for allocation under this category.
- vii. Permanent Employees, as defined above, who apply or bid for securities of or for a value of not more than Rs. 100,000 in any of the bidding options can apply at Cut-Off. This facility is not available to other Permanent Employees whose minimum Bid amount exceeds Rs. 100,000.
- viii. The maximum bid in this category can be for 10,16,670 Equity Shares.
- ix. If the aggregate demand in this category is less than or equal to 10,16,670 Equity Shares at or above the Issue Price, full allocation shall be made to the Permanent Employees, as defined above, to the extent of their demand.





- x. Under subscription in this category would be added back to the Net Issue.
- xi. If the aggregate demand in this category is greater than 10,16,670 equity shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, refer to para "Basis of Allotment" on page 209 of this Red Herring Prospectus.

#### **Bidder's Bank Details**

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidder's bank account details. These bank account details would be printed on the refund order, if any, to be sent to Bidders. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk.

#### **Bidder's Depository Account Details**

**IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM.**

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository demographic details of the Bidders such as address, bank account details for making refunds and occupation ("Demographic Details"). Hence, Bidders are advised to immediately update their bank account details including Magnetic Ink Character Recognition (MICR) Code (a nine digit code appearing on a cheque leaf) as appearing on the records of the depository participant, and carefully fill in their Depository Account details in the Bid cum Application Form. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor the Company nor the Refund Banker nor the Registrar shall have any responsibility and undertake any liability for the same.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/ Allocation Advice and making refunds as per the modes disclosed and the Demographic Details given by Bidders in the Bid cum Application Form would not be used for these purposes by the Registrar. Hence, Bidders are advised to update their Demographic Details as provided to their Depository Participants and ensure that they are true and correct. By signing the Bid cum Application Form, Bidder would have deemed to authorize the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Allocation Advice/CANs/ refund orders/ refund advice would be mailed at the address of the Bidders as per the Demographic details received from the Depositories. Bidders may note that delivery of allocation advice/CANs/ refund orders/ refund advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In the case of refunds through electronic modes as detailed in page no. 212 of this Red Herring Prospectus, Bidders may note that refund may get delayed if the bank particulars obtained from the Depositories are incorrect.

In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

#### **BIDS BY NON RESIDENTS, NRIS, FIIS AND FOREIGN VENTURE CAPITAL FUNDS REGISTERED WITH SEBI ON A REPATRIATION BASIS**

##### **Bids and revision to Bids must be made:**

- (a) On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

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- (b) In a single name or joint names (not more than three).
- (c) NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by FIIIs for a minimum of such number of Equity Shares and in multiples of 90 thereafter that the Bid Amount exceeds Rs. 100,000. For further details, please refer to the sub-section titled 'Maximum and Minimum Bid Size' beginning on page 194 of this Red Herring Prospectus. In the names of individuals, or in the names of FIIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.
- (d) Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be despatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.
- (e) Our Company does not require approvals from FIPB for the transfer of Equity Shares in this Issue to eligible NRIs, FIIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions. As per the RBI regulations, OCBs are not permitted to participate in the Issue.
- (f) There is no reservation for Non Residents, NRIs, FIIIs and foreign venture capital funds and all Non Residents, NRI, FII and foreign venture capital funds applicants will be treated on the same basis with other categories for the purpose of allocation.

***Equity Shares have not been registered under the US Securities Act and are not being sold in the US. The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "US Securities Act"), or any state securities laws in the United States and may not be offered or sold within the United States, (as defined in Regulation S under the US Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. Accordingly, the Equity Shares will be offered and sold only outside the United States in offshore transactions in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur.***

### **Bids under Power of Attorney**

In case of Bids made pursuant to a Power of Attorney or by limited companies, corporate bodies, registered societies, a certified copy of the Power of Attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the Memorandum and Articles of Association and/or Bye Laws must be lodged along with the Bid-cum-Application Form. Failing this, the Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made pursuant to a power of attorney by FIIIs, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by Insurance Companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

In case of Bids made by provident funds with minimum corpus of Rs. 2500 Lacs and pension funds with minimum corpus of Rs. 2500 Lacs, a certified copy of certificate from a Chartered Accountant certifying the corpus of the provident fund/ pension fund must be lodged along with the Bid-cum-Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefore.

We, in our absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the Power of Attorney along with the Bid-cum-Application form, subject to such terms that we may deem fit.



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## Payment Instructions

We and the BRLM shall open an Escrow Account with the Escrow Collection Bank(s) for the collection of the Bid Amounts payable upon submission of the Bid-cum-Application Form and for amounts payable pursuant to allocation in the Issue. Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

### Payment into Escrow Account:

- (a) The Bidders for whom the applicable margin is equal to 100% shall, with the submission of the Bid cum-Application Form draw a payment instrument for the Bid Amount in favor of the Escrow Account and submit the same to the members of the Syndicate.
- (b) In case the above Margin Amount paid by the Bidders during the Bidding Period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Account within the period specified in the CAN which shall be subject to a minimum period of two days from the date of communication of the allocation list to the Syndicate Member by the BRLM.
- (c) The payment instruments for payment into the Escrow Account should be drawn in favor of:
  - (i) In case of QIBs: "Escrow Account- AMD Public Issue - QIB-R"
  - (ii) In case of non resident QIB Bidders: "Escrow Account - AMD Public Issue - QIB-NR"
  - (iii) In case of Resident Retails and Non Institutional Bidders: "Escrow Account - AMD Public Issue"
  - (iv) In case of Non Resident Retail and Non Institutional Bidders: "Escrow Account - AMD Public Issue - NR"
  - (v) In case of Permanent Employees of the Company "Escrow Account-AMD Public Issue - Employees"
- (d) In case of Bids by NRIs applying on repatriation basis, the payments must be made through Indian Rupee Drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of a Non-Resident Ordinary (NRO) Account of a Non-Resident bidder bidding on a repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR Account.
- (e) In case of Bids by FIIs, the payment should be made out of funds held in a Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the Special Rupee Account.
- (f) Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Escrow Account.
- (g) The monies deposited in the Escrow Account will be held for the benefit of the Bidders until Designated Date.
- (h) On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Issue Account with the Bankers to the Issue.
- (i) On the Designated Date and no later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders. Payments should be made by cheque, or demand draft drawn on any bank (including a Co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the center where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stock invest/money orders/ postal orders will not be accepted.

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### **Payment by Stock invest**

In terms of Reserve Bank of India Circular No. DBOD No. FSC BC 42/24.47.001/2003-04 dated November 5, 2003, the option to use the stock invest instrument in lieu of cheques or bank drafts for payment of bid money has been withdrawn.

### **Submission of Bid-cum-Application Form**

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Syndicate Member at the time of submission of the Bid. Member of the Syndicate may at its sole discretion waive the requirement of payment at the time of submission of the Bid-cum-Application Form and Revision Form.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Form or Revision Form. However, the collection center of the Syndicate Member will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

### **OTHER INSTRUCTIONS**

#### **Joint Bids in the case of Individuals**

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favor of the Bidder whose name appears first in the Bid-cum-Application Form or Revision Form ("First Bidder"). All communications will be addressed to the First Bidder and will be dispatched to his or her address.

#### **Multiple Bids**

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same. In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. We reserve the right to reject, in our absolute discretion to accept or reject, all or any multiple Bids in any or all categories. Bidders in the Employees Reservation category can also bid in the "Net Issue to the Public" and such Bids shall not be treated as multiple Bids.

#### **Permanent Account Number (PAN)**

Where Bid(s) is/are for Rs. 50,000 or more, the Bidder or in the case of an Bid in joint names, each of the Bidders, should mention his/her Permanent Account Number (PAN) allotted under the I.T. Act. The copy of the PAN card or PAN allotment letter is required to be submitted with the Bid Cum Application form. Applications without this information and documents will be considered incomplete and are liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground. In case the Sole/First Bidder and Joint Bidder(s) is/are not required to obtain PAN, each of the Bidder(s) shall mention "Not Applicable" and in the event that the sole Bidder and/or the joint Bidder(s) have applied for PAN which has not yet been allotted each of the Bidder(s) should mention "Applied for" in the Bid cum Application Form. Further, where the Bidder(s) has mentioned "Applied for" or "Not Applicable", the Sole/First Bidder and each of the Joint Bidder(s), as the case may be, would be required to submit Form 60 (Form of declaration to be filed by a person who does not have a permanent account number and who enters into any transaction specified in rule 114B), or, Form 61 (form of declaration to be filed by a person who has agricultural income and is not in receipt of any other income chargeable to income-tax in respect of transactions specified in rule 114B), as may be applicable, duly filled along with a copy of any one of the following documents in support of the address: (a) Ration Card (b) Passport (c) Driving License (d) Identity Card issued by any institution (e) Copy of the electricity bill or telephone bill showing residential address (f) Any document or communication issued by any authority of the Central Government, State Government or local bodies showing residential address (g) Any other documentary evidence in support of address given in the declaration. It may be noted that Form 60 and Form 61 have been amended vide a notification issued on December 1, 2004 by the Ministry of Finance, Department of Revenue, Central Board of Direct Taxes. All Bidders are requested to furnish, where applicable, the revised Form 60 or 61 as the case may be.



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### **Unique Identification Number - MAPIN**

With effect from July 1, 2005, SEBI has decided to suspend all fresh registrations for obtaining Unique Identification Number (UIN) and the requirement to contain/quote UIN under the MAPIN Regulations/ Circulars vide its circular MAPIN/ Cir- 13/2005.

### **Our Right to Reject Bids**

We and the BRLM reserve the right to reject any QIB Bid provided the rejection is at the time of receipt of Bid and the reason for rejection of the Bid is communicated to the Bidder at the time of rejection of Bid. In case of Non-Institutional Bidders and Retail Individual Bidders, we and the BRLM have a right to reject bids based on technical grounds. Consequent refunds shall be made as per the modes disclosed.

### **Grounds for Technical Rejections**

Bidders are advised to note that Bids are liable to be rejected among others on the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares bid for;
2. Age of First Bidder not given;
3. In case of partnership firms Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
4. Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons; 5. PAN photocopy/PAN communication/ Form 60 or Form 61 declaration along with documentary evidence in support of address given in the declaration, not given if Bid is for Rs. 50,000 or more;
5. Bank account details for refund are not given;
6. Bids for lower number of Equity Shares than specified for that category of investors;
7. Bids at a price less than lower end of the Price Band;
8. Bids at a price more than the higher end of the Price Band;
9. Bids at Cut Off Price by Non-Institutional and QIB Bidders;
10. Bids for number of Equity Shares which are not in multiples of 90;
11. Category not ticked;
12. Multiple Bids as defined in this Red Herring Prospectus;
13. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
14. Bids accompanied by Stockinvest/money order/postal order/cash;
15. Signature of sole and / or joint Bidders missing;
16. Bid cum Application Forms does not have the stamp of the BRLM, or Syndicate Members;
17. Bid cum Application Forms does not have Bidder's depository account details;
18. Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid/Issue Opening Date advertisement and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid cum Application Forms;
19. In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity;
20. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

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21. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations
22. Bids not duly signed by the sole/joint Bidders;
23. Bids by OCBs ; or
24. Bids by U.S. residents or U.S. persons other than "qualified institutional buyers" as defined in Rule 144A of the U.S. Securities Act of 1933.
25. If GIR number is mentioned instead of PAN Number.
26. Bids by the employees of the company who are not eligible to apply in Employee Reservation Portion.

### Equity Shares in Dematerialized Form with NSDL or CDSL

**As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialized form,** (i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, two agreements have been signed among us, the respective Depositories and the Registrar to the Issue:

- a) A tripartite agreement dated 18/01/2007 with NSDL, us and Registrar to the Issue;
- b) A tripartite agreement dated 02/01/2007 with CDSL, us and Registrar to the Issue.

**All bidders can seek allotment only in dematerialized mode. Bids from any investor without relevant details of his or her depository account are liable to be rejected.**

- a. A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.
- b. The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's Identification number) appearing in the Bid-cum-Application Form or Revision Form.
- c. Equity Shares allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder
- d. Names in the Bid-cum-Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.
- e. Non-transferable allotment advice will be directly sent to the Bidder by the Registrar to this Issue. Refunds will be made directly by the Registrar to the Issue as per the modes disclosed.
- f. If incomplete or incorrect details are given under the heading 'Request for Equity Shares in electronic form' in the Bid-cum-Application Form or Revision Form, it is liable to be rejected.
- g. The Bidder is responsible for the correctness of his or her demographic details given in the Bid-cum-Application Form vis -à-vis those with his or her Depository Participant.
- h. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
- i. The trading of the Equity Shares of the Company would be in dematerialized form only for all investors.

### Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First Bidder, Bid-cum-Application Form number, number of Equity Shares applied for, date, bank and branch where the Bid was submitted and cheque, number and issuing bank thereof.





### **Pre-Issue and Post Issue Related Problems**

We have appointed Mr. Rajkumar Aggarwal as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue related problems. He can be contacted at the following address:

**Name : Mr. Rajkumar Aggarwal**

**Address : 18, Pusa Road, 1st Floor, Karol Bagh, New Delhi - 110005**

### **DISPOSAL OF APPLICATIONS AND APPLICATIONS MONEY**

Our Company shall ensure despatch of allotment advice, refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the allotment to the Stock Exchanges within 2 (two) working days of date of finalisation of allotment of Equity Shares. Our Company shall despatch refund orders, if any, of value up to Rs. 1,500, "Under Certificate of Posting", and shall despatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 7 (seven) working days of finalisation of the basis of allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI DIP Guidelines, our Company further undertakes that:

- Allotment shall be made only in dematerialised form within 15 (fifteen) days of the Bid/Issue Closing Date;
- Despatch refund orders within 15 (fifteen) days of the Bid/Issue Closing Date would be ensured; and
- Our Company shall pay interest at 15% (fifteen) per annum (for any delay beyond the 15 (fifteen)-day time period as mentioned above), if allotment is not made and refund orders are not despatched and/or demat credits are not made to investors within the 15 (fifteen)-day time prescribed above as per the Guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the Stock Exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the SEBI DIP Guidelines.
- Refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

### **Impersonation**

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

**"Any person who:**

- (a) makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or**
- (b) otherwise induces a company to allot, or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."**

### **Basis of Allotment or Allocation**

#### **For Retail Individual Bidders**

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue Size less allotment to Non-Institutional and QIB Bidders shall be available for allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.

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- If the aggregate demand in this category is less than or equal to 28,27,948 Equity Shares at or above the Issue Price, full allotment shall be made to the Retail Individual Bidders to the extent of their demand.
- If the aggregate demand in this category is greater than 28,27,948 Equity Shares at or above the Issue Price, the allotment shall be made on a proportionate basis up to 28,27,948 Equity Shares. For the method of proportionate basis of allotment, refer below.

### For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue Size less allotment to QIBs and Retail Portion shall be available for allotment to Non- Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the aggregate demand in this category is less than or equal to 12,11,978 Equity Shares at or above the Issue Price, full allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the aggregate demand in this category is greater than 12,11,978 Equity Shares at or above the Issue Price, allotment shall be made on a proportionate basis up to a 12,11,978 Equity Shares. For the method of proportionate basis of allotment refer below.

### For QIBs

- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allotment to all the QIB Bidders will be made at the Issue Price.
- The QIB Portion shall be available for allotment to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- Allotment shall be undertaken in the following manner:
  - (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:
    - (i) In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
    - (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.
    - (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for allotment to all QIB Bidders as set out in (b) below;
  - (b) In the second instance allotment to all QIBs shall be determined as follows:
    - (i) In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
    - (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIB Bidders.
    - (iii) Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.
- The aggregate allotment to QIB Bidders shall not be more than 40,39,924 Equity Shares.

Except for any shares allocated to QIB Bidders due to undersubscription in the Retail Portion and/or Non Institutional Portion, the aggregate allocation to QIB Bidders shall be made on a proportionate basis up to a maximum of 40,39,924 Equity Shares. For the method of proportionate basis of allocation refer below.





Undersubscription, if any in any category would be allowed to be met with spill over from any other category at the sole discretion of our Company and the BRLM.

#### **For Employees**

- Bids received from the Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Employees will be made at the Issue Price.
- If the aggregate demand in this category is less than or equal to 10,16,670 Equity Shares at or above the Issue Price, full allotment shall be made to the Employees to the extent of their demand.
- In case the aggregate demand in this category is greater than 10,16,670 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 90 Equity Shares and in multiples of 90 Equity Shares thereafter. For the method of proportionate basis of allocation refer below.
- Only Employees may apply under the Employee Reservation Portion.

#### **Procedure and Time of Schedule for Allotment and Issue of Certificates**

The Issue will be conducted through a "100% book building process" pursuant to which the Underwriters will accept bids for the Equity Shares during the Bidding Period. The Bidding Period will commence on 15<sup>th</sup> February, 2007 and expire on 23<sup>rd</sup> February, 2007. Following the expiration of the Bidding Period, our Company, in consultation with the BRLM, will determine the issue price, and, in consultation with the BRLM, the basis of allocation and entitlement to allotment based on the bids received and subject to the confirmation by the BSE/NSE. Successful bidders will be provided with a confirmation of their allocation and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Prospectus will be filed with SEBI on [●] and the Registrar of Companies on [●] and will be made available to investors. SEBI Guidelines require our Company to complete the allotment to successful bidders within 15 days of the expiration of the Bidding Period. The Equity Shares will then be credited and allotted to the investors' demat accounts maintained with the relevant depository participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence. This typically takes three trading days from the date of crediting the investor's demat account, subject to final approval by the Stock Exchanges.

#### **Method of proportionate basis of allotment in the QIB, Retail and Non-Institutional portions**

In the event of the Issue being over-subscribed, we shall finalise the basis of allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of allotment is finalised in a fair and proper manner.

The allotment shall be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders will be categorised according to the number of Equity Shares applied for.
- (b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.
- (c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.
- (d) In all Bids where the proportionate allotment is less than 90 Equity Shares per Bidder, the allotment shall be made as follows:
  - a. Each successful Bidder shall be allotted a minimum of 90 Equity Shares; and
  - b. The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above.
- (e) If the proportionate allotment to a Bidder is a number that is more than 90 but is not a multiple of one (which is the marketable lot), the number in excess of the multiple of one would be rounded off to the higher multiple of one if

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that number is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower multiple of one. All Bidders in such categories would be allotted Equity Shares arrived at after such rounding off.

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

### Letters of allotment or refund orders

The Company shall give credit to the beneficiary account with Depository Participants within two working days from the date of the allotment of Equity Shares. Applicants having bank accounts at any of the 15 centers where clearing houses are managed by the Reserve Bank of India (RBI) will get refunds through Electronic Credit Service (ECS) only, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or Real Time Gross Settlement (RTGS). In case of other applicants, the Company shall ensure despatch of refund orders, if any, of value up to Rs.1,500 by "Under Certificate of Posting", and shall dispatch refund orders of Rs. 1,500 and above, if any, by registered post or speed post. Applicants to whom refunds are made through Electronic transfer of funds will be sent a letter (refund advice) through "Under Certificate of Posting" intimating them about the mode of credit of refund within 15 days of closure of Issue.

The Company shall ensure despatch of refund orders/refund advice, if any, by "Under Certificate of Posting" or registered post or speed post or Electronic Clearing Service or Direct Credit or RTGS, as applicable, only at the sole or First Bidder's sole risk within 15 days of the Bid Closing Date/Issue Closing Date, and adequate funds for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar by the Issuer.

In accordance with the requirements of the Stock Exchanges and SEBI Guidelines, the Company undertakes that:

- Allotment shall be made only in dematerialised form within 15 days from the Issue Closing Date;
- Despatch of refund orders/ refund advice shall be done within 15 days from the Issue Closing Date; and
- The Company shall pay interest at 15% per annum (for any delay beyond the 15-day time period as mentioned above), if allotment is not made, refund orders/ credit intimation are not despatched and in case where a refund is made through electronic mode, the refund instructions have not been given to the clearing system, and demat credit within the 15-day time prescribed above, provided that the beneficiary particulars relating to such Bidders as given by the Bidders is valid at the time of the upload of the electronic transfer.

The Company will provide adequate funds required for the cost of dispatch of refund orders/ refund advice/ allotment advice to the Registrar to the Issue.

Save and except refunds effected through the electronic mode i.e. ECS, direct credit or RTGS, refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received. The bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

### Payment of Refund

Bidders should note that on the basis of name of the Bidders, Depository Participant's name, Depository Participant-Identification (DP ID) number and Beneficiary Account Number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, the Bidders bank account details including the nine digit Magnetic Ink Character Recognition (MICR) code as appearing on a cheque leaf. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders sole risk and neither the BRLM nor the Company nor the Refund Banker nor the Registrar shall have any responsibility and undertake any liability for the same.

### Mode of Making Refunds

The payment of refund, if any, would be done through various modes in the following order of preference



1. ECS - Payment of refund would be done through ECS for applicants having an account at any of the 15 centers where clearing houses for ECS are managed by Reserve Bank of India, namely Ahmedabad, Bangalore, Bhubneshwar, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Kolkata, Mumbai, Nagpur, New Delhi, Patna and Thiruvananthapuram. This mode of payment of refunds would be subject to availability of complete bank account details including the nine digit Magnetic Ink Character Recognition (MICR) code as appearing on a cheque leaf, from the depository. The payment of refund through ECS is mandatory for applicants having a bank account at any of the 15 centers named hereinabove, except where applicant is otherwise disclosed as eligible to get refunds through direct credit or RTGS
2. Direct Credit - Applicants having their bank account with the Refund Banker shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to the eligible applicant's bank account with the Refund Banker.
3. RTGS - Applicants having a bank account at any of the 15 centers detailed above, and whose bid amount exceeds Rs. 1 million, shall be eligible to exercise the option to receive refunds, if any, through RTGS. All applicants eligible to exercise this option shall mandatorily provide the IFSC code in the Bid cum Application form. In the event of failure to provide the IFSC code in the Bid cum Application form, the refund shall be made through the ECS or direct credit, if eligibility disclosed.

**Please note that only applicants having a bank account at any of the 15 centers where clearing houses for ECS are managed by the RBI are eligible to receive refunds through the modes detailed in I, II and III hereinabove. For all the other applicants, including applicants who have not updated their bank particulars alongwith the nine digit MICR Code, the refund orders would be despatched "Under Certificate of Posting" for refund orders of value up to Rs.1,500 and through Speed Post/Registered Post for refund orders of Rs. 1,500 and above.**

#### **Interest in case of delay in dispatch of allotment letters/making refunds**

We agree that allotment of securities offered to the public shall be made not later than 15 days from the Bid/Issue Closing Date. We further agree that we shall pay interest at 15% per annum if the allotment letters/refunds orders have not been dispatched to the applicants within 15 days of the Bid/ Issue Closing Date or if in a case where refund or portion thereof is made in an electronic manner, the refund instructions have not been given to the clearing system in a disclosed manner within 15 days from the Bid/Issue Closing Date, provided that the beneficiary particulars relating to such Bidders as given by the Bidders is valid at the time of the upload of the electronic transfer. In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional days after revision of Price Band. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the NSE and BSE, by issuing a press release, and also by indicating the change on the web site of the BRLM and at the terminals of the Syndicate.

#### **Undertaking by the Company**

We undertake as follows:

- that the complaints received in respect of this Issue shall be attended to expeditiously and satisfactorily;
- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at all the stock exchanges where the Equity Shares are proposed to be listed within seven working days of finalization of the basis of allotment;
- that the funds required for making refunds to unsuccessful applicants as per the modes disclosed shall be made available to the Registrar to the Issue by us;
- that the promoters' contribution in full, wherever required, shall be brought in advance before the Issue opens for public subscription and the balance, if any, shall be brought in pro rata basis before the calls are made on public.
- that where refunds are effected through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of closure of the Issue giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of the refund.
- that no further issue of securities shall be made till the securities offered through this Red Herring Prospectus are listed or till the application moneys are refunded on account of non-listing, undersubscription, etc.

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- refunds shall be made as per the modes disclosed and allotment advice shall be dispatched to NRIs or FIIs or foreign venture capital investors registered with SEBI within the specified time.

### Utilization of Issue proceeds

The Board of Directors of our Company certifies that:

- (a) all monies received out of the Issue shall be transferred to a separate Bank Account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;
- (b) details of all monies utilized out of this Issue referred above shall be disclosed under an appropriate separate head in the balance sheet of the Company indicating the purpose for which such unutilized monies have been invested; and
- (c) Details of all unutilized monies out of this Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

We shall not have recourse to the Issue Proceeds until the approval for listing and trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

The Board of Directors of our Company further certifies that:

- (a) the utilisation of monies received under promoters' contribution and from reservations shall be disclosed under an appropriate head in the balance sheet of the issuer company, indicating the purpose for which such monies have been utilised.
- (b) the details of all unutilised monies out of the funds received under promoters' contribution and from reservations shall be disclosed under a separate head in the balance sheet of the issuer company, indicating the form in which such unutilised monies have been invested.

### Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy of the Government of India notified through press notes and press releases issued from time to time and the FEMA and circulars and notifications issued thereunder. While the policy of the Government prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy of the Government, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures and reporting requirements for making such investment. As per current foreign investment policies, foreign direct investment in the packaging sector is allowed upto 100% under the automatic route.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without prior RBI approval, so long as the price of equity shares to be issued is not less than the price at which equity shares are issued to residents. In our Company, as of date the aggregate FII holding cannot exceed 24% of the total issued share capital.

### Subscription by NRIs/ FIIs

It is to be distinctly understood that there is no reservation for Non-Residents, NRIs and FIIs and all Non-Residents, NRI and FIIs applicants will be treated on the same basis as other categories for the purpose of allocation.

As per the RBI regulations, OCBs cannot participate in this Issue.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold (i) in the United States to "qualified institutional buyers", as defined in Rule 144A of the Securities Act, and (ii) outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.



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As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the post-issue paid-up capital of our Company (19,16,670 Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of total issued capital of our Company in case such sub account is a foreign corporate or an individual.

As of now, the aggregate FII holding in our Company cannot exceed 24% of the total issued capital of our Company. With approval of our Board and that of the shareholders by way of a special resolution, the aggregate FII holding limit can be enhanced up to 100%; however till date no such resolution has been recommended to our shareholders for approval.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations.

**SECTION IX - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION**

**CAPITAL AND INCREASE AND REDUCTION OF CAPITAL**

3. The Authorised Share Capital of the Company shall be such amount and be divided into such shares as may, from time to time, be provided in Clause V of Memorandum of Association payable in the manner as may be determined by the Directors, from time to time, with power to increase, reduce, sub-divide or to repay the same or to divide the same into several classes and to attach thereto any right and to consolidate or subdivide or re-organise the shares subject to the provisions of the Act, to vary such rights as may be determined in accordance with the regulations of the Company. The minimum paid up capital of the Company will be Rs. 5,00,000/- (Rupees Five Lac only).
- 3A. The Company shall have the power to issue shares with differential rights has to dividend voting or otherwise to the extent permissible under the provisions of the Companies Act, 1956 or any rules framed thereunder.
4. The Company in General Meeting may, from time to time, increase the capital by the creation of new shares; such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting resolving upon the creation thereof, shall direct, and if no direction be given as the Directors shall determine and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with a right of voting at general meetings of the Company in conformity with Sections 87 and 88 of the Act. Whenever the capital of the Company has been increased under the provisions of the Article, the Directors shall comply with the provisions of Section 97 of the Act.
5. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new share shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
6. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue Preference Shares, which are or at the option of the Company are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.
7. On the issue of Redeemable Preference Shares under the provisions of Article 9 hereof the following provisions shall take effect:
  - (a) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;
  - (b) no such shares shall be redeemed unless they are fully paid;
  - (c) the premium if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed;
  - (d) Where any such share are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the 'Capital Redemption Reserve Account', a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction for the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid-up share capital of the Company.
8. The Company may (subject to the provisions of Section 78, 80, 100 to 105 inclusive of the Act) from time to time by Special Resolution, reduce its capital and any Capital Redemption Reserve Account or Share Premium Account in any manner for the time being authorized by law, and in particular, capital may be paid off on the footing that it may be called upon again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.





9. Subject to the Provisions of Section 94 of the Act the Company in general meeting may, from time to time, sub-divide or consolidate its shares, or any of them and the resolution whereby any share is sub-divided may determine that, as between the holder of the shares resulting from such sub-division one or more such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other subject as aforesaid the Company in general meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.
10. Whenever the capital, by reason the issue of Preference Share or otherwise, is divided into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 106 and 107 of the Act, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourths in nominal value of the issued shares of the class or is confirmed by a special resolution passed at a separate general meeting of the holders of shares of that class.

#### **SHARES AND CERTIFICATES**

11. The Company shall cause to be kept a Register and Index of Members in accordance with Section 150 and 151 of the Act. The Company shall be entitled to keep in any State or Country outside India a branch Register of Members resident in that State or Country.
  12. The shares in the capital shall be numbered progressively according to their several denominations, and except in the manner hereinbefore mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
  13. (a) Where at any time after the expiry of two years from the formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation whichever is earlier, it is proposed to increase the subscribed capital of the company by allotment of further shares, whether out of un-issued share capital or out of increased share capital, then such further shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid upon these shares to that date. Such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than 15 days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined. After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given, if he declines to accept the shares offered the Board may dispose of them in such manner as they think most beneficial to the Company.
  - (b) Notwithstanding anything contained in the proceeding sub-clause the Company may :-
    - i) by a special resolution; or
    - ii) Where no such special resolution is passed, if the votes cast (Whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that general meeting by members who, being entitled so to do, vote in person or where proxies are allowed, by proxy, exceed the vote if any, cast against the proposal by members so entitled and voting and the Central Government is satisfied on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.
  - (c) Notwithstanding anything contained in sub-clause (a) above but subject however, to Section 81 (3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to the debentures issued or loans raised by the Company to convert such debentures or loans into shares, or to subscribe for shares in the Company.
14. Subject to the provisions of these Articles and of the Act, the Shares (including any shares forming part of any increased capital of the Company) shall be under the control of the Directors, who may allot or otherwise dispose of the same to such persons in such proportion on such terms and conditions and at such times as the Directors think fit and subject to the sanction of the Company in general meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (Subject to the provisions of Sections

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78 and 79 of the Act) at a premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause to be filed the returns as to allotment for in Section 75 of the Act.

15. In addition to and without derogating from the powers for that purpose conferred on the Board under Article 16 and 17 the Company in general meeting may, subject to the provisions of Section 81 of the Act determine that any shares (Whether forming part of the original capital or of any increased capital of the Company) shall be offered to such person (Whether members or not) in such proportion and on such terms and conditions and either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times and for such consideration as may be directed by such General Meeting or the Company in general meeting may make any other provision whatsoever for the issue, allotment of disposal of any shares.
16. Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any share therein, shall be an acceptance of shares within the meaning of these Articles, and every person who thus or otherwise accepts any shares and whose name is on the Register shall, for the purposes of these Articles, be a member.
17. The money (if any) which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect, of any shares allotted by them, shall immediately on the insertion of the name of the allottee in the Registrar of Members as the name of the holders of such shares become as a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.
18. Every member, or his heirs, executors or administrators, shall pay to Company the portion of the Capital represented by his share or shares which may, for the time being remain unpaid thereof in such amounts, at such time or times, and in such manner as the Board shall, from time to time in accordance with the Company's regulations, require or fix for the payment thereof.
19. (a) Every member or allottee of shares shall be entitled without payment, to receive one certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid-up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation or in case of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and two Director or their attorneys and the Secretary or other person shall sign the share certificate, provided that if the composition of the Board permits it, at least one of the aforesaid two Directors shall be a person other than Managing or a whole time Director. Particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue.
- (b) Any two or more joint allottees of a share shall, for the purpose of this Article, be treated as a single member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act.
- (c) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.
20. (a) No certificate of any share or shares shall be issued either in exchange for those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, decrepit, worn out, or where the cages on the reverse for recording transfers have been duly utilized, unless the certificate in lieu of which it is issued is surrendered to the Company.





- (b) When a new share certificate has been issued in pursuance of clause (a) of this Article it shall state on the face of it and against such counterfoil to the effect that it is "issued in lieu of share certificate No..... sub-divided / replaced / on consolidation of shares".
  - (c) If a share certificate is lost or destroyed, a new certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, as to evidence and indemnity as to the payment of out-of-pocket expenses incurred by the Company investigating evidence, as the Board thinks fit.
  - (d) When a new share certificate has been issued in pursuance of clause (c) of this Article, it shall state on the face of it or counterfoil to the effect that it is 'duplicate issued in lieu of share certificate No.....' The word 'Duplicate' shall be stamped or punched in bold letters across the face of the share certificate.
  - (e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in Register of Renewed and Duplicate Certificates indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which the new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the 'Remarks' column.
  - (f) All blank forms to be issued for issue of share certificates shall be printed and printing shall be done only on the authority of a resolution of the Board. The blank forms shall be consecutively machine numbered and the forms and the blocks, engraving, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or such other person as the Board may appoint for the purpose; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
  - (g) The Managing Director of the company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all blocks and documents relating to the issue of share certificates except the blank forms of share certificates referred to in sub Article (f).
  - (h) All books referred to in sub-Article (g) shall be preserved in good order permanently.
21. If any share stands in the names of two or more persons, the person first named in the Register shall as regards receipt of dividends, bonus or service or notices and all or any other matter connected with the Company, except voting at meetings, and the transfer of the shares, be deemed the sole holder thereof but he joint-holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such share and for all incidents thereof according to the Company's regulations.
22. Except as ordered by a Court of competent jurisdiction or as by law required, the Company shall not be bound to recognize any equitable contingent, future or partial interest in any share, or (except only as is by these Article otherwise expressly provided) any right in respect of a share other than an absolute right thereto in accordance with these Articles in the person from time to time registered as the holder thereof; but the Board shall be at liberty at their sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.
23. None of the funds of the Company shall be applied in the purchase of any share of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any shares in the Company or in its holding Company save as provided by Section 77 of the Act.
- 23A. 1. For the purpose of this Article :
- 'Beneficial owner' means a person or persons whose name (s) is recorded as such with a depository;
- 'SEBI' means the Securities & Exchange Board of India;
- 'Depository' means a company formed and registered under the Companies Act, 1956, or any other body which has been granted registration to act as a depository under the Securities & Exchange Board of India Act, 1992, and
- 'Security' means such Security or Securities of the Company as may be specified by SEBI from time to time.

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2. Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its securities and to offer securities in a dematerialised form pursuant to the Depositories Act, 1996.
3. Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, 1996 and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of Securities.

If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.
4. All securities held by a depository shall be determined and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
5.
  - (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.
  - (b) Save as otherwise provided in (a) above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.
  - (c) Every person holding securities of the Company and whose name is entered as the beneficial owner in the records of the depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be deemed to be a member of the Company. The beneficial owner of the securities which are held by a depository.
6. Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
7. Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities affected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
8. Notwithstanding anything in the Act or these Articles, where securities are dealt with by a depository, the Company shall intimate the details thereof to the depository immediately on allotment of such securities.
9. Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a depository.
10. The Registrar and Index of beneficial owners maintained by a depository under the Depositories Act, 1996 shall be deemed to be the Register and Index of Members and Security holders for the purpose of these Articles.

### UNDERWRITING AND BROKERAGE

24. Subject to the provision of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure, subscriptions (whether absolute or conditional) for any shares or debentures in the Company, but so that the commission shall not exceed in the case of shares five percent of the price at which the shares are issued and in the case of debentures two and a half per cent of the price at which the debentures are issued. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid share or the other.
25. The Company may pay a reasonable sum for brokerage.



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## CALLS

27. The Board, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board (and not by circular resolution) make such calls as it thinks fit upon the members in respect of all money unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by installments.
28. Fifteen days notice in writing of any call shall be given by the Company specifying the time, place of payment, and the person or persons to whom such call shall be paid.
29. A call shall be deemed to have been made at the time when the resolution authorizing such call was passed at a meeting of the Board.
30. A call may be revoked or postponed at the discretion of the Board.
31. The joint-holders of share shall be jointly and severally liable to pay all calls in respect thereof.
32. The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who from, residence at a distance or other cause, the board may deem fairly entitled to such extension save as a matter of grace and favour.
33. If any member fails to pay any call due from him on the day appointed for the payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 18 per cent per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.
34. Any sum, which by the terms of issue of a share becomes payable on allotment or at fixed date, whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
35. On the trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequently to the date at which the money is sought to be recovered is alleged to have become due on the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the Minute Book; and that notice of such call was duly given to the member or his representative sued in pursuance of these Articles; and that it shall not be necessary to prove the appointment of the Directors who made such call, or that a quorum of Directors was present at the board at which any call was made nor that the meeting at which any call made was duly convened or constituted nor any matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
36. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
37. (a) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amounts of his respective shares beyond the sums, actually called up and upon the moneys so paid in advance, or upon so much thereof, from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due respect of the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advance or at any time repay

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the same upon giving to the member three months notice in writing. Provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits.

- (b) No member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable.

- 37A. The company will not give any person the option or right to call of any shares without the sanction of shareholders in general meeting.

### **LIEN**

- 38. The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with other) and upon the proceeds of sale thereof for all money (whether presently payable or not) called or payable at a fixed time in respect of such shares, and no equitable interest in any share shall be created except upon the footing and upon the condition at Article 25 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, in such shares.
- 39. For the purpose of enforcing such lien the Board may sell the shares subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorize one of their members to execute a transfer thereof on behalf of and in the name of such member. No sale shall be made until such period as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen days after such notice.
- 40. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the persons entitled to the share at the date of the sale.
- 40A. Notwithstanding anything contained in these Articles, the Board of Directors may, when and if thought fit, buy back such of the Company's own shares or other securities as it may think proper subject to such limits, upon such terms and conditions and subject to such approvals as may be provided by law.

### **FORFEITURE OF SHARES**

- 41. If any member fails to pay any call or installment of a call on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may at any time thereafter, during such time as the call or installment remains unpaid, give notice to him requiring him to pay the same together with any interest that may have accrued, and all expenses that may have been incurred by the Company by reason of such non-payment.
- 42. The notice shall name a day (not being less than fourteen days from the date of the notice) and a place or places on and at which such call or installment thereon at such rate not exceeding 18 per cent per annum as the Directors shall determine from the day in which such call or installment ought to have been paid and expense as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
- 43. If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time there after before payment of calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.
- 44. When any share shall have been so forfeited notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be



made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

45. Any share so forfeited shall be deemed to be the property of the Company, and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board shall think fit.
46. Any member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, installments, interest and expenses owing upon or in respect of such shares at the time of forfeiture, together with interest thereon from the time of the forfeiture, until a payment, at such rate not exceeding 18 percent per annum as the Board may determine and the Board may enforce the payment thereof, if it think fit.
47. The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly save.
48. A declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claimed to be entitled to the shares.
49. Upon any sale after forfeiture or for enforcing a lien purported exercise of the power hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register in respect of the share sold, and the purchaser shall not be bound to see the regularity of the proceedings, or to the applications of the purchase money, and after his name has been entered in the Register in respect of such shares the validity of the sale not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
50. Upon any sale, re-allotment or other disposal under the provisions of the proceeding Articles, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.
51. The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annual the forfeiture thereof upon such conditions as it thinks fit.

#### **TRANSFER AND TRANSMISSION OF SHARES**

52. The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.
53. Share in the Company may be transferred by an instrument in writing as provided by the Provisions of the Act. Such instrument of transfer shall be in the form prescribed and shall be duly stamped and delivered to Company within the prescribed period.
54. The instrument of Transfer duly stamped and executed by the Transferor and the Transferee shall be delivered to the Company in accordance with the provisions of the Act. The instrument of Transfer shall be accompanied by such evidence as the Board may require to prove the title of Transferor and his right to transfer the shares and every registered instrument of Transfer shall remain in the custody of the Company until destroyed by order of the Board. The Transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of the transfer the certificate of the shares must be delivered to the Company.
55. The Board shall have power on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the office of the Company is situated to close the Transfer Books, the Register of Member or Register of Debenture-holders at such time or times and for such period or periods, not exceeding thirty days at a time and not exceeding in the aggregate forty-five days in each year.

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56. Subject to the provisions of Section 111 of the Act, Board may, in due and strict accordance and compliance with the provision of Section 22A of the Securities Contract (Regulation) Act, 1956, decline to register or acknowledge any transfer of shares, whether fully paid or not, (notwithstanding that the proposed transferee be already a member), but in such cases it shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and the transferor notice of the refusal to register such transfer. The registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except a lien on shares.
57. Where in the case of partly paid shares, an application for registration is made by the transferor; the Company shall give notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.
58. In the case of the death of any one or more of the persons named in the Register of Members as the joint-holders of any share, the survivor or survivors shall be the only persons recognized by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other person.
59. The executors or administrators or holders of a Succession Certificate or the legal representatives of a deceased member (not being one or two or more joint holders) shall be the only persons recognized by the Company as having any title to the shares registered in the name of such member, and the Company shall not be bound to recognize such executors or administrators or holders if a Succession Certificate or the legal representatives, unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate, as the case may be, from a duly constituted Court in the Union of India; provided that in any case where the Board on its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or Succession Certificate, upon such terms as to indemnity or otherwise as the Board in its absolute discretion may think necessary and under Article 65 register the name of any person who claims to be absolutely entitled to the share standing in the name of a deceased member, as a member.
60. No share shall in any circumstances be transferred to any infant, insolvent or person of unsound mind.
61. Subject to the provisions of the Act and Article 61 and 62 any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member, or by any lawful means other than by a transfer in accordance with these Article, may, with the consent of the board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Articles or of such title as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder, provided nevertheless, that if such person shall elect to have this nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so, he shall not be freed from any liability in respect of the shares.
62. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as hereinafter provided, be entitled to receive and may give a discharge for, any dividend or other moneys payable in respect of the shares.
63. There shall be paid to the Company in respect of the transfer or transmission of any number of shares such fee, if any, as the Directors may require.
64. The company shall incur no liability or responsibility whatsoever in consequence of its or giving effect to any transfer of share made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of person having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have such notice, or referred thereto, in any book of the Company, and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company, but the Company shall nevertheless be at liberty to record and attend to any such notice and give effect thereto if the Board shall so thinks fit.





## SHARE WARRANTS

71. The Company may issue share warrants subject to, and in accordance with the provision of Section 114 and 115; and accordingly the Board may in its discretion, with respect to any share which is fully paid up on application in writing signed by the persons registered as holder of the share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the person signing the application, and on receiving the certificate (if any) of the shares, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.
72. (1) The bearer of a share warrant may at any time deposit the warrant at the office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition of calling a meeting of the Company, and of attending and voting and exercising the other privileges of a member at any meeting held after the expiry of two clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the share included in the deposited warrant.
- (2) Not more than one person shall be recognized as depositor of the share warrant.
- (3) The Company shall, on two days written notice, return the deposited share warrant to the depositor.
73. (1) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a member at a meeting of the Company or be entitled to receive any notice from the Company.
- (2) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the holder of the share included in the warrant; and he shall be member of the Company.
74. The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.

## CONVERSION OF SHARES INTO STOCK AND RECONVERSION

75. The Company in general meeting may convert any paid-up shares into stock, and when any shares shall have been converted into stock, the several holders of such stock may thenceforth transfer their respective interest therein, or any part of such interest, in the same manner and subject to the same regulations as, and subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid-up shares of any denomination.
76. The holders of stock shall, according to the amount of stock held by them, have same rights, privileges as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage / except participation in the dividends and profits of the Company, and in the assets on winding up shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
- 76A A Company may Purchase its Own Shares or other Specified Securities (Hereinafter Referred To As "Buy-Back") out of :-
- (i) its free reserves; or
- (ii) the securities premium account; or
- (iii) the proceeds of any kind of share or other specified securities :
- Provided that no buy-back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.
- 76B (1) Every holder of Shares in, or holder of debentures of, a company may, at any time, nominate, in the prescribed manner, a person to whom his shares in, or debentures of, the company shall vest in the event of his death.

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- (2) Where the Shares in, or debentures of, a company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the company shall vest in the event of death of all the joint holders.
- (3) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in, or debentures of, the company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the shares in or debentures of the company, the nominee shall, on the death of the shareholder or holder of debentures of the company or, as the case may be, on the death of the joint holders become entitled to all the rights in the shares or debentures of the company or, as the case may be, all the joint holders, in relation to such shares in, or debentures of the company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner.
- (4) Where the nominee is a minor, it shall be lawful for the holder of the shares, or holder of debentures, to make the nomination to appoint in the prescribed manner any person to become entitled to shares in or debentures of the company, in the event of his death, during the minority.

### MEETING OF MEMBERS

77. The Company shall in each year hold a General Meeting as its Annual General Meeting in addition to any other meeting in that year. All General Meetings other than Annual General Meeting shall be called Extraordinary General Meetings. The first Annual General Meeting shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall elapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 166 (1) of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours, on a day that is not a public holiday, and shall be held at the office of the Company or at some other place within the city in which the office of the Company is situated as the board may determine and the Notice calling the Meeting shall specify it as the Annual General Meeting. The Company may in any one Annual General Meeting fix the time for its subsequent Annual General Meetings. Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company, there shall be laid on the table the Director's Report and Audited Statement of Account, Auditor's Report (if not already incorporated in the audited Statements of Account), the proxy Register with proxies and the Register of Directors' shareholdings which later Register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of Members, Summary of the Share Capital, Balance Sheet and Profit and Loss Account and forward the same to the Registrar in accordance with Sections 159, 161 and 220 of the Act.
78. The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made.
79. Any valid requisition so made by members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and to be deposited at the office provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.
80. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within twenty-one days from the date of the requisition being deposited at the office to cause a meeting to be called on a day not later than forty-five days from the date of deposit of the requisition, the requisitionists, or such of their number as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of such of the paid-up share capital of the Company as is referred to in Section 169 (4) of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
81. Any meeting called under foregoing articles by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.





82. Twenty-one days' notice at least of every General Meeting, Annual or Extraordinary, and by whomsoever called specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the members entitled to vote thereat and in case of any other meeting, with the consent in writing of all the members holding not less than 95 per cent of such part of the paid-up share capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting, if any business other than (i) the consideration of the Accounts, Balance Sheet and Reports of the Board of Directors and Auditors, (ii) the declaration of dividend, (iii) the appointment of Directors in place of those retiring, (iv) the appointment of and fixing of the remuneration of the Auditors, is to be transacted, and in the case of any other meeting in any event there shall be annexed to the notice of the Meeting a statement setting out all material facts concerning each such item of business including in particular the nature of the concern or interest, if any therein of every Director, and the Manager (if any), Where any such item of special business relates to or affects any other Company, the extent of share-holding interest in other company of every Director, and the Manager, if any, of the Company shall also be set out in the statement if the extent of such shareholding interest is not less than 20 per cent of the paid-up share capital of that other Company. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.
83. The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof, shall not invalidate, any resolution passed at any such meeting.
84. No General Meeting, Annual or Extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices upon which it was convened.
85. Five members present in person shall be quorum for a General Meeting
86. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act.
87. If at the expiration of half an hour from the time appointed for holding a meeting of company, a quorum shall not be present, the meeting, if convened by or upon requisition of members, shall stand dissolved, but in any other case the meeting shall stand adjourned to the same day of the 3rd week or if that day is a public holiday until the next succeeding day which is not a public holiday at the same time and place or to such other day, and at such other time and place in the city or town in which the Office of the Company is for the time being situate, as the Board may determine and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be quorum and may transact the business for which the meeting was called.
88. The Chairman (if any) of the Directors shall be entitled to take the Chair at every General Meeting whether Annual or extraordinary. If there be no such Chairman of the Directors, or, if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he shall be unable or unwilling to take the Chair, then the Vice Chairman (if any) of the Directors shall be entitled to take the Chair and if there be no such Vice Chairman or if he be not so present, the members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the Chair, then the members present shall elect one of their members to be the Chairman.
89. No business shall be discussed at any General Meeting except the election of a Chairman, whilst the Chair is vacant.
90. The Chairman with the consent of the members may adjourn any meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which adjournment took place.
91. At any General Meeting, a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is (before or on declaration of the result of the show of hands) demanded by any member or members present in person or by proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution or on which an aggregate sum

## AMD Metplast Limited

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of not less than fifty thousand rupees has been paid-up and unless a poll is demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against that resolution.

92. In the case of an equality of votes, the Chairman shall both on show of hands and at a poll (if any) have a casting vote in addition to the vote or votes to which he may be entitled as member.
93. If a poll is demanded as aforesaid, the same shall be taken at such time (not later than forty-eight hours from the time when the demand was made) and place in the city or town in which the Office of the Company is for the time being situated and either by open voting or by ballot, as the Chairman shall direct, and either at once or after an interval or adjournment, or otherwise, and the result of the poll shall be deemed to be the resolution of the meeting at which poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
94. Where as poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinize the vote given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting provided such a member is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.
95. Any poll duly demanded on the election of a chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith
96. The demand for a poll except on the question of the election of the chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
97. No member shall be entitled to vote either personally or by proxy at any general meeting or meeting of a class of shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the company has ,and has exercised any right of lien.
98. Subject to the provisions of these articles and without prejudice to any special privileges or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the company, every member, not disqualified by the last preceding articles shall be entitled to be present ,and to speak and vote at such meeting .and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the company. Provided , however, if any preference shareholder be present at any meeting of the company save as provided in clause (b) of sub section (2) of section 87, of the act, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.
99. On a poll taken at a meeting of the company a member entitled to more than one vote or his proxy or other person entitled to vote for him,as the case may be, need not, if he votes, use all his votes or cast in the same way all votes he uses.
100. A member of unsound mind in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a showoff hands or on a poll ,by his committee or other legal guardian may, on poll vote by proxy. If any, member be a minor the vote in respect of his share or shares shall be by his guardian, if more than one, to be selected in case of dispute by the chairman of the meeting.
101. If there be joint registered holders of any shares, any one of such persons may vote at any meeting or may appoint another person (whether a member or not) as his proxy but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such jointholders be present at any meeting, that one of the said person so present whose name stands higher on the register shall alone be entitled to speak and to vote in respect of such shares but the other or others of the joint holders shall be entitled to be present at the meeting .Several executors or administrator of a deceased member in whose name share stand shall for purpose of these article be deemed joint-holders thereof.



102. Subject to the provisions of these articles votes may be given either personally or by proxy. A body corporate being a member may vote either by a representative duly authorized in accordance with section 187 of the act and such representative shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member.
103. Any person entitled under article 65 to transfer any share may vote at any general meeting in respect thereof in the same manner as if he were registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote he shall satisfy the directors of his right to transfer such shares and give such indemnity (if any) as the directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.
104. Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the common seal of such corporation, or be signed by an officer or any attorney duly authorized by it and any committee or guardian may appoint such proxy. The proxy so appointed shall not have any right to speak at the meetings.
105. An instrument of proxy may appoint a proxy for the purpose of a particular meeting specified in the instrument and any adjournment thereof.
106. A member present by proxy shall be entitled to vote only on a poll.
107. The instrument appointing a proxy and the power of attorney or their authority (if any), under which it is signed or a notarially certified copy of that power of authority, shall be deposited at the office not later than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument or proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
108. Every instrument of proxy shall as nearly as circumstances will admit, be in any of the forms set out in schedule IX of the act. The company will send proxy forms to shareholders and debenture holders in all cases where proposals other than that of a purely routine nature are to be considered, such proxy form being so worded that a shareholder or debentureholder may vote either for or against each resolution.
109. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of insanity of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity or revocation or transfer shall have been received at the office before the meeting.
110. No objection shall be made to the validity of any vote, except at any meeting or poll at which such vote will be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
111. The chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The chairman present on taking of poll shall be the sole judge of the validity of every vote tendered at such poll.
112.
  - (1) The company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meetings entries thereof in books kept for that purpose with their pages consecutively numbered.
  - (2) Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the chairman of the same meeting within that period or by a director duly authorized by the board for the purpose.
  - (3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
  - (4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat
  - (5) All appointments of officers made at any meeting aforesaid shall be included in the minutes of the meeting
  - (6) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any

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matter which in the opinion of the chairman of the meeting (a) is or could reasonably be regarded as, defamatory of any person, or (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the interests of the company. The Chairman of the meeting shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds.

- (7) Any such minutes shall be evidence of the proceedings recorded therein.
- (8) The book containing the minutes of the Proceedings of General meetings shall be kept at the office of the company and shall be open during business hours, for such periods not being less than two hours in each day as the Directors determine, to the inspection of any member without charge.

### THE SEAL

- 160. (a) The Board shall provide a Common Seal for the purpose of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by the authority of the Board or a committee of the Board previously given.
  - (b) The Company shall also be at liberty to have an official Seal in accordance with Section 50 of the Act, for use in territory, district or place outside India.
161. Every deed or other instrument, to which the Seal of the Company is required to be affixed, shall, unless the same is executed by a duly constituted attorney, be signed by one Director or by Secretary or some other person authorized by the Board/Committee for the purpose; provided that in respect of share certificates the Seal shall be affixed in accordance with Article 19 (a)".

### DIVIDENDS

- 162. The profit of the Company, subject to any special rights relating thereto created or authorized to be created by these Articles and subject to the members in proportion to the amount of capital paid-up or credited as paid-up on the shares held by them respectively.
- 163. The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividend shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.
- 164. No dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the Company for previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both; Provided that :
  - (a) If the Company has not provided for depreciation for any previous financial year or years it shall before declaring or paying a dividend for any financial year, provide for such depreciation out of profits of the financial year or out of the profits of any other previous financial year or years.
  - (b) If the Company has incurred any loss in any previous financial year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the dividend is proposed to be declared or paid or against the profit of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub-section (2) of Section 205 of the Act or against both.
- 165. The Board may, from time to time, pay to the Members, such interim dividend as in their judgment the position of the Company Justifies.
- 166. Where capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participate in profits.
- 167. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid or dividend as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if



any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

168. The Board may retain the dividend payable upon shares in respect of which any person is, under Article 64 entitled to become a Member, or which any person under that Article is entitled to transfer, until such person shall become a member, in respect of such shares or shall duly transfer the same.
169. Any one of several persons who are registered as the Joint-holders of any share may give effectual receipt for all dividends or bonus and payments on account of dividends or bonus or other moneys payable in respect of such shares.
170. No member shall be entitled to receive payment of any interest or dividend in respect of his shared or shares, whilst any money may be due or owing from his to the Company in respect of such share or shares or otherwise however, either alone or jointly with any other person or persons, and the Board may deduct from the interest or dividend payable to any member all sums of money so due from him to the Company.
171. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
172. Unless otherwise directed any dividend may be paid by Cheque or warrant or by a pay slip or receipt having the force of a Cheque or warrant or bank order sent through the post to registered address of the member or person entitled or in case of joint-holders to that one of them first named in the Register in respect of the joint-holdings. Every such Cheque or warrant or bank orders shall be made payable to the order of the person to whom it is sent. The Company shall not be liable for non-receipt, lost in transmission, or for any dividend lost to the member or person entitled thereto by the forged endorsement of any Cheque or warrant or the forged signature of any pay-slip or the fraudulent recovery of the dividend by any other means.
173. No unpaid dividend shall bear interest as against the Company.
174. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the members of such amount as the meeting fixes, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and the member, be set off against the calls.
175. (a) The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund, or any Capital Redemption Reserve Account, on in the hands of Company and available dividend (or representing premium received on the issue of shares and standing to the credit of the Share Premium Account) be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures or debenture-stock of the Company which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued shares of debentures or debenture-stock and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum. Provided that a Share Premium Account and a Capital Redemption Reserve Account, may, for the purposes of the Article, only be applied in the paying of any unissued shares, to be issued to members of the Company as fully paid bonus shares.
- (b) General Meeting may resolve that any surplus moneys, arising from the realization of any capital assets of the company or any investments representing the same or any other undistributed profits of the Company not subject to charge for Income Tax be distributed among the members on the footing that they receive the same as capital.
- (c) For the purpose of giving effect to any resolution under the preceding paragraphs of this Article the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payments shall be made to and members upon the footing of the value so fixed or that fraction of less value than Rs.10/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets in trustees upon such trusts for the person entitled to the dividend or capitalized

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fund as may seem expedient to the Board. Where requisite, a proper contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Companies Act, 1956, and the Board may appoint any person to sign such contract on behalf of the persons entitled to the dividend or capitalized fund, and such appointment shall be effective.

- 175A. The Company will not forfeit unclaimed dividend before the claim becomes barred by law and that such forfeiture, when effected, will be annulled in appropriate cases.

### DOCUMENTS AND NOTICE

182. (1) A Document or notice may be served or given by the Company on any member either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, supplied by him to the company for serving documents or notice on him.
- (2) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledge due and has deposited with the Company a sum sufficient to defray the expenses of doing so; service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of Notice of a meeting at the expiration of forty-eight hours after the letter containing the document or notice is posted and in any other case, at the time, at which the letter would be delivered in the ordinary course of post.
- 182A. When notice is given to its shareholders by advertisement it will advertise such notice in at least one leading daily newspaper.
183. A document or notice advertised in a newspaper circulating in the neighbourhood of the office shall be deemed to be duly served or sent on the day on which the advertisement appears on or to every member who has no registered address and has not supplied to the Company an address for the serving of documents on or the sending of notices to him.
184. A document or notice may be served or given by the Company or to the joint-holder named first in the Register of Members in respect of the share.
185. A document or notice may be served or given by the Company on or to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in prepaid letter addressed to them by name or by the title or representatives of the deceased, or assignee of the insolvent or by any like description at the address (if any) supplied for the purpose by the persons claiming to be entitled, or (until any such address has been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.
186. Documents or notices of every General Meeting shall be served or given in same manner herein-before authorized on or to (a) every member, (b) every person entitled to a share in consequence of the death or insolvency of member, and (c) the Auditor or Auditors for the time being of the Company.
187. Every person who, by operation of law, transfer of other means whatsoever shall become entitled to any share, shall be bound by every document or notice in respect of such share, which previously to his name and address being entered on the Register of members, shall have been duly served on or given to the person from whom he derives his title to such shares.
188. Any documents or notice to be served or given by the Company may be signed by a Director or some person duly authorized by the Board of Directors for such purpose and the signature thereto may be written, printed or lithographed.
189. All documents or notices to be served or given by members on or to the Company or any officer thereof shall be served or given by sending it to the Company or officer by post under a certificate of posting or by registered post, or by leaving it at the office.





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#### **INDEMNITY AND RESPONSIBILITY**

191. Every officer or Agent for the time being of the Company shall be indemnified out of the assets of the Company against all liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief, is granted to him by the Court.

#### **SECRECY CLAUSE**

- 192 (a) Every Director, Manager, Auditor, Treasurer, Trustee, member of Committee, officer, servant, agent, accountant or other person employed in the Business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- (b) No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process or any other matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be inexpedient in the interest of the Company to disclose.

**SECTION X - OTHER INFORMATION**

**MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following Contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These Contracts, copies of which have been attached to the copy of this Red Herring Prospectus, delivered to the Registrar of Companies, Delhi and Haryana, for registration and also the documents for inspection referred to hereunder, may be inspected at the registered office of our Company situated at 18, Pusa Road, 1st Floor, Karol Bagh, New Delhi - 110 005 from 10.00 A.M to 4.00 P.M. on working days from the date of this Red Herring Prospectus until the Bid/Issue Closing Date.

**A. MATERIAL CONTRACTS**

- 1) MOU dated 18/07/2006 between the Company and Chartered Capital And Investment Ltd to act as Book Running Lead Manager to the Issue.
- 2) MOU dated 16/01/2007 between the company and Bigshare Services Private Limited to act as the Registrar to the Issue.
- 3) Escrow Agreement dated [●] between the Company, the BRLM, the Escrow Collection Bank(s) and the Registrar to the Issue.
- 4) Syndicate Agreement dated [●] between the Company, BRLM and the Syndicate Members.
- 5) Underwriting Agreement dated [●] between the Company, BRLM and other Syndicate Members.
- 6) Due Diligence Certificate dated 16/09/2006 from the Book Running Lead Manager Chartered Capital And Investment Limited.
- 7) Tripartite Agreement dated 18/01/2007 between the Company, NSDL and Registrar to the Issue.
- 8) Tripartite Agreement dated 02/01/2007 between the Company, CDSL and Registrar to the Issue.

**B. DOCUMENTS OF INSPECTION**

- 1) Certified true copies of the Memorandum and Articles of Association of the company as amended from time to time.
- 2) Certificate of incorporation of the Company.
- 3) Copies of the Special resolution passed by the shareholders in the Annual General meeting held on 14/06/2006 under section 81(1A) of the Companies Act, 1956.
- 4) Resolution passed by the Board of Directors dated 05/06/2006 for going Initial Public Offer.
- 5) Copy of the Board Resolution dated 18/09/2006 and 20/01/2007 approving the Draft Red Herring Prospectus and Red Herring Prospectus respectively.
- 6) Consents from the Directors, Book Running Lead Manager, Syndicate Members, Registrar, Bankers to the company, Auditor, Bankers to the Issue, Company Secretary and Legal Advisor to act in their respective capacities.
- 7) Auditors Certificate on tax benefits available to the Company and the consent to include the same in the offer document.
- 8) Auditor's Report of the company referred in the offer document and their consent to include the same in the offer document.
- 9) Memorandum and Articles of association of the subsidiary Company and group Companies.
- 10) Copies of the Annual reports of the Company from financial year 2001-02 to 2005-06.





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- 11) Copies of the Annual reports of our group Companies namely AMD Financial Services Limited and AMD Foods and Hotels Private Limited for the financial years 2003-04, 2004-05 and 2005-06 and subsidiary company AMD Estates and Developers Private Limited for the year 2005-06.
  - 12) The financial statements of the proprietorship concern namely M/s Shyam Industries for the financial years 2003-04, 2004-05 and 2005-06.
  - 13) Copy of Resolution of the Annual General Meeting held on 14th June, 2006 for the appointment of Mr. Ashok Gupta as Managing Director.
  - 14) Copies of Resolutions of the Annual General Meeting held on 14th June, 2006 for the appointment of Mr. Harswarup Gupta as Executive Chairman and Mr. Adit Gupta as Whole Time Director.
  - 15) Copies of Initial Listing applications made to Bombay Stock Exchange Ltd and The National Stock Exchange Ltd for listing of the equity shares of the company dated [●] and [●] respectively.
  - 16) Copies of the in principle approval received from BSE and NSE dated November 16, 2006 and December 14, 2006 respectively.
  - 17) SEBI observation letter No CFD/DIL/ISSUES/EB/83638/ 2007 dated January 04, 2007 and our reply to same dated January 20, 2007
  - 18) Government approvals
  - 19) Report from Reliance Industries Limited ( Pet Division) regarding information on "Pet Demand Forecast"

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

**DECLARATION**

We, the directors of AMD Metplast Limited declare and confirm that all the relevant provisions of the Act and the guidelines issued by SEBI and the Government have been complied with and no statement made in this offer document is contrary to the provisions of Act and rules made thereunder.

We, further certify that no information/ material likely to have a bearing on the decision of the investors in respect of the equity shares offered in terms of the offer document has been suppressed/ withheld and / or incorporated in a manner that would amount to misstatement/ mis-representation and in the event of its transpiring at any point of time till allotment/ refund, as the case may be, that any information/material has been suppressed/ withheld and / or amounts to mis-statement/ mis-representation, we undertake to refund the entire application moneys to all the subscribers within seven days thereafter, without prejudice to the provisions of section 63 of the Act.

The company accepts no responsibility for statements made otherwise than in the offer document or in the advertisement or any other material issued by or at the instance of the company and that any one placing reliance on any other source of information would be doing so at its own risk.

**SIGNED BY ALL THE DIRECTORS OF AMD METPLAST LIMITED**

Mr. Harswarup Gupta \*

Mr. Ashok Gupta \*

Mr. Adit Gupta \*

Mr. Mahipal Ahluwalia \*

Mr. Prem Lal Madan \*

Mr. Seshadri Ratnam \*

\* Through Constituted Power of Attorney Shri Rajkumar Aggarwal, Company Secretary.

**SIGNED BY THE FINANCIAL HEAD OF AMD METPLAST LIMITED**

Mr. P K Bhasin, GM (Finance)

**SIGNED BY THE COMPANY SECRETARY AND COMPLIANCE OFFICER**

Mr. Rajkumar Aggarwal, Company Secretary and Compliance Officer

Place : New Delhi

Date : 30th January, 2007