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annual report

2000-2001

SHREE RAMA

SHREE RAMA MULTI-TECH LIMITED

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SHREE RAMA

SHREE RAMA MULTI-TECH LIMITED

Eighth Annual Report
2000-2001

Corporate Information

THE BOARD

Mr. Vikram R. Patel
Chairman & Managing Director

Mr. Sharad C. Patel
Executive Director

Mr. Prakash R. Patel
Executive Director

Mr. Hansraj K. Kanji
Director

Mr. Prakash D. Trivedi
Director

Mr. Nilesh C. Vaishnav
Director

Mr. Rambhai D. Patel
Director

Mr. K. C. Jani
Nominee Director
(Industrial Development Bank of India)

Mr. Donald Peck
Nominee Director
(CDC Group)

Mr. P. S. Dasgupta
Nominee Director
(HSBC Private Equity India Fund Limited)

Mr. Sudhakar C. Patel
Alternate Director to Mr. Hansraj K. Kanji

Mr. Saurabh N. Soparkar
Alternate Director to Mr. Rambhai D. Patel

Mr. J. M. Trivedi
Alternate Director to Mr. Donald Peck

Mr. Dinesh C. Kothari
Alternate Director to Mr. P. S. Dasgupta

BANKS / INSTITUTIONS :
State Bank of India
SBI Commercial & International Bank Ltd.
BNP Paribas
The Kalupur Commercial Co-operative Bank Ltd.
Industrial Development Bank of India
Export Import Bank of India

AUDITORS :
M/s Manubhai & Co.
Chartered Accountants
Ahmedabad

M/s C. C. Chokshi & Co.
Chartered Accountants
Ahmedabad

INTERNAL AUDITORS :
Shah Mehta Majumdar
Chartered Accountants
Ahmedabad

COMPANY SECRETARY :
Rajesh H. Shah

REGISTERED OFFICE :
Ram Nivas No. 1, Khanpur,
Ahmedabad-380 001, Gujarat.

CORPORATE OFFICE :
601, "SHIKHAR", Netaji Marg, Nr. Vadilal House,
Navrangpura, Ahmedabad-380 009, Gujarat.

WORKS :
1. Block No.1557, Village : Moti-Bhoyan,
   Kalol-Khatraj Road, Taluka : Kalol,
   Dist : Gandhinagar, Gujarat.
2. 195/1, Ashima Complex, Karannagar,
   Taluka : Kadi, Dist : Mehsana, Gujarat.
3. Block No.425, Village : Ambaliyara,
   Dist : Mehsana, Gujarat.
4. R.S.No.15/2,3,4,6, 16/1,2,
   Opp. Whirlpool, Thirubhuvanai,
   Pondicherry-605 107.

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WE BELIEVE

Success comes only from quality products made without compromise.

Continuous and intensive efforts in Research and Development will enable us to set the standards in the industry.

An innovative approach and a positive attitude will help us to meet the challenges of the millennium.

Efficient planning, swift communication and enhanced productivity backed by excellent products and consistent service will ensure customers' confidence and loyalty.

It is only by providing value to our customers that we can build value for our shareholders.



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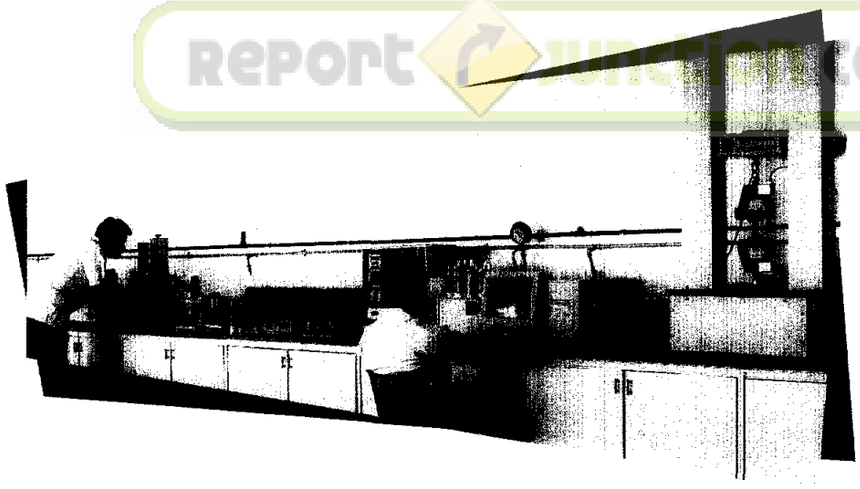
SHREE RAMA MULTI-TECH LIMITED

Eighth Annual Report
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The 7 Mantras of Modern Business

ALWAYS...

- Begin and end with quality.
- Offer nothing but the best.
- Give a little more than what is expected.
- Consolidate your strengths and strengthen your weaknesses.
- Be proactive, not reactive.
- Remember that profits are important, but are not the sole criteria.
- Proceed as if the 'best is yet to come'.



QUALITY

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THE ESSENCE OF BEING

QUALITY - THE ESSENCE OF BEING

Quality is more than just a function, a department. It is a way of life, an attitude that impacts you and your environment. It is where you are coming from, rather than where you are going. It is a total mindset that pervades everything you think, touch, feel and do.

In short, it is a complete way of being -- one that spans the beginning, the end and everything in between.

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SHREE RAMA MULTI-TECH LIMITED

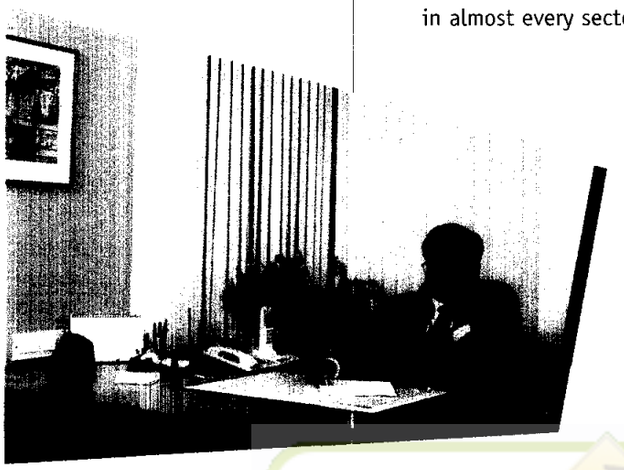
Eighth Annual Report
2000-2001

Chairman's Statement

Dear Shareholders,

I welcome you all to the 8th Annual General Meeting of the Company. The Annual Report has been with you for some time and I am sure, you would have taken time to go through the same.

The global economy is going through extremely difficult times. The slowdown in the US economy and the incidence of terrorism, which led to the war in Afghanistan, have not helped matters. There has been an overall slowdown in almost every sector including the packaging industry.



In fact, the Packaging Industry the world over, as well as in India, is going through a consolidation phase. There have been mergers and acquisitions which will be good for the industry, as economies of scale will increase volumes and improve margins. It will also boost R&D efforts to introduce new cost effective products required by the FMCG Industry. We at Shree Rama are also looking for good opportunities for mergers/acquisitions/ joint ventures/strategic alliances to improve value for our shareholders.

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The growth of the packaging industry largely depends on the growth of the FMCG industry. With the performance of the FMCG sector falling way below expectations in the year 2000-2001, the performance of the packaging industry has also been affected and your company is no exception to this.

During the year, the volumes and margins for the laminated tubes segment remained under pressure. The past year also saw a market trend for downsizing of laminated tubes in the country. As a result of these factors, while our sales during the year increased in quantitative terms, there was no positive impact on our profit margins. Thus, while the operating income increased to Rs. 240.28 Crores from Rs. 204.63 Crores in the previous year, profit after tax declined to Rs. 38.14 Crores from Rs. 44.77 Crores.

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Vikram R. Patel
Chairman & Managing Director

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We are firmly committed to meet both the immediate and long term expectations of our shareholders. Thus, despite lower profits, the Board of Directors has recommended a dividend of 30% for the year under review as compared to 24% (on pro-rata basis) in the previous year.

Our expansion programme to increase our manufacturing capacity of plastic laminated tubes, labels and stickers is being implemented in phases and is expected to be completed by December, 2001. There has been a delay in completion of the construction of the factory, due to the earthquake in Gujarat. As a result, the last phase of the expansion project has been delayed by about three months. However, there has been no cost overrun.



As the business environment changes, it is important for all companies to gear up to meet the challenges of the future. In this context it is extremely important for us to look beyond a domestic presence. China offers a huge market potential for laminated tubes which is further fuelled by the enormous replacement demand arising out of conversion from aluminium to laminated tubes. After carrying out a detailed study of market potential, we have chalked out a well planned strategy to enter that market. We have established a subsidiary company called Shree Rama Multi-Pack (Guangzhou) Limited, taken factory premises on lease and are now going ahead with setting up a facility to produce PE tubes and laminated tubes in China. This project is expected to go on stream in the second half of 2002.

Though the corporate governance code will be applicable to our Company in the year 2001-2002, we have been complying with most of the requirements of the corporate governance code and the relevant information about the same has been given in the Annual Report sent to you.

As I mentioned to you last year, we have charted our course for the future with meticulous care and planning. We are also seeking long-term tie-ups with large customers for the steady supply of our products. We continue our R&D efforts towards introducing new cost effective products, as well as enhancing our product range to include higher value-added products.

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SHREE RAMA

SHREE RAMA MULTI-TECH LIMITED

Regd. Office : RAM NIVAS NO. 1, KHANPUR, AHMEDABAD - 380 001.

NOTICE

NOTICE IS HEREBY GIVEN THAT the 8th Annual General Meeting of the Members of the Company will be held on Saturday, 29th December, 2001 at 10.00 a.m. at Rajpath Club, Sarkhej - Gandhinagar Highway, Ahmedabad - 380 058 to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt Balance Sheet as at 30th September, 2001 and Profit and Loss Account for the year ended on that date and Reports of Directors and Auditors thereon.

2. To declare Dividend on Equity Shares and Preference Shares.

3. To appoint a Director in place of Mr. Donald Peck, who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of Mr. Mr. Nilesh C. Vaishnav, who retires by rotation and being eligible offers himself for re-appointment.

5. To appoint Manubhai & Co. Chartered Accountants, Ahmedabad and C. C. Chokshi & Co., Chartered Accountants, Ahmedabad as the Joint Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS :

ITEM NO. 6

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution.

"RESOLVED THAT Mr. Priya Shankar Dasgupta, the Director of the Company, for appointment of whom the Company has received notice under section 257 of the Companies Act, 1956, from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement by rotation".

ITEM NO. 7

To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution :

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309,310 and 311, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, and subject to such sanctions/approvals as may be necessary, the Company hereby accords its approval to the re-appointment of and remuneration, perquisites and allowances payable to Mr. Prakash R. Patel, as an Executive Director of the Company for a period of 5 years with effect from 1st January, 2002, on the terms and conditions as set out in the draft Agreement to be entered into between the Company and to Mr. Prakash R. Patel, as placed before this meeting and initialed by the Chairman for the purpose of identification.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to increase, alter and/or vary the remuneration and perquisites including the monetary value thereof as specified in the said draft Agreement to the extent, as the Board of Directors may consider appropriate, and as may be permitted or authorised in accordance with any provisions under the Companies Act, 1956, for the time being in force, provided however, that the remuneration payable to Mr. Prakash R. Patel, shall be within the limits set out in the said Act including Schedule XIII to the said Act or any amendments thereto or any modifications or statutory re-enactment(s) thereof and/or any rules or regulations framed thereunder and the terms of the aforesaid Agreement between the Company and Mr. Prakash R. Patel, shall be suitably modified to give effect to such variation or increase as the case may be.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps as may be necessary and desirable to implement and give effect to this resolution."

Ahmedabad
10th November, 2001

By Order of the Board of Directors

Registered Office : Ram Nivas No. 1,
Khanpur, Ahmedabad 380 001.

(RAJESH H. SHAH)
COMPANY SECRETARY

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NOTES

1. A Member entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and vote instead of himself and the proxy need not be a member. The instrument appointing a proxy should be deposited at the Registered Office of the Company not less than Forty Eight Hours before the commencement of the Meeting.

2. The Explanatory Statement as required by Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting is annexed hereto and forms part of the notice.

3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 21st December, 2001 to Saturday, the 29th December, 2001 (both days inclusive).

4. The Dividend if declared at the Annual General meeting will be payable to those Members whose name appear in the Company's Register of Members of the Company as on 29th December, 2001.

5. Members are requested to notify changes in their address, if any, to Karvy Consultants Limited (Unit Shree Rama Multi-Tech Limited) quoting their folio number(s).

6. Members, who are holding Shares in identical order of names in more than one Folio, are requested to write to Karvy Consultants Limited (Unit Shree Rama Multi-Tech Limited) enclosing their share certificates for consolidation in one Folio.

7. Members seeking any information with regard to Annual Accounts are requested to write to the Company at least one week in advance so as to enable the Company to keep information ready.

Ahmedabad
10th November, 2001

By Order of the Board of Directors

Registered Office : Ram Nivas No.1,
Khanpur, Ahmedabad 380 001.

(RAJESH H. SHAH)
COMPANY SECRETARY

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