SHREE RAMA

# SHREE RAMA MULTI-TECH LIMITED

Ramnivas - 1, Khanpur, Ahmedabad - 380 001.

*We add value to your life*

## Annual Report
## 2001 – 2002

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## The Board of Directors

**Mr. Vikram R. Patel**
Chairman & Managing Director

**Mr. Sharad C. Patel**
Executive Director

**Mr. Prakash R. Patel**
Executive Director

**Mr.Praveen Bhalla**
Director

**Dr. Prakash D. Trivedi**
Director
(Alternate Rashmikant M.Desai)

**Mr.Sharad Jobanputra**
Director

**Mrs.Nirmala Ananth**
UTI Nominee Director

**Mr.K.C.Jani.**
IDBI Nominee Director

**Mr. S. R. Bhandari**
Director

**Mr.Shekhar G. Vyas**
Director

**Jt. Company Secretary**
**Rajeshwari Sharma**

**Auditors**
H.V. Vasa & Co
Chartered Accountants
Ahmedabad

**Registrars & Share Transfer Agents**
Karvy Consultants Limited
Karvy House, Banjara Hills
46, Avenue 4, Street No. 1,
Hyderabad-500 034

**Registered Office**
Ramnivas No. 1, Khanpur,
Ahmedabad-380 001, Gujarat.

**Plants**
1. Block No. 3567, Village : Moti Bhoyan
   Kalol-Khatraj Road, Taluka : Kalol
   Dist. : Ghandinagar , Gujarat
2. 158/1, 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 B, 16/1,2,
   Opp. Whitecot, Thirubhuvanai,
   Pondicherry 605 107

SHREE RAMA MULTI-TECH LTD.

RAM NIVAS NO. 1, KHANPUR, AHMEDABAD 380 001.

## NOTICE

NOTICE IS HEREBY GIVEN THAT the 9th Annual General Meeting of the Members of the Company will be held on Friday, 28th March, 2003, at 12.00 p.m. at Rajpath Club, Sarkhej Gandhinagar Highway, Ahmedabad 380 058 to transact the following business:

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 30th September, 2002 and Profit and Loss Account for the year ended on that date and Reports of Board of Directors and Auditors.
2. To appoint a Director in place of Dr. P. D. Trivedi, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. Praveen Bhatia, who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a Director in place of Mr. Prakash R. Patel, who retires by rotation and being eligible offers himself for reappointment.
5. To re-appoint H. V. Vasa & Co. Chartered Accountants, Ahmedabad, as the 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 6. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution

"RESOLVED THAT Mr. S. R. Bhandari, 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"

Ahmedabad 10th February, 2003

**By Order of the Board of Directors**

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

**(RAJESHWARI SHARMA)**
**JT. COMPANY SECRETARY**

## 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.

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2. The Explanatory Statement as required by Section 173(2) of the Companies Act, [illegible] the special business to be transacted [illegible] annexed [illegible] the notice.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Monday 24th March 2003 to Friday 28th March, 2003 (both days inclusive).
4. 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).
5. 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.
6. 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 February, 2003 By Order of the Board of Directors

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

(RAJESHWARI SHARMA)
JT. COMPANY SECRETARY

## EXPLANATORY STATEMENTS

## EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO.2

**Information under Clause 49 of the Listing Agreement regarding re-appointment of Dr. Prakash D. Trivedi as Director**

Dr. Prakash D. Trivedi, aged about 55 years, Ph.D in Polymer Science, USA, having 20 years of experience in Polymer Industry, both in India and in USA. He was appointed as the additional Director on 18.10.95 and was appointed as the Director in the Annual General Meeting held on 30.12.95. His expertise include R & D in New Polymers and their commercialisation. He is involved in the development of a number of Novel Polymers and their blends/alloys in India. Currently he has developed a series of Engineering Plastics which are being commercialised. He has worked in Firestone, IPCL, NOCIL, Richmond Polymers, and has been a Consultant for many other Companies. Currently he is Managing Director of Pace Polymer Technology Pvt. Ltd. and consultant to Chirode Chemicals Ltd.

ITEM NO.3

**Information under Clause 49 of the Listing Agreement regarding re-appointment of Mr. Praveen Bhatia**

Mr. [illegible] Bhatia aged about 62 years, B. Com., C.A. and a consultant [illegible] authority. Earlier he [illegible] in the [illegible] Department [illegible] & [illegible] GORRDELER, [illegible] handled audit of reputed companies such as [illegible] Motors Ltd., Voltas Ltd., Union Carbide and many such blue chip Companies. He was appointed as the director of the Company in the meeting of the Board of Directors dated 25.08.02 to fill in the casual vacancy caused by resignation of Mr. Pryathanker Dasgupta, the nominee director of foreign equity investor.

ITEM NO. 4

Mr. Prakash R. Patel, aged about 50 years, a Commerce Graduate, is experienced in Automobile Industry and Extrusion Coating Lines. He was admitted to the erstwhile partnership firm, Shree Rama Packaging in 1992. He was appointed as the Director of the Company on 2.12.96 and later on appointed as the Executive Director in the Annual General Meeting held on 31.12.98 for 5 years, w.e.f. 1st January, 1997. He was reappointed as the Executive Director in the Annual General Meeting held on 29-12-01 for 5 years w.e.f. 01-01-02

ITEM No. 6

Mr. S.R.Bhandari aged about 70 years, B.A.(Hons), M.A., LL.B. He has worked with Reliance Industries Ltd. as consultant/Advisor since October, 1997. He was appointed as an additional director on the Board in its meeting dated 18/01/02. The Company has received proposal from a member that Mr. S. R. Bhandari be appointed as the Director of the Company. He has wide experience. His expert advises and services will be of immense use to the Company.

Your directors recommend the resolution no. 6 as ordinary resolution. Except Mr.S.R.Bhandari, no other director is concerned or interested in the resolution.

Ahmedabad, 10th February, 2003 **By Order of the Board of Directors**

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

**(RAJESHWARI SHARMA)**
**JT. COMPANY SECRETARY**

## Directors' Report

To the Members

Your Directors have pleasure in presenting the 9th Annual Report alongwith Audited Statement of accounts for the year ended on 30th September 2002

**Financial Highlights**

| | 2001-2002 | 2000-2001 |
|---|---|---|
| | | (Rs.in Lacs) |
| Sales and Other Income | 13472.62 | 24118.71 |
| Profit before write off of fixed assets & Debtors, loss on sale of raw materials and interest, depreciation & tax | 3864.87 | 10435.80 |
| Interest | 4632.71 | 2959.90 |
| Depreciation | 2582.19 | 2341.35 |
| Profit before write off and Tax | (3350.04) | 5134.35 |
| Write off of Fixed Assets & Debtors and loss on sale of Raw Materials | 2794.36 | 380.18 |
| Profit Before Tax | (6154.40) | 4754.17 |
| Provision for Tax | 0.00 | 930.00 |
| Deferred Tax (As per AS-22) | 0.00 | 842.95 |
| Profit after Tax | (6154.40) | 3011.22 |
| Prior Period Adjustments and Extraordinary Items | (155.00) | 10.76 |
| Profit for the year | (5999.40) | 3000.46 |
| Add Balance of Profit and Loss Account | 1780.27 | 2338.17 |
| **Amount available for Appropriations** | (4209.13) | 5386.63 |

**Appropriations:**

| | | |
|---|---|---|
| General Reserve | 0.00 | 470.09 |
| Debenture Redemption Reserve | (166.87) | 1778.00 |
| Capital Redemption Reserve | 0.00 | 333.33 |
| Dividend on Equity Shares | (795.00) | 795.00 |
| Dividend on Preference Shares | 0.00 | 125.00 |
| Tax on Dividends | (81.09) | 86.84 |
| Balance Carried Forward | (3166.37) | 1790.27 |
| | (4209.13) | 5386.63 |

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**Dividend**

Your Directors do not recommend [illegible] dividend on Equity shares for the year ended [illegible] taking into account the [illegible] of the Company

**Operations**

The year under review was a very difficult one with the sales volumes in major products including Tubes, Labels, Cups and laminates were dropping due to continued recessionary trends in the FMCG sector. The Company has faced severe competition in all its products throughout the year resulting in to reduced prices and lower realization. The Company has also not been able to service its term and equity liabilities due to inadequate cash flow for servicing the same. The Company also had to face various litigations which compounded the problems of the Company. However, despite the difficult times faced by the Company, the management of the Company is committed to revive its business and turning around the profitability.

**New initiatives for revival and positive developments**

The Company has embarked into a major restructuring exercise for revival of the Company's business/ fortune. The Company aims to achieve this by changing and revising its existing marketing strategies, manufacturing new value added extrusion coating products, thrust on exports etc. The Company has established a subsidiary company in China through which it intends to export its products. The Company is in receipt of large long term contracts from FMCG companies of repute and the production is being carried out regularly and the orders are being fulfilled as per the targets. The Company has submitted a business restructure plan to the banks/financial Institutions and the negotiations for the restructure of the debts of the Company are progressing with the banks/financial institutions.

Your directors request you to note that the petition filed by HPEIF Ltd. against the Company and others has been dismissed by the Company Law Board and CLB has also vacated all the interim orders passed by it under the said petition. As a results the stay on the meeting of the Board of Directors and its Committee thereof has been vacated. The Company could not hold any meeting of the Board or its committee thereof since 15th November, 2002 due to the stay. The annual accounts of the Company could also not be considered and approved. As a result of this the AGM of the Company could also not be held and has been delayed.

Your directors hope that the stock prices of the Company which has taken a severe beating due to the above reasons will improve with the revival in the capital markets conditions and in view of the new initiatives for revival of the operations undertaken by the management.

**Fixed Deposit**

The Company has not invited fixed deposits during the year under review pursuant to section 58A of the Companies Act, 1956.

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Corporate Governance

The [illegible] Corporate Governance [illegible] of [illegible] Shareholders. A Report on Corporate Governance as well as a Management Discussion and Analysis Report of the Company is separately attached hereto as a part of this Annual Report.

Directors

During the year Mr Ramabhai D. Patel and Mr. Nilesh .C Vaishney resigned as the Directors of the Company. The Board places on record their appreciation for the services and guidance received from them during their tenure as the Directors of the Company.

During the year the nominee directors of foreign equity investors viz. Mr.P. S Dasgupta and Mr. Donald Peck also resigned as the Directors of the Company. During the year Mr Shekhar G. Vyas, Mr. S. R. Bhandari, Mr. Sharad Jobanputra, Mr Praveen Bhalla were appointed as the Directors of the Company. Mrs. Nirmala Ananth was appointed as the UTI nominee on the Board of Directors of the Company.

In accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company Mr. Praveen Bhalla, Dr. Prakash D. Trivedi and Mr. Prakash R. Patel, retire at the ensuing Annual General Meeting of the Company and being eligible have offered themselves for re-appointment.

Directors' Responsibility Statement

Pursuant to the requirements of Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

i) that in preparation of the Accounts for the financial year ended 30th September, 2002, the appropriate accounting standards have been followed;

ii) that Directors have selected such accounting policies and applied them consistently and made judgement and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the loss of the company for the year under review.

iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) that the Directors have prepared the accounts for the year ended 30th September, 2002 on a going concern basis.

Industrial Relations

Industrial Relations remained cordial during the year. Your Directors place on record their appreciation for the hard work put in by all the employees of the Company.

**Particulars of Employees**

The statement showing particulars of employees under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is annexed hereto as Annexure 'A' and forms the part of this report.

**Auditors and Auditors Report**

The Joint Statutory Auditors M/s Manubhai & Company, Chartered Accountants, Ahmedabad and M/s.C.C.Chokshi & Co., Chartered Accountants, Ahmedabad have resigned during the year. M/s. H. V. Vasa & co., Chartered accountants, Ahmedabad have been appointed as the joint statutory auditors during the year to hold office till the conclusion of the ensuing Annual General Meeting and being eligible have offered themselves for re-appointment. The Board recommends their appointment as the Statutory Auditors of the Company. You are requested to appoint the statutory Auditors for the current year to hold office until the next Annual General Meeting and fix their remuneration.

The Notes forming part of Accounts are self explanatory, which also explain the Qualifications in the Auditors Report specifically referring to Preference shares dividend and recall of loans by the lenders. The Company intends to discharge its obligation to pay preference share dividend and the TDS liabilities. Regarding the Qualification in the Auditors report as to realisation of advances, the management will take decisions on project implementation and make attempts for its effective recovery as soon as possible.

**Insurance**

All the fixed and current assets of the Company are adequately insured.

**Subsidiary Companies**

The Company has established a manufacturing subsidiary in China and a wholly owned subsidiary in Mauritius which acts as the investment arm for the Chinese subsidiary. The Audited Statement of accounts along with the Directors' Report and Auditors' Report as well as information in respect of Shree Rama (Mauritius) Ltd. and Shree Rama Multi Pack (Guangzhou) Ltd., the subsidiaries of your Company, pursuant to the provisions of section 212 of the Companies Act, 1956, are annexed hereto.

**Accounting Standards and Consolidated Financial Statements**

Your Company has prepared the accounts in consonance with the accounting standards prescribed by ICAI. The Company has an investment subsidiary in Mauritius, [illegible] has invested in the subsidiary company in China. The operations are not [illegible] hence consolidation of financial statement is not necessary.

**Conservation of Energy, Technology Absorption & Foreign Exchange**

The information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of

Directors) Rules, 1988 with respect to the Conservation of Energy, Technology Absorption and Foreign Exchange earnings/outgo is annexed hereto as Annexure "B" and forms part of this Report.

**Acknowledgements**

Your Directors take this opportunity to express their sincere gratitude to their valued Customers, Bankers, Financial Institutions, Government Departments and Shareholders for their support and co-operation.

Place: Ahmedabad
Date : 10th February 2003.

For and on behalf of Board

**(Vikram R. Patel)**
Chairman & Managing Director

## Annexure A

Statement under Section 217(2A) read with Companies (Particulars of Employees) Rules, 1975 and forming part of Directors Report for the year ended 30th September, 2002.

Employees in receipt of remuneration aggregating to Rs.24 Lacs per annum

| Sl No | Name of the Employee | Age | Designation | Qualification | Experience (in years) | Last Employment | Date of joining | Remuneration Rs |
|---|---|---|---|---|---|---|---|---|
| 1 | Mr.Vikram R. Patel | 58 | Chairman & Managing Director | B.E., M.S. (Mechanical) | 30 | Shree Plast Packaging | 11/12/93 | 2581221 |
| 2 | Mr.Sharad C.Patel | 51 | Executive Director | B.E., M.S. Engineer | 27 | Sanket Estate & Finance Pvt Ltd | 11/12/93 | [illegible] |
| 3 | Mr.Prakash R. Patel | 50 | Executive Director | B.Com | 26 | Vallabh Agencies | 01/01/96 | [illegible] |

**Notes:**

1 Remuneration includes salary, other allowances, perquisites and retirement benefits as applicable.
2 Nature of Employment in case of employees at serial no 1,2 and 3 are contractual.
3 Mr.Vikram R. Patel, Chairman & Managing Director, Mr.Sharad C. Patel, Executive Director and Mr.Prakash R. Patel, Executive Director, are relatives of one another