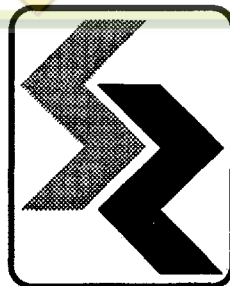

ANNUAL REPORT
2004 - 2005

Report  Junction.com



SHREE RAMA

SHREE RAMA
MULTI-TECH LIMITED



THE BOARD OF DIRECTORS

MR. VIKRAM R. PATEL	:	Chairman & Managing Director
MR. SHARAD C. PATEL	:	Executive Director
MR. K. C. JANI	:	IDBI Nominee Director
MR. D. MOHANTY	:	UTI Nominee Director
MR. SHARAD JARIWALA	:	Director
MR. VIKRAM V. BHATT	:	Director
DR. DINESH M. AMIN	:	Director
MR. PRAHLAD S. PATEL	:	Director
MR. R. S. PATEL	:	Director

Auditors

H. V. Vasa & Co.
Chartered Accountants
Ahmedabad

Company Secretary

MRS. RAJESHWARI SHARMA

Share Transfer Agent

KARVY COMPUTERSHARE PVT. LTD.
Karvy House, Banjara Hills, 46, Avenue -4,
Street No. 1, Hyderabad - 500 034

Registered Office

Ram Nivas -1, Khanpur,
Ahmedabad - 380 001, Gujarat.

Plants:

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.



NOTICE

NOTICE IS HEREBY GIVEN THAT the 11th Annual General Meeting of the Members of the Company will be held on 2nd August, 2005 at 11.00 a.m. at Rajpath Club Limited, Sarkhej – Gandhinagar Highway, Ahmedabad – 380 058 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2005 and Profit and Loss Account for the period ended on that date and the Reports of Board of Directors and Auditors.
2. To re-appoint M/s. H. V. Vasa & Co., the 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 as Rs.3,50,000/- (Rupees Three Lakhs Fifty Thousand only) per annum plus applicable service tax plus out-of-pocket expenses actually incurred by them.

SPECIAL BUSINESS :

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

"RESOLVED THAT Mr. Sharad Jariwala, the Director of the Company who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 19th March, 2005, and who holds office as such upto the date of Eleventh Annual General Meeting and in respect of whom notice under section 257 of the Companies Act, 1956 have been received from him 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."

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

"RESOLVED THAT Mr. Vikram V. Bhatt, the Director of the Company who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 19th March, 2005, and who holds office as such upto the date of Eleventh Annual General Meeting and in respect of whom notice under section 257 of the Companies Act, 1956 have been received from him 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."

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

"RESOLVED THAT Dr. Dinesh M. Amin, the Director of the Company who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 19th March, 2005, and who holds office as such upto the date of Eleventh Annual General Meeting and in respect of whom notice under section 257 of the Companies Act, 1956 have been received from him 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."

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

"RESOLVED THAT Mr. Prahlad S. Patel, the Director of the Company who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 19th March, 2005, and who holds office as such upto the date of Eleventh Annual General Meeting and in respect of whom notice under section 257 of the Companies Act, 1956 have been received from him 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."



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

"RESOLVED THAT Mr. R. S. Patel, the Director of the Company who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on 6th May, 2005 and who holds office as such upto the date of Eleventh Annual General Meeting and in respect of whom notice under section 257 of the Companies Act, 1956 have been received from him 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."

8. 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 and other applicable provisions, if any, of the Companies Act, 1956, and subject to the approval of the Central Government, consent be and is hereby accorded to the appointment and remuneration, perquisites and allowances payable to Mr. Sharad Jariwala, as the Whole Time Director of the Company for a period of one year with effect from 27th June, 2005, on the terms and conditions contained in the Agreement between the Company and Mr. Sharad Jariwala and as set out in the explanatory statement of the notice of this Annual General Meeting.

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. Sharad Jariwala, shall be subject to the limits as approved by the Central Government and the members in the General Meeting of the Company and the terms and conditions of the aforesaid Agreement between the Company and Mr. Sharad Jariwala, shall be suitably modified to give effect to such variation or increase as the case may be.

RESOLVED FURTHER THAT either of Mr. Vikram R. Patel or Mr. Sharad C. Patel, the Directors be and is hereby authorised to execute and sign the Agreement and other documents and take such steps as may be necessary and desirable to implement and give effect to the foregoing resolution."

Date : 25th June, 2005

Place : Ahmedabad

By Order of the Board of Directors

(RAJESHWARI SHARMA)
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.
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 29th July, 2005 to 2nd August, 2005(both days inclusive).
4. Members are requested to notify changes in their address, if any, to Karvy Computershare Private Limited (Unit Shree Rama Multi-Tech Limited).
5. 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.

Date : 25th June, 2005

By Order of the Board of Directors

Place : Ahmedabad

(RAJESHWARI SHARMA)
COMPANY SECRETARY

EXPLANATORY STATEMENT

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

ITEM NO. 3

Mr. Sharad Jariwala is a Commerce Graduate, Chartered Accountant with Diploma in System Management. He was appointed as an Additional Director on the Board in its meeting dated 19th March, 2005. The Company has received notice under section 257 of the Companies Act, 1956 from him proposing his candidature for the office of Director of the Company. He has a wide experience of about 38 years in the field of finance. He is having expertise in field of finance. His expert advises and services will be of immense use to the Company.

Your directors recommend the resolution no. 3 as ordinary resolution. Except Mr. Sharad Jariwala, no other director is concerned or interested in the resolution.

ITEM NO. 4

Mr. Vikram V. Bhatt is B. E. (Civil), M.I.E.F.I.V. and is a Government approved Valuer (Immovable Properties). He was appointed as an Additional Director on the Board in its meeting dated 19th March, 2005. The Company has received notice under section 257 of the Companies Act, 1956 from him proposing his candidature for the office of Director of the Company. He has a wide experience of about 28 years in the field of valuation of immovable properties. His expert advises and services will be of immense use to the Company. He holds directorship in Nirantar Security Private Limited. He is also a member in 4 Committees of the Company viz. Audit Committee of Directors, Committee of Directors, Remuneration Committee of Directors and the Shareholders/Investors Grievance Committee of Directors.

Your directors recommend the resolution no. 4 as ordinary resolution. Except Mr. Vikram V. Bhatt, no other director is concerned or interested in the resolution.

ITEM NO 5.

Dr. Dinesh M. Amin is having Post Graduation in Elimination Therapy (AY) and Post Graduation in Medicines (AY). He was appointed as an Additional Director on the Board in its meeting dated 19th March, 2005. The Company has received notice under section 257 of the Companies Act, 1956 from him proposing his candidature for the office of Director of the Company. He has a wide experience of 8 years as incharge medical officer in E.S.I. Hospital, 3 years as Professor for medicine, 8 years in private practice. He was engaged from 1982 onwards with Industrial sector and was Head of Nijrang Group of Industries and since last 18 years as CMD in Nijrang Print Pvt. Ltd. He was also President of Bharat Vikas Parishad Gujarat State from 1996-2002. He is Chairman of Ramkrishna Seva Samiti since last three years and associated with Vivekanand Centre since long and State President for 7 years. He is also the Managing Director of The Kalapur Commercial Co-operative Bank Ltd. He is having expertise in the field of finance. His expert advises and services will be of immense use to the Company. He holds directorship in Nijrang Print Pvt. Ltd. He is also a member in one of the Committee of the Company viz. Audit Committee of Directors of the Company.



Your directors recommend the resolution no. 5 as ordinary resolution. Except Dr. Dinesh M. Amin, no other director is concerned or interested in the resolution.

ITEM NO. 6

Mr. Prahlad S. Patel is B. E. Civil. He was appointed as an Additional Director on the Board in its meeting dated 19th March, 2005. The Company has received notice under section 257 of the Companies Act, 1956 from him proposing his candidature for the office of Director of the Company. He has a wide experience of about 17 years in the field of Construction work. His expert advises and services will be of immense use to the Company. He holds directorship in M/s. BPC Projects & Infrastructure Pvt. Ltd. He is also a member in 4 Committees of the Company viz. Audit Committee of Directors, Committee of Directors, Executive Committee of Directors and the Shareholders/Investors Grievance Committee of Directors.

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

ITEM NO. 7

Mr. R. S. Patel is a Practising Chartered Accountant. He is the Vice Chairman of Gujarat Urban Co-operative Banks Federation and Secretary of City and District Co-operative Banks Association. He was appointed as an Additional Director on the Board in its meeting dated 6th May, 2005. The Company has received notice under section 257 of the Companies Act, 1956 from him proposing his candidature for the office of Director of the Company. He has a wide experience of about 36 years in the field of finance, audit and taxation. His expert advises and services will be of immense use to the Company. He holds directorship in Fitmec Service Pvt. Ltd.

Your directors recommend the resolution no. 7 as ordinary resolution. Except Mr. R. S. Patel, no other director is concerned or interested in the resolution.

ITEM NO. 8

Mr. Sharad Jariwala had been appointed as an Additional Director on the Board of Directors of the Company in its meeting dated 19th March, 2005.

Taking into account, the wide experience of Mr. Sharad Jariwala and having regard to his age, qualifications and ability, the Board of directors in its meeting held on 25.06.05 have appointed Mr. Sharad Jariwala, as the Whole Time Director of the Company for a period of one years w.e.f. 27th June, 2005, subject to necessary approvals.

The approval of Central Government in terms of section 269 of the Companies Act, 1956 is also required and the members are requested to approve the following principal terms and conditions including the payment of remuneration, perquisites and allowances proposed to be paid to him :

Period of Agreement : One Years with effect from 27th June, 2005.

The remuneration package of the Whole Time Director shall be as under:

- (a) Gross Salary : Rs.85,000/- Per Month.
- (b) Perquisites :
- (i) Leave Salary : 1.5 day p.m.
- (ii) Gratuity : As per the rules applicable
- (iii) Transport : Car with Driver for Company's use will be provided free of cost.
- (iv) Communication :

The Company will also reimburse expense for communication as under.

Mobile + Residence Landline : Up to Rs.3500/- Per Month

All the taxes including Income Tax will be payable by Mr. Sharad Jariwala as per the rules and regulations applicable from time to time.

This above may be treated as the abstract of the Memorandum of Interest of appointment of Mr. Sharad Jariwala as the Whole Time Director pursuant to Section 302 of the Companies Act, 1956.

Mr. Sharad Jariwala may be treated as interested to the extent the resolution relates to his appointment.

Date : 25th June, 2005

Place : Ahmedabad

By Order of the Board of Directors

(RAJESHWARI SHARMA)
COMPANY SECRETARY



DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting their Report for the period ended on 31st March, 2005.

Financial Results :

(Rs.in Lacs)

Particulars	2004 – 2005 15 Months	2002 – 2003 15 Months
Sales and Other Income	7299.40	6702.68
Profit before write off of fixed assets, Debtors, Loss on sale of raw materials, interest, depreciation & tax	1847.41	3977.90
Interest	153.49	6131.02
Depreciation	3527.11	3275.11
Profit before write off and Tax	(1833.19)	(5428.23)
Write off of Fixed Assets & Debtors and loss on sale of Raw Materials	-	1091.03
Profit/ (Loss) Before Tax	(1833.19)	(8989.58)
Provision for Tax	0.00	0.00
Deferred Tax [As per AS-22]	0.00	(2683.04)
Profit after Tax	(1833.19)	(6306.54)
Prior Period Adjustments and Extraordinary Items	(25482.45)	(212.72)
Profit for the year	(27315.64)	(6519.26)
Add: Balance of Profit and Loss Account	(9685.63)	(3166.37)
Amount available for Appropriations	(37001.27)	(9685.63)
Appropriations:		
General Reserve	0.00	0.00
Debenture Redemption Reserve	0.00	0.00
Capital Redemption Reserve	0.00	0.00
Dividend on Equity Shares	0.00	0.00
Dividend on Preference Shares	0.00	0.00
Tax on Dividends	0.00	0.00
Balance Carried Forward	(37001.27)	(9685.63)
Total	(37001.27)	(9685.63)

Reserves and Dividend :

Your Directors request you to note that no amount is being transferred to the Reserves and no dividend on Equity shares for the period ended 31st March, 2005, is being recommended, taking into account the losses incurred by the Company.

Operations :

The period under review has been very eventful with fluctuating prices of raw materials due to the crude oil prices. The Company has been able to recover the same from the customer after a time lag. However, this has not affected the performance of the Company. On the contrary there have been overall improvement in efficiency and productivity at all levels which have ensured that the pressure on margins have been minimal.



Your Company has successfully commissioned the State of Art Tandem extrusion coating line and this is expected to contribute substantially to the top line in due course. This also has resulted in the Company derisking the business model, which is heavily depended on laminated tubes.

The operational performance of the Company could have been better but for the liquidity constraints arising out of the lack of working capital to scale up operations.

Future prospects :

The series of initiatives that have been taken over the last three years has started yielding results. The Company's foray in to flexible laminates at a time when the packaging industry is set to see exponential growth augurs well for the Company.

Debt Restructuring :

As a part of its ongoing Debt Restructuring exercise, the Company had filed an application under section 391 of the Companies Act, 1956, with the High Court of Gujarat, at Ahmedabad for entering in to a Scheme of Compromise and Arrangement for the financial restructuring of the Company with the Creditors of the Company. This was done after intense consultation with the lenders and detailed deliberations at the board. Accordingly, the said Scheme together with the modifications thereof, as approved by the Secured Creditors with First Charge or Class 'A' Creditors, the Secured Creditors with Second Charge or Class 'B' Creditors has been approved by the shareholders of the Company. The meeting of the Other Creditors or Class 'C' Creditors has been stayed pursuant to an order of the High Court. Your Company expects to obtain a confirmation of the Scheme in respect of class A & B shortly from the Gujarat High Court.

Balance Sheet Restructuring :

The Company faced a serious liquidity problem due to a combination of factors in the beginning of Jan 2002. This prompted a serious review by the management. Pursuant, to the decision the management appointed leading consultant to review all aspects of the business and submit a comprehensive report. Based on the said report many measures were initiated to restructure the business of the Company and one of them was submission of a Debt Restructuring Proposal to the lenders.

The lenders after exhaustive evaluation of the restructuring proposal and also a detailed analysis of the balance sheet directed the Company to undertake a comprehensive review of the various items of the balance sheet and determine the action to be taken to restructure the Balance Sheet. The said work was entrusted to the Audit Committee of the Company on 26th May 2003 consisting of independent Directors and nominees of financial institutions. The Audit committee of the Company after a series of deliberations spread over number of meetings collected and compiled comprehensive information on each item under the heads Debtors, Loans and Advances, Capital Work in progress and creditors. After preliminary analysis the Audit Committee in its meeting on 19th March 2005 decided to assign the task of ascertaining the items that are recoverable, doubtful and bad under the aforesaid heads and report on the action initiated by the Company to recover these items. Further, the Auditor was mandated to submit a detailed report on each item appearing under these heads. In the meantime the Company as directed by the lenders filed a Scheme of Compromise and Arrangement under section 391 of the Companies Act 1956. As a part of the Scheme the Company undertook to review the balance sheet based on the observations made by the Auditor.

H.V.Vasa & Co. after a detailed analysis submitted a report to the Audit Committee on 19th March 2005. These were further deliberated in the Audit committee in various meetings. Thereafter in its meeting dated 19th March 2005 the Audit Committee of the Company deliberated upon the same and recommended to the Board to write off an amount of Rs. 344.79 Crs as it was concluded that these are not recoverable and in order to restructure the Balance sheet of the Company it is necessary to write off these items.

The Board in its meeting on 19th March 2005 deliberated upon the same. The deliberations remained inconclusive and it was decided to take up further deliberations in the next meeting. The said deliberations took place at the meeting of the Board held to consider the accounts of the Company on 25th June 2005. At the said meeting the Board of Directors decided to write off the amount of Rs.345.03 Crs considered irrecoverable and further requested the Audit Committee to prescribe norms and set up a mechanism of internal controls to ensure that non-recurrence of such situations and also in the light of the amendments to clause 49 of the listing agreement. The board was also apprised by the chairman the internal controls that have been introduced till date.

Your Directors submit that it is in the interest of Company's future prospects to restructure the balance sheet along the lines recommended by the Audit Committee. This will facilitate the Company to raise the much needed long-term resources to meet the needs of the business plan.



Implications of Balance Sheet Restructuring :

At the outset your Directors wish to state that the exhaustive restructuring of the Company's Balance sheet as aforesaid does not affect the future plans of the Company. The business plan submitted to the lenders also does not contemplate any cash flows from the items that have been written off. On the contrary the Company by this process facilitates investment by strategic/financial investors to meet the commitments that have been made under the Scheme of Compromise and Arrangement that has been filed with the Gujarat High Court which, has since been approved by the members at the meeting held on 28th May 05 for the said purpose. It may be recalled at the said meeting the members of the Company were explained in detail the deliberations of the Audit Committee and the recommendations made by them to write off substantial amounts that are considered irrecoverable.

The statutory provisions contained in the SICA requires the Company to make reference to the BIFR due to the erosion in net worth which attracts the definition of Sick Industrial Company. However, the proactive intervention of the Board of your Company has ensured that remedial measures have been taken to rehabilitate the Company with the approval of the Scheme of Compromise and Arrangement with the lenders by the members on 28th May 2005. On receipt of confirmation by the Gujarat High Court the Scheme would be implemented. Thus, the reference to BIFR in the case of your Company is a technical formality to be complied with as the action necessitated by the reference has already been completed and this fact would be brought to the notice of the BIFR as and when the reference is taken up for consideration. Such reference in no way compromises the ability of your Company to raise resources or bar your Company from implementing the commitments made to the lenders under the Scheme of Compromise and Arrangement.

Material Developments after the Balance Sheet Date :

The Directors are glad to inform you that despite severe liquidity constraints your Company completed the pending capital expenditure programme involving an outlay of Rs.48.79 Crs by commencing commercial production of the tandem extrusion coating line which will enable the Company to enter the high tech flexible packaging business and in particular the Rs. 3000 crs. food packaging sector.

In accordance with the resolution passed by the Members of the Company in their Annual General Meeting held on 31st March, 2004, for the issue of warrants convertible into equity shares issued under private placement basis as per the provisions of Section 81(1A) of the Companies Act, 1956, the Company had allotted 155 Lacs Warrants to the allottees on 30th June, 2004 from whom the Company had received the 10% subscription amount.

Your Company has allotted 38.50 lacs equity shares on 10.06.05 and 9 lacs equity shares on 17.06.05, on account of the conversion of above said warrants in to equivalent number of fully paid up equity shares of the Company, each having the face value of Rs. 5/- and a premium of Rs. 3/-. Accordingly 47.50 lakh equity shares have been issued @ Rs.8/- per share.

Fixed Deposit :

The Company has not invited fixed deposits during the period under review pursuant to section 58A of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975.

Corporate Governance :

The philosophy of the Company on Corporate Governance is to serve the long term interest of the Shareholders, creation of transparency, maintaining management ethics and developing good corporate culture. A Management Discussion and Analysis Report as well as report on Corporate Governance is attached hereto as a part of this Annual Report as Annexure - C.

Directors :

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, there are no Directors liable to retire by rotation at the ensuing Annual General Meeting of the Company.

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 annual accounts for the financial year ended 31st March, 2005, 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 are 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 period 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 financial year ended 31st March, 2005 on a going concern basis.

Personnel :

Relations with the Staff members and the workmen continued to be cordial and satisfactory during the period under review. The Directors acknowledge and appreciate the determination and sincere efforts of all their employees.

Particulars of Employees :

The details of employees drawing remuneration in excess of monetary ceiling prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, during the financial year 2004-05 are annexed hereto as Annexure 'A' and forms the part of this report.

Auditors :

M/s. H. V. Vasa & Co., the Chartered Accountants, Ahmedabad, had been appointed as the Statutory Auditors during the year to hold office till the conclusion of the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board recommends their appointment as the Statutory Auditors of the Company for the financial year 2005-2006.

Insurance :

Due to liquidity constraints the Company had to prioritize fund allocation to primarily meet the needs of production, as many customers are solely dependent on our supplies. In view of the same the fixed assets and the current assets have been insured intermittently during the year.

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.

Your Company has not been able to obtain the audited accounts of the subsidiary companies in view of the resignation of the key personnel in the Mauritius subsidiary. The process of finding a replacement is in progress and the work is expected to be completed shortly.

Shree Rama Multi-Pack (Guangzhou) Limited, has ceased operations and the process of liquidation of the company has been set in motion by filing the necessary papers with the authorities.

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, which has invested in the subsidiary company in China. The operations are not of material nature.

Conservation of Energy, Technology Absorption & Foreign Exchange :

The Company consistently pursues reduction in energy consumption in its manufacturing process on an ongoing basis. 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 :

The Board would like to express their grateful appreciation for the assistance and co-operation received from the Creditors, Banks, Government Authorities, Customers and Shareholders during the period under review. Your Directors also wish to place on record its deep sense of appreciation for the committed services of all the employees of the Company.

For and on behalf of Board

Place:- Ahmedabad

Date:- 25th June, 2005

Vikram R. Patel

Chairman & Managing Director