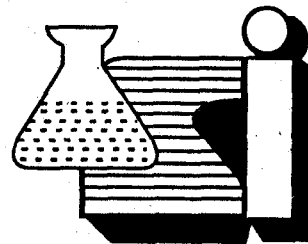


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SHREYAS INTERMEDIATES LTD

122-125, Solaris II, Saki-Vihar Road, Powai, Andheri (E), Mumbai - 400 072. (INDIA)

15TH ANNUAL REPORT 2003 - 2004**BOARD OF DIRECTORS**

Shri Dinesh Sharma	Chairman
Shri Bramhanand Dabbas	Director
Shri N. M. S. Sayyad	Wholetime Director
Shri Shankarlal Sharma	Director (up to 29-01-2005)
Prof. (Smt.) Neelam Arora	Director (w.e.f. 29-01-2005)

REGISTERED OFFICE

122-125 Solaris II, Opp. L&T Gate no. 6,
Sakivihar Road, Powai, Andheri (E),
Mumbai - 400 072.

STATUTORY AUDITORS

Sayeed Khan & Associates
Chartered Accountants

BANKERS

Bank of Baroda
State Bank of India

FACTORY

D-21, D-22, D-23, M.I.D.C.,
Lote Parshuram, Taluka Khed,
Dist. - Ratnagiri,
Maharashtra.

REGISTRARS & SHARE TRANSFER AGENTS

M/s. System Support Services
209, Shivai Indl. Estate,
Near Parke Davis,
Andheri Kurla Road,
Sakinaka, Mumbai - 400 072.

15 th ANNUAL GENERAL MEETING

Date : 30th March, 2005
Day : Wednesday
Time : 11.30 a.m.
Place : 122-125, Solaris-II Opp. L & T Gate
No. 6, Sakivihar Road, Powai,
Andheri (E), Mumbai-400 072.

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SHREYAS INTERMEDIATES LTD.**NOTICE**

NOTICE is hereby given that the Fifteenth Annual General Meeting of Shreyas Intermediates Limited will be held at 11.30 A.M. on Wednesday, the 30th March, 2005 at the registered office of the Company at 122-125, 1st Floor, 'Solaris - II', Opp. L&T Gate No. 6, Saki-Vihar Road, Powai, Andheri (East), Mumbai 400 072, to transact the following business :

A) ORDINARY BUSINESS :

- 1) To receive and adopt the Directors' Report and the Audited Balance Sheet as at 30th September 2004 and the Audited Profit and Loss Account for the period ended on that date.
- 2) To appoint a Director in place of Mr. Dinesh Sharma who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint the Statutory Auditors and to fix their remuneration.

B) SPECIAL BUSINESS :

To consider and if thought fit, to pass, with or without modification, the following resolutions as :

4) AN ORDINARY RESOLUTION :

"RESOLVED THAT Professor (Mrs.) Neelam Arora, be and is hereby appointed as a Director of the Company."

5) AN ORDINARY RESOLUTION :

"RESOLVED that pursuant to Section 94(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, the Authorised Share Capital of the Company be increased from Rs.16,25,00,000/- to Rs.33,00,00,000/- which shall be divided into 1,62,50,000 Equity Shares of Rs.10/- each and 1,67,50,000 Redeemable Preference Shares of Rs.10/- each.

RESOLVED FURTHER that Clause V of the Memorandum of Association of the Company be altered by substituting the following in place of the existing Clause V :

- V** The Authorised Share Capital of the Company is Rs.33,00,00,000/- (Rupees Thirty Three Crores) divided into 1,62,50,000 Equity Shares of Rs.10/- each and 1,67,50,000 Redeemable Preference Shares of Rs.10/- each, with the rights, privileges and conditions attaching thereto as are provided by the regulations of the Company for the time being, with power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company."

6) A SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to Section 31 and other applicable provisions of the Companies Act, 1956, the Articles of Association of the Company be and are hereby altered in the following manner :

- i) Insert the following new Article as Article 45A after Article 45 :

45A Notwithstanding any thing contained in these Articles, the Company may, pursuant to Sections 77A, 77AA and 77B and other applicable provisions of the Act, purchase its own shares or securities and the Board of Directors may, when thought fit, buy back such

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of the Company's own shares or securities as it may think necessary, subject to such limits, upon such terms and conditions and subject to such approvals, as may be permitted by law.

- ii) Insert the following Article as Article 46A after Article 46 :-

46A Dematerialisation of Securities

Definitions

- (1) For the purpose of this Article :

'Beneficial Owner' means a person or persons whose name 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, and which has been granted a certificate of registration to act as a depository under the Securities & Exchange Board of India, Act, 1992; and

'Security' means such security as may be specified by SEBI from time to time

Dematerialisation of Securities

- (2) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialized its securities and to offer securities in a dematerialized form pursuant to the Depositories Act, 1996.

Options for Investors

- (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, 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.

Securities in Depositories to be in fungible form

- 4) All securities held by a depository shall be dematerialized and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372A of the Act shall apply to a depository in respect of the securities held by it on behalf of the beneficial owner.

Rights of Depositories and Beneficial Owners

- (5) a) Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be 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.

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The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a depository.

Service of Documents

- (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.

Transfer of Securities

- (7) Nothing contained in Section 108 of the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of a depository.

Allotment of securities dealt with 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.

Distinctive numbers of Securities held in a Depository

- (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.

Register and Index of Beneficial Owners

- (10) The register 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.

- iii) Substitute the existing Article 76 with the new Article numbered as 76 and insert a new Article as Article 76A.

76 Remuneration of Directors

- (1) Subject to the provisions of the Act, a Managing Director or a Director who is in the whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other.
- (2) Subject to the provisions of the Act, a Director, who is neither in the whole time employment nor a Managing Director may be paid remuneration :
- (i) by way of monthly, quarterly or annual payment with the approval of the Central Government;
or
- (ii) by way of commission if the Company by a special resolution authorizes such payment.
- (3) The maximum remuneration of a Director for his services shall be such sum as may be prescribed by the Act or the Central Government may determine or prescribe from time to time for each Meeting of the Board of Directors attended by him.
- (4) If any Director be called upon to perform extra services or special exertions which expression shall include work done by a Director as member of any committee formed by the Directors, the Board may arrange with such Directors for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the

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Board and such remuneration may be either in addition to or in substitution for his remuneration above provided.

- (5) The Directors shall be paid such remuneration (if any) as the Company in General Meeting shall from time to time determine, and such further remuneration shall be divided among the Directors in such proportion and manner as the Directors may from time to time determine and subject to the applicable provisions of the Companies Act, 1956.

76A Travelling expenses incurred by a Director not a bona fide resident or by Director going out on Company's business.

The Board may allow and pay to any Director who is not a bona fide resident of the place where the meetings of the Board of Directors are ordinarily held and who shall come to such place for the purpose of attending any meeting such sum as the Board may consider fair compensation of for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting above specified; and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business he shall be entitled to be repaid and reimbursed any traveling or other expenses incurred in connection with business of the Company.

- iv) In Article 116 the following Proviso shall be inserted :

PROVISO :

Provided that not withstanding anything herein above, any amounts standing to the credit of the Share Premium Account may also be utilized (other than for Capitalization), in accordance with the Provisions of the Law.

7) AN ORDINARY RESOLUTION :

"RESOLVED THAT pursuant to Section 293(1) (d) and other applicable provisions, if any, of the Companies Act, 1956, consent of the Company be and is hereby accorded to the Board of Directors of the Company borrowing from time to time any sum or sums of monies which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business), may exceed the aggregate of the paidup capital of the Company and its free reserves, that is to say reserves not set apart for any specific purpose, provided that the total amount so borrowed shall not at any time exceed the limit of Rs.500 crores."

8) A SPECIAL RESOLUTION :

"RESOLVED THAT pursuant to the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956 and subject to such conditions and modifications as may be considered by the Board of Directors (hereinafter referred to as 'the Board' which term shall mean and include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution), the consent of the Company be and is hereby accorded to the Board to issue in one or more tranches, to investors / Companies, whether they be the shareholders of the Company or not, on private placement basis, Redeemable Preference Shares of Rs.10/- each, at par, for cash, as may be thought fit up to an amount not exceeding Rs.16,75,00,000/-, at such time or times and in such manner as the Board in its absolute discretion deems fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Redeemable Preference Shares as may be required in pursuance of the above issue

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and that the said Preference Shares so allotted shall rank pari passu with the existing Shares of the Company, save and except that such Shares shall carry the right to receive dividend which may be declared for the financial year in which the allotment of the Shares shall become effective pro rata from the respective dates of allotment.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution and for removal of any difficulty or doubt, the Board be and is hereby authorised to decide the other terms and conditions of the issue and to modify such terms and conditions and to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper in connection with the issue."

9) **A SPECIAL RESOLUTION :**

"RESOLVED THAT pursuant to Section 17 and other applicable provisions, if any, of the Companies Act, 1956, the Memorandum of Association of the Company be and is hereby altered by inserting the following new sub-clause numbered as 101 after the existing sub-clause 100 of Clause III C of the Memorandum of Association.

101 To guarantee the payment or repayment of any moneys or performances of any contracts or obligations by any person, firm or company including such companies which are or may come under the management and/or control of the Company and also to give guarantees in respect of any financial arrangements that may be made by or on behalf of such company and if thought fit to secure or support such guarantees by mortgage, pledge or hypothecation of any properties or to mortgage, pledge or hypothecate any of the properties of the Company as security for any advance to be made to, or debts or obligations of any person, firm or company."

10) **A SPECIAL RESOLUTION :**

"RESOLVED THAT pursuant to the provisions of Section 149(2A) and other applicable provisions, if any, of the Companies Act, 1956, approval of the Company be and is hereby accorded for commencing and undertaking all or any of the business specified in the newly introduced sub-clause 101 of Clause III C of the Memorandum of Association as and when deemed fit by the Board of Directors of the Company upon the aforesaid sub-clauses coming into effect."

11) **AN ORDINARY RESOLUTION :**

"RESOLVED THAT consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors (hereinafter referred to as 'the Board') mortgaging / charging on such terms and conditions as the Board may deem fit, all or any part of the immovable properties of the Company, wherever situate, both present and future; of every nature and kind whatsoever and floating charge on the whole or part of the movable properties of the Company to or in favour of any lending Institutions(s) (including any lending Institution(s) of the Government of India, Government of any State in the Union of India, any Overseas Body Corporate or otherwise) and/or Banks and/or Body Corporate(s) and/or any un-incorporated body / Institution (hereinafter collectively referred to as 'the said lending Institutions'), for any financial facilities like term loans, bridge loans, foreign currency loans, fund based and non-fund based financial accommodation, etc., for asset acquisition, working capital, capital and business restructuring, new business development, acquisition of existing or new ventures by amalgamation, merger or otherwise, upto an amount

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not exceeding Rs.500 crores (Rupees Five Hundred Crores) and interest and other monies payable by the Company in respect of the said facilities; so however that the mortgage / charge created / to be created shall rank pari passu with the mortgage / charge created / to be created in favour of the said lending Institutions and the Board may in its discretion, in consultation with / approval of all or any of such of the lending institutions, may decide.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise and execute with the said lending Institutions and / or any one or more of them, the documents for-creating the necessary mortgage(s) / charge(s) and to do all such acts, deeds matters and things as the Board may deem necessary or expedient for giving effect to the aforesaid resolution, and also agree to make any amendments thereto from time to time as the Board may think fit."

**By Order of the Board
for SHREYAS INTERMEDIATES LTD**

Mumbai

Date : 3rd February, 2005

**DINESH SHARMA
CHAIRMAN**

NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The proxy form to be effective, must be duly executed and signed and must be lodged at the company's registered office at least 48 hours before the time of the meeting.
2. The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956 is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company would remain closed from Thursday, the 24th March, 2005 to Wednesday, the 30th March, 2005 (both days inclusive).
4. All matters in connection with the Shares of the Company may be addressed to the Company's Registrars & Transfer Agents viz. M/s. System Support Services, 209, Shivali Industrial Estate, Near Parke Davis, Andheri - Kurla Road, Andheri (East), Mumbai 400 072. Members are requested to quote their respective folio numbers / D.P / I.D. numbers and also notify the change of address, if any, to the Company's Registrars & Transfer Agents.
5. Shareholders desiring information as regards the accounts are requested to write to the Company at least 10 days before the Annual General Meeting to enable the Management to keep the information ready.
6. The Registrar of Companies, Maharashtra, Mumbai, has granted 3 months' extension of time for holding the Annual General Meeting up to 31st March, 2005 vide his letter no. 54164/DA/NJ dated 2nd February, 2005.
7. The business at Serial Nos. 7, 8, 9, 10 & 11 requires consent of the shareholders only through postal ballot. Postal Ballot Paper enclosed along with a self-addressed Inland Letter of the Company must be posted so as to reach the Company at its registered office not later than 25th March 2005. Consent or otherwise received after this date will be strictly treated as if the reply from the members has not been received. The Ballot Paper must be duly filled in, the preference for or against the resolutions clearly marked and signed by the sole shareholder or the joint shareholder in the order of seniority in which they appear in the Register of Members of the Company (or in respect of the

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beneficiaries of shares held in the electronic form, as per the list furnished by the Depositories). The Resolutions at serial nos. 7, 8, 9, 10, & 11 will not be taken up for voting at the Annual General Meeting and will have to be voted by postal ballot only and the result thereof will be declared / announced at the Annual General Meeting on 30th March, 2005.

8. ADDITIONAL INFORMATION AS REQUIRED UNDER CLAUSE 49 F THE LISTING AGREEMENT :

Professor (Mrs.) Neelam Arora, aged 45 years, is an M.Com, M.Phil., has more than 20 years varied experience in the teaching and research faculties and has been associated with a number of companies for advising them on the management aspects of their business. Mrs. Arora is not a Director of any Company and is not a Partner of any Firm.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956 IN RESPECT OF THE SPECIAL BUSINESS**Item No 4**

Professor (Mrs.) Neelam Arora was appointed as an additional Director of the Company on 29th January, 2005 and she holds office upto the date of the 15th Annual General Meeting.

The Company has received a notice from a member of the Company proposing the name of Professor (Mrs.) Neelam Arora as a Director of the Company along with the requisite deposit of Rs.500/-, pursuant to Section 257 of the Companies Act, 1956. Mrs. Arora has given her consent to act as a Director of the Company, if appointed. Shareholders may consider appointing Mrs. Arora as a Director of the Company. Mrs. Arora is not a relative of any Director of the Company and does not hold any Shares in the Company.

Item No 5

The Ordinary Resolution at serial no. 5 is for increasing the Authorised Capital of the Company from Rs.16.25 crores to Rs.33 crores to facilitate the issue of the Preference Shares as mentioned in the Resolution, by alteration of the Capital Clause V of the Memorandum of Association.

Item No 6

The proposed amendments to the Articles of Association are intended to streamline the Articles as also to incorporate therein certain provisions consequent upon the amendments in the laws which have already taken place.

- i) New Article 45A inserting the power to the Company to buy back its own shares and securities and new Article 46A inserting the provisions relating to dematerialization of securities (which in any way has become statutory for a listed Company) would enable the Company to deal with these matters appropriately as per the law.
- ii) Article 76 of the existing Articles of Association is being deleted and a new Article numbered 76 is being substituted in its place. This Article is more comprehensive and deals with the changes that have taken place in the law. Article 76A is an extension of the new Article 76 for providing Travelling expenses to Directors.
- iii) The Proviso to Article 116 is to enable the Company to utilise the share premium Account for any purpose as per the provisions of the Companies Act, 1956.

Item No 7

At present, Company is authorized to borrow money upto Rs.25 crores. It is proposed to increase this limit upto Rs.500 crores as set out in the resolution at item No. 7 in terms of Section 293(1) (d) of the Companies Act, 1956.

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Item No 8

The Company is in the process of expanding its manufacturing facilities by more than 100% at a total cost of about Rs.50 crores, at its factories at Lote Parshuram, in Taluka Khed, Dist. Ratnagiri and has sought additional financial facilities from its bankers, upto Rs.35 crores, for the said purpose. The Company has already taken on lease from MIDC, the adjacent plots of land and would commence the project related work shortly. In order to augment the Promoters' contribution required for the project, the promoters have decided to bring in the additional finance of about Rs.16.50 crores by way of 10% Redeemable Preference Shares of Rs.10/- each, at par, for cash, redeemable at par, within seven (7) years from the date of allotment.

The Special Resolution is to enable the Company to issue new shares and to utilise the proceeds thereof for augmenting its term loans and working capital requirements. Section 81 (1A) of the Companies Act, 1956, provides, inter alia, that whenever it is proposed to increase the subscribed capital of a Company by allotment of further shares, such further shares shall be offered to the persons who on the date of offer are holders of the Shares of the Company in proportion to the capital paid-up on the date, unless the Shareholders in General meeting decide otherwise. The consent of the Shareholders is, therefore, sought to authorize the Board of Directors as set out in the Resolution, to issue in one or more tranches, the Preference Shares referred to therein to persons / bodies corporate, whether such persons / bodies corporate are Shareholders of the Company or not, on private placement basis upto an amount not exceeding Rs.16,75,00,000/-.

Item No 9 & 10

The Company may be required to furnish corporate guarantees to persons, firms and companies during the course of its business, including securing of any financial arrangements, contracts and obligations of such persons, firms and companies. The existing Clauses of the Company's Memorandum of association are sought to be enlarged so as to remove any doubts that arise in respect of the Company's capacity to give guarantees or provide security for any contract or arrangement on behalf of such category of persons. The proposed special resolution at item no. 9 under Section 17 of the Companies Act, 1956, is intended to incorporate a new sub clause in Clause III C of the Company's Memorandum of Association by way of alteration of the Objects Clause thereof. The business covered by the new sub-clause 101 would be taken up after complying with requirements of Section 149(2A) of the Act, as given in resolution nos. 8 & 9.

Item No 11

Section 293(1)(a) specifies that a Company, shall not except with the consent of the shareholders in general meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company. The Company is contemplating the use of moneys from banks and financial institutions for its term loans and / or its working capital requirements and may, at the instance of the lenders in the ordinary course of business, be required to secure the moneys so borrowed by the creation of mortgage(s) and /or charge(s) on the Company's immovable and movable assets. The resolution enables the Board of Directors to create such mortgage / charge on the Company's assets upto an amount not exceeding Rs.500 crores.

None of the Directors is concerned or interested in the above resolutions, save and except to the extent of the shares held / to be subscribed by each of them in the Company.

By Order of the Board
for SHREYAS INTERMEDIATES LTD

Mumbai

Date : 3rd February, 2005

DINESH SHARMA
CHAIRMAN