

**ANNUAL REPORT
2013 - 14**



SHREE RAMA

SHREE RAMA MULTI-TECH LIMITED



SHREE RAMA MULTI-TECH LIMITED

SHREE RAMA MULTI-TECH LIMITED

CIN: L25200GJ1993PLC020880

Corporate Information

BOARD OF DIRECTORS

| | | |
|----------------------|---|---------------------------------|
| Mr. R. S. Patel | : | Chairman & Independent Director |
| Mr. Vikram V. Bhatt | : | Independent Director |
| Mr. Prahlad S. Patel | : | Independent Director |
| Mr. Pathik C. Shah | : | Independent Director |

KEY-MANAGERIAL PERSONNEL

Mr. R. M. Singhvi - CEO
Mr. Ankit P. Shah - Manager
Ms. Minakshi Tak - Company Secretary
Mr. Krunal G. Shah- Chief Financial Officer

AUDIT COMMITTEE

Mr. Prahlad S. Patel – Chairman
Mr. Vikram V. Bhatt
Mr. R. S. Patel
Mr. Pathik C. Shah (w.e.f. 05/02/2014)

STAKEHOLDER RELATIONS COMMITTEE

Mr. Prahlad S. Patel – Chairman
Mr. Vikram V. Bhatt
Mr. R.S. Patel

INDEPENDENT AUDITORS

M/s. Mahendra N. Shah & Co.
Chartered Accountants, Ahmedabad

COST AUDITORS

M/s. Kewlani & Associates - Ahmedabad

LEAD BANKERS

ICICI Bank Ltd.
State Bank of Bikaner & Jaipur

Registered & Share Transfer Agent

Karvy Computershare Private Limited, Plot No. 17-24,
Vithalrao Nagar, Madhapur, Hyderabad-500081

Registered Office

603, "Shikhar", Shreemali Society,
Nr. Vadilal House, Mithakali,
Navrangpura, Ahmedabad-380009

- Plants: 1. Block No. 1557, Village: Moti-Bhojan,
Kalol-Khatrej Road, Taluka: Kalol,
Dist: Gandhinagar, Gujarat
2. Block No. 425, Village: Ambaliyara,
Dist: Mehsana, Gujarat

Listed in Stock Exchange

Bombay Stock Exchange, Mumbai
National Stock Exchange, Mumbai

NOMINATION & REMUNERATION COMMITTEE

Mr. Vikram V. Bhatt – Chairman
Mr. R. S. Patel
Mr. Prahlad S. Patel (w.e.f. 05/08/2013)

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Prahlad S. Patel - Chairman
Mr. R. S. Patel
Mr. Pathik C. Shah

20th Annual General Meeting of the Company is scheduled to be held on **Saturday, September 27, 2014 at 11.30 a.m. at Atma conference hall, Ahmedabad Textile Mills Association, Ashram Road, Ahmedabad-380009**

As a measure of economy, copies of Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

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SHREE RAMA MULTI-TECH LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT the 20th Annual General Meeting of the Members of the Company will be held on Saturday, 27th September, 2014 at 11.30 A. M. at ATMA Conference Hall, Ahmedabad Textile Mills Association, Ashram Road, Ahmedabad –380 009 to transact the following business:

ORDINARY BUSINESS

- 1) To receive, consider and adopt the Balance Sheet as at 31st March 2014 and Statement of Profit and Loss for the year ended on that date together with the Directors' and Auditors' Report thereon.
- 2) To re-appoint M/s. Mahendra N. Shah & Co., Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the third consecutive Annual General Meeting i.e. 23rd AGM (FY 2016-17) at such remuneration as shall be fixed by the Board of Directors of the Company.

SPECIAL BUSINESS

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

“RESOLVED THAT Mr. R.S.Patel (holding DIN 00076592) an independent Director of the company pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchange and whose term of office was liable to be determined by retirement of director by rotation, be and is hereby appointed as an Independent Director of the company pursuant to the provisions of sections 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, with effect from April 01, 2014 for a period upto five years, not liable to retire by rotation.”

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

“RESOLVED THAT Mr. Prahlad S. Patel (holding DIN 00037633) an independent Director of the company pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchange and whose term of office was liable to be determined by retirement of director by rotation, be and is hereby appointed as an Independent Director of the company pursuant to the provisions of sections 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, with effect from April 01, 2014 for a period upto five years, not liable to retire by rotation.”

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

“RESOLVED THAT Mr. Pathik C. Shah (holding DIN 00076715) an independent Director of the company pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchange and whose term of office was liable to be determined by retirement of director by rotation, be and is hereby appointed as an Independent Director of the company pursuant to the provisions of sections 149,152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, with effect from April 01, 2014 for a period upto five years, not liable to retire by rotation.”



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

“RESOLVED THAT Mr. Vikram V. Bhatt (holding DIN 00005894) an independent Director of the company pursuant to Clause 49 of the Listing Agreement entered into with the Stock Exchange and whose term of office was liable to be determined by retirement of director by rotation, be and is hereby appointed as an Independent Director of the company pursuant to the provisions of sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, with effect from April 01, 2014 for a period upto five years, not liable to retire by rotation.”

- 7) To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 197 read with Schedule V annexed to the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and subject to the approval of Central Government, the approval of the members of the Company be and is hereby accorded for waiver of recovery of excess remuneration paid to Mr. Ankitkumar Pankajkumar Shah, Manager of the Company over and above the limits as prescribed under section 309 read with Schedule XIII and other applicable provisions of the erstwhile companies Act, 1956 (now Section 197 read with Schedule V of the Companies Act, 2013) for the two financial years ended on 31st March, 2013 and on 31st March, 2014.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby authorized to take such steps as may be necessary to give effect to this resolution.”

- 8) To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Ordinary Resolution:

“RESOLVED THAT in accordance with the provisions of Section 196, 197 and 203 read with Part II of Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the shareholders of the company be and is hereby accorded to re-appoint Mr. Ankit P. Shah as Manager of the Company, for a period of 3 (Three) years with effect from 7th August, 2014 at a remuneration not exceeding Rs. 2,46,400/- per month including all the perquisites and with an increment of 10% per year and on the terms and conditions set out in the draft letter of appointment a copy whereof initialed by the Chairman for the purpose of identification is placed before the meeting,

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to vary or increase the remuneration in the said draft Letter of appointment to the extent the Board of Directors may consider appropriate and as may be permitted or authorised in accordance with any provision under the Act for the time being in force provided, however, that the remuneration payable to Mr. Ankit P. Shah as minimum remuneration provided that the total remuneration by way of salary and other allowances shall not exceed the ceiling provided in Section II A of Part II of Schedule V to the said Act or any amendments thereto or any modification(s) or statutory re-enactment(s) thereof and / or any rules or regulations framed thereunder and the terms of the aforesaid Letter between the Company and Mr. Ankit P. Shah shall be suitably modified to give effect to such variation or increase as the case may be.

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



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“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of “Plastic, Paper, Aluminum, Organic and Inorganic Chemicals for the financial Year ending 31st March 2015, be paid the remuneration as set out in the statement annexed to the Notice convening this meeting.

- 10) To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulation contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulation contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

Date: 07/08/2014

Place: Ahmedabad

By Order of the Board of Directors

Regd. Office:

603, “Shikhar”,

Shreemali Society,

Nr. Vadilal House, Mithakali,

Navrangpura, Ahmedabad-380009

CIN: L25200GJ1993PLC020880

Minakshi Tak
Company Secretary



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NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a Certified Copy of the Board Resolution authorising their representatives to attend and vote on poll their behalf at the Meeting.
3. Brief resume of Directors including those proposed to be re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships/ chairmanships of Board committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange, are provided in the Corporate Governance Report forming part of the Annual Report.
4. A statement pursuant to section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
6. Relevant documents referred to in the accompanying Notice and the Statements are open for inspection by the members at the Registered Office of the Company on all working days during business hours up to the date of the Meeting.
7. Shareholders seeking any information with regard to accounts are requested to write to the Company atleast 10 days before the meeting so as to enable the management to keep the information ready.
8. The Register of members and share transfer book of the Company will remain closed from Monday September 22, 2014 to Friday September 26, 2014 (both days inclusive).
9. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R&T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participants.
10. In terms of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders holding shares in the physical form. The shareholders who are desirous of availing this facility, may kindly write to Company's R&T Agent- M/s. Karvy Computershare Private Limited at Plot No. 17-24, Vitthalrao Nagar, Madhapur, Hyderabad-500081, for nomination form by quoting their folio number.
11. The annual report for the financial year 2013-14 has been sent through email to those members who have opted to receive electronic communication or who have registered their email addresses with the Company/ depository participants. The annual report is also available on our website, i.e. www.srmtl.com. The physical copy of the annual report has been sent to those members who have either opted for the same or have not registered their email addresses with the Company/depository participant. The members will be entitled to a physical copy of the annual report for the financial year 2013-14 upon sending a request to the Company.

Members who would like to receive all communication including Annual Report, Notices, Circulars, etc. from the Company in electronic mode in lieu of physical copy (in order to save usage of paper) and who have not registered their e-mail addresses so far or who would like to update their e-mail addresses already registered, are requested to register/update their e-mail addresses :



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- in respect of electronic shareholding - through their respective depository Participants;
- in respect of physical shareholding - by sending a request to the Company's Share Transfer Agent, mentioning therein their folio number and e-mail address.

12. e-voting :

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014 and Clause 35B of the Listing Agreement, Shree Rama Multi-Tech Limited ("the Company") is pleased to provide to the shareholders the facility to exercise their right to vote at the AGM by electronic means and the business may be transacted through e-voting services provided by M/s. Karvy Computershare Private Limited. Members may exercise their vote at any general meeting by electronic means and the Company may adopt any resolution by way of the electronic voting system.

PROCEDURE AND INSTRUCTIONS FOR E-VOTING

The Company has arrangement with its Registrar, M/s. Karvy Computershare Private Limited ('Karvy') for facilitating e-voting to enable the Shareholders to cast their vote electronically.

INSTRUCTIONS FOR E VOTING

A. Members who received the notice through e-mail from karvy

1. Launch internet browser by typing the following URL: <http://evoting.karvy.com>.
2. Enter the login credentials (i.e., User ID and password mentioned in your email). Your Folio No./DP ID-Client ID will be your User ID.

However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

| | |
|-----------------|---|
| User-ID | For Members holding shares in Demat form: a) For NSDL: 8 character DP ID followed by 8 digit Client ID b) For CDSL: 16 digit Beneficiary ID/Client ID c) For Members holding shares in Physical form: Event No.(EVENT) followed by Folio No. registered with the Company. |
| Password | Your unique password is printed overleaf/provided in the email forwarding the electronic notice. |

3. After entering these details appropriately, Click on "LOGIN".
4. You will now reach password Change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
5. After changing password, you need to login again with the new credentials.
6. On successful login, the system will prompt you to select the "EVENT" i.e. Shree Rama Multi-Tech Limited.
7. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
8. You may then cast your vote by selecting an appropriate option and click on "Submit", a confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the Resolution.



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9. Corporate/Institutional Members (i.e., other than Individuals, HUF, NRI, etc.) are additionally required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email ID: pcschirag@gmail.com, with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Shree Rama Multi-Tech Limited."

B. In case of Members receiving AGM Notice by Post:

1. Please use the User ID and initial password as provided overleaf.
 2. Please follow all steps from Sr.No. 1 to 9 as mentioned in (A) above, to cast your vote.
- C.** The e-voting period commences on **September 21, 2014 at 9.00 A.M. and ends on September 23, 2014 at 5.00 P.M.** In case of any query pertaining to e-voting, please visit Help & FAQ's section of Karvy e-voting website.
- D.** Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting.
- E.** The Board of Directors of the Company at their meeting held on August 7, 2014 has appointed Mr. Chirag Shah, Practising Company Secretary (Membership No. :FCS 5545; CP No. 3498) (Address: 808, Shiromani Complex, Opp. Ocean park, S.M. Road, Satellite, Ahmedabad-380015, Gujarat, India), as Scrutinizer for conducting the e-voting process in accordance with law. The Scrutinizer's decision on the validity of e-voting shall be final.
- F.** The Scrutinizer shall, within a period of three working days from the date of conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, and submit to the Chairman.
- G.** The result of voting will be announced by the Chairman of the AGM at or after the AGM to be held on September 27, 2014 and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
- H.** The result of the voting along with Scrutinizers' Report will be communicated to the stock exchanges and will also be hosted on the website of the Company www.srmtl.com and on Karvy's website (<https://evoting.karvy.com>) within two (2) days of passing of resolutions.
- I.** The voting rights for the shares are one vote per equity share, registered in the name of the shareholders/beneficial owners as on September 27, 2014 Members holding shares either in physical form or dematerialized form may cast their vote electronically.



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ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 3 to 6

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreements entered with the Stock Exchanges, appointed Mr. R.S. Patel, Mr. Prahlad S. Patel, Mr. Pathik C. Shah and Mr. Vikram V. Bhatt as Independent Directors, in compliance with the requirement of the Clause.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 (Act), which came in to effect from April 1, 2014, every listed Company is required to have at least one-third of the total number of directors as Independent Directors, who are not liable to retire by rotation. Pursuant to clause 49 of the Listing Agreement with Stock Exchanges (to come into force w.e.f. 1st October, 2014), an Independent Director cannot hold office for more than two consecutive terms of five years each and any tenure of an Independent Director on the commencement of the Companies Act, 2013 shall not be counted as a term. Hence, the said Independent Directors are proposed to be appointed for a period as mentioned in the respective resolutions from the conclusion of this AGM.

Mr. R.S. Patel, Mr. Prahlad S. Patel, Mr. Pathik C. Shah and Mr. Vikram V. Bhatt as Independent Directors of the Company, have given a declaration to the Board that they meet the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the board, each of these directors fulfill the conditions specified in the Act and the Rules framed thereunder for appointment as Independent Directors and they are independent of the Management.

Mr. R.S. Patel, Mr. Prahlad S. Patel, Mr. Pathik C. Shah and Mr. Vikram V. Bhatt are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of these directors as Independent Directors are now being placed before the Members for their approval.

Brief resume and other details of the Independent Directors whose appointment is proposed are provided in the Corporate Governance Report forming part of the Annual Report.

The Board recommends the said resolutions for your approval.

Mr. R.S. Patel, Mr. Prahlad S. Patel, Mr. Pathik C. Shah and Mr. Vikram V. Bhatt, Directors are interested in the above resolutions concerning their appointment as an Independent Directors, none of the Key Managerial Personnel/ their relatives are, in any way, concerned or interested in the above resolutions.

ITEM NO. 7

In terms of Ordinary Resolution passed by the Members at the 18th Annual General Meeting of the Company held on 15th September, 2012, Mr. Ankitkumar Pankjkumar Shah was appointed as Manager for a period of three years w.e.f. 28th July, 2012 on a remuneration approved thereat, with the liberty and authority to the Board of Directors to alter, modify and revise the terms and conditions of the payment of Remuneration.

The Central Government vide its letter dated 05/04/2013 rejecting the application having regard to the fact that company has not passed Shareholder's Resolution as Special resolution.

Thereafter, Company has passed Special Resolution at the 19th Annual General Meeting of the Company held on 28th September, 2013 however the Central Government has not replied to any of our correspondences and therefore the company proposes for waiver application.

The Remuneration Committee and the Board of Directors of the Company at their respective meeting held on 7th August, 2014 considered and thought it fit to sought the consent of the members by way of special resolution for waiver of excess remuneration paid to Mr. Ankitkumar Pankajkumar Shah, Manager of the Company and to obtain the approval of the Central Government for waiver of remuneration paid to him in excess of limits prescribed under Part II of Schedule XIII to the companies Act, 1956 as per the following table:



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| Financial Year | Remuneration Paid | Eligible Remuneration as per Part II of Schedule XIII to the companies Act, 1956 | Excess Remuneration (Rs. In lacs) |
|----------------|-------------------|--|-----------------------------------|
| 2012-13 | 13.97 | - | 13.97 |
| 2013-14 | 25.51 | - | 25.51 |

Mr. Ankit P. Shah, a Chartered Accountant is serving as Manager of the Company since 28/07/2012 and considering his responsibilities and contribution for the development and growth of the Company, your directors are of the opinion that waiver of recovery of excess remuneration paid to Mr. Ankitkumar P. Shah is justified and in the best interest of the Company. He does not hold any shares in the company.

The consent of the members for waiver of excess remuneration will enable the Company with the applicable provisions of the erstwhile Companies Act, 1956.

The Board recommends the said resolution for your approval.

None of the directors/ Key Managerial Personnel/ their relatives except Mr. Ankit P. Shah is concerned or interested in the above resolutions.

ITEM NO. 8

The Board of Directors of the Company ("the Board) at their meeting held on August 7, 2014, re-appointed Mr. Ankit P. Shah as Manager of the Company as defined in Section 2 (53) of the Companies Act, 2013, for the period of Three years, subject to the approval of the Members to be obtained at this Annual General Meeting. Mr. Ankit P. Shah is a Chartered Accountant having extensive experience in area of Finance, Accounts, General management and operational aspects of the Company. He will be paid Rs. 2,46,400/- Monthly remuneration with an increment of 10% per year for the period of three years from August 7, 2014. The terms of re-appointment of Mr. Ankit P. Shah including the remuneration as approved by the Remuneration Committee and the Board, subject to the approval of the Members to be obtained at this Meeting .

The Board recommends the said resolution for your approval.

None of the directors/ Key Managerial Personnel/ their relatives except Mr. Ankit P. Shah is concerned or interested in the above resolution.

ITEM NO. 9

The Board, on the recommendation of the Audit Committee has approved the appointment and remuneration of M/s. Kewlani & Associates, Cost Auditor to conduct the audit of the Cost Records of the Company for the financial year ending on March 31, 2015 at a remuneration of Rs.60000/- for the cost audit service.

In accordance with the provisions of Section 148 of the Act read with the companies (Audit and Auditors) Rules, 2014 the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 9. of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending 31st March, 2015

The Board recommends the said resolution for your approval.

None of the directors/ Key Managerial Personnel/ their relatives is, in any way, concerned or interested in the above resolution.

ITEM NO. 10

The existing Articles of Association ("AOA) are based on the Companies Act, 1956 and several regulations in the existing AOA contain reference to specific Sections of the Companies Act, 1956 and some regulations in the



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existing AOA are no longer in conformity with the Act.

With the coming into force of the Companies Act, 2013, several regulations of the existing AOA of the Company require alteration or deletion. Accordingly, it is proposed to replace the entire existing AOA by a set of new Articles.

The New AOA to be substituted in place of existing AOA are based on Table 'F' of the Companies Act, 2013 which sets out the model Articles of Association for a Company limited by shares.

The Proposed new draft of AOA is uploaded on the Company's website for perusal by the shareholders.

The Board recommends the said resolution for your approval.

None of the directors/ Key Managerial Personnel/ their relatives are, in any way, concerned or interested in the above resolution.

Date: 07/08/2014
Place: Ahmedabad

By Order of the Board of Directors

Regd. Office:
603, "Shikhar",
Shreemali Society,
Nr. Vadilal House, Mithakali,
Navrangpura, Ahmedabad-380009
CIN: L25200GJ1993PLC020880

Minakshi Tak
Company Secretary



SHREE RAMA MULTI-TECH LIMITED

DIRECTOR'S REPORT

To
The Members,
Your Directors are pleased to present the 20th Annual Report and the Company's Audited Accounts for the financial year ended 31st March, 2014.

1. FINANCIAL RESULTS:

The Company's financial performance, for the year ended March 31, 2014 summarised below:

| | (Rs. In Lacs) | |
|--|---------------|------------|
| Particulars | 2013-14 | 2012-13 |
| Sales and Other Income | 11060.86 | 8813.57 |
| Profit before finance cost, depreciation & tax | 1847.84 | 1232.04 |
| Finance Cost | 633.22 | 502.97 |
| Depreciation | 2121.94 | 2195.16 |
| (Loss) before Tax | (907.32) | (1466.09) |
| Provision for Tax | 0.00 | 0.00 |
| Deferred Tax [Liabilities/Assets] | (678.21) | 801.61 |
| (Loss) after Tax | (1585.53) | (664.48) |
| Exceptional Items | 4917.13 | (1328.58) |
| Profit /(Loss) for the Year | 3331.60 | (1993.06) |
| Add: Balance of Profit and Loss Account | (53697.80) | (51704.74) |
| Balance of loss carried to Balance Sheet | (50366.20) | (53697.80) |

2. OPERATION REVIEW:

The Company's turnover for the year stood at Rs. 10529.85 lacs which have been increased by 23.35% as compared to the previous year. The Profit before Tax (PBT) of the Company has gone up by 50% and it stood at Rs. 1847.84 lacs as compared to the previous year of Rs. 1232.04.

2013-14 was a year of great challenges for the packaging industry due to the escalating raw material costs though company has improved its productivity and cost efficiency and achieved better operational efficiency which resulted in improved bottom line.

3. DIVIDEND:

In a view of carry forward losses your Directors have not recommended any dividend for the current year and no amount is transferred to the Reserves for the year ended on 31st March, 2014.

4. FIXED DEPOSITS:

During the year under review, your company has not accepted any fixed deposits within the meaning

of Section 58A of the Companies Act, 1956 and the rules made there under.

5. OPEN OFFER:

Hon'ble Supreme Court has vide their order dated 09th May, 2013 instructed Nirma Industries Private Limited and Nirma Chemical Works Private Limited to complete the Open offer. Thus Acquirers i.e. NIPL & NCWPL have acquired another 1,26,93,601 shares representing 20% of the total equity of the Company at a offer price of Rs. 18.60 per share plus applicable interest to those shareholders who were holding the shares since July 27, 2005.

6. PROMOTERS:

Pursuant to open offer, Nirma Chemical Works Private Limited and Nirma Industries Private Limited have become promoters of your company by holding 42.51% of total share capital of the Company.

7. DEBT RESTRUCTURING:

The Scheme to restructure the debt of the Company is pending with Gujarat High Court for further hearing.

8. REFERENCE TO THE BOARD OF INDUSTRIAL & FINANCIAL RECONSTRUCTION:

Your Company was declared as Sick Company U/s 3(1)(o) of SICA as per the Summary Record of proceedings of the hearing held on 01-10-2013. Due to the reversal of the excise duty provisions the liabilities is no longer exists and therefore the company has been legally advised to reverse the said liabilities and than company has filed petition for de-registration before Hon'ble BIFR as statement of working of positive net worth as on 31/01/2014 as certified by auditors. The submission has been made to the Hon'ble Board, The order is awaited.

9. FORMATION OF VARIOUS COMMITTEES

Details of various committees constituted by the Board of Directors as per the provisions of Clause 49 of the Listing Agreement and Companies Act, 1956 are given in the Corporate Governance Report annexed and form part of this report.

10. STATEMENT PURSUANT TO LISTING AGREEMENT:

The company's equity shares are listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange Limited (NSE). Annual listing fee for the year 2014-15 has already been paid to BSE and NSE.



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11. DIRECTORS:

As per the requirement of Section 149(4) of the Companies Act, 2013 (Act), every listed Company is required to have at least one-third of the total number of directors as Independent Directors. Section 149(5) also provides that every company existing on or before the date of commencement of this ACT shall, within one year from such commencement or from the date of notification of the rules in this regard as may be applicable; comply with the requirements of the provisions of Sub-section (4) of Section 149,

Accordingly, the board recommends the appointment of Mr. R.S. Patel, Mr. Prahlad S. Patel, Mr. Pathik C. Shah and Mr. Vikram V. Bhatt (not liable to retire by rotation) of the Company for a period of five years w.e.f. April 01, 2014 uptill March 31, 2019.

The Company has received declarations from all the independent directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement with the Stock Exchanges.

12. 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 that:

- (i) in preparation of the annual accounts for the year ended 31st March, 2014, the applicable accounting standards read with requirements set out under Schedule VI to the Companies Act, 1956, have been followed and there are no material departures from the same;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2014 and of the profit of the Company for the year ended on that day;
- (iii) 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; and

- (iv) the Directors have prepared the annual accounts of the company on a 'going concern' basis.

13. KEY MANAGERIAL PERSONNEL:

As per the requirement of the provision of Section 203 of the Companies Act, 2013, the company has catergroise following personnel as the Whole-time Key Managerial Person w.e.f. 01.04.2014;

1. Mr. R. M. Singhvi Chief Executive Officer
2. Mr. Ankit P. shah Manager
3. Miss Minakshi Tak Company Secretary
4. Mr. Krunal G. Shah Chief Financial Officer

14. PARTICULARS OF EMPLOYEES:

There are no employees drawing the remuneration in excess of the limits prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 during the financial year 2013-2014.

15. AUDITORS AND AUDITORS' REPORT:

The Board, on the recommendation of the Audit Committee has proposed that M/s. Mahendra N. Shah & Co., Ahmedabad be re-appointed as the statutory auditors of the Company, to hold office from the conclusion of the ensuing Annual General Meeting until the conclusion of the 3rd consecutive annual general meeting of the Company. The said Statutory Auditors have confirmed their eligibility and willingness to accept the office on re-appointment. The necessary resolution seeking your approval for reappointment of Statutory Auditors has been incorporated in the Notice convening the Annual General Meeting.

Auditors remark regarding Unpaid dividend on Preference Share & Non Provision of interest on loans of lenders:-The Company has filed a Composite Scheme of Compromise and Arrangement with its lenders and Shareholders u/s 391 of the Companies Act, 1956 in Gujarat High Court and upon the Scheme becoming effective, all existing litigations and legal cases shall be terminated and the lenders shall forthwith withdraw all existing litigations and legal cases against the Company, the guarantors, the Directors of the Company as the case may be and the lenders shall simultaneously execute necessary applications/affidavits/documents etc. to be promptly submitted to concerned courts, statutory authorities etc. in order to give immediate effect for such withdrawal of legal actions, cases or litigations. Thereafter the right of the lenders will



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be submerged and re-casted in the manner as proposed in the Scheme

In the said scheme, the issue of waiver of unpaid dividend on preference shares is also covered. The management is of the view as well as legally advised that the said default will be also sorted out on final outcome of the scheme.

16. COST AUDITORS

The company has appointed M/s. Kewlani & Associates as Cost Auditor for conducting the audit of Cost records of the company for the financial year 2014-15.

17. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE:

The Company constantly endeavors reduction in energy consumption in its manufacturing process. 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 "A" and Form part of this Report.

18. CORPORATE GOVERNANCE

To comply with conditions of Corporate Governance, pursuant to Clause 49 of the Listing Agreements with the Stock Exchanges, a Management Discussion and Analysis, Report on Corporate Governance and Statutory Auditors' Certificate are included in the Annual Report.

19. ACKNOWLEDGEMENTS:

Your Directors would like to express their appreciation for the assistance and co-operation received from the financial Institutions, Banks, Government authorities, Customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment services by the Company's executives, staff and workers.

Date: 07/08/2014

Place: Ahmedabad

On behalf of the Board of Directors

(Ramubhai S. Patel)
Chairman



“Annexure – A” to Directors’ Report

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo in terms of 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 forming part of the Director’s Report for the year ended 31st March, 2014.

A. Energy Conservation:

1. Energy Conservation Measures Taken:

The Company has taken several steps for energy conservation to optimize power consumption in all its plant and offices. The Natural Light Dome installed on the roof top of the plant building saves power during the daytime. The Company has installed electronic cut in /cut off system on cooling towers as a means of saving energy. The load distribution across the plants is estimated and modification for uniform load distribution based on actual/correct load on DG sets ensures conservation of energy. The Company has installed UPS System in Film Plant to conserve use of Diesel for Power Generation.

The company has increased power from GEB for ER-WE-PA plant and stopped self generation which was expensive. This will result in energy saving of Rs. 3.5 lacs/ month.

Air audit has been carried out and all leakage is arrested. Compressed air used for cleaning is stopped. This will save the wasteful energy. The Airlines sizes have been optimized for energy saving.

The Company has initiated Energy Audit by a Consultant, which is at final stage of completion.

The Company has started sourcing power from January 2014 from IEX for reducing the cost of power. The current savings due to power trading is estimated at Rs. 4.5 lacs/ month.

2. Additional Investment Proposals, if any, being implemented for reduction of consumption of energy:

The Company plans to install energy saving devices and equipments with the objective of energy conservation. Power Factor improvement devices are being monitored to get efficient energy uses.

3. Impact of the measures at (1) and (2) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The load distribution for the entire plant is estimated and modifications therein have resulted into power savings through uniform load distribution based on actual/correct load on DG sets. The Company is maintaining Power factor in the range of 0.998 to 0.999. The Company has refurbished existing capacitors and has installed additional capacitors wherever required.

B. Technology Absorptions, Adoptions and Innovation:

1. Efforts in brief made for technology absorption, adoption & innovation:

The application of latest world class technology in the manufacturing processes has resulted into products of desired qualities and has significantly contributed in development of various cost efficient and eco-friendly packaging materials.

Company has invested in state of art automatic thickness, measuring control system which enable saving of scarce raw material and enhance productivity and quality of laminate and make the process more competitive. The Company has re commissioned Auto Gauge Control on Extrusion Coating Machine to reduce material consumption.

2. Benefits derived as a result of the aforesaid efforts:

The development of new Laminates has resulted in very good business volumes. Consequent to the efforts of the Company as stated above, there has been a marked improvement in the productivity. Such efforts have also resulted in reduction of cost & wastages. The market base has increased and the product range has also widened. The Company will also be able to offer the products with latest technology to the consumers.



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3. Import of Technology:

The Company is constantly ensuring up gradation of technology and innovation in its products and production process. The Company has set up state of art facilities with technology imports from world leaders. The technology absorption is complete and the Company has now developed indigenous capabilities in areas of engineering and web development. The Company has acquired technology to make PBL Tubes, Tubes with Top Seal, etc which could have very good future.

C. Foreign Exchange Earnings and Outgo:

During the year under review, the earnings and outgo of Foreign Exchange were as follows:

(Rs. in Lacs)

| Particulars | 2013-14 | 2012-13 |
|---------------------------------|---------|---------|
| Earnings (FOB Value of Export) | 1770.99 | 1044.17 |
| Outgo | 1864.99 | 1609.90 |



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REPORT ON CORPORATE GOVERNANCE

The Report containing the details of Corporate Governance System and process at Shree Rama Multi- Tech Limited in accordance with Clause 49 of the Listing Agreement with Bombay Stock exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).

1. PHILOSOPHY ON CODE OF GOVERNANCE

At Shree Rama Multi-Tech Limited the philosophy on Corporate Governance encompasses the serving of long term interest of all its stakeholders. Company is committed to the highest standards of fair, ethical and transparent governance practices.

2. BOARD OF DIRECTORS

The Board comprises of four Director Mr. R. S. Patel, the non-executive director is the Chairman of the Board. Mr. Prahlad S. Patel, Mr. Vikram V. Bhatt and Mr. Pathik C. Shah are the non-executive independent Directors of the Company.

All independent directors are highly experienced, competent and renowned persons form their respective field. They actively participate in the Board and Committee which is a great value addition in the decision making process.

The Notice convening Board Meetings are being sent to each of the Directors along with relevant papers around 7 to 8 days in advance of the meeting date, so as to enable the Board to discharge its responsibilities effectively. All significant developments and material events are brought to the notice of the Board.

During the year ended on March 31, 2014, five meetings were held. The dates on which the said meetings were held are as follows:

May 28, 2013, August 5, 2013, October 30, 2013, February 5, 2014 and February 20, 2014. The last Annual General meeting was held on September 28, 2013.

Composition and category of Directors, attendance record of each director at Board Meetings and at previous Annual General Meeting, number of other companies on the Board (excluding private limited companies, foreign companies and section 25 companies) or committees (only Audit Committee and Investors' Grievance Committee included) of which, a directors is a member or chairman is as under:

| Name of Directors | Category of Directors | No. of Board Meeting Attended | Attendance at previous AGM | No. of Directorships held in Public Companies | No. of Audit Committees and Shareholders/Investors Grievance Committee | |
|----------------------|---------------------------------|-------------------------------|----------------------------|---|--|--------|
| | | | | | Chairman | Member |
| Mr. R. S. Patel | Chairman (Independent Director) | 5/5 | Yes | — | — | — |
| Mr. Vikram V. Bhatt | Non-Executive (Independent) | 2/5 | Yes | — | — | — |
| Mr. Prahlad S. Patel | Non-Executive (Independent) | 2/5 | Yes | — | — | — |
| Mr. Pathik C. Shah | Non-Executive (Independent) | 5/5 | Yes | — | — | — |

3. COMMITTEES OF THE BOARD

(A) Audit Committee

Terms of reference

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliances with the legal and regulatory requirements. The terms of reference of the Audit Committee are in conformity with the clause 49 of the



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Listing Agreement as well as Section 292A of the Companies Act, 1956, and are as under:

- Effective supervision of the management's financial reporting process;
- To ensure the objectivity and independences of the independent auditor;
- To review the Company's quarterly and annual financial statements before submission to the Board for approval;
- To review the accounting and financial policies and practices;
- To review the effectiveness of the internal control mechanism and monitor risk management policies adopted by the company and ensure compliances with regulatory guidelines.
- To review reports furnished by the internal and statutory auditors and to ensure suitable action is taken;
- To recommend appointment/removal of the auditors and fix/approve fees and other payments;
- To review significant related party transactions as per the Accounting Standard.

Composition

The composition of the Audit Committee meets with the requirement of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. Members of the Audit Committee possess financial/accounting expertise/exposure. The Audit committee was re-constituted by Board of Directors at its meeting held on September 30, 2013 by introducing Mr. Pathik C. Shah as member w.e.f. 05/02/2014 and electing Mr. Prahlad S. Patel as Chairman.

The present composition of the Audit Committee and the number of meetings held and attended by the members during the year are as under;

| Sr. No. | Name of Members | Status | No. of meetings held | No. of meetings attended |
|---------|----------------------|----------|----------------------|--------------------------|
| 1. | Mr. Prahlad S. Patel | Chairman | 5 | 2 |
| 2. | Mr. R.S.Patel | Member | 5 | 5 |
| 3. | Mr. Vikram V. Bhatt | Member | 5 | 2 |
| 4. | Mr. Pathik C. Shah | Member | 5 | 2 |

The Company's Internal Auditors, Statutory auditors and head of finance department remain present at the Audit Committee Meetings. The Company Secretary acts as the Secretary of the Audit Committee w.e.f. 15/11/2013. Mr. Vikram V. Bhatt, Chairman of the Audit Committee was present at the 19th Annual General Meeting of the Company held on September 28, 2013.

The Minutes of the meetings of Audit Committee are duly circulated to the members of the Committee and also placed before the Board.

(B) REMUNERATION COMMITTEE

Terms of Reference

The Company has duly constituted Remuneration Committee in compliance with provisions of the companies Act, 2013 and Clause 49 of the Listing Agreement as amended from time to time. The remuneration committee recommends the appointment, re-appointment and remuneration payable to Executive Directors and annual increments. The Packages and increments are determined by the committee keeping in view (i) financial position of the Company; (ii) trends in the industry; (iii) appointee's qualification, experience, past performance and past remuneration etc.

Composition

The composition of the Remuneration Committee meets with the requirement of Section 177 of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Remuneration committee was re-constituted by Board of Directors at its meeting held on May 28, 2013 by introducing Mr. Prahlad S. Patel as member w.e.f.



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05/08/2013 due to the Resignation of Mr. Austosh Rohatgi on 11/02/2013. The Remuneration Committee was re-named by Nomination and Remuneration Committee by Board of Directors at its meeting held on May 28, 2014.

The present composition of the Remuneration Committee and the number of meetings held and attended by the members during the year are as under;

| Sr. No. | Name of Members | Status | No. of meetings held | No. of meetings attended |
|---------|----------------------|----------|----------------------|--------------------------|
| 1. | Mr. Vikram V. Bhatt | Chairman | 1 | 1 |
| 2. | Mr. Prahlad S. Patel | Member | 1 | 1 |
| 3. | Mr. R.S.Patel | Member | 1 | 1 |

Compensation

(i) Remuneration to Non-Executive/Independent Director

The Non-Executive/Independent Directors were paid sitting fees of Rs. 15000 for attending each of the Board Meetings.

(ii) Remuneration to Manager

The details of remuneration paid to Manager during the year 2013-14 are as under:

| Particulars | Mr. Ankit P. Shah (Rs.) |
|----------------------|-------------------------|
| Salary and Allowance | 2301500 |
| Perquisites | 250000 |
| Service Contract | 3 Years |
| Notice period | 60 days |

(C) Investors' Grievance Committee

Terms of Reference

The Company has duly constituted Investors' Grievance Committee in compliance with Clause 49 of the Listing Agreement as amended from time to time. The Committee is primarily responsible for review all matters connected with the Company's transfer of securities and redressal of shareholders'/investors'/security holders' complaints.

Composition

The composition of the Investors' Grievance Committee meets with the requirement of Clause 49 of the Listing Agreement. The Investors' Grievance Committee was re-named by Stakeholders Relationship Committee by Board of Directors at its meeting held on May 28, 2014.

The present composition of the Investors' Grievance Committee and the number of meetings held and attended by the members during the year are as under;

| Sr. No. | Name of Members | Status | No. of meetings held | No. of meetings attended |
|---------|----------------------|----------|----------------------|--------------------------|
| 1. | Mr. Vikram V. Bhatt | Chairman | 8 | 2 |
| 2. | Mr. Prahlad S. Patel | Member | 8 | 8 |
| 3. | Mr. R.S.Patel | Member | 8 | 8 |

By virtue of Open offer by Nirma, tendered Equity Shares were proportionately accepted in the ratio of



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36.35% and accordingly share certificates of 95 shareholders were splitted.

The Company Secretary acts as secretary of the Committee and Mr. Krunal G. Shah is the Compliance Officer.

Details of Shareholder's queries and requests received and replied during financial year 2013-14 are detailed as under:

| Sr. No. | Nature of Correspondence | Received (Nos.) | Responded satisfactorily (Nos.) | Pending as on 31-Mar-14 (Nos.) |
|---------|--|-----------------|---------------------------------|--------------------------------|
| 1. | Change of Address | 2 | 2 | NIL |
| 2. | Nomination Request | - | - | |
| 3. | Stop Transfer/Procedure for issuance of Duplicate Share Certificates | 12 | 12 | |
| 4. | Correction in Name/ Address | - | - | |
| 5. | Change in Signature | 1 | 1 | |
| 6. | Procedure for transmission/ deletion | - | - | |
| 7. | Issuance of duplicate shares | - | - | |
| 8. | Transfer Request | 101 | 101 | |
| 9. | Demat Request /Remat Requests | 12 | 12 | |
| 10. | Non-Receipt of Annual Reports | 1 | 1 | |
| 11. | Non-Receipt of Certificates under Open Offer | - | - | |
| | Total | 129 | 129 | NIL |

No investor correspondence remains unattended for more than 30 days.

(D) Corporate Social responsibilities Committee:

Considering the requirement of the Companies Act, 2013, the Board of Directors of the Company in its meeting held on 27th May, 2014 constituted the Corporate Social responsibility Committee. The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013.

Terms of reference of the Committee, inter alia includes the following:

- To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013 and rules thereunder:
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the implementation of framework of CSR Policy.

Composition

| Sr. No. | Name of the Members | Designation(s) | Category |
|---------|----------------------|----------------|----------------------|
| 1. | Mr. Prahlad S. Patel | Chairman | Independent Director |
| 2. | Mr. R. S. Patel | Member | Independent Director |
| 3. | Mr. Pathik C. Shah | Member | Independent Director |



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(E) GENERAL BODY MEETING

The Company held its last three Annual General Meetings as under:

| AGM | LOCATION | DATE & TIME | SPECIAL RESOLUTION |
|----------------------------|---|---------------------------|--------------------|
| 19 th 2012-2013 | ATMA Conference Hall, Ahmedabad Textile Mills Association, Ashram Road, Ahmedabad | 28.09.13 at 11.30 a.m. | Yes (One) |
| 18 th 2011-2012 | ATMA Conference Hall, Ahmedabad Textile Mills Association, Ashram Road, Ahmedabad | 15.09.12 at 11 a.m. | Nil |
| 17 th 2010-2011 | ATMA Conference Hall, Ahmedabad Textile Mills Association, Ashram Road, Ahmedabad | 24.09.11 at 11 a.m. | Nil |

No special Resolution was passed through postal ballot during the Financial Year 2013-14. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

4. DISCLOSURES

(A) Related Party Transaction

Among the Related Party Transactions entered into by the Company from time to time in which Directors of the Company are interested are entered into the Register of Contracts maintained under section 301 of the Companies Act, 1956 and the Registrar is placed before the Audit Committee and Board.

In the opinion of the Management, there is no related party transaction which is prejudicial to the interest of the Company.

(B) Non Compliance

There has been no instances of non-compliances by the Company on any other matter related to capital markets during last three years, and hence no penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any other statutory authority.

(C) CEO/CFO Certification

The Company has complied with and adopted the mandatory requirements stipulated under clause 49 of the Listing Agreement. The Company has obtained CEO/CFO certificates from the CEO and the person heading the finance function in terms of the clause 49 of the Listing Agreement entered into with the Stock Exchange.

(D) Accounting Standard

The Accounting standard laid down by the Institute of Chartered Accountants of India and applicable to the Company were followed by the Company in preparation of the financial statements of the Company.

(E) Compliance Certificate of the Auditors

Certificate from the Company's Auditors, M/s. Mahendra N. Shah & Co. confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement, is attached to the Directors' Report Forming part of the Annual Report.

(F) Adoption of Mandatory and Non-Mandatory Requirements of Clause 49

The Company has complied with all mandatory requirements of the Clause 49 of the Listing Agreement. The Company has adopted following non-mandatory requirements of Clause 49 of the Listing Agreement:

– Remuneration Committee

The Company has constituted Remuneration Committee meeting the requirements of Clause 49 of the Listing agreement and the Companies Act 2013.



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– Audit Qualification

During the year under review, there were no audit qualifications in the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

5. Code of Conduct

(a) Code of conduct for Directors and Senior Management Personnel

The Company has laid down the rules for code of conduct for the members of the Board and Senior Management Personnel of the Company. The Board members and senior management personnel have affirmed their compliance with the code for the year ended on March 31, 2014. A declaration to this effect duly signed by the Chief Executive Officer forms part of this Annual Report.

(b) Code of Conduct for prevention of Insider Trading

Pursuant to the requirement of SEBI (Prohibition of insider Trading) Regulations, 1992, the Company has adapted a code of conduct for prevention of insider trading.

This code is applicable to all Directors and such identified employees of the Company who are expected to have access to unpublished price sensitive information relating to the Company.

6. Means of Communications

The Company's Quarterly, half yearly and annual audited results have been submitted to BSE and NSE as well as published in "Business Standard (English edition) and Jansatta (Gujarati edition), and are displayed on its website (www.srmtl.com).

7. Particulars of Directors seeking appointment /re-appointment at the 20th Annual General Meeting of the Company

| Name | Mr. R.S. Patel | Mr. Prahlad S. Patel | Mr. Pathik C. Shah | Mr. Vikram V. Bhatt |
|--|--|---|---|--|
| Date of Birth | 08/10/1942 | 06/07/1963 | 30/05/1974 | 18/10/1951 |
| Educational Qualification | B.COM, LL.B, F.C.A. | B.E. CIVIL | B.E. CHEMICAL, MBA MARKETING | B.E. CIVIL & GOVT VALUER |
| Specific Functional Area | Financial Consultant | Construction | Marketing | Chartered Valuer |
| Brief Resume | More than 45 years experience in the field of Finance, Audit and Taxation and Management of Sick Unit. | More than 22 years experience in Construction Work. | More than 15 years Marketing experience in Polymer Industries. | More than 32 years of experience in the field of valuation of immovable properties. |
| Shareholding | NIL | NIL | NIL | NIL |
| Other directorships held | Public Companies Nil Private Companies Fitmec Services Pvt. Ltd. | Public Companies Nil Private Companies (1) PSP Projects Pvt. Ltd. (2) PSP Products Pvt.Ltd. | Public Companies Nil Private Companies Atlantis products Pvt. Ltd. | Public Companies Nil Private Companies (1)Niranjan Securities Pvt.Ltd. (2)Radhakrishna Reality Pvt.Ltd. (3)Flochem Engineering Pvt.Ltd. |
| Other Committee of the Board where membership held | Audit Committee Nil Investors' Grievance Committee Nil | Audit Committee Nil Investors' Grievance Committee Nil | Audit Committee Nil Investors' Grievance Committee Nil | Audit Committee Nil Investors' Grievance Committee Nil |



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8. GENERAL SHAREHOLDER'S INFORMATION

(a) Company Registration Details

The Company is registered in the State of Gujarat, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L25200GJ1993PL020880.

(b) Financial Year:

Company's financial year for 2013-14 was starting from April 01, 2013 to March 31, 2014.

(c) Annual General Meeting

| | |
|--------------------|--|
| Day, Date and time | Saturday, September 27, 2014 at 11.30 A.M. |
| Venue | Atma conference hall, Ahmedabad Textile Mills Association, Ashram Road, Ahmedabad-380009 |

(d) Date of Book Closure:

The Company's Register of Members and Share Transfer Books will remain closed from Monday September 22, 2014 to Friday, September 26, 2014(both days inclusive).

(d) Listing on Stock Exchanges

Company's Equity Shares are listed on The Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

(e) Payment of Listing Fees:

Company has paid the listing fees for the year 2014-15 to BSE and NSE within due date.

(f) Stock Code

| | | |
|---------------------------------------|-----------|---------------------|
| The Bombay Stock Exchange Ltd. | 532310 | (ISIN) INE879A01019 |
| National Stock Exchange of India Ltd. | SHREERAMA | |

(g) Market Price Data during each month in last financial year:

| (At Bombay Stock Exchange Ltd.) | | | (At National Stock Exchange of India Ltd.) | | |
|---------------------------------|----------------|---------------|--|----------------|---------------|
| Month | High Rs. P. | Low Rs. P. | Month | High Rs. P. | Low Rs. P. |
| April, 2013 | 5.10 | 4.20 | April, 2013 | 5.20 | 4.20 |
| May, 2013 | 9.31 | 4.31 | May, 2013 | 9.20 | 4.25 |
| June, 2013 | 9.25 | 8.22 | June, 2013 | 9.20 | 8.25 |
| July, 2013 | 9.58 | 8.51 | July, 2013 | 9.50 | 8.50 |
| August, 2013 | 9.17 | 8.35 | August, 2013 | 9.20 | 8.35 |
| September, 2013 | 8.64 | 8.30 | September, 2013 | 8.65 | 8.30 |
| October, 2013 | 8.99 | 8.31 | October, 2013 | 9.00 | 8.30 |
| November, 2013 | 8.89 | 8.51 | November, 2013 | 8.90 | 8.55 |
| December, 2013 | 8.88 | 8.41 | December, 2013 | 8.85 | 8.35 |
| January, 2014 | 10.48 | 8.20 | January, 2014 | 10.40 | 8.10 |
| February, 2014 | 8.34 | 3.05 | February, 2014 | 8.20 | 3.20 |
| March, 2014 | 3.20 | 2.70 | March, 2014 | 3.30 | 2.70 |



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(h) Distribution of Shareholding as on 31st March, 2014

| Sr. No. | Category | | Number of Cases | % of Cases | No. of shares Held | % of shareholding |
|---------|---------------------|--------|-----------------|---------------|--------------------|-------------------|
| | From | To | | | | |
| 1. | 1 | 5000 | 15781 | 83.38 | 4557147 | 7.18 |
| 2. | 5001 | 10000 | 1326 | 7.01 | 2110698 | 3.33 |
| 3. | 10001 | 20000 | 769 | 4.06 | 2283023 | 3.60 |
| 4. | 20001 | 30000 | 364 | 1.92 | 1840959 | 2.90 |
| 5. | 30001 | 40000 | 174 | 0.92 | 1208925 | 1.90 |
| 6. | 40001 | 50000 | 142 | 0.75 | 1357126 | 2.14 |
| 7. | 50001 | 100000 | 178 | 0.94 | 2488912 | 3.92 |
| 8. | 100001 and above | | 193 | 1.02 | 47621215 | 75.03 |
| | Total | | 18927 | 100.00 | 63468005 | 100.00 |

(i) Share Transfer System:

Share Transfers in physical form is approved by the Shareholders/Investors Grievances Committee of Directors at regular interval in order to ensure that Share Transfers complete in all respects are given effect to within valid period from the date of receipts.

(j) Dematerialization of Shares and Liquidity:

At the end of the year, 5,83,33,138 shares were held in dematerialised form which comes to 91.91% of total capital. The Company has Demat connectivity with National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL).

(k) Custodial fee to Depositories

The Company has paid custodian fees for the year 2014-15 to National Securities Depository Ltd. (NSDL) & Central Depository Services (India) Ltd. (CDSL).

(l) Dedicated e-mail for Investor Grievance

For the Convenience of our investors, the Company has designated an exclusive e-mail id i.e. cslegal@srmtl.com. All investors are requested to avail this facility.

(m) Plant Locations: GUJARAT

Block No. 1557, Village: Moti-Bhoyan, Kalol-Khatrej Road, Taluka: Kalol, Dist: Gandhinagar,
Block No. 425, Village: Ambaliyara, Dist: Mehsana,

| | | |
|--------------------------------|--|--|
| (n) Address for correspondence | Registered Office Company Secretary Shree Rama Multi-Tech Limited 603, "Shikhar", Shreemali Society, Nr. Vadilal House, Mithakali, Navrangpura, Ahmedabad-380009 Phone: 079-26569855, 26569455 Fax No. 079-26562667 Email Id: cslegal@srmtl.com | Registrar & Share Transfer Agent Karvy Computershare Private Limited, Plot No. 17-24, Vithalrao Nagar, Madhapur, Hyderabad-500081 Phone : (040) 23420818 Fax : (040) 23311968 & 23323049 |
|--------------------------------|--|--|

Date: 07/08/2014

On behalf of the Board of Directors

Place: Ahmedabad

(Ramubhai S. Patel)
Chairman



SHREE RAMA MULTI-TECH LIMITED

CEO CERTIFICATE

This is to certify that the Company has laid down the rules for Code OF conduct for the members of the Board and Senior Management, as per the revised Clause 49 of the Listing Agreement.

I hereby confirm that the Company has obtained from all the members of the Board and Management Personnel, affirmation that they have complied with the Code of Conduct and Ethics for Directors/Management Personnel for the financial Year 2013-14.

For, Shree Rama Multi-Tech Limited

Place: Ahmedabad
Date: 07/08/2014

(R. M. Singhvi)
Chief Executive Officer



SHREE RAMA MULTI-TECH LIMITED

CORPORATE GOVERNANCE

Auditor's Certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement(s).

To The Members of Shree Rama Multi-Tech Ltd

We have examined the compliance of the conditions of Corporate Governance by Shree Rama Multi-Tech Ltd. ("Company"), for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with the concerned Stock Exchanges in India.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither Audit nor an expression of opinion on the financial statements of the Company.

We state that no investors grievance(s) is/are pending for a period of exceeding for one month against the Company as per the records maintained by the shareholders/investors grievances committee.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the clause 49 of listing agreement(s) with the Stock Exchanges.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M/s. Mahendra N. Shah & Co.,
Chartered Accountants
FRN 105775 W**

**Place : Ahmedabad
Date : 07/08/2014**

**(Chirag M. Shah)
Partner
Membership No. 045706**



SHREE RAMA MULTI-TECH LIMITED

CEO/CFO CERTIFICATE UNDER CLAUSE 49(V)

To
The Board of Directors
Shree Rama Multi-Tech Ltd.

- a. We have reviewed financial statements and the cash flow statement for the year ended on 31/03/2014 and that to the best of our knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations except notes as mentioned in Auditors Report.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit Committee.
 - i. significant changes in internal control over financial reporting during the year;
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For SHREE RAMA MULTI-TECH LTD.

PLACE : Ahmedabad
DATE : 07/08/2014

(KRUNAL SHAH)
CHIEF FINANCE OFFICER



SHREE RAMA MULTI-TECH LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Your Directors have pleasure in presenting this Management Discussion and Analysis Report for the year ended on 31st March 2014.

1. INDUSTRY STRUCTURE AND DEVELOPMENTS :

Shree Rama Multi-Tech Ltd. (SRMTL) is a multi product plastic packaging products Manufacturing Company for oral care, cosmetics, toiletries, food products and pharmaceuticals with focus on Laminated Tubes, Labels / Stickers, pressure sensitive labels, flexible laminates, plastic/paper cups. The packaging industry in India is growing at 15% per annum. SRMTL has also grown at 23.34% in plastic packaging business during the year under review.

The Company has positioned itself to meet the multiple needs of its various customers. Major FMCG companies source their different packaging requirements from the Company, which enables it to maintain long standing business relationships. The Company is currently servicing major Global Players viz. Hindustan Unilever, Dabur, Emami, Vicco, HLL Life Care Ltd, African Consumer – Nigeria, Dabur International-Tunisia, Chemi-Cotex-Tanzania, STS Pack Holding-Bulgaria, Macbertan-Sri Lanka, Nagode International, Nigeria to name a few.

The Company is focusing on export market. There is intensive effort to penetrate in African and European Market. The company has achieved good success in export market. The exports during 2013-14 stood at Rs 1772.29 lacs against Rs.1095.49 lacs in previous year. The growth in export market during 2013-14 was 61.78 %.

2. OPPORTUNITIES, THREATS AND RISK PERCEPTION :

The Company has technological advantage and enjoys good relationship with its key customers comprising of FMCG majors. However, there is growth of small tube manufacturers employing Cheaper Chinese machines which have resulted in unfair competition and shrinking margins.

The rise in prices of raw materials due to volatility in Crude Oil Prices and Exchange rate fluctuations remain to be the key concern. The Company's product prices are affected on account of reduced bargaining power with its clients due to intense competition from other players in the market.

3. BUSINESS OUTLOOK :

There is growing demand and FMCG Markets offer interesting Opportunities. The Company has adopted the strategy of competitive pricing, optimizing capacity utilization, cost control, servicing the customers with high quality and efficient deliveries and innovation in high structure in food packaging, which will be beneficial in improving its top line in long run.

4. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

The Company has appointed M/s. Ramesh C. Sharma & Co., Chartered Accountants, an outside agency as its Internal Auditors, who conduct internal audit for various activities. The Company has developed adequate internal control system commensurate to its size and business. The reports of Internal Auditors are submitted to the Audit Committee which further reviews the adequacy of Internal Control System. The Board of Directors also consider the report of the Internal Auditors.

5. DISCUSSION ON FINANCIAL PERFORMANCE WITH REFERENCE TO OPERATIONAL PERFORMANCE :

Financial Performance of the Company has improved. The Company has improved the productivity and cost efficiency but due to rising input costs, the margins are under pressure. The Company has also focused on servicing customer's efficiently by way of reduction in delivery time, improving logistics and speedy development of art works. This has led to greater customers' satisfaction.

6. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED :



SHREE RAMA MULTI-TECH LIMITED

The Company attaches importance to the dignity of employee irrespective of position and highly values the cultural diversities of employees. Human Resource is valued as an extremely important and strategic resource and your Company believes in employee empowerment across the entire organization in order to achieve organizational effectiveness.

Cautionary Statement :

Estimates and expectations stated in this Management Discussion and Analysis may be “forward-looking statement” within the meaning of applicable laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to your Company’s operations include economic conditions affecting demand / supply and price conditions in the domestic and international markets, changes in the Government regulations, tax laws, other statutes and other incidental factors.



Independent Auditors' Report

TO THE MEMBERS OF SHREE RAMA MULTI-TECH LIMITED REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **SHREE RAMA MULTI-TECH LIMITED** (the Company), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor

considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements subject to Sub Note No. 6 of Note 28[B] regarding non provision of interest on borrowings and Debentures of Rs.1,459.76 lacs for the current year and Rs.16,483.54 lacs unpaid interest for the period up to 31.03.2013 aggregating to Rs. 17,943.30 lacs up to 31.3.2014. If the above provision is made in respective years, the profit for the current year would have been Rs.1871.84 lacs and aggregate loss to be carried forward would have been Rs.68,309.50 lacs give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2003 (the Order) issued by the Central Government of India in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



SHREE RAMA MULTI-TECH LIMITED

2. As required by Section 227(3) of the Act, we report that:
- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
 - e. On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.
 - f. We invite attention to Sub note no. 3(b) in Note no. 28[B] regarding non transfer of unpaid dividend of Rs.100 Lacs on preference shares for the year 2000-01 to Unpaid Dividend Account in a Scheduled Bank as required under Section 205A of the Act & to Investor Education & Protection fund as per Section 205C of the Act.
 - g. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

Place : Ahmedabad
Date : 27 May, 2014

For, Mahendra N. Shah & Co.
Chartered Accountants
FRN 105775 W

Chirag M. Shah
Partner
Memb. No. 045706



SHREE RAMA MULTI-TECH LIMITED

The Annexure referred to in paragraph 1 of the Our Report of even date to the members of Shree Rama Multi-Tech Limited on the accounts of the company for the year ended 31st March, 2014.

On the basis of such checks as we considered appropriate and according to the information and explanation given to us during the course of our audit, we report that:

- i. (a) The Company has maintained records showing particulars, including quantitative details and situation of fixed assets.
(b) The fixed assets are being physically verified by the management during the year according to a phased programme designed to cover all the items over a period of five years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and we have been informed that no material discrepancies between the book records and the physical verification have been noticed.
(c) During the year the company has disposed off/discarded/impaired fixed assets having book value Rs.2024.90 lacs, without affecting status of the company as going concern.
- ii. (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
(c) The Company is maintaining proper records of inventory. As informed, there was no material discrepancies noticed on such physical verification as compared to the book records.
- iii. (a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
(b) As informed, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- v. According to the information and explanations provided by the management, there has been no contract or arrangement the particulars of which are required to be entered into the register maintained under section 301 of the Companies Act, 1956.
- vi. Accordingly to the information and explanations given to us, the Company has not accepted any deposit from the public during the year.
- vii. In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the management, has been commensurate with the size and nature of its business.
- viii. We have broadly reviewed the books of account maintained by the Company in respect of products where pursuant to the rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub-section (1) of Section 209 of the Act, and are of the opinion that, prima facie, the prescribed accounts and records are maintained.
- ix. (a) The Company has been generally regular in depositing statutory dues including provident fund, employees' state insurance, income-tax, VAT, custom duty, excise duty, Service Tax, cess and other material statutory dues with the appropriate authorities except small delays in a few cases.
(b) According to the records of the Company, the dues in respect of Income tax, Excise-duty, Cess on account of any dispute, are as follows:



SHREE RAMA MULTI-TECH LIMITED

| Nature of Statute | Year | Amount (Rs.) | Forum where dispute is pending |
|--------------------------|-------------------------------------|-----------------------------|--|
| Central Excise Act, 1944 | (1)1999-00 to 2001-02 (2)1998-99 | 3893.72 Lacs 293.42 Lacs | Adjudicating Authority Gujarat High Court |

- x. The Company's accumulated losses at the end of the financial year are not more than its net worth. The company has therefore applied for deregistration as "Sick company" before BIFR and the order is waiting. The Company has not incurred cash losses in the current and immediately preceding financial year.
- xi. Based on our audit procedures and as per the information and explanations given by the management, the Company has defaulted in repayment of Principle dues of Rs. 10257.79 lacs & interest thereon aggregating to Rs.17943.40 lacs up to 31.03.2014 to lenders.
- xii. According to the information and explanations given to us and based on the documents and records produced, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society and therefore, the provisions of clause 4 (xiii) of the Order are not applicable.
- xiv. In our opinion, the Company is not dealing or trading in shares, securities and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.
- xv. According to the information and explanations given to us, the Company had given guarantees for loans taken by East West Polyart Limited & Ideal Petro Products Limited from banks and financial institutions in earlier years, terms and conditions whereof based on the management representation and considering the business relationship with this company, were not prima-facie prejudicial to the interest of the Company. *Suits for recovery of dues are filed in Debt Recovery Tribunal & Courts against the company being a guarantor. (See Sub Note 2(a) of Note 28B)*
- xvi. On the basis of the records examined by us and according to information and explanations given to us, no term loans were obtained by the Company during the year under audit.
- xvii. According to the information and explanations given to us and on the basis of an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investments.
- xviii. During the year the Company has not made allotment of shares on preferential basis to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- xix. According to the information and explanations given to us, during the year covered by our audit, the company has not issued debentures requiring creation of any security or charge.
- xx. The Company has not raised any money by way of public issue during the year.
- xxi. Based upon the audit procedures performed and on the basis of information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For, Mahendra N. Shah & Co.
Chartered Accountants
FRN 105775 W

Place : Ahmedabad
Date : 27 May, 2014

Chirag M. shah
Partner
Memb. No. 045706



SHREE RAMA MULTI-TECH LIMITED

BALANCE SHEET AS AT 31ST MARCH 2014

Amount (Rs. in Lacs)

| Particulars | Note No. | As at 31/03/2014 | As at 31/03/2013 |
|------------------------------------|----------|------------------|------------------|
| EQUITY AND LIABILITIES | | | |
| 1 Shareholders' funds | | | |
| (a) Share capital | 1 | 3842.70 | 3842.70 |
| (b) Reserves and surplus | 2 | (2959.33) | (6290.93) |
| 2 Non-current liabilities | | | |
| (a) Long-term borrowings | 3 | 10257.79 | 10257.79 |
| (b) Deferred tax liabilities (Net) | 4 | 2154.59 | 1476.38 |
| (c) Other Long term liabilities | 5 | 168.60 | 168.89 |
| (d) Long-term provisions | 6 | 37.71 | 4822.41 |
| 3 Current liabilities | | | |
| (a) Short-term borrowings | 7 | 5224.05 | 6031.10 |
| (b) Trade payables | 8 | 495.17 | 652.99 |
| (c) Other current liabilities | 9 | 362.70 | 215.21 |
| (d) Short-term provisions | 10 | 23.61 | 16.23 |
| TOTAL | | 19607.59 | 21192.77 |
| ASSETS | | | |
| 1 Non-current assets | | | |
| (a) Fixed assets | | | |
| (i) Tangible assets | 11 | 12650.24 | 14837.42 |
| (ii) Capital work-in-progress | 11 | 0.49 | 4.90 |
| (b) Non-current investments | 12 | 0.66 | 0.66 |
| (c) Long-term loans and advances | 13 | 886.58 | 1358.93 |
| (d) Other non-current assets | 14 | 0.18 | 0.00 |
| 2 Current assets | | | |
| (a) Inventories | 15 | 2357.70 | 2212.10 |
| (b) Trade receivables | 16 | 1756.43 | 1355.99 |
| (c) Cash and cash equivalents | 17 | 1388.29 | 1146.22 |
| (d) Short-term loans and advances | 18 | 245.43 | 275.09 |
| (e) Other current assets | 19 | 321.59 | 1.46 |
| Significant Accounting Policies | 28A | | |
| Notes on Financial Statements | 28B | | |
| TOTAL | | 19607.59 | 21192.77 |

As per our report of even date attached herewith

For Mahendra N. Shah & Co.

Chartered Accountants

FRN: 105775W

For and on behalf of the Board

Chirag M. Shah
Partner M.No: 45706

R.S. Patel
Chairman

P.S. Patel
Director

Ankit Shah
Joint CEO and
Manager

Place :- Ahmedabad

Date :- 27/05/2014

Place :- Ahmedabad

Date :- 27/05/2014



SHREE RAMA MULTI-TECH LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

[Rs. in Lacs]

| INCOME | Notes | 2013-14 | 2012-13 |
|--|-------|-----------------|------------------|
| Revenue from Operations | 20 | 10529.85 | 8536.64 |
| Other Income | 21 | 531.01 | 276.93 |
| Total Revenue | | 11060.86 | 8813.57 |
| EXPENSES | | | |
| Cost of Materials Consumed | 22 | 5767.39 | 4599.80 |
| Changes in Inventories of Finished goods, work in process and waste | 23 | (73.75) | (203.10) |
| Employee Benefits Expenses | 24 | 1004.56 | 837.71 |
| Finance Costs | 25 | 633.22 | 502.97 |
| Depreciation | 11 | 2121.94 | 2195.16 |
| Other Expenses | 26 | 2514.82 | 2347.12 |
| Total Expense | | 11968.18 | 10279.66 |
| (Loss) before Exceptional Items | | (907.32) | (1466.09) |
| Exceptional Items | 27 | 4917.13 | (1328.58) |
| Profit/(Loss) before tax | | 4009.81 | (2794.67) |
| Tax Expense | | | |
| (1) Current Tax | | 0.00 | 0.00 |
| (2) Deferred Tax Reversal / (Provision) | | (678.21) | 801.61 |
| Profit/(Loss) for the year | | 3331.60 | (1993.06) |
| Earnings per Equity Share of Face Value of Rs. 5 each | | | |
| (1) Basic | | 5.25 | (3.14) |
| (2) Diluted | | 5.25 | (3.14) |
| Significant Accounting Policies | 28A | | |
| Notes on Financial Statements | 28B | | |

As per our report of even date attached herewith

For Mahendra N. Shah & Co.

Chartered Accountants

FRN: 105775W

For and on behalf of the Board

Chirag M. Shah
Partner M.No: 45706

R.S. Patel
Chairman

P.S. Patel
Director

Ankit Shah
Joint CEO and
Manager

Place :- Ahmedabad

Date :- 27/05/2014

Place :- Ahmedabad

Date :- 27/05/2014



SHREE RAMA MULTI-TECH LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

Amount [Rs. in Lacs]

| 1 SHARE CAPITAL | As at 31st March, 2014 | | As at 31st March, 2013 | |
|--|------------------------|-----------------|------------------------|-----------------|
| | Number | Rs. | Number | Rs. |
| Authorised Share Capital : | | | | |
| Equity Shares of Rs.5 each | 200000000 | 10000.00 | 200000000 | 10000.00 |
| 15% cumulative Redeemable Preference shares of Rs.100 each | 5000000 | 5000.00 | 5000000 | 5000.00 |
| TOTAL | | 15000.00 | | 15000.00 |
| Equity Shares | | | | |
| Issued and Subscribed : | | | | |
| Equity Shares of Rs.5 each | 63555555 | 3177.78 | 63555555 | 3177.78 |
| | | 3177.78 | | 3177.78 |
| Paid up : | | | | |
| Equity Shares of Rs.5 each | 63468005 | 3173.40 | 63468005 | 3173.40 |
| Add : Forfeited share capital | 87550 | 2.63 | 87550 | 2.63 |
| | | 3176.03 | | 3176.03 |
| Preference Shares | | | | |
| Issued, Subscribed and Paid up : | | | | |
| 15% Cumulative Redeemable Preference Shares of Rs.100 each fully paid up | 666666 | 666.67 | 666666 | 666.67 |
| | | 666.67 | | 666.67 |
| TOTAL | | 3842.70 | | 3842.70 |

The reconciliation of the number of equity shares outstanding is set out below :

| Particulars | As at 31st March, 2014 No. of Shares | As at 31st March, 2013 No. of Shares |
|---|---|---|
| Shares outstanding at the beginning of the year | 63555555 | 63555555 |
| Shares Issued during the year | 0 | 0 |
| Shares bought back during the year | 0 | 0 |
| Shares outstanding at the end of the year | 63555555 | 63555555 |

The reconciliation of the number of preference shares outstanding is set out below :

| Particulars | As at 31st March, 2014 No. of Shares | As at 31st March, 2013 No. of Shares |
|---|---|---|
| Shares outstanding at the beginning of the year | 666666 | 666666 |
| Shares Issued during the year | 0 | 0 |
| Shares bought back during the year | 0 | 0 |
| Shares outstanding at the end of the year | 666666 | 666666 |



SHREE RAMA MULTI-TECH LIMITED

(Rs.in Lacs)

The details of equity shareholders holding more than 5% shares :

| Name of Shareholder | As at 31st March, 2014 | | As at 31st March, 2013 | |
|--------------------------------------|------------------------|--------------|------------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Nirma Industries Private Limited | 3204883 | 5.05 | 14288700 | 22.51 % |
| Nirma Chemical Works Private Limited | 23777418 | 37.46 | nil | nil |

The details of preference shareholders holding more than 5% shares :

| Name of Shareholder | As at 31st March, 2014 | | As at 31st March, 2013 | |
|---------------------------------|------------------------|--------------|------------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Harsiddh Specific Family Trust* | 666666 | 100.00 | 666666 | 100.00 |

* Pending scheme of arrangement, the preference shares submitted for transfer by beneficial holder of shares is under consideration.

2 RESERVES AND SURPLUS

| | As at 31st March, 2014 | As at 31st March, 2013 |
|--|------------------------|------------------------|
| a. Capital Reserves | | |
| Opening Balance | 18,265.83 | 5,744.05 |
| (+) Current Year Transfer | 0.00 | 12,521.78 |
| Closing Balance | 18,265.83 | 18,265.83 |
| b. Capital Redemption Reserve | 333.33 | 333.33 |
| c. Share Premium Account | 22,825.95 | 22,825.95 |
| d. Debenture Redemption Reserve | 4,024.33 | 4,024.33 |
| e. Warrants forfeited Account | 39.56 | 39.56 |
| f. General Reserve | 1,917.87 | 1,917.87 |
| g. Profit and Loss Account | | |
| Opening balance | (53,697.80) | (51,704.73) |
| (+) Net Profit / (loss) for the current year | 3,331.60 | (1,993.06) |
| Closing Balance | (50,366.20) | (53,697.80) |
| TOTAL | (2,959.33) | (6,290.93) |



SHREE RAMA MULTI-TECH LIMITED

3 LONG TERM BORROWINGS

| | As at 31st March, 2014 | | As at 31st March, 2013 | |
|--|------------------------|-----------------|------------------------|-----------------|
| | Number | Rs. | Number | Rs. |
| Secured : | | | | |
| (a) Redeemable Non Convertible Debentures : | | | | |
| 15.5 % Secured Redeemable Non Convertible Debentures of Rs.100/- each fully paid up. | 1000000 | 971.86 | 1000000 | 971.86 |
| 16.5 % Secured Redeemable Non Convertible Debentures of Rs.100/- each fully paid up. | 166667 | 166.66 | 166667 | 166.66 |
| Note :(refer note no.(a) (i) of note no. 3.2). | | | | |
| 13.5 % Secured Redeemable Non Convertible Debentures of Rs.1000000/- each fully paid up. | 300 | 3000.00 | 300 | 3000.00 |
| Note :(refer note no.(a) (ii) of note no. 3.2). | | 4138.52 | | 4138.52 |
| (b) Term loans | | 4619.27 | | 4619.27 |
| Note :(refer note no.(b) of note no. 3.2). | | | | |
| | (A) | 8757.79 | | 8757.79 |
| In case of continuing default | | | | |
| 1. Period of default (Refer below mentioned note no. 3.1) | | | | |
| 2. Amount | | 8757.79 | | 8757.79 |
| Unsecured | | | | |
| Redeemable Non Convertible Debentures : | | | | |
| 14 % Non Convertible Debentures of Rs 100/- each fully paid up. | 1500000 | 1500.00 | 1500000 | 1500.00 |
| Note :(refer note no.(c) of note no. 3.2). | | | | |
| | (B) | 1500.00 | | 1500.00 |
| In case of continuing default | | | | |
| 1. Period of default (Refer below mentioned note no. 3.1) | | | | |
| 2. Amount | | 1500.00 | | 1500.00 |
| TOTAL | (A+B) | 10257.79 | | 10257.79 |

Note : Keeping in view pending application with BIFR and matter before Gujarat High court in respect of scheme of Compromise and Arrangement, the liabilities are treated as "Long Term Liabilities".

3.1 The Company has defaulted in repayment of above secured and unsecured debentures, term loans and other borrowings since 2002-03.

3.2 Secured

(a) Non Convertible Debentures

- (i) 1000000 (15.5%) and 1666667 (16.5%) Redeemable Non convertible Debentures privately placed with lenders are secured by mortgage of the present and future immovable assets and charges on movable assets of the Company in favour of a trustee, ranking pari passu with the charges created on the said assets for term loans from lenders.
- (ii) 300 13.5 % Redeemable Non convertible Debentures privately placed with Nirma Chemical Works Private Ltd. are secured by mortgage on the immovable assets and charge on movable assets of the Company, both present and future, in favour of a trustee, ranking pari passu with the charges created/ to be created on the said assets for term loans from lenders.



SHREE RAMA MULTI-TECH LIMITED

- (b) Term Loans :- Term Loans of lenders are Secured by first charge on all present and future assets of the Company's units at Moti Bhojan, Ambaliyara and Puducherry ranking pari passu with the charges created / to be created in favour of a trustee for privately placed debentures and personal guarantee of some of the erstwhile directors.

Unsecured

- (c) 1500000 14 % Non-Convertible Debentures privately placed with NCWL were to be secured by mortgage of the immovable assets and charge on movable assets of the Company, both present and future, in favour of a trustee, ranking pari passu with the charges created / to be created on the said assets for term loans from lenders

Note : In absence of consent from other secured lenders the charge is not created, which required re-classification of the same loans as unsecured loans.

| 4 DEFERRED TAX LIABILITY (NET) | (Rs.in Lacs) | |
|--|------------------------|------------------------|
| | As at 31st March, 2014 | As at 31st March, 2013 |
| Opening Balance | 1,476.38 | 2,277.97 |
| Add: Deferred Tax Liability provision / (reversal) | 678.21 | (801.59) |
| Closing Balance | 2,154.59 | 1,476.38 |

| 5 OTHER LONG TERM LIABILITIES | (Rs.in Lacs) | |
|--|------------------------|------------------------|
| | As at 31st March, 2014 | As at 31st March, 2013 |
| (a) Trade Payables | 0.37 | 0.00 |
| (b) Provision for Preference Share Dividend | 100.00 | 100.00 |
| (c) Provision for Tax on Preference Share Dividend | 10.20 | 10.20 |
| (d) Provision for Interest on Preference Share Dividend | 47.50 | 47.50 |
| (Refer sub note no. 3(b) of note no. 28 [B] on financial statements) | | |
| (e) Others Payable* | 10.53 | 11.19 |
| TOTAL | 168.60 | 168.89 |

* Includes Deposit from debtors, Employee Security Deposit and interest payable on such deposits

| 6 LONG TERM PROVISIONS | (Rs.in Lacs) | |
|--|------------------------|------------------------|
| | As at 31st March, 2014 | As at 31st March, 2013 |
| (a) Provision for employee benefits (Refer Note No. 24.1) | | |
| Leave Encashment (unfunded) | 37.71 | 24.22 |
| (b) Others | | |
| Provision for excise duty | - | 4,798.19 |
| TOTAL | 37.71 | 4,822.41 |

| 7 SHORT TERM BORROWING | (Rs.in Lacs) | |
|---|------------------------|------------------------|
| | As at 31st March, 2014 | As at 31st March, 2013 |
| Secured | | |
| Overdraft Account against Fixed Deposit | 399.05 | 481.10 |
| Unsecured | | |
| Inter Corporate Deposit | 4,825.00 | 5,550.00 |
| TOTAL | 5,224.05 | 6,031.10 |



SHREE RAMA MULTI-TECH LIMITED

| 8 TRADE PAYABLES | (Rs.in Lacs) | |
|--|---------------------------|---------------------------|
| | As at 31st March, 2014 | As at 31st March, 2013 |
| Trade payables (Refer below mentioned note no. 8.1) | 495.17 - | 652.99 - |
| TOTAL | 495.17 | 652.99 |

8.1 Disclosures are made for the amount due to the Micro, Small and Medium Enterprises under Micro Small and Medium Enterprise Development Act 2006:

| | | |
|---|-------|-------|
| Principal amount remaining unpaid to any supplier as at the year end.* | 66.59 | 37.27 |
|---|-------|-------|

Amount of interest paid by the company in item of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.

* On the basis of information and records available with the company, the above disclosures are made under in respect of amount due to the Micro, Small and Medium enterprises and Small Scale Industrial Undertaking, who have registered with the relevant competent authorities. This has been relied upon by the auditors.

| 9 OTHER CURRENT LIABILITIES | (Rs.in Lacs) | |
|------------------------------------|---------------|---------------|
| Interest accrued but not due (ICD) | 128.87 | 1.54 |
| Creditors for Capital Goods | 51.87 | 80.12 |
| Other Payables* | 181.96 | 133.55 |
| TOTAL | 362.70 | 215.21 |

*Includes Statutory dues, advance from customers and interest payable on Employee Security Deposits

| 10 SHORT TERM PROVISIONS | (Rs.in Lacs) | |
|---|---------------|--------------|
| (a) Provision for employee benefits | | |
| Gratuity (Funded) | 1.16 | 1.12 |
| Leave Encashment (Unfunded) (For both above Refer note no. 24.1) | 2.77 | 1.80 |
| Bonus | 12.79 | 13.31 |
| (b) Others | 6.89 | 0.00 |
| TOTAL | 23.61 | 16.23 |



SHREE RAMA MULTI-TECH LIMITED

11. FIXED ASSETS

| TANGIBLE ASSETS | Gross Block | | Depreciation | | Net Block | |
|------------------------------|----------------------------|--------------------------|----------------------------|----------------------------------|-----------------------------|-----------------------------|
| | Balance as at 1 April 2013 | Addition during the year | Balance as at 1 April 2013 | Depreciation charge for the year | Balance as at 31 March 2014 | Balance as at 31 March 2013 |
| Land | 236.54 | 0.00 | 0.00 | 0.00 | 236.54 | 236.54 |
| Buildings including Tubewell | 5143.51 | 6.12 | 2180.10 | 169.06 | 2770.66 | 2963.41 |
| Plant and Machineries | 40613.88 | 57.36 | 29575.28 | 1864.10 | 9095.57 | 11038.60 |
| Furniture and Fixtures | 182.84 | 1.00 | 148.32 | 11.60 | 23.92 | 34.52 |
| Electrical installations | 641.50 | 11.57 | 388.64 | 30.80 | 233.63 | 252.86 |
| Office and other equipments | 495.58 | 31.67 | 259.56 | 36.09 | 223.47 | 236.02 |
| Vehicles | 113.46 | 0.58 | 37.99 | 10.29 | 66.43 | 75.47 |
| Total | 47427.31 | 108.30 | 32589.89 | 2121.94 | 12650.24 | 14837.42 |
| Previous year | 49717.37 | 374.46 | 31923.25 | 2195.16 | 14837.42 | |
| CWIP | | | | | 0.49 | 4.90 |



SHREE RAMA MULTI-TECH LIMITED

| 12 NON-CURRENT INVESTMENTS | As at 31st March, 2014 | (Rs.in Lacs) As at 31st March, 2013 |
|---|---------------------------|--|
| Unquoted Investments | | |
| 40 Equity Shares of KCCB Ltd. Of Rs. 25 each fully paid up Government Securities | 0.01 | 0.01 |
| Quoted | | |
| 800 Equity Shares of IDBI Ltd. Of Rs. 10 each fully paid up Market Value of Quoted Investment as on 31/03/2014 is Rs.0.52 Lacs. (Rs.0.64 Lacs) | 0.65 | 0.65 |
| TOTAL | 0.66 | 0.66 |
| 13 LONG TERM LOANS AND ADVANCES | | (Rs.in Lacs) |
| a. Capital Advances | | |
| Considered Doubtful | 150.00 | 150.00 |
| Unsecured Considered Good | 0.00 | 0.64 |
| b. Deposits | | |
| Considered Doubtful | 77.09 | 77.09 |
| Unsecured Considered Good | 25.74 | 25.58 |
| c. Advance Income Tax | 312.78 | 770.16 |
| d. Balance with Government Authorities | 319.34 | 333.59 |
| e. Other loans and advances | 1.63 | 1.87 |
| TOTAL | 886.58 | 1358.93 |
| 14 OTHER NON-CURRENT ASSETS | | (Rs.in Lacs) |
| Others | 0.18 | 0.00 |
| TOTAL | 0.18 | 0.00 |
| 15 INVENTORIES | | (Rs.in Lacs) |
| a) Raw Materials | 804.91 | 668.35 |
| b) Raw Materials-in transit | 119.26 | 177.16 |
| c) Work-in-progress (including stock with Jobbers) | 722.38 | 667.01 |
| d) Finished goods | 400.45 | 388.89 |
| e) Stores and spares, packing materials and fuel | 285.78 | 296.67 |
| f) Stores and spares in transit | 7.46 | 3.41 |
| g) Waste | 17.46 | 10.61 |
| TOTAL | 2357.70 | 2212.10 |

Above inventories are taken, valued and certified by the Management



SHREE RAMA MULTI-TECH LIMITED

| 16 TRADE RECEIVABLES | (Rs.in Lacs) | |
|---|---------------------------|---------------------------|
| | As at 31st March, 2014 | As at 31st March, 2013 |
| Trade receivables over six months | | |
| Unsecured and considered good | 42.41 | 130.88 |
| Unsecured and considered doubtful | 75.25 | 0.00 |
| Less: Provision for doubtful debts | (26.59) | 0.00 |
| TOTAL | 91.07 | 130.88 |
| Others | | |
| Unsecured and considered good | 1665.36 | 1225.11 |
| TOTAL | 1756.43 | 1355.99 |
| 17 CASH AND CASH EQUIVALENTS | (Rs.in Lacs) | |
| Balances with banks | | |
| Earmarked Balances | 2.16 | 3.05 |
| In Current Accounts | 62.22 | 249.01 |
| (a) Fixed Deposits under Lien | | |
| (i) against Borrowings | 1190.55 | 761.46 |
| (ii) against Gaurantees | 126.04 | 126.04 |
| (b) Others Fixed Deposits | 7.10 | 6.00 |
| (Refer sub Note No. 7 of note 28 [B] on financial statements) | | |
| Cash on hand | 0.22 | 0.66 |
| TOTAL | 1388.29 | 1146.22 |
| * FD with banks includes Deposit of Rs. 310.96 lacs (Rs. 825.01 lacs) with maturity of more than 12 months. | | |
| 18 SHORT TERM LOANS AND ADVANCES | (Rs.in Lacs) | |
| Unsecured and considered good | | |
| Balance with Government Authorities | 145.12 | 137.00 |
| Creditors for capital goods | 29.31 | 0.99 |
| Others | 71.00 | 137.10 |
| TOTAL | 245.43 | 275.09 |
| 19 OTHER CURRENT ASSETS | (Rs.in Lacs) | |
| Insurance Claim Receivable | 246.94 | 0.00 |
| (refer sub note no. 9(v) of note no. 28[B] on financial statements) | | |
| Interest Receivable | 74.65 | 1.46 |
| TOTAL | 321.59 | 1.46 |



SHREE RAMA MULTI-TECH LIMITED

NOTES ON FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014

[Rs. in Lacs]

| | | | | | |
|-------------|---|----------------|--------------------|--------------------|----------------|
| 20 | REVENUE FROM OPERATIONS | | 2013-14 | 2012-13 | |
| | Sale of products | | 11616.12 | 9463.34 | |
| | Less: | | | | |
| | Excise duty | | (1086.27) | (926.70) | |
| | TOTAL | | 10529.85 | 8536.64 | |
| 20.1 | SALES OF FINISHED GOODS | | | | |
| | Name of Products | | | | |
| | Plastic Laminated Tubes | | 8241.99 | 7170.63 | |
| | Printed Products Incl. | | | | |
| | Labels / Stickers | | 256.33 | 346.39 | |
| | Speciality Packagings & Plastic Products | | 2360.09 | 1473.90 | |
| | Others | | 757.71 | 472.42 | |
| | TOTAL | | 11616.12 | 9463.34 | |
| 21 | OTHER INCOME | | | | |
| | Interest Income | | 281.11 | 215.72 | |
| | Miscellaneous Income | | 5.62 | 5.21 | |
| | Other Income | | 49.87 | 56.00 | |
| | Insurance claim | | 194.41 | 0.00 | |
| | TOTAL | | 531.01 | 276.93 | |
| 22. | RAW MATERIALS CONSUMED | | | | |
| | Name of materials | | | | |
| | Plastic Granuals | | 4207.92 | 2685.76 | |
| | Paper & Paper Board | | 97.24 | 46.97 | |
| | Paper | | 205.37 | 255.76 | |
| | Aluminium Foils | | 1049.36 | 657.32 | |
| | Others | | 207.50 | 953.99 | |
| | TOTAL | | 5767.39 | 4599.80 | |
| 22.1 | BREAK UP OF RAW MATERIALS CONSUMED | | | | |
| | Particulars | | 2013-14 | 2012-13 | |
| | | | % of Total | % of Total | |
| | | | Consumption | Consumption | |
| | Imported | 1910.96 | 33.13% | 1459.19 | 31.73% |
| | Indigeneous | 3856.43 | 66.87% | 3140.61 | 68.27% |
| | TOTAL | 5767.39 | 100.00% | 4599.80 | 100.00% |
| 23 | CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROCESS AND WASTE (Rs.in Lacs) | | | | |
| | | | 2013-14 | 2012-13 | |
| | Closing Stock | | | | |
| | Finished Goods | | 400.45 | 388.89 | |
| | Work in Process | | 722.38 | 667.01 | |
| | Waste | | 17.46 | 10.64 | |
| | TOTAL | | 1140.29 | 1066.54 | |



SHREE RAMA MULTI-TECH LIMITED

| | (Rs.in Lacs) | |
|--|----------------|-----------------|
| Opening Stock | | |
| Finished Goods | 388.89 | 345.69 |
| Work in Process | 667.01 | 505.22 |
| Waste | 10.64 | 12.53 |
| TOTAL | 1066.54 | 863.44 |
| TOTAL (INCREASE) / DECREASE IN STOCK | (73.75) | (203.10) |
| 24 EMPLOYEE BENEFITS EXPENSE | | |
| | 2013-14 | 2012-13 |
| (a) Salary, wages and bonus | 969.62 | 804.30 |
| (b) Contributions to provident fund | 12.21 | 11.88 |
| (c) Staff welfare expenses | 22.73 | 21.53 |
| TOTAL | 1004.56 | 837.71 |

24.1 DISCLOSURE PURSUANT TO ACCOUNTING STANDARD – 15 [REVISED] ‘EMPLOYEE BENEFITS’:

a) General description:

Gratuity [Defined benefit plan]:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary [last drawn salary] for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

b) Leave wages [Long term employment benefit]

The leave wages are payable to all eligible employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement on attaining superannuation age.

The Amount (in Rs.) recognized in the statement of profit and loss are as following:

| CHANGE IN THE PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATION: | Gratuity | |
|--|----------------|----------------|
| | 2013-14 | 2012-13 |
| Opening defined benefit obligation | 3623691 | 3177167 |
| Service cost | 678757 | 597171 |
| Interest cost | 314099 | 223382 |
| Actuarial losses/(gains) | (362530) | 430438 |
| Benefits paid | (419140) | (804467) |
| Closing defined benefit obligation | 3834878 | 3623691 |
| CHANGE IN THE FAIR VALUE OF PLAN ASSETS: | | |
| | 2013-14 | 2012-13 |
| Opening fair value of plan assets | 5005371 | 5120968.00 |
| Expected return | 394176 | 390563.00 |
| Contribution by employer | 261499 | 261499.00 |
| Benefits paid | (419140) | (804467.00) |
| Closing balance of fair value of plan assets | 4953474 | 5005371.00 |



SHREE RAMA MULTI-TECH LIMITED

| AMOUNT RECOGNIZED IN THE BALANCE SHEET: | | (Rs.in Lacs) |
|--|-----------|---------------------|
| Defined benefit obligations | 3834878 | 3623691 |
| Plan assets | 4953474 | 5005371 |
| Surplus/(Deficit) | 1118596 | 1381680 |
| Amounts in the balance sheet | | |
| Liabilities/(Assets) | (1118596) | (1381680) |
| Net Liabilities/(Assets) | (1118596) | (1381680) |

INCOME / EXPENSES RECOGNIZED IN THE STATEMENT OF PROFIT & LOSS.

| | | |
|---|----------|----------|
| Current Service cost | 678757 | 597171 |
| Interest on obligation | 314099 | 223382 |
| Expected return on plan assets | (394176) | (390563) |
| Net actuarial losses (gains) recognized in year | (74098) | 393630 |
| Total, Included in 'employee benefit Expense | 524582 | 823620 |

CHANGE IN THE PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATION:

| | | Leave Encashment |
|------------------------------------|----------|-------------------------|
| Opening defined benefit obligation | 2602263 | 2278427 |
| Service cost | 1213663 | 1301840 |
| Interest cost | 220404 | 169864 |
| Actuarial losses/(gains) | 425606 | (811244) |
| Benefits paid | (413128) | (336624) |
| Closing defined benefit obligation | 4048809 | 2602263 |

AMOUNT RECOGNIZED IN THE BALANCE SHEET:

| | | |
|-------------------------------|-----------|-----------|
| Defined benefit obligations | 4048809 | 2602263 |
| Plan assets | | |
| Surplus/(Deficit) | (4048809) | (2602263) |
| Amounts in the balance sheet: | | |
| Liabilities/(Assets) | 4048809 | 2602263 |
| Net Liabilities/(Assets) | 4048809 | 2602263 |

INCOME / EXPENSES RECOGNIZED IN THE STATEMENT OF PROFIT & LOSS.

| | | |
|---|---------|----------|
| Current Service cost | 1213663 | 1301840 |
| Interest on obligation | 220404 | 169864 |
| Expected return on plan assets | | |
| Net actuarial losses (gains) recognized in year | 425606 | (811244) |
| Total, Included in 'employee benefit Expense | 1859673 | 660460 |

| 25 FINANCE COST | (Rs.in Lacs) | |
|-----------------------------|---------------------|----------------|
| | 2013-14 | 2012-13 |
| Interest expense | 623.88 | 494.77 |
| Bank Charges and Commission | 9.34 | 8.20 |
| TOTAL | 633.22 | 502.97 |

Note: include interest on excise duty of Rs. NIL lacs (Rs. 132.29 lacs) & interest on ICD of Rs. 603.34 lacs (Rs. 323.16 lacs)



SHREE RAMA MULTI-TECH LIMITED

| 26 OTHER EXPENSES | (Rs.in Lacs) | |
|--|----------------|----------------|
| | 2013-14 | 2012-13 |
| Manufacturing, Selling and Administrative expenses | | |
| Consumption of stores and spare parts | 317.25 | 254.43 |
| Power and fuel | 919.14 | 878.77 |
| Job Work Charges | 73.51 | 41.92 |
| Repairs to buildings | 11.92 | 16.67 |
| Repairs to machinery | 50.58 | 45.23 |
| Repair to others | 9.80 | 13.24 |
| Packing Material Cons. | 453.40 | 427.46 |
| Freight & Forwarding Exps. | 143.75 | 114.55 |
| Selling & Overheads | 23.11 | 27.40 |
| Product Design & Developmetn Exps. | - | 1.71 |
| Insurance | 25.60 | 25.87 |
| Rates and taxes (excluding taxes on income) | 53.12 | 49.74 |
| Other Expenses | 186.08 | 181.10 |
| Deposit Written Off | - | 1.00 |
| Managerial Remuneration | 25.52 | 13.97 |
| Net Loss on foreign currency transaction | 18.74 | 3.53 |
| Travelling Expenses | 55.30 | 66.65 |
| Legal & Professional Charges | 121.42 | 127.65 |
| Loss on Sale of Fixed Assets | - | 5.98 |
| Sundry Balance Written Off | - | 11.79 |
| Bad Debts Written Off | - | 38.46 |
| Provision for Doubtful Debts | 26.59 | - |
| TOTAL | 2514.82 | 2347.12 |

26.1 BREAK UP OF STORES AND SPARES CONSUMED

| Particulars | 2013-14 | | 2012-13 | |
|--------------|----------------|------------------------|----------------|------------------------|
| | Amount In Lacs | % of Total Consumption | Amount In Lacs | % of Total Consumption |
| Imported | 35.80 | 11.28% | 103.89 | 40.83% |
| Indigeneous | 281.45 | 88.72% | 150.54 | 59.17% |
| TOTAL | 317.25 | 100.00% | 254.43 | 100.00% |

26.2 C. I. F. VALUE OF IMPORT :

| | (Rs.in Lacs) | |
|---------------------|--------------|---------|
| | 2013-14 | 2012-13 |
| Raw Materials | 1771.79 | 1485.35 |
| Components & Spares | 67.82 | 107.21 |
| Capital Goods | 16.64 | 11.44 |

26.3 AUDITORS REMUNERATION :

| | (Rs.in Lacs) | |
|---|--------------|-------------|
| | 2013-14 | 2012-13 |
| Audit Fee (Including Service Tax) | 5.06 | 4.49 |
| Other Matters (certificatiion & consultation) | 1.43 | 0.53 |
| TOTAL | 6.49 | 5.02 |



SHREE RAMA MULTI-TECH LIMITED

| 26.4 EXPENDITURE IN FOREIGN CURRENCY : | (Rs.in Lacs) | |
|--|--------------|-------------|
| Traveling Expenses | 3.77 | 4.85 |
| Foreign Bank Charges | 1.71 | 1.05 |
| Machine Maintenance & Repairs | 3.26 | 0.00 |
| TOTAL | 8.74 | 5.90 |

26.5 EARNING PER SHARE

Earning Per share is calculated by dividing the Profit (Loss) attributable to the Equity Shareholders by the weighted average number of Equity Shares outstanding during the year. The numbers used in calculating basic and diluted earning per Equity Share as stated below:

| | (Rs.in Lacs) | |
|--|--------------|-----------|
| | 2013-14 | 2012-13 |
| Profit/(Loss) after taxation and Extra Ordinary Items | 3331.60 | (1993.06) |
| Less: Dividend on Preference Shares | 100.00 | 100.00 |
| Net Profit / (Loss) attributable to Equity Shareholders | 3231.60 | (2093.06) |
| Add\Less: Extra Ordinary Items | 0.00 | 0.00 |
| Profit / (Loss) after taxation before Extra Ordinary Items | 3231.60 | (2093.06) |
| Number of shares outstanding during the Year (in lacs) | 634.68 | 634.68 |
| Number of Equity Shares for Basic EPS | 634.68 | 634.68 |
| Add : Diluted Potential Equity Shares | 0.00 | 0.00 |
| Number of Equity Shares for Diluted EPS | 634.68 | 634.68 |
| Basic Earning Per Share before extra ordinary items | 5.25 | (3.14) |
| Basic Earning Per Share After extra ordinary items | 5.25 | (3.14) |
| Diluted Earning Per Share before extra ordinary items | 5.25 | (3.14) |
| Diluted Earning Per Share after extra ordinary items | 5.25 | (3.14) |
| Nominal Value Per Share | 5.00 | 5.00 |

26.6 EARNINGS IN FOREIGN CURRENCY

| | | |
|----------------------|----------------|----------------|
| FOB Value of Exports | 1770.99 | 1044.17 |
| TOTAL | 1770.99 | 1044.17 |

27 EXCEPTIONAL ITEMS

| | | |
|---|----------------|------------------|
| Excess/Short Provision Written Back | 2.20 | 19.22 |
| Profit On Sale Of Assets | 0.00 | 47.03 |
| Insurance Claim Write Off | 0.00 | (186.65) |
| Loss on impairment of Fixed Assets | (130.05) | (200.74) |
| Loss on sale of Fixed Assets | 0.00 | (874.24) |
| Short/Excess Provision of Income Tax | 261.05 | (133.20) |
| Excess Provision write back of Exise Duty | 4798.19 | 0.00 |
| Short / Excess Provision of Sales tax | (14.26) | 0.00 |
| TOTAL | 4917.13 | (1328.58) |



NOTE NO: 28

[A] SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS

1) Basis of Accounting:

These financial statements are prepared under the historical cost convention in accordance with the generally accepted accounting Principles, the Accounting Standards issued by the Institute of Chartered Accountants of India and notified under Companies (Accounting Standard Rules) 2006 and relevant the provisions of the Companies Act, 1956.

2) Use of Estimates :

The presentation of financial statements require Judgements, estimates and disclosure of contingent liabilities, assumptions to be made that affect the reported amount of Assets and Liabilities, disclosure of Contingent Liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized.

3) Fixed Assets:

Fixed Assets are stated at cost of acquisition or construction, net of recoverable taxes, including incidental expenses related to acquisition and installation and financing costs till the commencement of commercial production and adjustments arising from exchange rate variation relating to borrowings attributable to fixed assets, less accumulated depreciation and impairment loss.

4) Depreciation:

- i. Depreciation for the year is provided on Straight Line Method on shift basis at the rates prescribed in Schedule XIV to the Companies Act, 1956.
- ii. Depreciation on additions to the assets and the assets sold, discarded or disposed off, during the year is provided on pro-rata basis, at their respective rates with reference to the date of acquisition / installation or date of sale/disposal.

5) Inventories:

Items of inventories of Raw Material, Finished goods, Spares and Stores, Packing Material & Fuel are valued at lower of cost or net realizable value except waste which is valued at estimated net realizable value. Cost of inventories comprise of cost of purchase, cost of conversion and other costs including manufacturing overheads incurred in bringing them to their respective present location and condition.

6) Borrowing Costs:

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

7) Investments:

Long Term Investments are carried at cost less provision for permanent diminution, if any, in value of such investments.

8) Employees Retirement Benefits:

Short term employee benefits (which are payable within 12 months after the end of the year in which the employees render service) are measured at cost other than leave encashment payable within 12 months from the end of the year.

Long term employee benefits (which are payable after the end of 12 months from the end of the year in which the employees render service) and post employment benefits (benefits which are payable after completion of employment) are measured on a discounted basis by the Projected Unit Credit method on the basis of Actuarial Valuation.

Contributions to provident fund a defined contribution plan are made in accordance with the statute.

The cost of providing leave encashment and gratuity defined benefit plans are determined Using Projected Unit Credit Method on the basis of Actuarial Valuation.



SHREE RAMA MULTI-TECH LIMITED

- 9) **Excise duty and Cenvat Credit:**
Excise Duty payable on finished goods is accounted for on clearance of goods. Cenvat credit on Capital goods and Inputs are accounted for on the date of actual receipt of the same, respectively.
- 10) **Foreign Currency Transactions:**
- (a) **Initial recognition:**
Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency of the date of the transaction.
- (b) **Conversion:**
Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate of the date of the transaction; and non-monetary items which are carried of fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.
- (c) **Exchange differences:**
Exchange difference arising on the settlement of monetary items or on reporting Company's monetary items of rates different from those of which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.
- (d) **Forward Exchange Contracts not intended for trading:**
The premium or discount arising of the inception of forward exchange contracts is amortised as an expense or income over the life of the contract. Exchange differences on such contracts are recognized in the Statement of Profit and Loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or as expense for the year.
- 11) **Revenue Recognition:**
Income and Expenditure are recognized and accounted on Accrual Basis.
- (1) Revenue from Sale of goods is recognized on delivery of the goods, when all significant contractual obligations have been satisfied, the property in the goods is transferred for a price, significant risks and rewards of ownership are transferred to customers and no effective ownership is retained.
 - (2) Revenue in respect of insurance/other claims etc, is recognized only when it is reasonably certain that the ultimate collection will be made.
 - (3) Export Incentives in respect of exports made is accounted for when the right to receive is established.
 - (4) Dividend income is recognized when the right to receive is established.
 - (5) Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable rate of interest.
 - (6) Interest received on delayed payment is accounted on receipt basis.
- 12) **Earnings per Share:**
The earnings considered in ascertaining the Company's EPS comprises the net profit(loss) after tax (and include the post tax effect of any extra ordinary item). The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.
- For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.
- 13) **Taxation:**
- (a) **Direct Taxes :**
Tax expense for the year, comprising Current Tax and Deferred Tax are included in determining the net profit for the year.



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A provision is made for the current tax based on tax liability computed in accordance with relevant tax rates and tax laws. A provision is made for deferred tax for all timing differences arising between taxable income and accounting income at currently enacted tax rates.

Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

(b) Indirect Taxes:

The liabilities are provided or considered as contingent depending upon the merit of each case and/or receiving the actual demand from the department.

- 14) The Cash Flow statement is prepared by the "Indirect method" set out in Accounting Standard 3 on "Cash Flow Statement " and presents the cash flows by operating, investing and financing activities of the Company. Cash and cash Equivalent presented in the cash flow statement consist of cash on hand and demand deposits with banks.

15) Provisions, Contingent Liabilities and Contingent Assets:

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. A contingent liability is disclosed when the company has a possible obligation where it is probable that no outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

16) Impairment of Assets:

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable Value. An impairment loss is charged to the statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in earlier accounting period is reversed if there has been a change in the estimate of recoverable amount.

[B] NOTES ON FINANCIAL STATEMENTS

1. Contingent Liabilities :

| Sr. No. | Particulars | Amounts (Rs. in lacs) | |
|---------|--|-----------------------|-----------|
| | | 2013-2014 | 2012-2013 |
| a | Dividend on 666666 15% Redeemable Cumulative Preference Shares till date (Note No.3 below) | 1250.00 | 1150.00 |
| b | Interest on loans & debentures (Note No. 6 below) | 17943.30 | 16483.54 |
| c(i) | Corporate guarantee given to the Banks for term loan of Rs 400.00 Lacs. (Note No : 2 (a) below) | 400.00 | 400.00 |
| (ii) | Bank Gurantee given to GEB against security of Bank Deposits | 126.03 | 126.03 |
| d | Suit filed by The Kalupar Comm. Co.Op. Bank Ltd in respect of bills payable (including interest). (Note No : 2 (b) below) | 274.62 | 240.90 |
| e | Claims against the company not acknowledged as debts. Excise authorities have issued show-cause notices for various credits availed as well as rejecting the claims of the company which the company has disputed and no provision is made in the books. | 293.42 | 293.42 |



SHREE RAMA MULTI-TECH LIMITED

| Sr. No. | Particulars | Amounts (Rs. in lacs) | |
|---------|---|-----------------------|-----------|
| | | 2013-2014 | 2012-2013 |
| f | Estimated amount of contracts remaining to be executed on Capital Account (Net of Advances) | 5.39 | 5.30 |
| g | Excise proceeding in respect the order dtd.30/12/2005 Including interest & penalty (see note No.9 (i) below) | 4885.19 | Nil |
| h | Pending case for proceeding U/S 138 of Negotiable Instrument Act (Note No : 4 below) | 200.00 | 200.00 |
| 2. | The Company is occupying premises at Mumbai beyond the period of Leave & License agreement to secure its loans and advances given to the owner of premises. There are counter suits for vacancy of premises and recovery of Loans and Advances along with interest thereon are pending in the Courts between the Company and owner of premises. Pending litigation, the Company has neither provided for Rent since May 2002 in its books nor interest on Loans and Advances. On final outcome of the suits, necessary accounting entries will be passed for rent payable and interest receivable, if any on advances given by the Company. | | |

2. (a) Andhra Bank Ltd. has filed suit in Debt Recovery Tribunal against East West Polyart Ltd. as Principal Debtor and the Company as a guarantor and Recovery officer has demanded Rs 933.34 lacs (net of Recovery already made and including interest). Andhra Bank has also given notice u/s 434 of the Companies Act, 1956 for winding up of the Company.
- (b) The Kalapur Commercial Co.op. Bank (KCCB) has filed a suit against the company for recovery of Rs.50 lacs towards Bills Payable and interest accrued thereon of Rs. 224.62 lacs till 31.03.14 (Previous year Rs 190.89 lacs) against which the company has preferred an appeal and no provision is made in the books.
3. (a) In respect of 10,00,000 15% Cumulative Preference Shares of Rs.100/- each which were redeemable in three equal installments at the end of third, fourth and fifth year from 30th March, 1998, 3,33,334 Preference Shares being first installment were redeemed on 30th March, 2001. The remaining 6,66,666 Preference Shares are yet to be redeemed.
- (b) The Company has declared and provided in books dividend of Rs. 100 lacs for the year 2000-01 on 666666 15% Redeemable Preference Shares which was subsequently annulled by Board of Directors and members of the Company in Extra Ordinary Meeting held on 26th Oct, 2002. In view of the pending approval from appropriate authority, the Company has not reversed provision of said dividend annulled and also not transferred the said amount to IEPF.
4. The lenders holding post-dated cheques have initiated action u/s. 138 of the Negotiable Instruments Act, 1881 for Rs. 200 lacs in respect of other lenders who has initiated actions u/s 138 has settled dues under OTS and necessary withdrawal petition are under process.
- 5.1 The company has filed the scheme of Arrangement and Compromise with the Financial Institutions/Banks and Shareholders filed on 17/07/2008 bearing petition No. 401/2008 and it is approved by majority of Shareholders and lenders in the meeting held on 27/08/2008 and 30/08/2008 respectively. The said scheme is pending before the Hon'ble Court of Gujarat for further hearing.
- 5.2 In expectation of a positive outcome of settlement and compromise with lenders referred to above, the accounts have been prepared on "Going Concern" basis.
- 6 The company has not discharged principal liability towards loans and debentures aggregating to Rs. 10257.79 lacs. The company has also not provided interest of Rs. 1459.76 lacs (Previous Year Rs. 1460.59 lacs) on outstanding loans and Debentures which are under settlement for the year ending on 31st March, 2014. Therefore, profit of the year would have been reduced by Rs 1459.76 lacs. The accumulated interest not provided for up to 31-03-2014 is Rs. 17943.30 lacs (Previous Year Rs. 16483.54 lacs).
- 7 The company has been sanctioned credit facilities of Letters of Credit, Overdraft and guarantee against lien of Fixed Deposits. The Company has pledged Fixed Deposits of Rs. 1316.59 lacs (Previous Year Rs.887.50



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- lacs) plus accrued interest thereon for the Letter of Credit, Overdraft facility and Guarantee of Rs. 27.74 lacs, Rs. 1162.81 lacs and Rs. 126.04 lacs respectively as on 31.03.2014.(Prev. Year Rs. 88.29 lacs against Letter of credit, Rs. 673.17 lacs against over draft facility and Rs. 126.04 lacs against Guarantee).
8. Outstanding balances as on 31-03-2014 of Creditors, Debtors, Secured and Unsecured Loans & Advances given are subject to confirmation / reconciliation. Necessary adjustments if any will be made on completion of reconciliation.
 9. The company has in recent past undertaken major exercise of restructuring and repayment of its old debts and realignment of assets and liabilities to reflect correct picture of its financial statements. In the process, the company has identified and ascertained the status of old legal cases, disputed debtors, receivables and payables, idle and obsolete fixed assets etc. Accordingly, the company has given necessary accounting treatment in the books of accounts which inter alia includes the following:-
 - i) The company has made provision for excise duty for Rs.2665.30 lacs in respect of demand notice received from excise department in earlier year. The company has also made provision for interest liabilities of Rs.2087.59 lacs on such excise duty from year to year. The company has been legally advised by consultants and experts that provision for excise duty is no longer required in view of pronouncement of CESTAT order dated 22nd June 2012 and accordingly company has reversed the provision of excise duty liability and interest thereon and treated the same as contingent liability. However "on account" payment of Rs. 300 lacs against such liability is reported under "Loans & Advances".
 - ii) The company has ascertained impaired assets after examining technical aspects and assessment thereof and passed accounting entries for loss arising on impaired assets aggregating to Rs.130.05 lacs.(previous year 200.74 lacs)
 - iii) In respect of old disputed debtors against whom legal cases are filed, the company has made provision of Rs. 26.59 lacs for doubtful debts.
 - iv) Other old and stagnant Receivables and Payables are written back amounting to Rs. 7.01 lacs (Net).
 - v) The company has recognized income of Rs. 194.41 lacs plus interest thereon Rs. 52.54 lacs in respect of settlement of the very old disputed insurance claim awarded by the Arbitration in favour of the company.
 10. (a) During the year there is Exchange Fluctuation loss (net) of Rs 18.74 lacs (Previous Year loss of Rs. 3.53 Lacs) on current account and the same is shown separately.
(b) The Exchange Fluctuation loss (net) on capital Account of Rs. 9.67 lacs is capitalized to cost of Fixed Assets (Previous year loss of Rs. 2.06 lacs)
 11. In view of carried forward business losses and depreciation in the books, the company is not liable for Income Tax Liability under section 115JB for Minimum Alternative Tax.
 12. In view of the Accumulated loss,
 - (i) No transfer has been made to the Debenture Redemption Reserves in respect of Secured and Unsecured Debentures and
 - (ii) No amount is transferred to Capital Redemption Reserve in respect of preference shares.
 13. In respect of disputed Income Tax matters of earlier years, the Company has received various orders giving appeal effect, Rectification, Refund and Assessment of set aside matters etc. The interest of Rs. 129.95 lacs arising on refund is accounted for during the year.
 14. As permitted by CERC and IERC (Regulatory authorities) the company has partially opted for purchase of power through approved Power Exchange which has resulted into gain of Rs 20.61 lacs and consequently the power expenses was reduced to that extent.
 15. Previous year's figures have been regrouped / re-stated / reclassified wherever necessary. Figures in brackets relate to the previous year unless otherwise stated. Previous year figures in notes forming part of accounts are recalculated to bring the figures in line with relevance in the matter.



SHREE RAMA MULTI-TECH LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2014 ((Rs. in Lacs))

| PARTICULARS | 2013-14 | 2012-13 | |
|---|----------------|----------------|-----------|
| A CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Net Profit / (Loss) after tax and Exceptional items | 3331.60 | | (1993.06) |
| Adjustments for : | | | |
| Misc Income | (2.06) | | (1.43) |
| Depreciation | 2121.94 | | 2195.16 |
| Excess / Short Provision of Earlier Year | (263.25) | | 113.98 |
| Provision for Doubtful debts | 26.59 | | 0.00 |
| Excess / Short Provision of Earlier Year Excise duty order | (4798.19) | | 0.00 |
| Excess / Short Provision of Earlier Year Sales Tax | 14.26 | | 0.00 |
| Sundry Balance Written off/Back | 0.00 | | 11.79 |
| Assets /Bad Debts written off | 2.61 | | 38.46 |
| Provision for Employee Benefits | 18.99 | | 6.80 |
| Deferred Tax Assets | 678.21 | | (801.61) |
| Interest Expenses | 633.22 | | 502.97 |
| Interest Income | (281.14) | | (215.73) |
| Exchange Rate Differences | 18.74 | | 3.53 |
| Other Income | (43.95) | | (55.99) |
| Insurance Claim Received | (194.41) | | 186.65 |
| Profit / Loss on sale of fixed assets (Net) and Impairment | 130.05 | (1938.39) | 1033.93 |
| | | | 3018.51 |
| Operating Profit before Working Capital Changes | 1393.21 | | 1025.45 |
| Adjustment for : | | | |
| Trade Payables, other liabilities and provision | (105.98) | | 310.39 |
| Inventories | (145.60) | | (316.19) |
| Trade Receivables, Loans and advances and other assets | (478.59) | (730.17) | 42.04 |
| | | | 36.24 |
| Cash Generated from Operations | 663.04 | | 1061.69 |
| Direct Taxes Paid / refunded | 847.82 | | (21.99) |
| Net Cash Inflow from Operations | 847.82 | 1510.86 | (21.99) |
| | | | 1039.70 |
| B CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Fixed Assets | (129.25) | | (396.86) |
| Sale of Fixed Assets | 73.20 | | 72.07 |
| Dividend Income | 0.03 | | 0.01 |
| Interest Income | 98.63 | | 75.03 |
| Net Cash Inflow / (Outflow) from Investing Activities | 42.61 | | (249.75) |
| C CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Repayment of Borrowings | (725.00) | | (4777.50) |
| Changes in Bank overdraft | (82.05) | | (78.88) |
| Received ICD | 0.00 | | 4050.00 |
| Interest Expense | (504.35) | | (367.93) |
| Net Cash Inflow / (Outflow) from Financing Activities | (1311.40) | | (1174.31) |
| Net increase / (decrease) in Cash & Cash Equivalents(A+B+C) | 242.07 | | (384.36) |
| Cash & Cash Equivalents at the beginning of the period | 1146.22 | | 1530.58 |
| Cash & Cash Equivalents at the end of the period | 1388.29 | | 1146.22 |

Note : Previous period figures have been regrouped / re-arranged wherever necessary

As per our report of even date attached herewith

For Mahendra N. Shah & Co. (Chartered Accountants) FRN: 105775W

Chirag M. Shah
Partner M.No: 45706

Place :- Ahmedabad

Date :- 27/05/2014

R.S. Patel
Chairman

Place :- Ahmedabad

Date :- 27/05/2014

For and on behalf of the Board

P.S. Patel
Director

Ankit Shah
Joint CEO and Manager



SHREE RAMA MULTI-TECH LIMITED

FORM NO. MGT-11

PROXY FROM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rule, 2014]
CIN : L25200GJ1993PLC020880

Name of the Company: **Shree Rama Multi-Tech Limited**

Registered Office: 603, Shikhar, Shrimali Society, Nr. Vadilal House, Mithakhali, Navrangpura, Ahmedabad, Gujarat-India

| | |
|-------------------------------|--|
| Name of Share Holder(s) | |
| Registered Address | |
| Email ID | |
| Folio No. / DP ID / Client ID | |

I/We, being the member(s) of _____ Shares of the above named company, hereby appoint:

- Name: _____ Address: _____
E-mail Id: _____ Signature: _____
Or failing him
- Name: _____ Address: _____
E-mail Id: _____ Signature: _____
Or failing him
- Name: _____ Address: _____
E-mail Id: _____ Signature: _____
Or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 20th Annual General Meeting of the Company, to be held on Saturday, 27th September 2014 at 11.30 A.M. at Atma conference hall, Ahmedabad Textile Mills Association, Ashram Road, Ahmedabad-380009 and at any adjournment thereof in respect of such resolutions and as indicated below:

| Description of the Resolution | Description of the Resolution |
|--|---|
| 1. Approval of Annual Accounts | 6. Appointment of Mr. Vikram V. Bhatt as Independent Director |
| 2. Re-appointment of Statutory Auditors | 7. Approval of waive off remuneration of Mr. Ankit P. Shah as Manager for the Two years i.e. 2012-13, 2013-14 |
| 3. Appointment of Mr. R.S. Patel as Independent Director | 8. Approval of Re-Appointment of Mr. Ankit P. Shah as Manager |
| 4. Appointment of Mr. Prahlad S. Patel as Independent Director | 9. Approval of remuneration to be paid to Cost Auditor for FY 2014-15 |
| 5. Appointment of Mr. Pathik C. Shah as Independent Director | 10. Adoption of new Articles of Association of the Company. |

Signed this _____ day of _____ 2014

Affix 15
Paise
Revenue
Stamp

Signature of Proxy Holder(s)

Signature of Shareholder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Book-Post



SHREE RAMA

If undelivered please return to :

SHREE RAMA MULTI-TECH LIMITED

Regd. Office : 603, "Shikhar", Shreemali Society,
Nr. Vadilal House, Mithakhali, Navrangpura,
Ahmedabad-380 009, Gujarat, India.

Phone : 079 – 26569855, 26569455 Fax: 079-26562667

Email : cslegal@srmtl.com Website : www.srmtl.com CIN No. : L25200GL1993PLCO20880