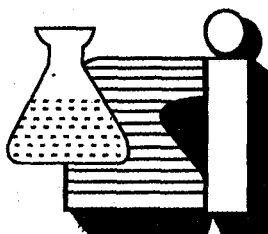


**20TH
ANNUAL REPORT
2008 - 2009**

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SHREYAS INTERMEDIATES LIMITED



20th Annual Report 2008 - 2009

BOARD OF DIRECTORS

Shri Dinesh Sharma
Shri Bramhanand Dabas
Prof. (Smt.) Neelam Arora
Shri Om Prakash Bali
Shri Govind Krishna Sharma

Chairman
Director
Director
Director (From 29.11.08)
Wholesale Director
(From 01.01.09)

REGISTERED OFFICE

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

BANKERS

Bank of Baroda
 State Bank of India

STATUTORY AUDITORS

Sayed Khan & Associates
 Chartered Accountants

FACTORY

D-21, D-22, D-23, M.I.D.C.,
 Lote Parshuram, Taluka Khed,
 Dist. : Ratnagiri - 415 722.
 Maharashtra.

REGISTRARS & SHARE TRANSFER AGENTS

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

20th ANNUAL GENERAL MEETING

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Page No.

Date : 30th March, 2010
Day : Tuesday
Time : 11.30 a.m.
Place : 122-125, Solaris-II Opp. L & T Gate
No. 6, Sakivihar Road, Powai,
Andheri (E), Mumbai-400 072.

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SHREYAS INTERMEDIATES LTD.

NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of Shreyas Intermediates Limited will be held at 11.30 A.M. on Tuesday, 30th March, 2010 at the registered office of the Company at 122-125, 1st Floor, 'Solaris - II', Opposite L&T Gate No. 6, Saki-Vihar Road, Powai, Andheri (East), Mumbai 400 072, to transact the following business:

A) ORDINARY BUSINESS :

- 1) To receive and adopt the Directors' Report and the audited Balance Sheet as at 30th September 2009 and the audited Profit and Loss Account for the period ended on that date.
- 2) To appoint a Director in place of Mr. B.N. Dabas who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint the Statutory Auditors and to fix their remuneration.

B) SPECIAL BUSINESS:

- 4) To consider and if thought fit, to pass, with or without modification, the following resolution as a SPECIAL RESOLUTION by Postal Ballot only:-

"RESOLVED THAT pursuant to Section 146 and other applicable provisions, if any, of the Companies Act, 1956 and the Rules and Regulations made thereunder and subject to such amendments in said Act that may hereafter made and / or all or any Ordinances that may be promulgated on or before giving effect to this resolution, and subject to such approvals that may be required under the Companies Act, 1956 and all other applicable Statutes, if any, the Registered Office of the Company be shifted from Office No. 122-125, 1st Floor, 'Solaris - II', Opposite L&T Gate No. 6, Saki-Vihar Road, Powai, Andheri (East), Mumbai 400 072 to Plots Nos. D-21, D-22 and D-23, MIDC Industrial Estate, Lote Parshuram, Taluka Khed, District Ratnagiri, Maharashtra, on and from such date as the Board of Directors may decide.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all necessary steps for giving effect to this resolution."

**By Order of the Board
For SHREYAS INTERMEDIATES LTD.**

Mumbai
Date : 5th February, 2010

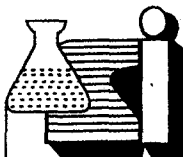
**DINESH SHARMA
CHAIRMAN**



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NOTES :

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company. The proxy form to be effective must be duly executed and signed and must be lodged at the company's registered office at least 48 hours before the time of the meeting.
2. The Register of Members and the Share Transfer Books of the Company would remain closed from Friday, 19th March, 2010 to Tuesday, 30th March, 2010 (both days inclusive).
3. All matters in connection with the Shares of the Company may be addressed to the Company's Registrars & Transfer Agents viz. M/s. System Support Services, 209, Shivai Industrial Estate, Near Parke Davis, Andheri - Kurla Road, Andheri (East), Mumbai 400 072. Members are requested to quote their respective folio numbers / D.P / I.D. numbers and also notify the change of address, if any, to the Company's Registrars & Transfer Agents.
4. Shareholders desiring information as regards the accounts are requested to write to the Company at least 10 days before the Annual General Meeting to enable the Management to keep the information ready.
5. **ADDITIONAL INFORMATION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT :**
Mr. B.N.Dabas, aged about 79 years, is an M.Tech. (Chemical) has more than 50 years varied experience in the chemical industry and has been associated with a number of companies for advising them on the technical and management aspects of their businesses. Mr. Dabas is not a Director of any Company and is not a Partner of any Firm.
6. **The business at serial no. 4 requires consent of the shareholders only through postal ballot.** Postal Ballot Paper enclosed along with a self-addressed In Land Letter of the Company must be posted so as to reach the Company at its registered office not later than 25th March, 2010. Consent or otherwise received after this date will be strictly treated as if the reply from the member has not been received. The Ballot paper must be duly filled in, the preference for or against the resolution clearly marked and signed by sole shareholder or the joint shareholder in the order of seniority in which they appear in the Register of Members of the Company (or in respect of the beneficiaries of shares held in the electronic form, as per the list furnished by the Depositories). **The resolution at item number 4 will not be taken up for voting at the Annual General Meeting and will have to be voted by postal ballot only.**
7. The result of the poll by postal ballot will be announced at the Annual General Meeting. The said result would also be published in an English Newspaper and a Marathi Newspaper circulating in Mumbai as well as in Rantagiri District in the State of Maharashtra.

**SHREYAS INTERMEDIATES LTD.****EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT,
1956 IN RESPECT OF THE SPECIAL BUSINESS**

The premises at which the Registered Office of the Company as is presently situated in small offices for administrative work and convenience, but is not sufficient for keeping the records of the Company for over 10 years as required by the various Statutes. Moreover, the present premises has become too small for holding general meetings (GMs) of the Company - it does not augur well for holding the GMs at an auditorium, the rents for which have become exorbitant. It has therefore become necessary for your Company to shift the location of its registered office from the present premises.

The provisions of Section 146 of the Companies Act, 1956 require the Company to pass a Special Resolution to shift the place of its registered office outside the Municipal Limits of the City where it is presently situated to any other place within the same state i.e. the State of Maharashtra. Your Directors are of the opinion that the premises where the Company's factories are situated at Lote Parshuram are suitable for administrative convenience.

Save and except the Shares held by them in the Company, none of the Directors are concerned or interested in the resolution.

By Order of the Board
For SHREYAS INTERMEDIATES LTD.

Mumabi
Date : 5th February, 2010

DINESH SHARMA
CHAIRMAN



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DIRECTORS' REPORT

To,
The Shareholders,

Your Directors have pleasure in presenting their 20th Annual Report and the audited accounts for the financial year ended on 30th September 2009.

FINANCIAL RESULTS

	2008-2009 (Rs. In Lacs)	2007-2008 (Rs. in Lacs)
Gross Income	11,100.40	13061.01
Profit before Interest And Depreciation	1576.34	1215.07
Less: Interest	1076.88	699.58
Profit before Depreciation	499.46	515.49
Less Depreciation	410.64	348.69
Profit Before Tax	88.82	166.80
Less: Provision for tax	2.20	2.12
Profit After Tax for the year	86.62	164.68
Less.: Deferred Tax Adjustment	3.15	9.85
Balance brought forward	2327.45	2172.62
Profit available for Appropriation	2410.92	2327.45

DIVIDEND

Your Directors propose to retain the profits of the Company for the internal use and therefore do not recommend payment of Dividend during the year.

REVIEW OF OPERATIONS

The year under review continued to be a challenging one due to the inflammatory crude oil prices dampening the world economy. However, notwithstanding this trend, during the year, the Company has been able to continue the turnover at the same level as compared to the previous year on an annualized basis; however, the profit for the year registered a decline of about 47 % on an annualized basis. The Demand for Company's products continues resulting in increased sales volumes. The Implementation of the strategic cost management initiatives has resulted in improving productivity significantly.

PRODUCTION AND PERFORMANCE

The Company has produced Pigments to match international quality. The production achieved during the year was 5883 tons of Pigment. The Capacity utilization in this product was 16.25 %. However in the Pigment capacity utilization was low on account of the project not being complete dues to balancing equipments. The Company hopes to achieve full capacity utilization in the coming years as we are in the process of installing the balancing equipments.



SHREYAS INTERMEDIATES LTD.

MARKET

The global sub-prime crises in the financial markets in 2008-2009 have impacted the manufacturing and sale of the Company's products substantially. The Company's products are gaining in demand on the green shoots of recovery in the developed economies and are positioned to address the new paradigm of demand and supply.

EXPORTS

The Company's exports to counties in Europe, Latin America and the Asian Far East were aggregated to the value of Rs. 2514.00 Lacs. The Company expects to enhance exports to these countries and also explore the possibility of setting up manufacturing facilities by the process of Joint Ventures / Business Partnerships.

LISTING

The Company's Equity Shares continue to be listed on the Stock Exchange, Mumbai (BSE). The Company has paid the requisite Annual Listing Fees for the years 2007-08 and 2008-09, to the above Exchange. The Company's Shares continue to be regularly traded on the exchange.

COMPULSORY DEMATERIALISATION OF COMPANY'S SHARES

The Company's Equity Shares were compulsorily Dematerialized and as such the Company's Shares continue to be traded in the electronic form as per the relevant SEBI guidelines.

DIRECTORS

Mr. B.N. Dabas retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of Section 217 (2AA), your Directors' confirm:

- a) that in the preparation of the Annual Accounts, the applicable Accounting Standards have been followed.
- b) that the Directors have selected such accounting policies and applied them consistently and made judgments 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 on 30th September 2009, and of the profit of the Company for the said fifteen month period ended 30th September 2009.
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) that The Directors have prepared the annual accounts on the going concern basis.

CORPORATE GOVERNANCE

The Company has complied with the requirements of Corporate Governance, as applicable to the Company, during the period under report, as per the amended Listing Agreement with the Bombay Stock Exchange. The Report on Corporate Governance together with the Auditor's Report thereon, is annexed hereto in accordance with Clause 49 of the Listing Agreement with the Bombay Stock Exchange.



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AUDITORS

M/s. Sayeed Khan & Associates, Chartered Accountants, Mumbai, the Statutory Auditors of the Company, retire at ensuing Annual General Meeting and are eligible for re-appointment.

EMPLOYEES

Relations between the management and its employees have been cordial. Your Directors place on record their appreciation of the efficient and loyal services rendered by the employees of the Company at all levels.

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, regarding employees is given in Annexure 'B' to the Report.

ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The information required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is appended hereto as Annexure 'A' and forms part of this Report.

AUDITORS REPORT

The observation made by the auditors in their report do not require any comment as the same are either self-explanatory or have been fully explained in the notes attached to the accounts.

ACKNOWLEDGEMENT

Your Directors place on record their appreciation of the support received from the Company's Bankers and Shareholders and look forward to their continued support and goodwill.

By Order of the Board
for SHREYAS INTERMEDIATES LTD

DINESH SHARMA
CHAIRMAN

Mumbai
Date : 31st December, 2009



SHREYAS INTERMEDIATES LTD.

ANNEXURE "A" - EMPLOYEES' REMUNERATION

Additional Information is given as required under the companies (Disclosure of particulars in the Report of the Board of Directors), Rules 1988.

Information as per section 217(2A) (B)(II) Read with Companies (Particulars of Employees), Rules 1975, and forming part of the Directors Report for the year ended 30th September 2009.

There are no employee who are employment for the full year, the information employees drawing remuneration for part of the year is as under.

Sr. No.	Name	Age	Designation	Remuneration	Qualification	Experience	Date of Commencement of Employment	Last Employment
1	Mr. N.M.Sayyed	44	Wholetime Director	Rs.2,26,150/-	B.Sc.	21 Years	30.09.2003	Factory Manager
2	Mr. Govind Krishna Sharma	63	Whole-time Director	Rs.1,80,000/-	B.Sc.	40 years	01-01-2009	Entrepreneur

ANNEXURE "B" - DISCLOSURE OF PARTICULARS RULES, 1988

Information required under the Companies (Disclosure of particulars in the Report of the Board of Directors), Rules 1988.

CONSERVATION OF ENERGY

- I. By detecting energy waste on the shop floor, furnace and implement remedial measures the energy was saved. Inefficient use of energy in utilities items like Pumps and Compressors etc. was checked.
- II. Total energy consumption per Kilogram of products 0.35 that amounted to Rs. 1.96 per kilogram and 0.93 Unit of Furnace Oil / Brickket amount to Rs.2.76 per kilogram.

TECHNOLOGY ABSORPTION :

Continuous efforts are on to produce materials more efficiently. Efforts are being made for semi- automation of some of the machines. Continuous efforts are on to produce products creating less effluent and getting product of higher quality. New methods of drying have been installed in the factory resulting in the final products being of superior quality whereby the products of the Company enjoy a better image over other available in the market. Further efforts are on to minimize the levels of effluent and to get better quality still superior.

FOREIGN EXCHANGE EARNINGS AND OUTGO:

	(Rs. in Lacs) 2008- 09	(Rs. in lacs) 2007 - 08
1. Total Foreign Exchange earned	1756.77	1132.34
2. Total Foreign Exchange used	354.00	692.21



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FORM A

(See Rule 2)

Form for disclosure of particulars with respects conservation of energy etc.

Power and fuel consumption

	2008 - 09	2007 - 08
Electricity:		
Unit Amount (Rs. in Lacs)	20.79	28.32
Total Amounts (Rs. in Lacs)	115.49	143.54
Rate / Unit	5.55	5.07
Furnace Oil / Brickket :		
Quantity	54.65	60.59
Total Amount	162.34	202.00
Rate / Unit	2.97	3.33

Consumption per unit of Production

1.	Electricity	Unit/Kg	0.35	0.33
2.	Furnace Oil	Ltrs per kg.	0.93	0.70

FORM B (See Rule 2)

TECHNOLOGY ABSORPTION:

Please see point B above

By Order of the Board
for SHREYAS INTERMEDIATES LTD

Mumbai
Date : 31st December, 2009

DINESH SHARMA
CHAIRMAN