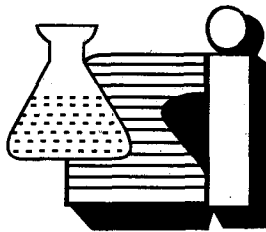


**21st
ANNUAL REPORT
2009 - 2010**



SHREYAS INTERMEDIATES LIMITED



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BOARD OF DIRECTORS

Shri Dinesh Sharma	Chairman
Shri Bramhanand Dabas	Director
Prof. (Smt.) Neelam Arora	Director
Shri Om Prakash Bali	Director
Shri Govind Krishna Sharma	Wholetime Director (Upto 21.06.10)
Shri Gopal Krishna Sharma	Wholetime Director (From 25.06.10 to 18.10.10)

REGISTERED OFF. & FACTORY

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

BANKERS

Bank of Baroda
State Bank of India

STATUTORY AUDITORS

Sayeed Khan & Associates
Chartered Accountants

CORPORATE OFFICE

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

REGISTRARS & SHARE TRANSFER AGENTS

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

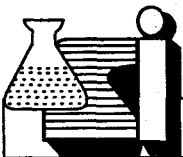
21 st ANNUAL GENERAL MEETING

Date : 30th March, 2011
Day : Wednesday
Time : 11.00 a.m.
Place : D-21, D-22, D-23, M.I.D.C.,
Lote Parshuram, Taluka Khed,
Dist. : Ratnagiri - 415 722.
Maharashtra.

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SHREYAS INTERMEDIATES LTD.

NOTICE is hereby given that the Twenty First Annual General Meeting of the Members of Shreyas Intermediates Limited will be held on Wednesday, 30th March, 2011 at the Registered Office of the Company at Plots Nos. D-21, D-22 and D-23, MIDC Industrial Estate, Lote Parshuram, Taluka Khed, District Ratnagiri, Maharashtra-415722 at 11.00 a.m. to transact the following business.

A) ORDINARY BUSINESS

- 1) To consider and adopt the Directors' Report, the audited Balance Sheet as at 30th September 2010, and Profit and Loss Account for the year ended on 30.09.2010 and Auditors' Report thereon.
- 2) To appoint a Director in place of Mr. Dinesh Sharma who retires by rotation and being eligible offers himself for re-appointment.
- 3) To appoint Sayeed Khan & Associates, Chartered Accountants, as the Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board
For SHREYAS INTERMEDIATES LTD.

Place: Mumbai
Date: February 26th, 2011

CHAIRMAN

NOTES:

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2) The instrument appointing a proxy must be deposited with the company at its Registered Office, not less than 48 hours before the time for holding the Annual General Meeting.
- 3) The notice of Annual General Meeting will be sent to those members whose name appears on the register of members as on 25.02.2011.
- 4) The Register of Members of the Company and Share Transfer Books of the company will remain closed from March 24, 2011 to March 30, 2011 (both days inclusive).

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- 5) Members are requested to:
 - (a) Notify the change in address if any, with Pin Code Numbers immediately to the Company. (In Case of shares held in physical mode).
 - (b) Bring their copy of the Annual Report and Attendance Slip with them at the Annual General Meeting.
 - (c) Quote their Registered Folio Number/DP and Clients ID Nos. in all their correspondence with the company or its Registrar and Share Transfer Agent.
- 6) Consequent upon the introduction of Section 109A of the Companies Act, 1956, Shareholders desirous of making a nomination are requested to send their requests in Form 2B in duplicate (which will be made available on request) to the Registrar and Share Transfer Agent of the company.
- 7) Corporate members are requested to send a duly certified copy of board resolution/power of attorney authorizing their representative to attend and vote at the Annual General meeting.
- 8) Members having any question on accounts are requested to send their queries at least 10 days in advance to the company at its registered office address to enable the company to collect the relevant information.
- 9) All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the company during office hours on all working days except Saturdays between 11.00 am and 1.00 pm up to the date of Annual General Meeting and the same will be available for inspection at the Annual General Meeting.

ADDITIONAL INFORMATION AS REQUIRED UNDER CLAUSE 49 OF THE LISTING AGREEMENT :

Mr. Dinesh Sharma, aged about 54 years, is a Chartered Accountant and LLB has more than 31 years varied experience in different fields and 21 years of experience in chemical industry. Mr. Sharma is a director of DEFT Holdings Private Limited and is not a partner of any firm.

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

**Place: Mumbai
Date: February 26th, 2011**

CHAIRMAN



SHREYAS INTERMEDIATES LTD.

DIRECTORS' REPORT

To,
THE MEMBERS,

Your Directors submit herewith the Twenty First Annual Report together with Audited statement of accounts for the year ended on 30/09/2010.

FINANCIAL RESULTS

Financial Results	2009-2010	2008-2009
Gross Income	8683.24	11100.40
Profit/(Loss) before Interest and Depreciation	917.97	1576.34
Less-Interest	1248.65	1076.88
Profit/(Loss) before Depreciation	(330.68)	499.46
Less-Depreciation	466.32	410.64
Profit/(Loss) before Tax	(797)	88.82
Less-Provision for tax	---	2.20
Profit/ (loss)After Tax for the year	(797)	86.62
Less-Deferred Tax Adjustment	---	3.15
Balance brought forward	2410.92	2327.45
Profit available for Appropriation	1613.92	2410.92

DIVIDEND

In view of the loss for the year, the directors of the company have not recommended any dividends on the equity shares.

REVIEW OF OPERATIONS

The year under review continued to be a challenging one due to the inflammatory crude oil prices dampening the world economy. The company has recorded a lower turnover of Rs.8,683.24 lacs as against the turnover of Rs 11,100.40 lacs in the corresponding previous year. There was loss after tax of Rs.797 lacs as against Profit after tax at Rs.86.62 lacs in the previous year. The project could not operate at full capacity due to paucity of funds. The funds were made available in March, 2009 by the Banks but could not be disbursed timely. The Company continued making payments of installments and interest till March/June 2010 and thus the financial liquidity was severely affected which negatively impacted the overall Company's operations. However, the banking institutions namely State Bank of India and Bank of Baroda have been considerate and have taken a very liberal stance with respect to our Company's situation and have initiated a process of resetting the interest rates and the repayment. The same are being worked out at a reasonable level of 9% per annum instead of 16/19% per annum being charged in this accounting year. The directors remain fairly confident that with the support advanced by the



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banking institutions and the prevailing industrial uptrend the company will be able to attain full operational capacity during the current year. The Pigment industry is witnessing a massive domestic as well as global demand which is expected to consolidate and firm up in the forthcoming years. The Company remains committed to implementing strategic cost management techniques which shall result in increased productivity.

PRODUCTION AND PERFORMANCE

The Company has produced Pigments to match international quality. The production achieved during the year was 4008 tons of Pigment. The Capacity utilization in this product was 11.13 %. 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 and also correcting the financial imbalance in the structure.

MARKET

The global sub-prime crisis in the financial markets in 2009-2010 has 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.1958.94 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.

CHANGE IN THE REGISTERED OFFICE OF THE COMPANY

The company has shifted its registered office at the company's factory situated at Plots Nos. D-21, D-22 and D-23, MIDC Industrial Estate, Lote Parshuram, Taluka Khed, District Ratnagiri, -415722 within the same state but the jurisdiction of Registrar of Companies has undergone changes from Mumbai to Pune, the necessary permission/approvals have been obtained from various authorities in order to complete the formalities for the said change.

LISTING

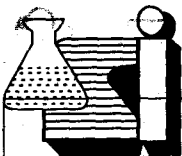
The Company's Equity Shares continue to be listed on the Stock Exchange, Mumbai (BSE). The Company has paid the requisite Annual Listing Fees for the years 2009-10 to the above Exchange. The Company's Shares continue to be regularly traded on the exchange.

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. Dinesh Sharma retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.



SHREYAS INTERMEDIATES LTD.

During the year Mr. Govind Krishna Sharma resigned as director with effect from 21.06.10, the board appreciated the contribution made by him during his tenure as whole time director.

Mr. Gopal Krishna Sharma appointed in casual vacancy caused by resignation of Mr. Govind Krishna Sharma on 25.06.10. Thereafter he has ceased to be a director with effect from 18.10.10 for personal reasons.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies (Amendment) Act, 2000, with respect to Directors' responsibility statement, it is hereby confirmed:

- 1) That in the preparation of the accounts for the financial year ended 30th September, 2010; the applicable accounting standards have been followed along with proper explanation relating to material departures.
- 2) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the period under review.
- 3) That the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- 4) That the Directors have prepared the accounts for the financial year ended 30-09-2010 on a 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.

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



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energy, technology absorption and foreign exchange earnings and outgo is appended hereto as Annexure 'B' and forms part of this Report.

AUDITOR'S 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**

**Place : Mumbai
Date : February 26th, 2011**

**DINESH SHARMA
CHAIRMAN**



SHREYAS INTERMEDIATES LTD.

ANNEXURE "A" - EMPLOYEES' REMUNERATION

Additional Information 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 2010.

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

Sr. No	Name	Age	Designation	Remuneration	Qualification	Experience	Date of Commencement of Employment	Last Employment
1	Mr. Govind Krishna Sharma	64	Whole-time Director	Rs.202500/-	B.Sc.	41 years	01-01-2009	Entrepreneur
2	Mr. Gopal Krishan Sharma	60	Whole-time Director	Rs.562000/-	M.Sc.	35 years	30-04-2010	Director

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 0.76 that amounted to Rs.4.64 per kilogram and 1.18Unit of Furnace Oil / Brickket amount to Rs.5.36 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) 2009- 10	(Rs. in lacs) 2008 - 09
1. Total Foreign Exchange earned	1003.67	1756.77
2. Total Foreign Exchange used	417.46	354.00

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FORM A

(See Rule 2)

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

Power and fuel consumption

	2009 -10	2008 -09
Electricity:		
Unit Amount (Rs. in Lacs)	30.62	20.79
Total Amounts (Rs. in Lacs)	186.12	115.49
Rate / Unit	6.08	5.55
Furnace Oil / Brickket :		
Quantity	47.49	54.65
Total Amount	215.03	162.34
Rate / Unit	4.53	2.97

Consumption per unit of Production

Electricity	Unit/Kg	0.76	0.35
Furnace Oil	Ltrs per kg.	1.18	0.93

FORM B (See Rule 2)

TECHNOLOGY ABSORPTION:

Please see point B above

By Order of the Board
for SHREYAS INTERMEDIATES LTD

Place: Mumbai
Date : February 26th,2011

DINESH SHARMA
CHAIRMAN