

**22nd
ANNUAL REPORT
2010 - 2011**



SHREYAS INTERMEDIATES LIMITED



22nd Annual Report 2010 - 2011

BOARD OF DIRECTORS

Shri Dinesh Sharma
Shri Brahmanand Dabas
Prof. (Mrs.) Neelam Arora
Shri Ramchandra Dhondu Ghanekar
Shri Om Prakash Bali
Shri Gopal Krishna Sharma

Chairman
Director
Director
Director (From 05.04.11)
Director (Upto 05.04.11)
Director (Upto 18.10.10)

REGISTERED OFF. & FACTORY

Plots Nos. D-21, D-22 and D-23,
MIDC Industrial Estate,
Lote Parshuram, Taluka Khed,
District: Ratnagiri - 415722
Maharashtra.

STATUTORY AUDITORS

Sayeed Khan & Associates
Chartered Accountants

BANKERS

Bank of Baroda
State Bank of India

CORPORATE OFFICE

122-125, 'Solaris - II',
Saki - Vihar Road,
Powai, Andheri (East),
Mumbai 400 072

Registrar & Transfer Agents

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

Date : 21st March 2012
Day : Wednesday
Time : 12 Noon
Place : D-21, D-22, D-23, M.I.D.C.,
Lote Parshuram, Taluka Khed,
District Ranagiri-415722
Maharashtra

Notice
Director's Reports
Auditor's Report
Balance Sheet
Profit & Loss Account
Schedules
Cash Flow Statement
Balance Sheet Abstract



SHREYAS INTERMEDIATES LTD.

NOTICE

NOTICE is hereby given that the Twenty Second Annual General Meeting of the Members of Shreyas Intermediates Limited will be held on Wednesday, the 21st March, 2012 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 12.00 Noon to transact the following business.

A) ORDINARY BUSINESS

- 1) To consider and adopt the Directors' Report, the audited Balance Sheet as at 30th September 2011, and Profit and Loss Account for the year ended on 30.09.2011 and Auditors' Report thereon.
- 2) To appoint a Director in place of Mrs. Neelam Arora 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.

B) SPECIAL BUSINESS

- 1) To consider and if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**.

"RESOLVED THAT in accordance with the provisions of sections 198, 269, 309, 310 and 311 read with schedule XIII and all other applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactments thereof for the time being in force) and subject to such sanctions and approvals as necessary and as approved and recommended by the Board of Directors ("the Board" which term shall be deemed to include Remuneration Committee thereof), approval of the members is hereby accorded to the appointment of Mr. Ramchandra Dhondur Ghanekar, as Whole Time Director, for a period of 3 (three) years with effect from 5-4-2011 on the terms and conditions including remuneration as set out in the explanatory statement.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to take such steps and to do all such acts, deeds, matters and things as may be necessary or desirable or to settle any question or difficulty that may arise in such manner as it may deem fit and also, to make such alterations and modifications as may be required within the limits of schedule XIII of the companies Act, 1956".

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

Place: Mumbai
Date: February 21st, 2012

DINESH SHARMA
CHAIRMAN



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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 20.02.2012.
- 4) The Register of Members of the Company and Share Transfer Books of the company will remain closed from **12th March, 2012 to 21st March, 2012** (both days inclusive).
- 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) Quot 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.
- 10) The Ministry of Corporate Affairs has taken a **"Green Initiative in the Corporate Governance"** by allowing paperless compliances by the Companies after considering Sections 2,4,5 and 81 of the Information Technology Act, 2000, for legal validity of compliances under Companies Act through electronic mode. Under the Information Technology Act, 2000, service of documents in electronic mode is permitted. Also the acceptable mode of service of documents under 'Certificate of Posting' has recently been discontinued by the Department of Posts.

The Ministry of Corporate Affairs has further clarified that a Company would have complied Section 53 of the Companies Act, 1956, if the service of the document has been made through electronic mode provided that the Company has obtained email addresses of its members for sending the notice/ documents through email by giving an advance opportunity to every shareholders to register their email address and changes therein from time to time with the company. In case where any member has not registered his email address with the company, the service of documents etc will be affected by other modes of service as provided under Section 53 of the Companies Act, 1956. (Reference: Ministry of Corporate Affairs Circular no. 17/2011, dated April 21, 2011)

Keeping in view of the theme underlying the circular issued by MCA, the company shall send documents like notice calling for Annual General Meeting, Audited Accounts, Directors Report, Auditors Report, etc. from the year ended September 30th, 2011 onwards and other communications, in electronic form, to email addresses of those members which are available in the records of the company and/or made available to us by the Depositories. In case you desire to receive the documents mentioned above in physical form or change of register email address, you are requested to kindly send an e-mail to info@shreyasintermediates.com



SHREYAS INTERMEDIATES LTD.

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

Mrs. Neelam Arora, aged about 53 years, is a M.COM has more than 32 years varied experience in different fields and 7 years experience in chemical industry. Mrs. Arora has no directorship in any of the other Company.

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

Item no. 4

A. PERIOD OF APPOINTMENT: 5-4-2011 to 04-4-2014

B. SALARY : Rs. 30,000/- (Thirty Thousand) per Month

In addition to salary the Whole time Director will be entitled to the following perquisites and allowances:

C. Perquisites

1. Residential Accommodation : Rent free accommodation in 2 bedroom Apartment.
2. Leave travel assistance : As per company's policy.
3. Leave : As per company's policy and can encash unused leave.
4. Contribution to Provident Fund, Superannuation fund or Annuity fund to the extent these either single or put together are not taxable under the Income Tax Act, 1961.
5. Gratuity : As per company's policy.
6. Car : Exclusively for personal and official disposal.
7. Children's Education fees will be paid by the company.

Perquisites shall be evaluated as per applicable provision of the income tax rules

D. The total remuneration including perquisites shall not exceed the limits specified in schedule XIII of the Companies Act, 1956. The perquisites namely contribution to Provident Fund, Superannuation Fund or Annuity Fund, Gratuity and encashment of leave shall not be included in the computation of ceiling on remuneration.

E. Minimum Remuneration:

Notwithstanding anything hereinabove, where in any financial year during the currency of his tenure as Whole-Time Director the Company has no profits or its profits are inadequate, the company will pay remuneration by way of salary and perquisites as above subject to the ceiling specified under Section II of part II of the Schedule XII to the companies Act, 1956.

Termination:

The appointment is liable for termination by either party giving 6 month's notice in writing to the other. The terms and conditions of the above appointment may be altered and varied from time to time by the Board of Directors (including Remuneration Committee constituted by the Board) as it may in its discretion deem fit within the maximum amount payable to the Whole Time Director in accordance to schedule XIII to the companies Act, 1956 or any amendments made hereafter in this regard and as may be agreed to by the Whole-Time Director.

None of the Directors are interested in the said resolution.

By Order of the Board
For SHREYAS INTERMEDIATES LTD.

Place: Mumbai
Date: February 21st, 2012

DINESH SHARMA
CHAIRMAN



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DIRECTORS' REPORT

To,
THE MEMBERS,

Your Directors submit herewith the Twenty Second Annual Report together with Audited statement of accounts for the year ended on 30/09/2011.

FINANCIAL RESULTS

Financial Results	2010-11	2009-10
Gross Income	17748.14	8683.24
Profit/(Loss) before Interest and Depreciation	279.77	917.97
Less-Interest	1206.40	1248.65
Profit/(Loss) before Depreciation	(926.63)	(330.68)
Less-Depreciation	575.91	466.32
Profit/(Loss) before Tax	(1502.54)	(797)
Less-Provision for tax	---	---
Profit/ (loss)After Tax for the year	(1502.54)	(797)
Less-Deferred Tax Adjustment	---	---
Balance brought forward	1613.92	2410.92
Profit available for Appropriation	111.38	1613.92

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 challenging one as the Company is struggling with the timely disbursement of moneys from the banks though the margin moneys from the promoters is long in place. The CDR has taken due note of the situation and has recommended the release of extra interest charged and also rate reduction in interest. However the package is still to be implemented in toto. The Company was prompt in payment of its commitment to the banks till June 2010. However the Banks disbursement could not come on time and the finances of the Company were compromised by repayment of the installments and interest on the new plant which could not be worked for want of working capital moneys from the banks.

The CDR has now made the position easy by deferring the instalments and deferring the interest. The package however is still in the process of being implemented. The company has recorded a higher turnover of Rs. 17748.14 lacs as against the turnover of Rs 8683.24 lacs in the corresponding previous year. There was loss after tax of Rs. 1502.54 lacs as against loss after tax at Rs. 797 lacs in the previous year. The directors are hopeful that the company would come out of red in about 2 years. The Demand for Company's products continues to remain high. The Implementation of the strategic cost management initiatives has resulted in improving productivity significantly.



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PRODUCTION AND PERFORMANCE

The Company has produced Pigments to match international quality. The production achieved during the year was 7055 tons of Pigment. The Capacity utilization in this product was approximately 30 %. However in the Pigment capacity utilization was low on account of the project not being complete due 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.

MARKET

The global sub-prime crises in the financial markets in 2010-11 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 countries in Europe, Latin America and the Asian Far East were aggregated to the value of Rs.3507.95 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 2010-11 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

Mrs. Neelam Arora retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers herself for re-appointment.

During the year Mr. Om Prakash Bali & Mr. Gopal Krishna Sharma resigned as directors with effect from 05.04.11 & 18.10.10 respectively, the board appreciated the contribution made by them during their tenure as directors.

Mr. Ramchandra Dhondu Ghanekar was appointed as an additional & whole time director on for a period of 3 years w.e.f. 05.04.11.

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:



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- 1) That in the preparation of the accounts for the financial year ended 30th September, 2011; 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 30-09-2011 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

The Ministry of Corporate Affairs has notified Companies (Particulars of Employees) Amendment Rules, 2011, wide GSR 289 (E) dated 31.03.2011 raising the limit of employee's salary to be disclosed in the Directors Report. The employee's salary limit has been raised from Rs. 24.00 lacs per Financial Year or Rs. 2.00 lacs per month to Rs. 60.00 lacs per Financial Year or Rs. 5.00 lacs per month.

As on date, none of the employees of the company fall within the purview of the provision of the section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, and Companies (Particulars of Employees) Amendment Rules, 2011,

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.

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.



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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 21st, 2012**

**DINESH SHARMA
CHAIRMAN**