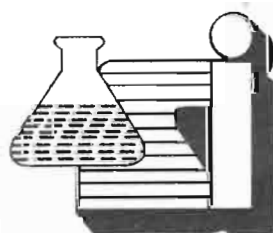
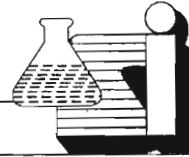


**24th
ANNUAL REPORT
2012 - 2013**



SHREYAS INTERMEDIATES LIMITED



24th Annual Report 2012 - 2013

BOARD OF DIRECTORS

Shri. Dinesh Sharma	Director & Chairman
Prof. (Mrs.) Neelam Arora	Director (upto 05.12.13)
Shri. Ramchandra Dhondu Ghanekar	Whole Time Director
Shri. Govind Krishna Sharma	Director

REGISTERED OFFICE & FACTORY

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

STATUTORY AUDITORS

Sayed Khan & Associates
Chartered Accountants

BANKERS

Bank of Baroda
State Bank of India

CORPORATE OFFICE

506, Ddefinity,
Jaiprakash Nagar Road No.1,
Goregaon (East),
Mumbai 400 063.

Registrar & Transfer Agents

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

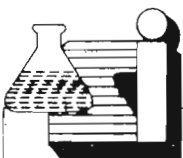
24th ANNUAL GENERAL MEETING

Date	: 14 th March 2014
Day	: Friday
Time	: 10.00 A.M.
Place	: D-21, D-22, D-23, M.I.D.C., Lote Parshuram, Taluka Khed, District Ranagiri-415722 Maharashtra

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SHREYAS INTERMEDIATES LTD.

NOTICE

NOTICE is hereby given that the Twenty Fourth Annual General Meeting of the Members of Shreyas Intermediates Limited will be held on Friday, the 14th March, 2014 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 10.00 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 2013, and Profit and Loss Account for the year ended on 30.09.2013 and Auditors' Report thereon.
- 2) To appoint a Director in place of Mr. Govind Krishna 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.

B) SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985, the applicable provisions of the Companies Act, 1956 and such other laws, rules, regulations, guidelines or notifications as may be applicable, if any, and subject to approval of audited annual accounts for the financial year 2012-13 by the members of the Company in this Annual General Meeting, the report of the board of directors explaining the reasons of erosion of more than 50% of the peak net worth of the Company as per the audited financial results of the Company for the year ended 30th September, 2013, be and is hereby considered and approved."

"RESOLVED FURTHER THAT the board be and is hereby authorized to inform and report as potentially sick industrial Company to the Board for Industrial and Financial Reconstruction (BIFR) and such other state and central government authorities as may be required under the laws, rules, regulations, guidelines and directives for the time being in force in India in the prescribed form and to intimate such other authorities, entities, financial institutions, stock exchanges, body corporates, associations and persons as may be necessary in terms of the agreements, security documents, undertakings, declarations and memorandum of understanding entered into by the Company."

"RESOLVED FURTHER THAT the board be and is hereby authorised to do all such acts, things and deeds as may be necessary in this regard and to file/ submit all the required forms/ returns/documents with the respective authorities to give effect to above resolution."

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

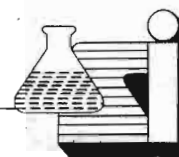
"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII of the said Act (including any statutory modification(s) or reenactment thereof for the time being in force) and subject to such approval of the shareholders, as may be required and in partial modification of the Special Resolution passed at the Annual General Meeting, consent be and is hereby accorded to increase the maximum limit of salary payable to the Whole time Director of the Company from the existing Rs. 3,60,000/- per annum to Rs. 4,80,000 per annum effective from 1st October, 2013 and the Board and / or a duly constituted Committee thereof are hereby authorised to pay remuneration to Whole Time Director, from time to time, within the above mentioned limits."

"RESOLVED FURTHER THAT the Board of Directors or a duly constituted Committee thereof be and is hereby authorised to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

BY ORDER OF THE BOARD
For SHREYAS INTERMEDIATES LTD.

Place: Mumbai
Date: 7th February, 2014

DINESH SHARMA
CHAIRMAN



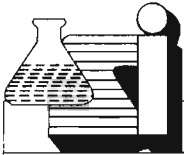
24th Annual Report 2012 - 2013

NOTE:-

- 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 7th February, 2014.
- 4) The Register of Members of the Company and Share Transfer Books of the company will remain closed from 8th March, 2014 to 14th March, 2014 (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) 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.
- 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, 2013 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.

ANNEXURE TO NOTICE

Explanatory Statement Pursuant To Section 173 Of The Companies Act, 1956

ITEM No. 4

In terms of Section 23 of the Sick Industrial Companies (Special Provisions) Act, 1985, if the accumulated losses of an industrial Company, as at the end of any financial year have resulted in erosion of fifty percent or more of its peak net worth during the immediately preceding four financial years, that Company falls under the category of potentially sick Industrial Company and therefore the fact is required to be reported to Board of Industrial and Financial Restructuring (BIFR) within 60 days from the date of finalization of the audited accounts which is the date of this Annual General Meeting. As per the audited accounts of the Company for the year ended 30.09.2013 finalized and approved by the board subject to approval of shareholders on 14th March, 2014, the accumulated losses of the Company as at 30th September, 2013, amounting to Rs. 94.28 Crores have resulted in erosion of more than fifty percent of its peak net worth of Rs. 64.51 Crores during the immediately preceding four financial years. A report on such erosion and its causes is required to be submitted before the shareholders for their consideration and approval. The said report is annexed herewith and is forming part of this notice and explanatory statement. In view of above, your directors recommend approval of the shareholders by a special resolution.

None of the directors are interested in above resolution.

ITEM No. 5

Mr. Ramchandra Ghanekar was appointed as a Whole time director, way back in April, 2011 on a very low salary of Rs. 30000/- per month. Thereafter, Mr. Ramchandra Ghanekar was assigned number of other duties in addition to the existing duty of production in the company. In view of this, it has become necessary to increase the existing salary and pay him reasonable amount by way of salary and hence the director recommends the resolution for approval.

None of the Director except Mr. Ramchandra Ghanekar is interested in this resolution.

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

Mr. Govind Krishna Sharma, aged about 71 years, is a B.Sc., B.E. and MBA and has more than 45 years of varied experience in different fields in industries and 16 years in experience in chemical industry. He is neither director in any Company nor in any partnership firm.

BY ORDER OF THE BOARD
For SHREYAS INTERMEDIATES LTD.

Place: Mumbai
Date: 7th February, 2014

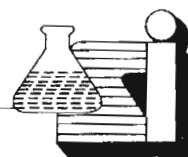
DINESH SHARMA
CHAIRMAN

REPORT ON EROSION OF NET WORTH, CAUSES THEREOF AND ACTION TAKEN BY COMPANY IN TERMS OF SECTION 23 OF SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) ACT 1985.

In terms of requirements of Section 23 of Sick Industrial Companies (Special Provisions) Act, 1985, a report of board of directors on erosion of more than 50 % of peak net worth during the immediately preceding four financial years along with causes and revival plans is being submitted herewith.

Under the provisions of Sick Industrial Companies (Special Provisions) Act, 1985, Net Worth of the Company for present as well as proceeding four financial years is as follows:

Financial Year / Networth Components	2012-13	2011-12	2010-11	2009-10	2008-09
Paid up Capital:	311039000	311039000	311039000	311039000	311039000
Free Reserves:	3000000	3000000	3000000	3000000	3000000
General Reserves	90000000	90000000	90000000	90000000	90000000
Securities Premium A/c	-	-	11138220	161392100	241092926
Profit & Loss A/c (Cr.)					
Total	404039000	404039000	415177220	565431100	645131926
Amount in Crores	40.40	40.40	41.52	56.54	64.51



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Accumulated losses for the year ended 30.09.2013 (Relevant financial year) are Rs. 94.28 Crores.

Peak Net Worth as per above is Rs. 64.51 Crores.

Accumulated losses as percentage of peak net worth: 146.15%.

As presented above as per the audited accounts of the Company for the year ended 30.09.2013, the accumulated losses of the Company as at 30.09.2013 amounting to Rs. 94.28 Crores have resulted in erosion of more than fifty percent of its peak net worth of Rs. 64.51 Crores during the immediately preceding four financial year. Thus under the provisions of SICA the Company is a potentially sick industrial Company.

CAUSES OF EROSION OF NET WORTH OF THE COMPANY:

The Company which was a debt free Company till 2006 went in for an expansion of its CPC manufacturing facility at Plot No D 21. The proposal was submitted to the Banks in April 2004. The sanction came in year 2006 and by the time the costing of the project had changed. The Company however was committed to putting up the project and went ahead with the expansion. The project was ready for partial production in the year 2007. However the working capital was sanctioned after one year of the partial completion of the project. The Company stuck with its commitment of interest and installments and without earning from the project went on paying interest and installments to the Bankers. The Banker came up with the funds for completion in that year 2009. However the Banks did not disburse the completion loan till one year. To add miseries on the Company one Bank started deducting installments on the loan it has yet to disburse. The Banks also then slapped additional interest for the working that they had derailed despite the Company adhering to its commitments. The total additional interest withdrawn by the Banks was Rs. 11.32 Cr which was besides what was even mandated by the RBI. The Companies protestations were in vain and the Banks appropriated moneys from the account.

The Banks then put the Company under CDR. The CDR sanctioned a package for rehabilitation of the Company where the additional interest was to be given back and further facility was to be disbursed to get the working on track. However the Banks are now refusing to release the CDR package which according to the Company was to restore the interest and other charges withdrawn by the Bankers. Not only this in utter disregard of the CDR the Bankers went on to appropriate moneys infused by the promoters as their contribution to the CDR package.

These situations have brought the Company to the entire erosion of its net worth built in 20 years being wiped out in 3 years.

STEPS TAKEN/PROPOSED TO BE TAKEN BY THE COMPANY MANAGEMENT:

The Company is in the process of filing its case in the BIFR. It is hopeful that the moneys withdrawn by the Bankers there by making the Company sick is restored. In addition to this the management is in talks for fresh money infusion as and when the Bankers assure that the moneys they will not appropriate and let the Company run.

BY ORDER OF THE BOARD
For SHREYAS INTERMEDIATES LTD.

Place: Mumbai
Date: 7th February, 2014

DINESH SHARMA
CHAIRMAN



SHREYAS INTERMEDIATES LTD.

DIRECTORS' REPORT

TO,
THE MEMBERS,

Your Directors submit herewith the Twenty Fourth Annual Report together with Audited statement of accounts for the year ended on 30/09/2013.

FINANCIAL RESULTS:-

Amount in Rupees (in Lacs)

Financial Results	2012-13	2011-12
Gross Income	2414.11	12587.31
Profit/(Loss) before Interest and Depreciation	(2965.18)	(561.18)
Less-Interest	1218.97	1303.62
Profit/(Loss) before Depreciation	(4484.15)	(1864.80)
Less-Depreciation	562.78	576.53
Profit/(Loss) before Tax	(4746.93)	(2441.33)
Less-Provision for tax	---	---
Profit/ (loss)After Tax for the year	(4746.93)	(2441.33)
Less-Exceptional/ Extraordinary Item	2352.92	---
Balance brought forward	(2329.96)	111.38
Profit available for Appropriation	(9430.80)	(2329.96)

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

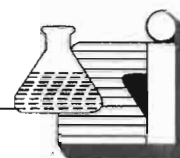
The Working capital remained a challenge for the Company. Having drained out practically all the working capital to the payment of interest and Installments to the banks, the Banks had taken the Company to the CDR Forum. The CDR forum approved the scheme of rehabilitation on 25th March, 2011. The Banks however are still in the process of trying to implement and are being pursued for implementation. Without the implementation the moratorium also has expired and the Banks have been demanding repayment without implementation of the scheme. The Company has taken the non-implementation at proper forum and is trying to get what is legally due to it. The Bankers have also been claiming that the scheme is implemented despite all the papers given to them which show clearly how no moneys have been given. Contrary they have withdrawn moneys and the bankers continue not even to acknowledge what we are saying. In absence of the package and Banks not sticking to rule the running is a challenge and the Company has recorded a lower turnover of Rs.2398.65 lacs as against the turnover of Rs 12587.31 lacs in the corresponding previous year. There was loss after tax of Rs. 7206.31 lacs as against loss after tax at Rs.2441.33lacs in the previous year. The directors are hopeful that the company would come out of red in if the bankers lend a helping hand. The Demand for Company's products continues to remain moderate and paucity of funds only hampers the activity. 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 2470.48 tons of Pigment (including one on job work). The Capacity utilization in this product was 7.72%. However the Pigment capacity utilization was low on account of the paucity of funds which mainly have been deployed in the past for interest payment and Installment repayment to Banks when even the plant of the Company was not completed. The Company hopes to achieve decent capacity utilization if the funds are replenished.

EROSION OF NETWORTH

In view of the heavy losses, the company has eroded its entire net worth for the year ended 30.09.2013. In view of this, it has become necessary to make a reference of this fact to Board of Industrial and Financial Reconstruction (BIFR). The detailed report is given above.



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MARKET

The demand for the product of the Company has shrunk a bit because of the lowering of demand of the print media. However the Company has alternative plans to even produce the products at lower cost and survive in the market.

EXPORTS

The Company's exports to counties in Europe, Latin America and the Asian Far East were aggregated to the value of Rs. 25.63 Lacs. There was however a set back to the brand of the Company because of unsavory letters by the Banker to certain customers. The Company is a little challenged because of this letters. However it is hopeful to overcome the name it has earned and regain the niche in exports again over a little extended period of time.

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 2012-13 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. Govind Krishna Sharma, retires by rotation at the ensuing Annual General Meeting (AGM) and being eligible, offers himself for re-appointment.

During the year Mrs. Neelam Arora has resigned as director with effect from 05.12.2013, the board appreciated the contribution made by her during her tenure as director.

DISCLOSURES

Mr. Ajay K. Mehta resigned as the Company Secretary of the company on 31.01.2013 & again rejoined w.e.f. 01.05.2013.

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, 2013, 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 30-09-2013 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.



SHREYAS INTERMEDIATES LTD.

COST RECORDS AND COST AUDIT

Till the year 2011, cost records were made compulsory U/S Sec 209(1)(d) of the companies Act, 1956 and no company specific cost audit was ordered in case of your company by the Central Government. Now in terms of the companies (Cost Accounting Records) rules 2011 and the companies (Cost Audit Report) rules, 2011 both dated 3rd June 2011, the company is liable to maintain cost records as well as will have to undertake independent cost audit from Practicing Cost and Works Accountant. The company is in the process of appointing required cost accountant for undertaking of the cost audit in due compliance of the aforesaid rules.

EMPLOYEES

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.

AUDITORS REPORT

1. Observations by the auditor at point no 2 (i) - The Company is following up with the appropriate authorities the non implementation of the CDR package. It is hopeful of showing to the authorities the relevant RBI guidelines to the bankers so that the scheme is implemented.
2. The trial run batches are non-moving. These will be tried to be rectified or else dealt with appropriately.
3. The gratuity liability is being paid as and when it is arising. The Company has also asked for an actuarial help. However the lean position of the Company necessitates being frugal with expenses. There however is no unpaid gratuity or any unpaid workmen dues.

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 LIMITED

Place: Mumbai
Date: 7th February, 2014

DINESH SHARMA
CHAIRMAN

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ANNEXURE "A" - 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

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.

Total energy consumption per Kilogram of products 2.10 that amounted to Rs.13.00 per kilogram and 2.05 Unit of Furnace Oil / Brickket amount to Rs.11.11 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)	
	2012-13	2011-12
Total Foreign Exchange earned	25.63	903.99
Total Foreign Exchange used	249.51	58.54

FORM A (See Rule 2)

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

Power and fuel consumption

	2012-13	2011-12	
Electricity:			
Unit Amount (Rs. in Lacs)	52.06	42.42	
Total Amounts (Rs. in Lacs)	322.21	295.63	
Rate / Unit	6.19	6.97	
Coal :			
Quantity	50.73	72.00	
Total Amount	275.02	376.09	
Rate / Unit	5.42	5.22	
Consumption per unit of Production			
Electricity	Unit/Kg	2.10	1.03
Coal	Kg/Kg	2.05	1.74

FORM B (See Rule 2)

TECHNOLOGY ABSORPTION:

Please see point B above

BY ORDER OF THE BOARD
For SHREYAS INTERMEDIATES LIMITED

Place: Mumbai
Date: 7th February, 2014

DINESH SHARMA
CHAIRMAN