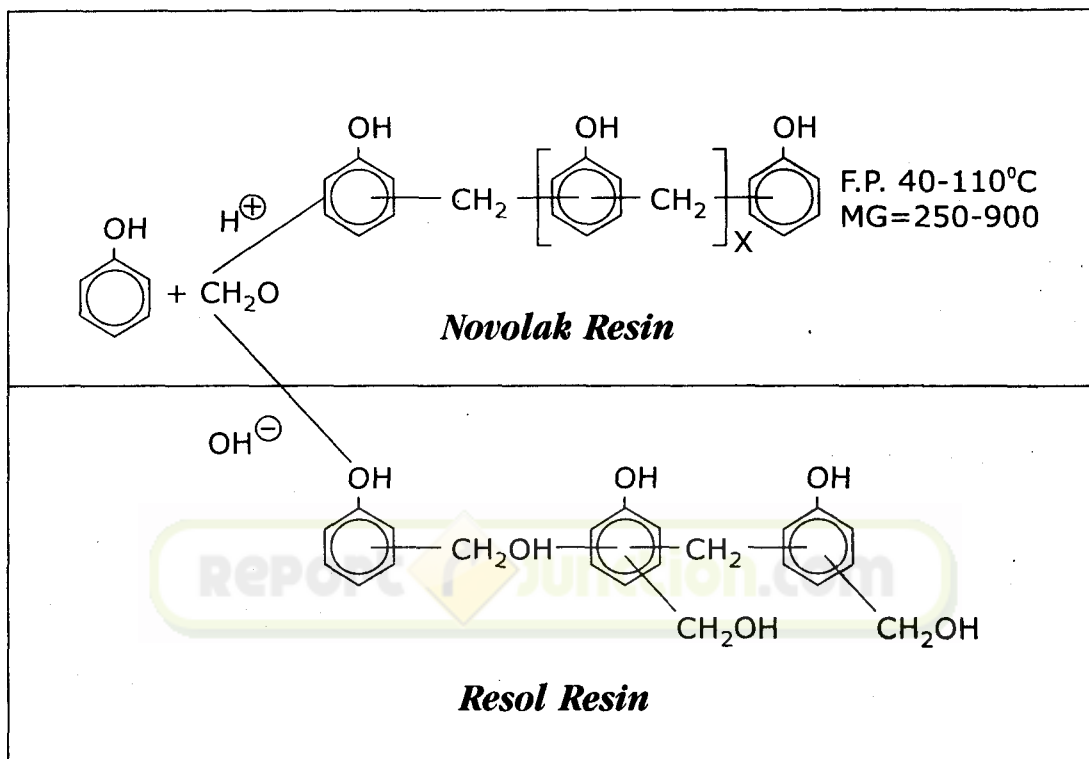


Annual Report 2002-2003



SREECHEM RESINS LIMITED



Sreechem Resins Limited

BOARD OF DIRECTORS :

Mr. B. M. Banerjee – *Chairman & Technical Director*
 Mr. S. N. Kabra – *Managing Director*
 Mr. Binod Sharma – *Wholetime Director*
 Mr. Y. K. Dalmia – *Director*
 Mr. Vikram Kabra – *Director*

AUDITORS :

Dalmia Mohta & Associates
Chartered Accountants

BANKERS :

United Bank of India
 Old Court House St. Branch
 Kolkata-700 001.

SHARE TRANSFER AGENTS :

Computech International Limited
 77/2A, Hazra Road,
 Kolkata-700 029

REGISTERED OFFICE :

Vill. : Jhagarpur
 Post : Rajgangpur-770 017
 (Orissa)

WORKS :

Unit-I Vill. : Jhagarpur
 Post : Rajgangpur
 Orissa
 Unit-II Vill. : Durramura
 Dist : Raigarh
 (C.G.)

CORPORATE OFFICE :

23A, Netaji Subhash Road
 11th Floor, Room No. - 11
 Kolkata-700 001
 West Bengal

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Sreechem Resins Limited

NOTICE

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of the members of the company will be held at the **Registered Office of the Company at 10-00 A.M.** on Monday the 29th day of September, 2003 to transact the following business :

ORDINARY BUSINESS :

- 1) To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2003, the Audited Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
- 2) To appoint a Director in place of Mr. B.M. Banerjee, who retires by rotation and being eligible, offers himself for reappointment.
- 3) To appoint Auditors and to authorise the Board to fix their remuneration.

SPECIAL BUSINESS

- 4) To consider and, if thought fit to pass with or without modification(s) the following resolutions as ordinary Resolution.

RESOLVED THAT, in partial modification of the resolution passed by the members at the Twelfth Annual General Meeting held on 27th day of September, 2000, vide item no.4 of notice convening that meeting, Relating to appointment of and payment of remuneration to Mr. Binod Sharma as Wholetime Director, the post be revised as the Joint Managing Director for a period of five years with effect from 1st October 2003, other terms and conditions remaining the same.

NOTES :

1. A member entitled to attend and vote is entitled to appoint proxy to attend and vote in his / her stead and a proxy need not be a member of the company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the meeting. A blank proxy form is annexed to the Annual Report.
2. The register of Members and Share Transfer Books of the Company shall remain closed from Friday, 26th September, 2003 to Monday, 29th September 2003 (both days inclusive).
3. Members who are holding shares in identical order of names in more than one folio, are requested to write to the Company enclosing their shares certificates to enable the company to consolidate their holding in one folio.
4. Notice of change of address and Bank mandates must reach the Company's Registrar and Share Transfer Agents, M/S COMPUTECH INTERNATIONAL LIMITED, 77/2A, Hazra Road, Kolkata-700 029.

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

Item No. 4

The Board of Directors of the Company ("The Board") at its meeting held on 28th July'2003, decided to appoint Sri Binod Sharma as Joint Managing director in the best interest of the Company subject to approval of the members of the company for a period of five years w.e.f 1st October'2003.

The Directors recommend the adoption of the Resolution at Item No.4 of the notice.

The above statement read with the resolutions shall be deemed to be an abstract under section 302 of the Companies Act, 1956.

None of the directors except Sri Binod Sharma is interested or concerned in the Resolution at item no.4 of the Notice.

Registered Office

Vill : Jhagarpur

Post : Rajgangpur-770 017

ORISSA

Dated : The 28th day of July 2003

By Order of the Board

MANAGING DIRECTOR



Sreechem Resins Limited

DIRECTORS' REPORT

TO
THE MEMBERS

Your Directors have pleasure in presenting the FIFTEENTH Annual Report together with the Audited Accounts for the year ended 31st March 2003.

Financial Results :

	(Figures in Rs. '000)	
	Year ended 31.03.2003	Year ended 31.03.2002
Sales and other income	181120	133421
Gross Profit	6979	7648
Interest	3139	3378
Depreciation	3136	3086
Liability not required	4	—
Profit/(loss) before Tax	708	1184
Deferred Tax	164	385
Profit/(Loss) after Tax	544	799
Balance Brought forward from P/Y	2209	1410
Amount available for appropriation which the Directors have appropriated as under :	2753	2209
Transferred to General Reserve	—	—
Leaving a balance to be c/f.	2753	2209

OPERATIONS :

Your Directors are happy to report that the operations in the year have been satisfactory considering the higher cost of raw material to the tune of 5% over last years (2001-2002). This has once again reduced the margin of operation. However, the end user industries, particularly refractory industry is showing a very good recovery due to sudden revival of steel sector in India. This pattern of good time of steel sector in India will continue in coming years. The next few years will show consolidation of business of your Company.

DIVIDEND :

Your Directors did not recommend any dividend for the year due to inadequate profit during the year.

CORPORATE GOVERNANCE :

Your Company attaches considerable importance to good Corporate Governance and aspire to build investor confidence, to maximise shareholders long-term value and improved investor's protection. Pursuant to clause 49 of the listing Agreement with Stock Exchange a compliance report on Corporate Governance has been annexed as part of the Annual Report.

PERSONNEL :

The Company does not have any employee whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

PUBLIC DEPOSITS :

The Company has not accepted any deposit from the public.



Sreechem Resins Limited

DIRECTORS' REPORT (Contd.)

DIRECTORS RESPONSIBILITY STATEMENT – SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, as amended by the Companies (Amendment) Act, 2000 with respect to Directors Responsibility Statement, it is hereby confirmed :

- i) that in the preparation of the annual accounts, for the financial year ended 31st March 2003, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgements 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 or loss of the Company for the year under review;
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- iv) that the directors had prepared the annual accounts for the financial year ended 31st March 2003, on a going concern basis.

DIRECTORS :

Mr. B. M. Banerjee retires by rotation as required under the provisions of the Companies Act 1956 at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

AUDITORS REPORT :

The Auditors in their report have referred to the notes forming part of the accounts. The said notes are self explanatory and do not require further elucidation.

AUDITORS :

M/s. Dalmia Mohta & Associates, Chartered Accountants retire at the forth coming Annual General Meeting and are eligible for reappointment and the Board recommend their reappointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO :

Details regarding the present energy consumption including captive generation, technology absorption, foreign exchange earning and outgo are furnished in Annexure-'A' as per the requirements of the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988.

ACKNOWLEDGEMENTS :

The Board wish to place on record their sincere thanks to the Employees of the Company for their sincere and hard work. The Board also wish to place on record their sincere thanks to the Company's Bankers the United Bank of India and convey their gratitude and thanks to the Company's esteemed shareholders, customers and other business associates for their support.

For and by Order of Board

Place : Kolkata
Dated : The 28th day of July, 2003

B. M. Banerjee
Chairman



Sreechem Resins Limited

ANNEXURE 'A' TO DIRECTOR'S REPORT

Information as per Section 217(1)(e) read with Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988 and forming part of the Directors Report for the year ended 31st March 2003.

1. CONSERVATION OF ENERGY :

Company has taken various steps for conservation of energy and has installed energy efficient equipments and thereby able to optimise the energy consumption.

TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM-A OF THE ANNEXURE TO THE RULES IN RESPECT OF INDUSTRIES SPECIFIED IN THE SCHEDULE THERETO.

A. POWER & FUEL CONSUMPTION		2002-2003	2001-2002
1. Electricity			
Purchased Unit	KWH	511146	520816
Total Amount	Rs.	2534961	2226611
Rate	Rs./KWH	4.96	4.28
2. Own Generation Through Diesel Generator			
Units	KWH	66449	66197
Unit per Litre of Diesel	KWH/Ltr.	1.88	1.86
Cost per Unit	Rs./KWH	7.83	7.78
B. Consumption per Unit Production Electricity	KWH/MT	216	226

2. TECHNOLOGY ABSORPTION :**A. Research & Development (R & D)**

- a. Specific areas in which R & D carried out by the Company :
— New Product development
- b. Benefits derived as a result of above R & D :
— Addition to the existing range of products.
— Cost reduction
- c. Further plan of action :
— The Company will continue to further develop the Research & Development in the above areas and identify new areas of applications.
- d. Expenditure on R & D :
— The expenditure on R & D was incurred in developing and commercialising products and as such specific expenditure under this head cannot be classified.

B. Technology Absorption, Adoption and Innovation :

There is no technical collaboration agreement. The Company is manufacturing with the help of in-house developed technology. The entire range of product is manufactured through know-how developed by the Company in-house.

C. Foreign Exchange earnings and Outgo :

Earnings —	Rs. 1529280 (P/Y 163205)
Outgo —	Rs. NIL (P/Y 46121)

For and by Order of Board

Place : Kolkata
Dated : The 28th day of July, 2003

B. M. Banerjee
Chairman



Sreechem Resins Limited

ANNEXURE 'B' TO DIRECTOR'S REPORT

CORPORATE GOVERNANCE

(a) Company's philosophy

The Company Firmly Belives in and continues to practice good Corporate Governance. The Company's essential character is shaped by the very values of transparency, professionalism and accountability. The Company continuously endeavors to improve on these aspects on an ongoing basis.

(b) Board of Directors

The Board of Directors comprises a Managing Director, Two executive Director, and two Non-executive directors, during the year, 6 Board Meetings were held on 30.04.2002, 26.07.2002, 30.07.2002, 30.10.2002, 06.01.2003, 29.01.2003.

The composition of Board of Directors and their attendance at the meeting during the year and at the last Annual General Meeting as also number of other directorships/memberships of committees are as follows :

Name of Director	Category of Directorship	No. of Board Meeting attended	Attendance at last AGM	No. of other Directorship
Mr. S.N. Kabra Executive Director	Managing Director	6	Yes	6
Mr. B. Sharma Executive Director	Wholetime Director	5	Yes	6
Mr. B.M. Banerjee Non-Executive Director	Chairman Technical Diorector	6	Yes	None
Mr. Y.K. Dalmia Non-Executive Director	Director	4	Yes	4
Mr. V. Kabra Executive Director	Director	5	Yes	2

(c) Audit Committee

1. Terms of reference : The Audit Committee is to oversee the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of statutory Auditors and fixation of their fees, to review and discuss with the Auditors about internal control system, the scope of audit including the observations of the Auditors, adequacy of the internal audit system, major accounting policies, practices and entries, compliances with accounting standards and listing Agreement entered into with the Stock Exchange and other legal requirements concerning financial statements and related party transactions, if any, to review the Company's financial and risk management policies and discuss with the internal Auditors any significant findings for follow up thereon, to review the Quarterly, Half yearly and Annual financial statements before they are submitted to the Board of Directors.

The Committee also meets the operating management personnel and reviews the operations, new initiatives and performance of the business units. Minutes of the Audit Committee Meetings are circulated to the Members of the Board, discussed and taken note of.