





# Sreechem Resins Limited

## BOARD OF DIRECTORS :

Mr. S. N. Kabra – *Managing Director*  
 Mr. Binod Sharma – *Joint Managing Director*  
 Mr. B. M. Banerjee – *Technical Director*  
 Mr. Y. K. Dalmia – *Director*  
 Mr. Vikram Kabra – *Director*  
 Mr. S. K. Joshi – *Director*

## AUDITORS :

R. C Jhaver & Co.  
*Chartered Accountants*

## BANKERS :

Allahabad Bank  
 Red Cross Place Branch  
 Kolkata-700 001.

## SHARE TRANSFER AGENTS :

MCS Ltd.  
 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**

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## NOTICE

NOTICE IS HEREBY GIVEN that the Twenty first 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 Wednesday the 30th day of September, 2009 to transact the following business :

### ORDINARY BUSINESS :

- 1) "To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2009, the Audited Balance Sheet as on 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 a director in place of Mr. S. K. Joshi, who was appointed as an additional Director, retires and being eligible, offers himself for reappointment".
- 4) "To appoint Auditors and to authorise the Board to fix their remuneration".

### 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 Tuesday, 22nd September, 2009 to Wednesday, 30th September 2009 (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. Members holding shares in the Physical form only are requested to inform the change of address and send Bank mandates if any to the Company's Registrar and Share Transfer Agents, M/S MCS LIMITED, 77/2A, Hazra Road, Kolkata-700029.

Registered Office  
Vill : Jhagarpur,  
Post : Rajgangpur-770017  
ORISSA  
Dated : The 4th day of August, 2009

By Order of the Board

S.N. KABRA  
Managing director




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**Sreechem Resins Limited**


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## DIRECTORS' REPORT

TO  
THE MEMBERS

Your Directors have pleasure in presenting the TWENTY FIRST Annual Report together with the Audited Accounts for the year ended 31st March 2009.

### Financial Results :

	(Figures in Rs. '000)	
	Year ended 31.03.2009	Year ended 31.03.2008
Sales and other income	241959	285733
Gross Profit	10353	11093
Interest	5024	5455
Depreciation	4086	3947
Profit/Loss before Tax	1243	1691
Provision for Taxation	1100	1200
Provision for F.B.T.	150	160
Deferred Tax	(949)	(396)
Profit/Loss after Tax	942	727
Balance Brought forward from Previous year	7583	6856
Leaving a balance to be carried forward	8525	7583

### OPERATIONS :

Your Directors have to report that the gross sales for the year is Rs. 24.20 crores against last years Rs. 28.57 crores exclusive of Inter Unit Sales of Rs. 4.18 crores against Rs. 6.86 crores last year. The profit before taxes is Rs. 12.43 lacs against Rs. 16.91 lacs in Previous year. After provision for current Taxes amounting to Rs. 11.00 lacs, Fringe Benefit Tax Rs. 1.50 Las and write back of deferred Tax Liabilities of Rs. 9.49 lacs, Net Profit amounts to Rs. 9.42 lacs, against Rs. 7.27 lacs last year. The profit is lower due to lower production and sales volume compared to last year. Adding the brought forward profit of Rs. 75.83 lacs, the balance of Rs. 85.25 lacs is carried over to the next year.

The world-wide recession had its impact on Indian economy in the second half of the year and our industry was no exception. Both production and sales were considerably down in the later half of last year, which was a general phenomena in indian industry. During the current year also the situation has not improved much although Indian steel industry has recovered to a small extent. However as reported last year your directors are of the opinion that due to planned huge investments both green field as well as brown field by main steel producers, your Directors expect the demand to improve in coming years and your company's future looks better in longer term.

### DIVIDEND :

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

### PERSONNEL :

The Company does not have any employee whose particulars are required to be given under section 417(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 during the year.




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**Sreechem Resins Limited**


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**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 2009, 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 2009, on a going concern basis.

**DIRECTORS :**

Mr. B. M. Banerjee Director 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.

Mr. S. K. Joshi was appointed as an additional Director during the year, 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. R.C. Jawar & Co, Chartered Accountants, auditors, retire at the ensuing Annual General Meeting and are eligible for reappointment, offers themselves for re-appointment and the Board recommends 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 ALLAHABAD BANK 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 4th day of August, 2009

S.N. Kabra  
Managing Director

Binod Sharma  
Jt. Managing Director




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**Sreechem Resins Limited**


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**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 2009.

**1. CONSERVATION OF ENERGY :**

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

<b>A. POWER &amp; FUEL CONSUMPTION</b>		<b>2008-2009</b>	<b>2007-2008</b>
1. Electricity			
Purchased Unit	KWH	493860	580263
Total Amount	Rs.	2455368	2784448
Rate	Rs./KWH	4.96	4.80
2. Own Generation Through Diesel Generator			
Units	KWH	71270	76840
Unit per Litre of Diesel	KWH/Ltr.	2.85	2.75
Cost per Unit	Rs./KWH	10.20	9.90
<b>B. Consumption per Unit Production Electricity</b>	<b>KWH/MT</b>	<b>135</b>	<b>138</b>

**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. 2952060.00 (P/Y Rs. 1549350.00)
Outgo —	Rs. NIL (P/Y Rs. 4149000)

For and by Order of Board

Place: Kolkata  
Dated : The 4th day of August, 2009

S.N. Kabra  
Managing Director

Binod Sharma  
Jt. Managing Director



## ANNEXURE 'B' TO DIRECTOR'S REPORT

## CORPORATE GOVERNANCE REPORT

(a) **Company's philosophy**

The Company Firmly believes 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 present strength of board is 6. The Board of Directors comprises a Managing Director, a joint Managing Director, two Executive Directors, and two Non-executive directors, during the year, 10 Board Meetings were held on 24.04.2008, 30.04.2008, 05.06.2008, 24.06.2008, 30.07.2008, 05.08.2008, 31.10.2008, 08.12.2008, 21.01.09 and 28.01.2009.

The composition of Board of Directors and their attendance at the meeting during the year and at the last Annual General Meeting and other requisite particulars are given below:

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	10	Yes	5
Mr. B. Sharma Executive Director	Joint Managing Director	10	Yes	12
Mr. B.M. Banerjee Executive Director	Technical Director	8	Yes	None
Mr. Y.K. Dalmia Non-Executive Director	Director	7	Yes	4
Mr. V. Kabra Executive Director	Director	9	Yes	2
Mr. S.K. Joshi Non-Executive Director	Director	1	No	1

(c) **Audit Committee**

**1. Terms of reference :** It 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. The committee performs the functions enumerated in clause 49 of the listing agreement and sec. 292 A of the companies Act, 1956. The Chief of financial & Accounts section, statutory auditors & Internal auditors are invited in its meetings.




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**Sreechem Resins Limited**


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**2. Composition :**

The audit Committee was formed in 2002 and as on today it comprises 2 Non-executive Directors and 1 Executive Director. The committee met 4 times during the year and the attendance of Members at the Meeting was as follows :

Name of Member	Status	No. of Meetings Attended
Mr. Y.K. Dalmia	Chairman	4
Mr. B.M. Banerjee	Member	4
Mr. S.K. Joshi	Member	1

The Manager finance & Legal of the company is the Secretary of the Committee.

**(d) REMUNERATION Policy:**

Except Managing Director, Joint Managing Director and Executive Directors the remaining directors do not receive any remuneration.

**(d) REMUNERATION TO DIRECTORS :**

The details of remuneration paid to all the directors during the year are given below :

Name of Director	Salary (Rs.)	Perquisites (Rs.)	Total (Rs.)
Mr. S.N. Kabra	4,80,000	48335	528335
Mr. B. Sharma	4,80,000	13638	493638
Mr. B.M. Banerjee	1,96,000	34580	230580
Mr. Y.K. Dalmia	NIL	NIL	NIL
Mr. V. Kabra	2,60,000	NIL	260000
Mr. S.K. Joshi	NIL	NIL	NIL

**Remuneration Policy**

Payment of remuneration to Managing Director, Joint Managing Director, and Executive Directors is governed by the respective agreement executed between them and the company. The Board and the Shareholders approved these agreements.

- (e) The Board has delegated the powers to approve transfer of the Share allotted by the Company to a Committee of Senior Executives. The Committee held 6 Meetings during the year and approved the transfer of the share lodged with the Company.

**(f) General Body Meetings :**

The last three Annual General Meetings were held as under :

Financial Year	Date	Time	Location
2007-08	30-9-2008	10-00 A.M	Registered Office
2006-07	28-9-2007	10-00 A.M	Registered Office
2005-06	28-9-2006	10-00 A.M	Registered Office

No special resolutions were required to be put through postal ballot last year.

No special resolutions on matters requiring postal ballot are placed for shareholders' approval at this Meeting.

**(g) Disclosures :**

- During the year, there were no transactions of material nature with the directors or the management or their relatives that had potential conflict with the interest of the Company.
- There were no instances of non-compliance on any matter related to the capital markets, during the last three years.

**(h) Means of communication :**

- Quarterly Results are published in prominent daily newspapers viz. The Statesman Orissa, The Utkal Mail.