

Sreechem Resins Ltd.

NOTICE

NOTICE IS HEREBY GIVEN that the twenty second 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 29th day of September, 2010

to transact the following business :

ORDINARY BUSINESS :

- 1) "To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2010, 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. Yogesh Dalmia, who retires by rotation and being eligible, offers himself for reappointment".
- 3) "To appoint Auditors and to authorize the Board to fix their remuneration".

SPECIAL BUSINESS :

- 4) To consider and if thought fit to pass with or without modification the following resolution as a special resolution.

*RESOLVED THAT in modification of the resolution passed pursuant to the provisions of section 198, 269, 309, 314 and other applicable provisions if any of the companies act 1956 and pursuant to schedule xiii to the said act as amended from time to time, the company hereby approve appointment of Sri S. N. Kabra, as managing Director and Sri Binod Sharma as Joint Managing Director for a further period of five years with effect from 1 st April 2010 as per the following terms & conditions :

A) Salary :

Sri S. N. Kabra –Managing Director Rs.50000/=

Sri Binod Sharma- Joint Managing director Rs. 50000/=

PERQUISITES

In addition to salary, the following perquisites are allowed, restricted to an amount equal to the annual salary unless the context otherwise requires. Perquisites are classified into two categories 'A' and 'B' as follows :

Category A

- i) Housing :

The expenditure incurred by the company on hiring furnished accommodation for the Managing Director / Joint Managing Director shall be subject to the following ceiling :

- a) If rented, rent not exceeding 50% of salary will be paid by the company.
- b) If owned by the company, fully furnished accommodation will be provided by the company.

Explanation :

The expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the income-tax Rules 1962. Value of all these facilities shall however, be subject to a ceiling of 40% of the salary of the Managing Director / Joint Managing Director.

- i) Medical Reimbursement : Expenses incurred for self and family, subject to the ceiling of one month's salary per year or three months salary over a period of three years.
- ii) Leave Travel Concession : For self family once in a year in accordance with the rules specified by the company.
- iii) Club Fees: Fees of clubs subject to a maximum of two clubs.
- iv) Personal Accident Insurance : Premium not to exceed Rs. 2500/- per annum.
- v) Other Benefits : Such other benefits/facilities as may be applicable to other Senior Executives of the Company from time to time in accordance with the Company's practice and rules.

Explanation :

For the purpose of category, a family means the spouse, the dependent children and dependent parents of the Managing Director / Joint Managing Director.

Category B

Provision of car to and from Residence. Use of car for Company's business and telephone at residence will not be considered as perquisites.



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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, 23 rd September, 2010 to Wednesday, 29th September 2010 (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-700 029.

Registered Office
Vill : Jhagarpur,
Post : Rajgangpur-770 017
ORISSA
Dated : The 5th day of August 2010



By Order of the Board


S. N. KABRA
Managing Director

Sreechem Resins Ltd.

DIRECTORS' REPORT

TO

THE MEMBERS

Your Directors have pleasure in presenting the Twenty Second Annual Report together with the Audited Accounts for the year ended 31st March 2010.

Financial Results :

	(Figures in Rs. '000)	
	Year ended 31.03.2010	Year ended 31.03.2009
Net Sales and other income	181289	213989
Profit Before Depreciation, Interest & Tax	8361	10353
Interest	2857	5024
Depreciation	4114	4086
Profit/Loss before Tax	1390	1243
Provision for Taxation	1220	1100
Provision For F.B.T.	NIL	150
Deferred Tax	(581)	(949)
Profit/Loss after Tax	751	942
Balance Brought forward from Previous year	8525	7583
Leaving a balance to be carried forward	9276	8525

OPERATIONS :

Your Directors have to report that the net sales for the year is Rs. 18.13 crores against last years Rs. 21.40 crores exclusive of Inter Unit Transfers of Rs.3.55 crores against Rs 4.18 crores last year. The profit before taxes is Rs. 13.90 lacs against Rs. 12.43 lacs in Previous year. After provision for current Taxes amounting to Rs.12.20 lacs and write back of deferred Tax Liabilities of Rs. 5.81 lacs, Net Profit amounts to Rs. 7.51 lacs, against Rs.9.42 lacs last year. Adding the brought forward profit of Rs. 85.25 lacs, the balance of Rs. 92.76 lacs is carried over to the next year.

In spite of revival of Indian economy the demand for the products of the company remained subdued throughout the year resulting in lower production and sales during the year as compared to last year. The effect of general recession of previous year continued during the year. However the directors expect the demand to improve for the products of the company during the current year and thus improve sales and production. 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 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 during the year.

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, 2008 with respect to Directors' Responsibility Statement, it is hereby confirmed.

- that in the preparation of the annual accounts, for the financial year ended 31st March 2010, the applicable accounting standards had been followed along with proper explanation relating to material departures;



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- ii) that the Directors had 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 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 2010, on a going concern basis.

DIRECTORS :

Mr. Yogesh Dalmia, 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.

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.Jhaver & Co, Chartered Accountants, auditors, retires 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 :

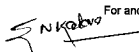
Details regarding the present energy consumption including captive generation, technology absorption, foreign exchange earning and outgo are furnished in Annexure-'A' as per the requirements of the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988.


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 share holders, customers and other business associates for their support.

Place : Kolkata

Dated : The 5th day of August, 2010

 For and by Order of Board
S. N. Kabra
Managing Director


Binod Sharma
JT. Managing Director



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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 2010.

1. CONSERVATION OF ENERGY :

Company has taken various steps for conservation of energy and has installed energy efficient equipments and thereby able to minimize 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 SCHEDULED THERETO :

A. POWER & FUEL CONSUMPTION		2009-2010	2008-2009
1. Electricity			
Purchased Unit	KWH	528617	493880
Total Amount	Rs.	2382570	2455368
Rate	Rs./KWH	4.51	4.96
2. Own Generation Through Diesel Generator			
Units	KWH	69766	71270
Unit per Litre of Diesel	KWH/ Ltr.	2.90	2.85
Cost per Unit	Rs./ KWH	10.45	10.20
B. Consumption per Unit Production (Electricity)	KWH/MT	137	135
TECHNOLOGY ABSORPTION :			

A. Research & Development (R & D)

- Specific areas in which R & D carried out by the Company :
— New Product development
- Benefits derived as a result of above R & D :
— Addition to the existing range of products.
— Cost reduction
- Further plan of action :
— The Company will continue to further develop the Research & Development in the above areas and identify new areas of applications.
- Expenditure on R & D :
— The expenditure on R & D was incurred in developing and commercializing 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. 2885038.00 (P/Y Rs. 2952060.00)
Outgo — Rs. NIL (P/Y Rs. NIL)


S. N. KABRA
Managing Director


BINOD SHARMA
JT. Managing Director

Place : Kolkata

Dated : The 5th day of August, 2010



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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, 6 Board Meetings were held on 30.04.2009, 31.07.2009, 04.08.2009, 29.10.2009, 29.01.2010 and 25.02.2010.

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	6	Yes	5
Mr. B. Sharma Executive Director	Joint Managing Director	6	Yes	12
Mr. B.M. Banerjee Executive Director	Technical Director	6	Yes	None
Mr. Y.K. Dalmia Non-Executive Director	Director	5	Yes	4
Mr. V. Kabra Executive Director	Director	6	Yes	2
Mr. S. k. Joshi Non-Executive Director	Director	5	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 systems, 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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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	4

Mr. P.D. Somani, Manager finance & Legal of the company is the Secretary of the Committee.

d) Composition of Shareholders/ Investors Grievance Committee :

The committee comprises of Mr. B. M. Banerjee as Chairman and Mr. S. K. Joshi & Mr. VIKRAM kabra as other members. Mr. P. D. Somani, Manager Finance & Legal is the compliance officer of the committee.

e) REMUNERATION Policy:

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

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	49978	529978
Mr. B. Sharma	4,80,000	13516	493516
Mr. B.M. Banerjee	1,98,000	16080	214080
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 agreements 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 5 Meetings during the year and approved the transfer of the shares lodged with the Company.

(f) General Body Meetings :

The last three Annual General Meetings were held as under :

Financial Year	Date	Time	Location
2008- 09	30-09-2009	10-00 A.M	Registered Office
2007-08	30-9-2008	10-00 A.M	Registered Office
2006-07	28-9-2007	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.

