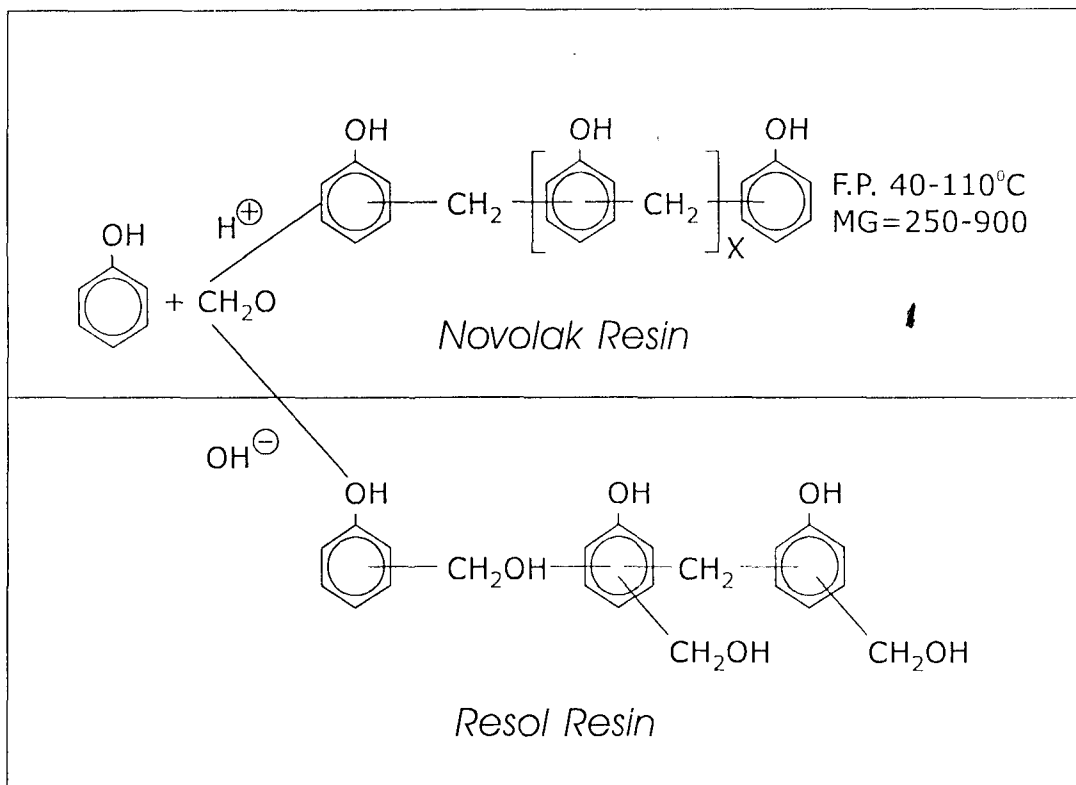


Annual Report 2010-2011



SREECHEM RESINS LIMITED



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 – *Non Exe. Independent Director*
Mr. Vikram Kabra – *Director*
Mr. S. K. Joshi – *Non Exe. Independent Director*
Mr. Sanjay Bansal – *Non Exe. Independent Director*
Mr. Uttam Jhawar – *Non Exe. Independent Director*

AUDITORS :

R. C Jhawer & 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

NOTICE

NOTICE IS HEREBY GIVEN that the twenty third Annual General Meeting of the members of the company will be held at the **Registered Office of the Company at 10-100 A.M.** on Wednesday the 28th of September, 2011 to transact the following business :

ORDINARY BUSINESS :

- 1) "To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2011, the Audited Balance Sheet as on that date the Reports of the Directors and Auditors thereon."
- 2) "To appoint a Director in place of Mr. Vikram Kabra 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 :

To pass the following resolutions with or without modification as special Resolution.

- 4) "Resolved that Mr. Sanjay Bansal, be and is hereby appointed as a Director of the Company"
- 5) "Resolved that Mr. Uttam Jhawar, be and is hereby appointed as a Director of the Company"

NOTES :

1. Explanatory Statement as required u/s 173(2) of the Company's Act 1956, in respect of Item Nos. 4 & 5 is enclosed.
2. 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.
3. The register of Members and Share Transfer Books of the Company shall remain closed from Friday, 23rd September, 2011 to Wednesday, 28th September 2011 (both days inclusive).
4. 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.
5. 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 Register and Share Transfer Agents, M/S MCS LIMITED, 22/2A, Hazra Road, Kolkata - 700 029.

By order of the Board

Registered Office

Vill : Jhagarpur,

Post : Rajgangpur-77017

ORISSA

Dated : the 1st day of August 2011

S. N. KABRA
Managing Director

EXPLANATORY STATEMENT (Pursuant to Section 173(2) of the Company's Act 1956) :

- 4) Mr. Sanjay Bansal was appointed as an Additional Director in the Boards Meeting held on 20.12.2010. As per provisions of Section 260 of the Company's Act 1956, he holds Office up to the date of ensuing Annual General Meeting. A Notice has been received from a Shareholder signifying his intention to propose Mr. Sanjay Bansal as Director.
Except Mr. Sanjay Bansal no other Director is interested or concerned in the resolution.
- 5) Mr. Uttam Jhawar was appointed as an Additional Director in the Boards Meeting held on 20.12.2010. As per provisions of Section 260 of the Company's Act 1956, he holds Office up to the date of ensuing Annual General Meeting. A Notice has been received from a Shareholder signifying his intention to propose Mr. Uttam Jhawar as Director.
Except Mr. Uttam Jhawar no other Director is interested or concerned in the resolution.



DIRECTORS' REPORT

TO
THE MEMBERS

Your Directors have pleasure in presenting the TWENTY THIRD Annual Report together with the Audited Accounts for the year ended 31st March 2011.

Financial Results :

	(Figures in Rs. '000)	
	Year ended 31.03.2011	Year ended 31.03.2010
Net Sales and other income	303660	181289
Profit Before Depreciation, Interest & Tax	10201	8361
Interest	4347	2857
Depreciation	4179	4114
Profit/Loss before Tax	1675	1390
Provision for Taxation	1130	1220
Deferred Tax	(775)	(581)
Profit/Loss after Tax	1320	751
Balance Brought forward from Previous year	9276	8525
Leaving a balance to be carried forward	10596	9276

OPERATIONS :

Your Directors have to report that the net sales for the year is Rs. 30.37 crores against last years Rs. 18.13 crores exclusive of Inter Unit Transfers of Rs. 6.06 crores against Rs.3.55 crores last year. The profit before taxes is Rs. 16.75 lacs against Rs. 13.90 lacs in Previous year. After provision for current Taxes amounting to Rs. 11.30 lacs and write back of deferred Tax Liabilities of Rs.7.75 lacs, Net Profit amounts to Rs. 13.20 lacs, against Rs.7.51 lacs last year. Adding the brought forward profit of Rs. 92.76 lacs, the balance of Rs. 105.96 lacs is carried over to the next year.

During the year production increased marginally and sales increased due to partly increased production and specially due to passing on the increase in prices of raw materials to customers compared to last year. The directors expect the production and sales to be maintained in the current year. 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, 2000 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 2011, the applicable accounting standards had been followed alongwith proper explanation relating to material departures;
- 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 2011, on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

A report on management discussion & analysis is enclosed as part "C" of the Directors Report as per requirement of the listing agreement with the Stock Exchanges.

DIRECTORS :

Mr. Vikram Kabra, 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.

During the year company appointed Mr. Uttam Jhawar and Mr. Sanjay Bansal as additional Directors, who retires at the ensuing annual general meeting and being eligible offers themselves for re-appointment.

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. Jhawar & 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 1st day of August, 2011

S.N. Kabra
Managing Director

Binod Sharma
Jt. Managing Director



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 2011.

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.

A. POWER & FUEL CONSUMPTION		2010-2011	2009-2010
1. Electricity			
Purchased Unit	KWH	578476	528617
Total Amount	Rs.	2782153	2382570
Rate	Rs./KWH	4.81	4.51
2. Own Generation Through Diesel Generator			
Units	KWH	2387	69766
Unit per Litre of Diesel	KWH/Ltr.	2.96	2.90
Cost per Unit	Rs./KWH	11.37	10.45
B. Consumption per Unit Production (Electricity)	KWH/MT	136	137

2. 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 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. 7037295.00 (P/Y Rs. 2685038.00)
Outgo —	Rs. 190268.00 (P/Y Rs. NIL)

For and by Order of Board

Place: Kolkata
Dated : The 1st day of August, 2011

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 06.04.2010, 30.04.2010, 24.05.2010, 30.07.2010, 05.08.2010, 11.10.2010, 29.10.2010, 12.11.2010, 20.12.2010 and 11.02.2011.

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 Exe. Independent Director	Director	6	Yes	4
Mr. V. Kabra Executive Director	Director	10	Yes	2
Mr. S.K. Joshi Non Exe. Independent Director	Director	8	No	1
Mr. Sanjay Bansal Non Exe. Independent Director	Director	1	No	5
Mr. Uttam Jhawar Non Exe. Independent Director	Director	1	No	4

(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.

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.