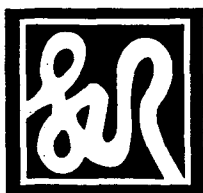
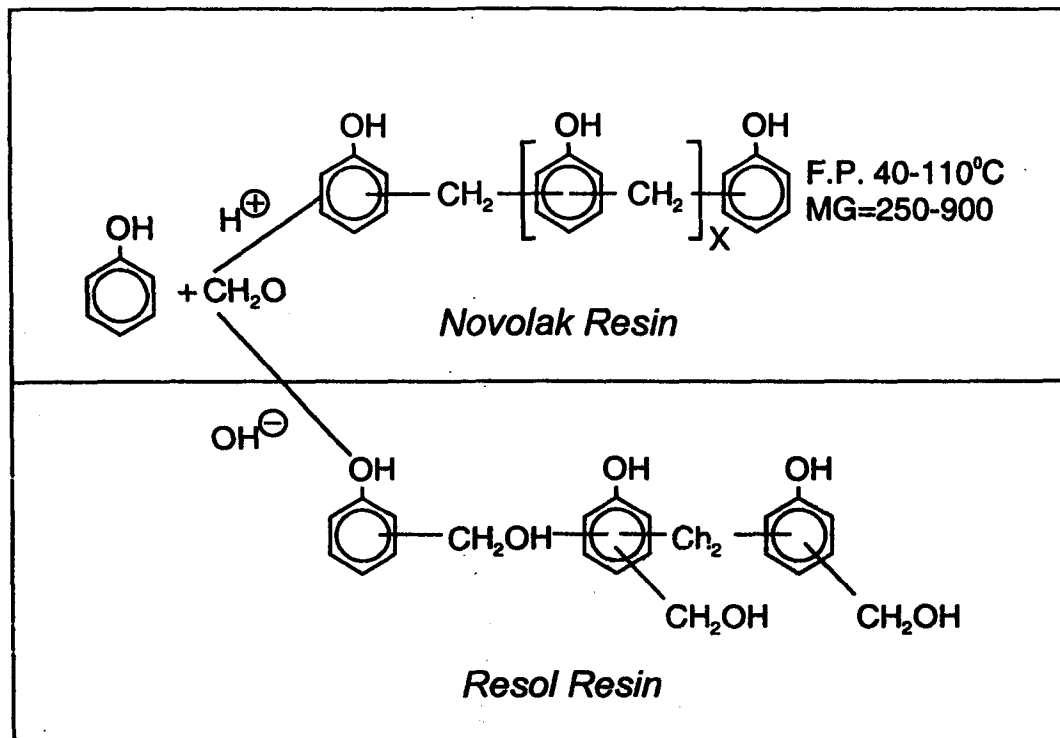


Annual Report 2012-2013



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. Jhawar & 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
Post : 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 Ltd.

NOTICE

NOTICE IS HEREBY GIVEN that the Twenty Fifth 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 Thursday the 26th day of September, 2013 to transact the following business :

ORDINARY BUSINESS:

- 1) "To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2013, the Audited Balance Sheet as on that date and the Reports of the Directors and Auditors thereon".
- 2) "To appoint Directors in place of Sri Uttam Jhawar & Sri Sanjay Bansal, Directors who retires by rotation and being eligible, offers themselves for reappointment".
- 3) "To appoint Auditors and to authorize the Board to fix their remuneration"

SPECIAL BUSINESS:

- 1) To pass as an ordinary resolution with or without any modification :

"Resolved that Sri Vibhor Sharma, an additional Director of the company, who was appointed U/S 260 of the companies act, 1956 to hold office up to the date of Annual General Meeting and in respect of whom the company has received notice u/s 257 of the companies act 1956 from a shareholder signifying his intention to propose Sri Vibhor Sharma for the office of Director of the company, be and is hereby appointed as a Director liable to retire by rotation."

EXPLANATORY STATEMENT U/S 173(2) OF THE COMPANIES ACT, 1956

Sri Vibhor Sharma was appointed as an additional Director in the Board Meeting held on 16.04.2013. In terms of section 260 of the companies act, 1956 he holds office of Director up to the date of Annual General Meeting. A notice u/s 257 of the Company's act 1956 has been received from a shareholder signifying his intention to propose him for the office of Director.

The appointment of Sri Vibhor Sharma will be in the interest of the company and your Directors recommend the proposed resolution for approval of the members.

Except Sri Binod Sharma, no other Director is interested or concerned in the resolution.

Registered Office

Vill : Jhagarpur,

Post : Rajgangpur-770 017

ORISSA

Dated : The 30th day of July 2013

By Order of the Board

S. N. KABRA

Managing Director

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, 20th September 2013 to Thursday, 26th September 2013 (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 Register and Share Transfer Agents, M/s. MCS Ltd., 77/2A, Hazra Road, Kolkata – 700 029.



DIRECTORS' REPORT

TO

THE MEMBERS

Your Directors have pleasure in presenting the Twenty Fifth Annual Report together with the Audited Accounts for the year ended 31st March 2013.

Financial Results:

	(Figures in Rs. '000)	
	Year ended 31.03.2013	Year ended 31.03.2012
Net Income from operations and other income	285972	295863
Profit Before Depreciation, Interest & Tax	11366	11490
Interest	5407	5396
Depreciation	4441	4471
Profit/Loss before Tax	1518	1623
Provision for Taxation	1100	1150
Deferred Tax	(667)	(569)
Profit/Loss after Tax	1085	1042
Balance Brought forward from Previous year	11638	10596
Leaving a balance to be carried forward	12723	11638

OPERATIONS:

Your Directors have to report that the net Income from operations for the year is Rs.28.60 crores against last years Rs. 29.59 crores exclusive of Inter Unit Transfers of Rs.8.11 crores against Rs 7.79 crores last year. The profit before taxes is Rs. 15.18 iacs against Rs. 16.23 iacs in previous year. After provision for current taxes amounting to Rs.11.00 lacs and write back of deferred Tax Liabilities of Rs. 6.67 iacs, Net Profit amounts to Rs.10.85 iacs, against Rs.10.42 lacs last year. Adding the brought forward profit of Rs. 116.38 lacs, the balance of Rs. 127.23 lacs is carried over to the next year.

During the year both production and sales declined marginally compared to last year. The prices of raw materials remained higher through out the year and the company was able to pass on the increase in prices of finished products partially to customers. The directors do not expect the situation to improve in the foreseeable future. There is huge competition from other manufacturers as newer plants have come up around the customer's locations.

The planned huge investments both green field as well as brown field by main steel producers have either been dropped or deferred. Your Directors do not expect the scenario to improve shortly.

DIVIDEND:

Your Directors want to conserve the funds for use in working capital and as such do not declare any dividend for 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.

- i) that in the preparation of the annual accounts, for the financial year ended 31st March 2013, the applicable accounting standards had been followed along with proper explanation relating to material departures;



Sreechem Resins Ltd.

- 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 2013, 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:

Sri Uttam Jhawar & Sri Sanjay Bansal Directors, retire by rotation as required under the provisions of the companies Act 1956 at the ensuing Annual General Meeting and being eligible offers themselves for reappointment.

The Board had appointed Sri Vibhor Sharma as an additional Director on 16.04.2013 u/s 260 of the companies act 1956 to hold office of Director up to the date of Annual General Meeting. The company has received a notice from a share holder signifying his intention to propose Sri Vibhor Sharma for the office of Director of the company.

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 wishes 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, KOLKATA and convey their gratitude and thanks to the Company's esteemed share holders, customers and other business associates for their support.

For and by Order of Board

Place : Kolkata

Dated : The 30th day of July, 2013

S. N. Kabra

Managing Director

Binod Sharma

JT. Managing Director



Sreechem Resins Ltd.

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 2013.

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		2012-2013	2011-2012
1. Electricity			
Purchased Unit	KWH	587645	579095
Total Amount	Rs.	3525744	3152721
Rate	Rs./KWH	6.00	5.44
2. Own Generation through Diesel Generator			
Units	KWH	69386	68674
Unit per Litre of Diesel	KWH/ Ltr.	2.94	2.92
Cost per Unit	Rs./ KWH	15.84	13.37
B. Consumption per Unit Production			
(Electricity)	KWH/MT	139	138

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 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.	3450150.00	(P/Y Rs. 3049362.00)
Outgo	—	Rs.	NIL	(P/Y Rs. NIL)

For and by Order of Board

Place : Kolkata

S. N. KABRA

BINOD SHARMA

Dated : The 30th day of July, 2013

Managing Director

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 strength of board is 8 as on 31st March 2013. The Board of Directors comprises a Managing Director, a Joint Managing Director, two Executive Directors and four independent Directors. During the year, 7 Board Meetings were held on 12.05.2012, 02.08.2012, 14.08.12, 22.10.12, 12.11.12, 11.12.12 and 04.02.2013.

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	7	Yes	5
Mr. B. Sharma Director	Joint Managing	7	Yes	12
Mr. B.M. Banerjee Executive Director	Technical Director	6	Yes	None
Mr. Y. K. Dalmia Independent Director	Director	5	Yes	4
Mr. V. Kabra Executive Director	Director	7	Yes	2
Mr. S. K. Joshi Independent Director	Director	6	Yes	1
Mr. Sanjay Bansal Independent Director	Director	5	Yes	5
Mr. Uttam Jhavar Independent Director	Director	6	No	4

c) Audit Committee

1. Terms of reference : It oversees 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 operational 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.



Sreechem Resins Ltd.

2. Composition:

The audit Committee was formed in 2002 and was its composition changed in the year 2010. 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 did not receive any remuneration.

f) 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	6,00,000	35952	635952
Mr. B. Sharma	6,00,000	25001	625001
Mr. B.M. Banerjee	1,98,000	NIL	198000
Mr. Y.K. Dalmia	NIL	NIL	NIL
Mr. V. Kabra	3,30,000	291	330291
Mr. S. K. Joshi	NIL	NIL	NIL
Mr Sanjay Bansal	NIL	NIL	NIL
Mr. Uttam Jhavar	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 7 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
2011-12	29.09.2012	10-00 A.M	Registered Office
2010-11	28.09.2011	10-00 A.M	Registered Office
2009-10	29-09-2010	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.



Sreechem Resins Ltd.

(g) Disclosures:

1. 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.
2. There were no instances of non-compliance on any matter related to the capital markets, during the last three years.

(h) Means of communication:

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

(i) General Shareholders' Information:

1. Annual General Meeting is to be held at 10.00 A.M. ON Thursday, the 26th September, 2013 at Regd. Office Vill : Jhagarpur, Rajgangpur (Orissa) .
2. Annual results of previous year last week of July
Mailing of Annual Reports 1st week of September
First Quarter results Second Week of August
Annual General Meeting Thursday, 26th September, 2013
Second Quarter results Second Week of November
Third Quarter results Second Week of February
3. **Dates of book closure** : From Friday, 20th September, 2013 to Thursday, 26th September, 2013 (both days inclusive).
4. **Listing of Equity Shares at Stock Exchanges:** Shares of the company are listed at Ahmedabad, Bhubneshwar Kolkata and Bombay (BSE).
5. **Registrar and Share Transfer Agent** : The Registrar and Transfer Agents of the company is M/s. MCS Limited located at 77/2A, Hazra Road, Kolkata-700029.
The MCS LTD acknowledges and executes transfer of securities, arranges for issue of dividend/ warrants. The MCS LTD. also accepts, deals with and resolves complaints from investors.
6. **Share Transfer System:** The Company's shares are traded in the Stock Exchanges compulsorily in Demat mode. Shares in physical mode which are lodged for transfer are processed and returned to the shareholders within the stipulated time. The Company adopts the transfer-cum-demat system to facilitate Demat of shares.
7. Distribution of shareholding as on 31st March, 2013

No. of Shares	Shareholders		Shareholding	
	Nos.	%	Nos.	%
Up to 500	10219	95.08	1384100	34.60
501-1000	313	2.91	266600	6.67
1001-2000	130	1.21	204900	5.12
2001-3000	33	0.30	82900	2.07
3001-4000	16	0.15	57100	1.43
4001-5000	8	0.07	38300	0.95
5001-10000	14	0.13	100200	2.51
10001-50000	9	0.08	145600	3.64
50001-100000	1	0.01	65500	1.64
100000-Above	5	0.46	1654800	41.37
	10,748	100.00	4000000	100.00