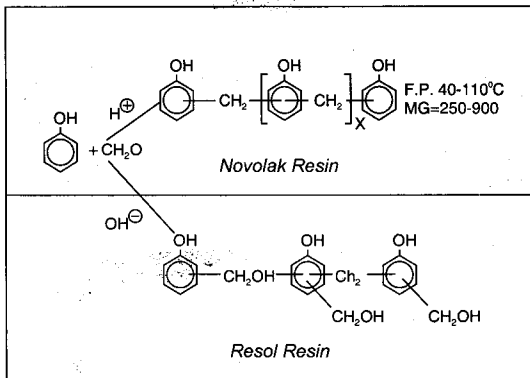


Annual Report 2013-2014



Sreechem Resins Limited



Sreechem Resins Limited

BOARD OF DIRECTORS :

- Sri S. N. Kabra - Managing Director
Sri Binod Sharma - Joint Managing Director
Sri B.M. Banerjee - Technical Director
Sri Vikram Kabra - Director
Sri S. K. Joshi - Non Exe. Independent Director
Sri Vibhor Sharma - Director
Sri Sanjay Bansal - Non Exe. Independent Director
Sri 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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NOTICE

NOTICE IS HEREBY GIVEN that the Twenty Sixth 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 Tuesday the 30th day of September, 2014 to transact the following business :

ORDINARY BUSINESS:

- 1) "To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2014, 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 Vikram Kabra and & Sri Vibhor Sharma, 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"

Registered Office
Vill : Jhagarpur,
Post : Rajgangpur-770 017
ORISSA
Dated : The 16th day of August, 2014

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 Tuesday, 23rd September 2014 to Tuesday, 30th September 2014 (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 Sixth Annual Report together with the Audited Accounts for the year ended 31st March 2014.

Financial Results:

(Figures in Rs. '000)

	Year ended 31.03.2014	Year ended 31.03.2013
Net Income from operations and other income	307287	285972
Profit Before Depreciation, Interest & Tax	10925	11386
Interest	5078	5396
Depreciation	4574	4441
Profit/Loss before Tax	1273	1518
Provision for Taxation & Previous year taxes	1082	1100
Deferred Tax	(688)	(667)
Profit/Loss after Tax	879	1085
Balance Brought forward from Previous year	12723	11638
Leaving a balance to be carried forward	13602	12723

OPERATIONS:

Your Directors have to report that the net Income from operations for the year is Rs30.73 crores against last years Rs. 28.60 crores exclusive of Inter Unit Transfers of Rs.6.76 crores against Rs 8.11 crores last year. The profit before taxes is Rs. 12.73 lacs against Rs. 15.18 lacs in previous year. After provision for current taxes amounting to Rs.11.00 lacs, Wright- back of excess provision of previous years Rs 0.19 lac and write back of deferred Tax Liabilities of Rs. 6.88 lacs, Net Profit amounts to Rs.8.79. lacs, against Rs.10.85 lacs last year. Adding the brought forward profit of Rs. 127.23 lacs, the balance of Rs. 136.02 lacs is carried over to the next year.

During the year though sales increased marginally in value terms compared to last year but declined in terms of quantity. During the year production also declined in view of insufficient orders. The prices of various raw materials increased substantially, which could not be passed on to customers fully resulting in lower profit. The directors do not expect the situation to improve substantially in the foreseeable future although the Directors are trying their best to improve the situation. There is huge competition from other manufacturers as newer plants have come up around the customer's locations.

DIVIDEND:

Looking to small profit, 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.

- that in the preparation of the annual accounts, for the financial year ended 31st March 2014, the applicable accounting standards had been followed along with proper explanation relating to material departures;



- 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 2014, 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 Yogesh Kumar Dalmia resigned from the board and the resignation was accepted on 14.08.2013. The Board appreciates the services and guidance's provided by him during his tenure as director.

Sri Vikram Kabra & Sri Vibhor Sharma, 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.

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

S. N. Kabra

Binod Sharma

Dated : The 16th day of August, 2014

Managing Director

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 2014.

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:

		2013-2014	2012-2013
A. POWER & FUEL CONSUMPTION			
1. Electricity			
Purchased Unit	KWH	568574	587645
Total Amount	Rs.	3520241	3525744
Rate	Rs./KWH	6.19	6.00
2. Own Generation through Diesel Generator			
Units	KWH	3436173	3525744
Unit per Litre of Diesel	KWH/Ltr.	3.13	2.94
Cost per Unit	Rs./ KWH	17.48	15.84
B. Consumption per Unit Production (Electricity)	KWH/MT	141	139

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. 5694000.00 (P/Y Rs. 3450150.00)

Outgo — Rs. NIL (P/Y Rs. NIL)

For and by Order of Board



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 2014. The Board of Directors comprises a Managing Director, a Joint Managing Director, three Executive Directors and four Independent Directors. During the year, 7 Board Meetings were held on 16.04.2013, 14.05.2013, 30.07.2013, 14.08.2013, 24.09.2013, 13.11.13, and 07.02.2014. 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 & Designation of Directors	DIN No.	Board Meetings attended	Attendance at AGM	Directorship in Other Companies
Sri S.N. Kabra Executive Director	00556947	7	Yes	5
Sri B. Sharma Executive Director	00557039	7	Yes	10
Sri B.M. Banerjee Executive Director	03278293	5	Yes	None
Sri Y. K. Dalmia (Part Of Year) Independent Director	00605908	1	No	4
Sri V. Kabra Executive Director	00746232	7	Yes	1
Sri S. K. Joshi Independent Director	01457519	5	Yes	4
Sri Sanjay Bansal Independent Director	00142576	4	Yes	7
Sri Uttam Jawar Independent Director	00631065	6	No	4
Sri Vibhor Sharma Executive Director	03011540	6	Yes	5

(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 composition was changed in the year 2013. 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. S. K. Joshi	Chairman	4
Mr. B.M. Banerjee	Member	4
Mr. Uttam Jhavar	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 independent 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.)
Sri S.N. Kabra	6,00,000	39582	639582
Sri B. Sharma	6,00,000	20550	620550
Sri B.M. Banerjee	1,98,000	NIL	198000
Sri Y.K. Dalmia	NIL	NIL	NIL
Sri V. Kabra	3,30,000	NIL	330000
Sri S. K. Joshi	NIL	NIL	NIL
Sri Sanjay Bansal	NIL	NIL	NIL
Sri Uttam Jhavar	NIL	NIL	NIL
Sri Vibhor Sharma	180000	NIL	180000

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 6 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
2012-13	26.09.2013	10-00 A.M	Registered Office
2011-12	29.09.2012	10-00 A.M	Registered Office
2010-11	28.09.2011	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:

- 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, Orissa.

(i) General Shareholders' Information:

- Annual General Meeting is to be held at 10.00 A.M. on Tuesday, the 30th September, 2014 at Regd. Office Vill : Jhagarapur, Rajgangpur (Orissa).
- | | |
|---------------------------------|-------------------------------|
| 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 | Tuesday, 30th September, 2014 |
| Second Quarter results | Second Week of November |
| Third Quarter results | Second Week of February |
- Dates of book closure:** From Tuesday, 23rd September, 2014 to Tuesday, 30th September, 2014 (both days inclusive).
- Listing of Equity Shares at Stock Exchanges:** Shares of the company are listed at Ahmedabad, Bhubneshwar Kolkata and Bombay (BSE).
- 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.
- 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 share.
- Distribution of shareholding as on 31st March, 2014.

No. of Shares	Shareholders		Shareholding	
	Nos.	%	Nos.	%
Up to 500	10220	95.07	1383500	34.59
501-1000	314	2.92	267200	6.68
1001-2000	130	1.21	204900	5.12
2001-3000	33	0.31	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	0.05	1654800	41.37
	10,750	100.00	4000000	100.00