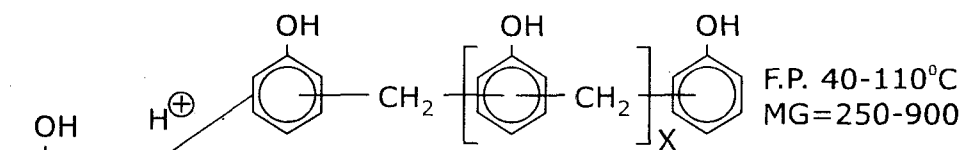
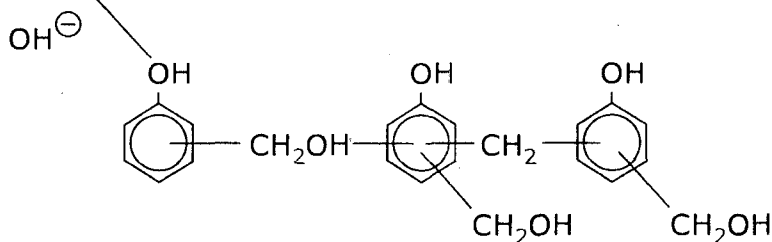


# Annual Report 2008-2009



**Novolak Resin**



**Resol Resin**



**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 – *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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## 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



## 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 Lacs 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



## 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>	KWH/MT	135	138

### 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. 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.



## 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.





**(I) General Shareholders' Information:**

1. Annual General Meeting is to be held at 10.00 A.M. on Wednesday, the 30th September, 2009 at Regd. Office vill : Jhagarpur, Rajgangpur (Orissa)
2. Annual results of previous year      1st week of August  
Mailing of Annual Reports              1st week of September  
First Quarter results                      End July  
Annual General Meeting                  Wednesday, 30th September, 2009  
Second Quarter results                  End october  
Third Quarter results                      End January
3. **Dates of book closure :** From Tuesday, 22nd September, 2009 to Wednesday, 30th September, 2009 (both days inclusive).
4. **Listing of Equity Shares at Stock Exchanges :** Shares of the company are listed at Ahmedabad, Bhubneshwar, Kolkata and Mumbai (BSE).
5. **Registrar and Share Transfer Agent :** The Registrar and Transfer Agents of Sreechem Resins Limited 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, 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 shareholdeing as on 31st March, 2009

No. of Shares	Shareholders		Shareholding	
	Nos.	%	Nos.	%
Up to 500	10276	94.81	1387800	34.70
501-1000	326	3.01	278500	6.96
1001-2000	137	1.26	214300	5.35
2001-3000	38	0.35	96200	2.41
3001-4000	18	0.17	64800	1.62
4001-5000	11	0.10	52400	1.31
5001-10000	16	0.15	113800	2.85
10001-50000	10	0.09	195300	4.88
50001- 100000	2	0.02	134100	3.35
100000 - Above	5	0.04	1462800	36.57
	<b>10,839</b>	<b>100.00</b>	<b>4000000</b>	<b>100.00</b>

**8. Categories of Shareholders as on 31st March, 2009 :**

Category	No. of Shares held	% Shareholding
Financial Institutions	1900	00.05
Foreign Institutional Investors	700	00.02
Bodies Corporate	1040600	26.02
Directors & Relatives	842300	21.06
Others	2114500	52.85
	<b>4000000</b>	<b>100.00</b>

**9. Dematerialization of shares:**

As on 31st March 2009, 25.00% of the Company's total shares representing 1011099 shares were held in dematerialized form and the balance 75.00% representing 2988901 shares were held in paper form.

**10. Investors Complaints status:**

During the year 2 (two) complaints for demat and 1 (one) complaint for dividend were received and all complaints were duly cleared No request for dematerialization / Transfer was pending for Equity Shares as on 31st March 2009. All requests received for transfer, dematerializations etc were dealt with within stipulated time limit of SEBI/S.E.



**Investors Grievance Redressal System:**

The investors grievances against the company are handled by the company's Registrar and Share Transfer Agents, M/s. MCS Ltd. in consultation with the secretarial department of the company. The Registrars have adequate skilled staff with professional qualifications and equipped with advanced computer systems for speedily redressal of investors grievances. The total process of settlement of a complaint right from its receipt to disposal is fully computerised to ensure timely settlement. It normally takes less than 30 days from the date of receipt of the complaint for disposal of investors grievances.

Review meeting are held at least once in a month between the officials of MCS and the company to discuss the issue relating to share transfer and allied matters, dematerialisation or rematerialisations of shares, investors complaint status etc.

Note: Share-holders holding shares in electronic mode should address all correspondences to their respective depository participants.

ISIN No. for Dematerialisation of shares is : INE377C01010.

**11. Plant Locations :**

The Company's plants are located at Rajgangpur (Orissa) and Raigarh (Chhatisgarh).

**12. Address for correspondence :**

The Company's registered Office is situated at

Vill : Jhagarpu

Post : Rajgangpur-770017

(Orissa)

Shareholder correspondence should be addressed to :

MCS LTD.

77/2A, Hazra Road

Kolkata-700029

Tel : 2476-7350 to 54

Fax : 91-33-2474-7674

E-mail : mcscal@cal2.vsnl.net.in

**13. The Company has adopted the following non-mandatory requirements on Corporate Governance recommendee under Clause 49 of the Listing Agreement.**

- i) The Managing Directors Office is well equipped with required facilities maintained by the Company for use by its non-executive Directors.
- ii) The financial performance of the Company is well publicized. Individual communication of half yearly results are not sent to the shareholders.
- iii) The Company has not passed any resolution requiring approval of the shareholder by postal ballot.

**CORPORATE GOVERNANCE:**

Your Company attaches considerable importance to good corporate Governance and aspire to build investor confidence, to maximize shareholders long-term value and improved investor protection. Pursuant to clause 49 of the listing Agreement with Stock Exchange & compliance report on Corporate Governance has been annexed as part of the Annual Report.

For R.C. JHAWER & CO.  
Chartered Accountants

Place : Kolkata

Dated : The 4th day to August, 2009

R.C. Jhaver  
Proprietor  
M.No. 17704



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**Sreechem Resins Limited**

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## **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members of  
**SREECHEM RESINS LIMITED**

We have examined the compliance of conditions of Corporate Governance by Sreechem Resins Limited, for the year ended on 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance as stipulated in the said Clauses. It is neither an Audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representations made by the directors & management, we certify that the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the guidance note issued by the ICAI and as informed to us, we state that no investor grievances were pending for a period of more than one month against the Company as certified by the Registrars and Share Transfer Agents of the Company, based on the records maintained by them.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For R.C. Jhaver & Co,  
Chartered Accountants

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

R.C. Jhaver  
Proprietor  
M No.: 17704



**CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER  
UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To  
The Board of Directors  
SREECHEM RESINS LIMITED  
Vill : Jhagarpur  
Post : Rajgangpur-770017  
Dist. Sundargarh (Orissa)

We, S.N. Kabra, Managing Director and P.D. Somani Manager Finance and Legal of Sreechem Resins Limited, do hereby certify that :

- a) We have reviewed the financial statements and the cash flow statements of the Company for the year 2008-09 and that to the best of our knowledge and belief :
  - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated wherever applicable to the auditors and audit committee:
  - i) Significant changes in internal control over financial reporting, if any during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and instances of significant fraud of which we have become aware and the involvement therein,
  - iii) If any, of the management or any employee having a significant role in the company's internal control system, over financial reporting.

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

P.D. Somani  
Manager Finance & Legal

Satya Narayan Kabra  
Managing Director



## AUDITORS' REPORT

### AUDITORS' REPORT TO THE MEMBERS OF MS. SREECHEM RESINS LIMITED

1. We have audited the attached Balance Sheet of **M/s SREECHEM RESINS LIMITED** as at 31st March, 2009 and also the Profit and Loss Account for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of the "Companies Act, 1956" (the "Act") we enclose in the Annexure a statement on the matters specified in Paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred to vide paragraph (3) above, we report that :
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as it appears from our examination of such books;
  - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report, comply with the accounting Standards referred to in Section 211 (3C) of the Act;
  - e) On the basis of the written representations received from the directors, as on 31st March, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2009 from being appointed as a director in terms of Section 274 (1) (g) of the Act;
  - f) In our opinion and to the best of our information and according to the explanations given to us, the said account together with significant accounting policies and other notes thereon/attached thereto give in the prescribed manner the information required by the Act and also give a true and fair view in conformity with the accounting principles generally accepted in India.
    - i) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2009, and
    - ii) In the case of the Profit & Loss Account, its Profit for the year ended on that date, and
    - iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For R.C. JHAWER & CO,  
Chartered Accountants

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

R.C. Jhaver  
Proprietor  
M.No. 17704



## **ANNEXURE TO THE AUDITORS' REPORT**

[Annexure referred to in Paragraph 3 of the Auditor's Report of Even Date to the Members of  
**M/S. SREECHEM RESINS LIMITED** on the financial statements for the year ended March 31, 2009]

- (i) (a) The Company has generally maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) Fixed Assets of the company have been physically verified by the management which in our opinion is reasonable having regard to the size of the Company and the nature of its fixed assets.
- (c) Fixed assets disposed off by the Company during the year were not substantial; hence it does not affect the Company as a going concern.
- (ii) (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion and according to the information and explanations given to us, the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- (iii) As informed to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties, listed in the register maintained under section 301 of the Act. The Company has not taken during the year any loans, secured or unsecured, from companies, firms or other parties listed in the register maintained under Section 301 of the Act. Accordingly, clause 3 (b), (c), (d), (f) & (g) of the said order is not applicable.
- (iv) In our opinion there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weakness in the aforesaid internal control procedures.
- (v) According to the information and explanations provided by the management, we are of opinion that there have been no transactions that need to be entered into the register maintained under Section 301 of the Act and hence clause (v) (b) is also not applicable.
- (vi) The Company has not accepted any deposit from public within the meaning of Sections 58A and 58AA of the Act.
- (vii) In our opinion, the Company's present internal audit system is commensurate with its size and nature of its business.
- (viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of Sub-section (1) of Section 209 of the Act for the Company.
- (ix) (a) According to the records of the Company, the Company is regular in depositing undisputed statutory dues in respect of Provident Fund, Investor education and Protection Fund, Employee's State Insurance, Income-tax, Sales-tax, Wealth tax, Custom duty, Excise duty, Cess and other material statutory dues as applicable to it with the appropriate authorities. According to the information and explanations given to us, there are no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and excise duty which were outstanding, at the year end for a period of more than six months from the date they became payable.



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**Sreechem Resins Limited**

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- (b) According to the information & explanations given to us and the records of the Company examined by us, there are no dues outstanding of sales tax, income tax, wealth tax, custom duty and excise duty and cess on account of any dispute except as mentioned below -

Name of the statute	Nature of Dues	Amount (Rs. in Lacs)	F.Y. to which the dispute pertain	Forum wherein dispute is pending
1. Central & State Sales Tax Act	Sales Tax	15.92	2001-2004	A.C. Sundargarh (Orissa)
2. Central & State Sales Tax Act	Sales Tax	78.90	1999 to 2003	A.C. Raigarh (C.G.)

- (x) The Company neither has no accumulated losses as at 31st March, 2009 nor has incurred any cash losses either during the financial year ended on that date or in the immediately preceding financial year.
- (xi) Based on our Audit procedures and on the information and explanations given by the managements, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions or bank.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the nature of activities of the Company does not attract any special stature applicable to chit fund and Nidhi/ mutual benefit fund/societies.
- (xiv) The nature of Company's business/activities during the year does not include dealing shares, securities, debentures or other investment, hence the requirement of offering comments on this clause is not applicable.
- (xv) According to the information and explanations given to us and the records examined by us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The Company has not taken any Term Loans during the year.
- (xvii) According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment of the company.
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under Section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through a public issue during the year.
- (xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For R.C. Jhaver & Co.  
Chartered Accountants

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

R.C. Jhaver  
Proprietor  
M. No. : 17704



**Sreechem Resins Limited**

**Balance Sheet as at 31st March, 2009**

	SCHEDULE	AS AT 31.03.2009 Rs.	AS AT 31.03.2008 Rs.
<b>I. SOURCES OF FUNDS :</b>			
<b>A. SHAREHOLDERS' FUNDS :</b>			
a) Share Capital	1	40000000	40000000
b) Reserves & Surplus	2	18630147	17688391
<b>B. LOAN FUNDS :</b>			
a) Secured Loan	3	22676566	39316055
b) Unsecured Loan	4	1700000	16700000
<b>C. DEFERRED TAX LIABILITIES - NET:</b> (Refer Note No. 3 in Schedule 16)		5070098	6018954
<b>TOTAL</b>		<u>88076811</u>	<u>119723400</u>
<b>II. APPLICATION OF FUNDS :</b>			
<b>A. FIXED ASSETS :</b>			
Gross Block		76388424	75319421
Less : Depreciation		47703190	43617110
Net Block	5	<u>28685234</u>	<u>31702311</u>
<b>B. INVESTMENTS :</b>	6	279000	279000
<b>C. CURRENT ASSETS, LOANS &amp; ADVANCES :</b>			
Inventories	7	27066877	36622406
Sundry Debtors	8	31547072	56346662
Cash & Bank Balances	9	2427489	4799927
Loans & Advances	10	10422315	11230981
		<u>71463753</u>	<u>108999976</u>
Less : Current Liabilities & Provisions		9591176	17919387
Current Liabilities		2760000	3338500
Provisions	11	12351176	21257887
Net Current Assets		<u>59112577</u>	<u>87742089</u>
<b>TOTAL</b>		<u>88076811</u>	<u>119723400</u>
<b>NOTES ON ACCOUNTS</b>	16		

Schedule referred to above form an integral part of Balance Sheet.  
Signed in terms of our Report of even date.

For R.C. Jhaver & Co.  
Chartered Accountants

R.C. JHAVER  
Proprietor  
M. No. 17704

Kolkata-700001  
Dated : The 4th day of August, 2009

B. SHARMA  
Jt. Managing Director

S. N. KABRA  
Managing Director

B.M. BANERJEE – Technical Director  
Y. K. DALMIA – Director  
VIKRAM KABRA – Director  
S.K. JOSHI – Director



**Sreechem Resins Limited****Profit & Loss Account for the Year Ended 31st March, 2009**

	SCHEDULE	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>INCOME</b>			
Sales (Gross)		241958977	285733126
Less : Excise Duty		<u>27970272</u>	<u>40570075</u>
Net Sales		213988705	245163051
Other Income	12	261288	317300
(Decretion)/Accretion to Stock of Finished Goods		<u>(2452689)</u>	<u>(766448)</u>
		<u>211797304</u>	<u>244713903</u>
<b>EXPENDITURE</b>			
Raw Materials Consumed		171580127	200764878
Power & Fuel		8928017	10562128
Personnel	13	6258253	5682262
Interest	14	5024447	5455221
Administrative, Selling & other Expenses	15	14677480	16611830
Depreciation		<u>4086080</u>	<u>3946664</u>
		<u>210554404</u>	<u>243022983</u>
Profit before Taxation		1242900	1690920
Less : Provision for Taxation - Current		1100000	1200000
Provision for Fringe Benefit Tax		150000	160000
Deffered Tax Liabilities adjusted		<u>(948856)</u>	<u>(395765)</u>
Profit after Taxation		941756	726685
Add : Brought forward from Previous Year		<u>7582695</u>	<u>6856010</u>
Balance carried to Balance Sheet		<u>8524451</u>	<u>7582695</u>
Earnings per Share (Refer to note no. 5 of Schedule 16)			
Basic & Diluted earning Per share		0.24	0.18
<b>NOTES ON ACCOUNTS</b>	16		

Schedules referred to above form an integral part of this Profit &amp; Loss Account.

Signed in terms of our Report of even date

For R.C. Jhaver & Co.  
Chartered AccountantsR.C. JHAWER  
Proprietor  
M. No. 17704Kolkata-700001  
Dated : The 4th day of August, 2009B. SHARMA  
Jt. Managing DirectorS. N. KABRA  
Managing DirectorB.M. BANERJEE – Technical Director  
Y. K. DALMIA – Director  
VIKRAM KABRA – Director  
S.K. JOSHI – Director



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**Sreechem Resins Limited**

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**Schedules Annexed to the Accounts**

	<b>As at 31.03.2009 Rs.</b>	<b>As at 31.03.2008 Rs.</b>
<b>1. SHARE CAPITAL</b>		
<b>Authorised :</b>		
50,00,000 Equity Shares of Rs. 10/- each	<u>50000000</u>	<u>50000000</u>
<b>Issued, Subscribed &amp; Paid-up Capital :</b>		
40,00,000 Equity Shares of Rs. 10/- each	<u>40000000</u>	<u>40000000</u>
<b>2. RESERVES &amp; SURPLUS</b>		
General Reserve		
Balance as per last Account	10105696	10105696
Profit & Loss Account	8524451	7582595
	<u>18630147</u>	<u>17688291</u>
<b>3. SECURED LOANS</b>		
Cash Credit Facilities from Allahabad Bank	22384074	38689084
From ICICI Bank (For Vehicle Finance)	292492	626971
	<u>22676566</u>	<u>39316055</u>
<b>4. UNSECURED LOANS</b>		
From Bodies Corporate	1700000	16700000
	<u>1700000</u>	<u>16700000</u>

# Schedules Annexed to the Accounts (Contd.)

## 5. FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.08	Addi- tion	Dedu- ction	Total	As at 31.03.08	During the year	Adjust- ment	Total	As at 31.03.09	As at 31.03.08
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land (Freehold)	749660	—	—	749660	—	—	—	—	749660	749660
Building	13247107	—	—	13247107	5619279	442454	—	6061733	7185374	7627828
Plant & Machinery	50154291	419965	—	50574256	30854322	2658946	—	33513268	17060988	19299969
Electric Installation	2079821	—	—	2079821	1738683	109815	—	1848498	231323	341138
Laboratory Equipment	602516	—	—	602516	441189	28620	—	469809	132707	161327
Motor Vehicles	4467856	585070	—	5052926	2026284	473327	—	2499611	2553315	2441572
Furnitures & Fixtures	2790523	24550	—	2815073	2020637	202976	—	2223613	591460	769886
Motor vehicle (goods)	615000	—	—	615000	479124	69557	—	548681	66319	135876
Computer	612646	39419	—	652065	437592	100385	—	537977	114088	175054
<b>TOTAL</b>	<b>75319420</b>	<b>1069004</b>	<b>—</b>	<b>76388424</b>	<b>43617110</b>	<b>4086080</b>	<b>—</b>	<b>47703190</b>	<b>28685234</b>	<b>31702310</b>
Previous Year	73636728	2458658	— 775965	75319421	39898572	3946664	— 228126	43617110	31702311	





## Schedules Annexed to the Accounts (Contd.)

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>6. INVESTMENT</b>		
<b>LONG TERM :</b>		
<b>Non Trade. Unquoted</b>		
6 Year National Saving Certificates VII lodged with Sales Tax & Excise Authority	29000	29000
15,000 Fully Paid up Equity Shares of Rs. 10/- each in Shreechem Industries Pvt. Limited	150000	150000
<b>Non Trade. Quoted</b>		
10,000 Fully Paid up Equity Shares of Rs. 10/- each in Orind Exports Limited	100000	100000
	<u>279000</u>	<u>279000</u>
<b>7. INVENTORIES</b>		
(As taken, valued and certified by the management)		
Raw Material (At Cost)	20343933	27803170
Consumables Stores	307950	312240
Packing Materials	2281081	1920394
Finished Goods	4133913	6586602
	<u>27066877</u>	<u>36622406</u>
<b>8. SUNDRY DEBTORS</b>		
Other Debts	3958872	50736505
Exceeding Six Months	27588200	5610157
	<u>31547072</u>	<u>56346662</u>
<b>9. CASH AND BANK BALANCES</b>		
Cash in Hand	659032	561396
With Scheduled Banks-in current accounts	1768457	4238531
	<u>2427489</u>	<u>4799927</u>
<b>10. LOANS &amp; ADVANCES</b>		
(Unsecured, Considered Good)		
Advances to others	89921	939921
(Advance recoverable in cash or in kind or for valued to be received)		
Tax and Duties Receivable	3594030	3683167
Deposits (with Govt. and other Authorities)	571872	572242
Claim Receivable	722937	
Modvat Receivable	3400095	2715163
Prepaid Expenses	188646	155038
Staff Advance	237943	195165
Other Advances	1616871	2970285
	<u>10422315</u>	<u>11230981</u>



## Schedules Annexed to the Accounts (Contd.)

	As at 31.03.2009 Rs.	As at 31.03.2008 Rs.
<b>11. A) CURRENT LIABILITIES</b>		
Sundry Creditors	8560240	15981803
Differential Excise Duty on F.G. Stock	314703	830089
Other Liabilities	716233	1107495
	<u>9591176</u>	<u>17919387</u>
<b>B) PROVISIONS</b>		
Provision for taxation	2300000	3028500
Provision for F.B.T.	460000	310000
	<u>2760000</u>	<u>3338500</u>
<b>12. OTHER INCOME</b>		
Misc. Receipts	241821	130572
Interest (Gross) [Tax Deducted at Source Rs. 4211	19467	14567
Profit on Sales of Fixed Assets	--	172161
	<u>261288</u>	<u>317300</u>
<b>13. PERSONNEL</b>		
Salary, Wages & Allowances	5439889	4934252
Staff Welfare	217774	189508
Contribution to P.F. & Other Funds	600590	558502
	<u>6258253</u>	<u>5682262</u>
<b>14. INTEREST</b>		
On Bank	4487582	4856956
On Others	147305	218976
Finance Charges	389560	379289
	<u>5024447</u>	<u>5455221</u>
<b>15. ADMINISTRATIVE, SELLING &amp; OTHER EXPENSES</b>		
Advertisement	31000	28160
Bad Debts	--	15821
Commission	1082380	1179125
Consumable Stores	1265685	896486
Directors' Remuneration	1368000	1368000
Insurance Premium	715830	676777
Miscellaneous Expenses	2509102	2536502
Packing Materials	2484473	3292470
Postage & Courier	147753	137313
Telephone & Mobile Expenses	345824	350068
Rent, Rates & Taxes	1454220	1912529
Repairs & Maintenance		
— Plants & Machineries	133252	538072
— Buildings	358603	438697
— Others	117278	148117
— Motor Vehicles	656174	674519
— Motor Vehicles (Goods)	912441	939672
Computer Maintenance Expenses	17809	20037
Transportation Expenses	625454	421660
Travelling & Conveyance Expenses	452202	1037805
	<u>14677480</u>	<u>16611830</u>



## Schedules Annexed to the Accounts

### 16. Accounting policies and Notes on Accounts for the year ended 31st March, 2009::

#### 1. SIGNIFICANT ACCOUNTING POLICIES

##### ACCOUNTING CONCEPTS :

The Accounts are prepared to comply with applicable accounting principles in India, the Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956.

##### FIXED ASSETS :

Fixed Assets are stated at their cost of acquisition. The Company capitalises all expenses related to the installation of fixed assets but excludes duties and taxes that are recoverable subsequently from taxing authorities.

##### DEPRECIATION :

1. Depreciation on fixed assets is provided on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956. Freehold land is not depreciated.
2. In respect of additions & deletions, depreciation is restricted to the period of use. Assets costing individually Rs. 5000/- or less are fully depreciated in the year of addition.

##### INVESTMENTS :

Investments are stated at cost. Investments intended to be held for more than a year are classified as long term investments.

##### INVENTORIES :

Inventories of Raw Materials are valued on FIFO basis at Direct cost. Credit for Excise Duty is claimed under modvat in the year of goods received. Stock of stores and spares are stated at Cost. Inventories of Finished Goods are stated at cost or net realisable value, whichever is lower. Cost includes related overheads on such goods.

##### REVENUE RECOGNITION :

Sales are inclusive of Excise Duty and other taxes and Net of rate discount. It does not include inter Unit transfers amounting to Rs. 41842825.00 (last year Rs 68635143.00) All other income are accounted for as and when accrued.

##### EXPENSES RECOGNITION :

Expenses are accounted for on accrual basis except in case of payment of bonus & leave encashment, where cash basis of accounting is followed. Claims/demand raised by any statutory authorities in connection with taxes & duties which are disputed by the company, are accounted for on the merit of each claim. Gratuity is accounted for on the basis of actual payments made to Life Insurance Corporation of India as per their Group gratuity scheme.

##### IMPAIRMENT OF ASSETS :

The management periodically assesses using internal and external sources whether there is any indication that an asset may be impaired. Impairment of an asset occurs where carrying value exceeds the present value of cash flow expected to arise from the continued use of the asset and its eventual disposal. The provision for impairment loss is made when recoverable amount of the asset is lower than the carrying amount.

##### RESEARCH AND DEVELOPMENT :

Revenue Expenditure on Research and Development is charged against the profits of the year in which it is incurred.

##### RETIREMENT BENEFIT :

The company has made payments to L.I.C. OF INDIA LTD. towards group gratuity scheme for the employees of the company.

##### CONTINGENT LIABILITIES :

As reported last year that Demands amounting to Rs. 1591804.00 were raised relating to sales tax and entry tax assessments by the Sales Tax Officer, Rajgangpur, Sundergarh, Orissa, for the period 2001-2004 against which the company has paid Rs. 1000000.00 under protest and had filed an appeal with the



## Sreechem Resins Limited

### NOTES ON ACCOUNTS (Contd.)

concerned authority. The directors of the company are of opinion that the company has a strong case to succeed.

The Joint Director, Director of Industries, Chhatisgarh has vide their letter no 48/F.A./2002/756 Dated 22.12.2007 has extended the sales tax exemption for additional three years from 20.12.1999 to 19.12.2002 by amending the eligibility period from 20.12.1993 to 19.12.2002. Accordingly fresh Sales Tax assessments for the year 1999-2000 has been completed resulting in nil demand for the year. Assessments for subsequent years 2000-2001, 2001-2002 & 2002-2003 are in process and the company hopes that the remaining demands amounting to Rs. 78.90 lacs will be nulled as has been done in revised assessment for the year 1999-2000.

2. Loan from Allahabad Bank is secured by
  - (a) Equitable mortgage by way of deposit of title deeds of land and building structures and fixtures thereon both present and future of Rajgangpur and Raigarh Plants of the company.
  - (b) First Charge by way of hypothecation of all movable properties raw materials, work in progress. Finished Goods, Book Debts, both present and future.
  - (c) Personal guarantee of Sri S. N. Kabra Managing Director & Sri Binod Sharma, Joint Managing Director.
  - (d) Loan from ICICI Bank is secured by hypothecation of the relevant motor vehicles.

Deferred tax Liabilities	As on 31.03.09	As on 31.03.08
On Account of Difference between Book Value of Depreciable Assets as per books of A/c's and Written Down Value for tax purposes	5070098	6018954
Net Incremental Liability Charged to Profit & Loss A/c =	(948856)	= P.Y. (395765)

4. Segment Reporting :

In terms of accounting standard 17 of "The Institute Of Chartered Accountants Of India" segment information has not been given as the company's activities falls within a single business segment.

5. Earnings per shares :

	This year Rs. (000)	Prev. Year Rs. (000)
a) Number of shares at the beginning of the year	4000000	4000000
Number of Equity shares outstanding at the end of the year	4000000	4000000
b) Net profit after tax available for equity shareholders	941756	726685
Basic and diluted earnings (in Rupees) per share of Rs. 10 each	0.24	0.18
6. In terms of accounting standard 18 pertaining to "Related Party disclosures" issued by the Institute Of Chartered Accountants of India" related party transactions are as follows :		
i) a) Key Management Personnel :		Payment of Salaries/
Remuneratin/perquisites		
1. Mr. S.N. Kabra, Managing Director		5,28,335
2. Mr. B. Sharma, Joint Managing Director		4,93,638
3. Mr. B. M. Banerjee, Technical Director		2,30,580
4. Mr. Vikram Kabra, Director		2,60,000
5. Mr. Y.K. Dalmia, Independent Director		NIL
6. Mr. S. K. Joshi, Independent Director		NIL
b) Relatives of Key Management Personnel		
1. Mr. K. K. Kabra (Brother of MD)		2,05,248
2. Mr. Vibhor Sharma (Son of JMD)		1,05,600
3. Mr. Rajee Sharma (Wife of JMD - Rent)		96,000
c) Concern in which Key Management personnel are interest		
1. Sreechem Finance Pvt. Ltd.		NIL
2. Kasturi Fiscal Pvt. Ltd.		NIL
ii) Payments made to/received from Particulars :	2009	2008
i) To Key Management Personnel - Salaries	15,12,553	14,75,887
ii) To Relatives of Key Management Personnel - Salaries	3,10,848	2,92,880
- Rent	96,000	96,000
iii) Concerns in which Key Management Personnel are interested		
Re-Payment of Advance	94,500	NIL
iv) Closing Balances :		Associate Companies
a) Advances - Receivable		4,00,000
b) Advances - Payable		17,00,000



## Sreechem Resins Limited

### NOTES ON ACCOUNTS (Contd.)

7. In absence of any actuarial valuation for retirement and other benefits, the disclosure in respect of "Defined Benefit Plans" as per accounting standard – 15 (Revised) could not be given.

8. Miscellaneous Expenses include payment to Auditors as

Audit Fees	27,500
Tax Audit Fees	10,000
Certification & other Fee	5,000
Total	42,500

9. As per informations and explanations given to us, there are no micro, small and medium scale business enterprises to whom dues exceeding Rs. 1.00 lac each are outstanding for more than 45 days as at 31st March 2009.

10. Information pursuant to the provisions of paragraph 3, 4, 4B, 4C and 4D of part II of Schedule VI of Companies Act, 1956 is given below :

A. Quantitative Information :	2008-2009		2007-2008	
	Licenced	Installed	Licenced	Installed
(i) Capacity (As Certified by Management)				
Synthetic Resin & its derivative (M.T.)	N.A.	4800	N.A.	4,800
(ii) Particulars about Finished Goods (Synthetic Resin and its Derivatives)	Quantity (M.T.)	Value (Rs.)	Quantity (M.T.)	Value (Rs.)
a) Opening Stock	69.632	6586602	76.464	7353050
b) Production	2219.204	—	2601.090	—
c) Closing Stock	52.061	4133913	69.632	6586602
d) Sales	2236.775	241958977	2607.922	285733126
(iii) Raw Materials Consumed	(M.T.)	(Rs.)	(M.T.)	(Rs.)
a) Phenol	1500.225	108001494	1848.141	140249779
b) Formal Dehyde	1065.634	11004766	1315.011	12928656
c) Hexamine	151.250	7962585	187.326	9148482
d) MEG	44.590	2310165	69.310	3781675
e) Others	—	42301117	—	34656286
	2761.699	171580127	3419.788	200764878
B. Consumption of Raw Material & Consumable Stores	Value (Rs.)	%	Value (Rs.)	%
i) Raw Materials				
— Imported	NIL	NIL	14236221	7.09
— Indigenous	171580127	100.00	186528657	92.91
TOTAL	171580127	100.00	196114977	100.00
ii) Stores				
— Imported	—	—	—	—
— Indigenous	1265685	100	896486	100
C. Value of Imports of CIF basis Raw Materials	(Rs.)		(Rs.)	
	NIL		10398381	
D. Expenditure in Foreign Currency	NIL		414900	
E. Earning in Foreign Exchange	2952060		1549350	

11. Previous year's figures have been regrouped/re-arranged wherever necessary.

12. Figures has been rounded off to the nearest rupees.

Signature to Schedule "1" to "16"

For R.C. Jhaver & Co.

Chartered Accountants

R.C. JHAWER  
Proprietor

B. SHARMA  
Jt. Managing Director

S. N. KABRA  
Managing Director

B.M. BANERJEE – Technical Director  
Y. K. DALMIA – Director  
VIKRAM KABRA – Director  
S.K. JOSHI – Director

Kolkata-700001

Dated : The 4th day of August, 2009





## CASH FLOW STATEMENT

	2008-09 Rs.	2007-08 Rs.
<b>Cash Flow from Operating activities :</b>		
Net Profit/(Loss) before taxation and extraordinary items	1242900	1690920
<b>Adjustments for :</b>		
Depreciation	4086080	3946664
Interest Expenses	5024447	5455221
(Profit)/Loss On Fixed Assets Dispose/Sale	—	(172161)
Operating Profit before working Capital Changes	10353427	10920644
<b>Adjustment for :</b>		
Trade & Other receivables	24799590	19240324
Inventories	9555529	(5353749)
Trade payable	(8328211)	(7387748)
Cash generated from operations	26026908	6498827
Taxes paid	(578500)	(122604)
Provision for Taxes (Net)	(1250000)	(1360000)
	24198408	5016223
<b>Net Cash from operating activities</b>	<u>34551835</u>	<u>15936867</u>
<b>B. Cash flow from Investing activities :</b>		
Purchase of fixed assets/Misc. Asset	(1069003)	(2458658)
Sale / Loss of Fixed Assets	—	720000
Increase in Advances	808666	—
Net cash used in Investing activities	<u>(260337)</u>	<u>(1738658)</u>
<b>C. Cash flow from Financial activities :</b>		
Proceeds from long term borrowings	(16639489)	(1598287)
Proceeds from short term borrowings	(15000000)	(3801317)
Interest Paid	(5024447)	(5455221)
Net Cash used in financing activities	(36663936)	(10854825)
Net Increase/(decrease) in Cash and cash equivalents (A+B+C)	<u>(2742438)</u>	<u>3343384</u>
Cash & Bank balance at the beginning of the year	4799927	1456543
Cash & Bank balance at the end of the period	2427489	4799927
Net increase/decreases in cash and cash equivalent	<u>2372438</u>	<u>3343384</u>

For R.C. Jhaver & Co.  
Chartered Accountants

R.C. JHAWER  
Proprietor

B. SHARMA  
Jt. Managing Director

S. N. KABRA  
Managing Director

B.M. BANERJEE – Technical Director  
Y. K. DALMIA – Director  
VIKRAM KABRA – Director  
S.K. JOSHI – Director

Kolkata-700001  
Dated : The 4th day of August, 2009



## Sreechem Resins Limited

### BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE (AS PER PART (IV) SCHEDULE VI, OF THE COMPANIES ACT, 1956.

#### I. REGISTRATION DETAILS

Registration No.

0 2 7 3 9

State Code

1 5

Balance Sheet Date

3 1 0 3 0 9

#### II. CAPITAL RAISED DURING THE YEAR (Amount in '000)

Public Issue

N I L

Rights Issue

N I L

Bonus Issue

N I L

Private Placement

N I L

#### III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in '000)

Total Liabilities

1 0 0 4 2 8

Total Assets

1 0 0 4 2 8

##### SOURCE OF FUNDS

Paid up Capital

4 0 0 0 0

Secured Loans

2 2 6 7 7

Reserve & Surplus

1 8 6 3 0

Unsecured Loans

1 7 0 0

##### APPLICATION OF FUNDS

Net Fixed Assets

2 8 6 8 5

Net Current Assets

5 9 1 1 3

Accumulated Losses

N I L

Investments

2 7 9

Misc. Expenditure

N I L

#### IV. PERFORMANCE OF THE COMPANY (Amount in '000)

Turnover

2 4 1 9 5 9

Profit/Loss Before Tax

+ 1 2 4 3

\* Earning per share (Rs.)

2 4

(+ for Profit, - for Loss)

Total Expenditure

2 4 0 7 1 6

Profit/Loss after Tax

+ 9 4 2

Dividend Rate (%)

N I L

#### V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

Item Code No.

3 9 0 9 4 0 2 0

Product Description

P . F . R E S I N S

As per our Report of even date attached  
For R.C. Jhawer & Co.  
Chartered Accountants

R.C. JHAWER  
Proprietor  
M. No. 17704

B. SHARMA  
Jt. Managing Director

S. N. KABRA  
Managing Director

B.M. BANERJEE - Technical Director  
Y. K. DALMIA - Director  
VIKRAM KABRA - Director  
S.K. JOSHI - Director

Kolkata-700001  
Dated : The 4th day of August, 2009



## SREECHEM RESINS LIMITED

Regd. Office : Jhagarpur, P.O. Rajgangpur-770 017  
ORISSA

### PROXY

We \_\_\_\_\_ of \_\_\_\_\_  
in the District of \_\_\_\_\_ being member(s) of the above-named Company, hereby  
appoint \_\_\_\_\_ of \_\_\_\_\_  
in the district of \_\_\_\_\_ of failing him/her \_\_\_\_\_  
of \_\_\_\_\_ in the district of \_\_\_\_\_

as my/our proxy to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Company  
to be held on Wednesday the 30th day of September, 2009 and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2009

Full Name \_\_\_\_\_

For Office use only

No. of Shares

Proxy No.

Affix  
Re. 1.00  
Revenue  
Stamps

Note :

The proxy to be valid should be deposited at the Regd. Office at Jhagarpur, P.O. Rajgangpur, Orissa at least 48 hours  
before the meeting.

## SREECHEM RESINS LIMITED

Regd. Office : Jhagarpur, P.O. Rajgangpur-770 017  
ORISSA

### ATTENDANCE SLIP

Please Complete this attendance Slip and hand it over at the Entrance of the Company.

NAME OF THE MEMBER

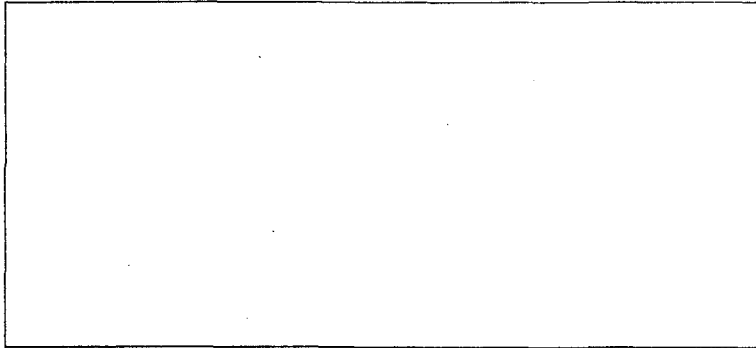
FOLIO NO.

I hereby record my presence at the Annual General Meeting held at the Registered of the Company on  
Wednesday the 30th day of September, 2009 at 10.00 a.m.

SIGNATURE OF THE MEMBER OR PROXY

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## BOOK POST



*If undelivered please return to :*

MCS Ltd.

77/2A, Hazra Road

Kolkata-700 029