

Sreechem Resins Ltd.

NOTICE

NOTICE IS HEREBY GIVEN that the twenty second Annual General Meeting of the members of the company will be held at the **Registered Office of the Company at 10-00 A.M.** on Wednesday the 29th day of September, 2010

to transact the following business :

ORDINARY BUSINESS :

- 1) "To receive, consider and adopt the Audited Profit & Loss Account for the year ended 31st March, 2010, the Audited Balance Sheet as on that date and the Reports of the Directors and Auditors thereon".
- 2) "To appoint a Director in place of Mr. Yogesh Dalmia, who retires by rotation and being eligible, offers himself for reappointment".
- 3) "To appoint Auditors and to authorize the Board to fix their remuneration".

SPECIAL BUSINESS :

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

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

A) Salary :

Sri S. N. Kabra –Managing Director	Rs.50000/=
Sri Binod Sharma- Joint Managing director	Rs. 50000/=

PERQUISITES

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

Category A

- i) Housing :

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

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

Explanation :

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

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

Explanation :

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

Category B

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



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NOTES :

1. A member entitled to attend and vote is entitled to appoint proxy to attend and vote in his / her stead and a proxy need not be a member of the company. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the commencement of the meeting. A blank proxy form is annexed to the Annual Report.
2. The register of Members and Share Transfer Books of the Company shall remain closed from Tuesday, 23 rd September, 2010 to Wednesday, 29th September 2010 (both days inclusive).
3. Members who are holding shares in identical order of names in more than one folio, are requested to write to the Company enclosing their shares certificates to enable the company to consolidate their holding in one folio.
4. Members holding shares in the Physical form only are requested to inform the change of address and send Bank mandates if any to the Company's Registrar and Share Transfer Agents, M/S MCS LIMITED, 77/2A, Hazra Road, Kolkata-700 029.

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



By Order of the Board

A handwritten signature in black ink, appearing to read "S. N. KABRA".

S. N. KABRA
Managing Director

Sreechem Resins Ltd.

DIRECTORS' REPORT

TO

THE MEMBERS

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

Financial Results :

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

OPERATIONS :

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

In spite of revival of Indian economy the demand for the products of the company remained subdued throughout the year resulting in lower production and sales during the year as compared to last year. The effect of general recession of previous year continued during the year. However the directors expect the demand to improve for the products of the company during the current year and thus improve sales and production. However as reported last year your directors are of the opinion that due to planned huge investments both green field as well as brown field by main steel producers, your Directors expect the demand to improve in coming years and your company's future looks better in longer term.

DIVIDEND :

Your Directors do not recommend any dividend for the year due to inadequate profit during the year.

PERSONNEL :

The Company does not have any employee whose particulars are required to be given under section 217(2A) of the Companies Act, 1956 read with the companies (Particulars of Employees) Rules, 1975.

PUBLIC DEPOSITS :

The Company has not accepted any deposit from the public during the year.

DIRECTORS RESPONSIBILITY STATEMENT - SECTION 217 (2AA) OF THE COMPANIES ACT, 1956

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2008 with respect to Directors' Responsibility Statement, it is hereby confirmed.

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



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- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for the year under review;
- iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
- iv) that the directors had prepared the annual accounts for the financial year ended 31st March 2010, on a going concern basis.

DIRECTORS :

Mr. Yogesh Dalmia, Director retires by rotation as required under the provisions of the companies Act 1956 at the ensuing Annual General Meeting and being eligible offers himself for reappointment.

AUDITORS REPORT :

The Auditors in their report have referred to the notes forming part of the accounts. The said notes are self explanatory and do not require further elucidation.

AUDITORS :

M/s. R.C.Jhawar & Co, Chartered Accountants, auditors, retires at the ensuing Annual General meeting and are eligible for reappointment, offers themselves for re- appointment and the Board recommends their reappointment.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO :

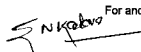
Details regarding the present energy consumption including captive generation, technology absorption, foreign exchange earning and outgo are furnished in Annexure-'A' as per the requirements of the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988.


ACKNOWLEDGEMENTS :

The Board wish to place on record their sincere thanks to the Employees of the Company for their sincere and hard work. The Board also wish to place on record their sincere thanks to the Company's Bankers the ALLAHABAD BANK and convey their gratitude and thanks to the Company's esteemed share holders, customers and other business associates for their support.

Place : Kolkata

Dated : The 5th day of August, 2010

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


Binod Sharma
JT. Managing Director



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ANNEXURE 'A' TO DIRECTOR'S REPORT

Information as per Section 217(1)(e) read with Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988 and forming part of the Directors Report for the year ended 31st March 2010.

1. CONSERVATION OF ENERGY :

Company has taken various steps for conservation of energy and has installed energy efficient equipments and thereby able to minimize the energy consumption.

TOTAL ENERGY CONSUMPTION AND ENERGY CONSUMPTION PER UNIT OF PRODUCTION AS PER FORM-A OF THE ANNEXURE TO THE RULES IN RESPECT OF INDUSTRIES SPECIFIED IN THE SCHEDULED THERETO :

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

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. 2885038.00 (P/Y Rs. 2952060.00)
 Outgo — Rs. NIL (P/Y Rs. NIL)



S. N. KABRA
Managing Director



BINOD SHARMA
JT. Managing Director

Place : Kolkata

Dated : The 5th day of August, 2010



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ANNEXURE 'B' TO DIRECTOR'S REPORT

CORPORATE GOVERNANCE REPORT

(a) **Company's philosophy**

The Company Firmly believes in and continues to practice good Corporate Governance. The Company's essential character is shaped by the very values of transparency, professionalism and accountability. The Company continuously endeavors to improve on these aspects on an ongoing basis.

(b) **Board of Directors**

The present strength of board is 6. The Board of Directors comprises a Managing Director, a Joint Managing Director, two Executive Directors and Two Non-executive Directors. During the year, 6 Board Meetings were held on 30.04.2009, 31.07.2009, 04.08.2009, 29.10.2009, 29.01.2010 and 25.02.1010.

The composition of Board of Directors and their attendance at the meeting during the year and at the last Annual General Meeting and other requisite particulars are given below :

Name of Director	Category of Directorship	No. of Board Meeting attended	Attendance at last AGM	No. of other Directorship
Mr. S.N. Kabra Executive Director	Managing Director	6	Yes	5
Mr. B. Sharma Executive Director	Joint Managing Director	6	Yes	12
Mr. B.M. Banerjee Executive Director	Technical Director	6	Yes	None
Mr. Y.K. Dalmia Non-Executive Director	Director	5	Yes	4
Mr. V. Kabra Executive Director	Director	6	Yes	2
Mr. S. k. Joshi Non-Executive Director	Director	5	No	1

(c) **Audit Committee**

1. Terms of reference : It oversee the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of statutory Auditors and fixation of their fees, to review and discuss with the Auditors about internal control systems, the scope of audit including the observations of the Auditors, adequacy of the internal audit system, major accounting policies, practices and entries, compliances with accounting standards and listing Agreement entered into with the Stock Exchange and other legal requirements concerning financial statements and related party transactions, if any, to review the Company's financial and risk management policies and discuss with the internal Auditors any significant findings for follow up thereon, to review the Quarterly, Half yearly and Annual financial statements before they are submitted to the Board of Directors.

The Committee also meets the operating management personnel and reviews the operations, new initiatives and performance of the business units. Minutes of the Audit Committee Meetings are circulated to the Members of the Board, discussed and taken note of. The committee performs the functions enumerated in clause 49 of the listing agreement and sec.292 A of the companies Act, 1956. The Chief of financial & Accounts section, statutory auditors & Internal auditors are invited in its meetings.



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2. Composition:

The audit Committee was formed in 2002 and as on today it comprises 2 Non-executive Directors and 1 Executive Director. The committee met 4 times during the year and the attendance of Members at the Meeting was as follows :

Name of Member	Status	No. of Meetings Attended
Mr. Y.K. Dalmia	Chairman	4
Mr. B.M. Banerjee	Member	4
Mr. S. K. Joshi	Member	4

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

d) Composition of Shareholders/ Investors Grievance Committee :

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

e) REMUNERATION Policy:

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

REMUNERATION TO DIRECTORS :

The details of remuneration paid to all the directors during the year are given below :

Name of Director	Salary (Rs.)	Perquisites (Rs.)	Total (Rs.)
Mr. S.N. Kabra	4,80,000	49978	529978
Mr. B. Sharma	4,80,000	13516	493516
Mr. B.M. Banerjee	1,98,000	16080	214080
Mr. Y.K. Dalmia	NIL	NIL	NIL
Mr. V. Kabra	2,60,000	NIL	260000
Mr. S. K. Joshi	NIL	NIL	NIL

Remuneration Policy

Payment of remuneration to Managing Director, Joint Managing Director, and Executive Directors is governed by the respective agreements executed between them and the company. The Board and the Shareholders approved these agreements.

(e) The Board has delegated the powers to approve transfer of the Share allotted by the Company to a Committee of Senior Executives. The Committee held 5 Meetings during the year and approved the transfer of the shares lodged with the Company.

(f) General Body Meetings :

The last three Annual General Meetings were held as under :

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

No special resolutions were required to be put through postal ballot last year.

No special resolutions on matters requiring postal ballot are placed for shareholders' approval at this Meeting.

(g) Disclosures :

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.



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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.

(i) General Shareholders' Information:

1. Annual General Meeting is to be held at 10.00 A.M. ON Wednesday, the 29th September, 2010 at Regd. Office vill : Jhagarpur, Rajgangpur (Orissa) .
2. Annual results of previous year First week of August
Mailing of Annual Reports 1st week of September
First Quarter results End July
Annual General Meeting Wednesday, 29th September, 2010
Second Quarter results End October
Third Quarter results End January
3. **Dates of book closure :** From Thursday, 23rd September, 2010 to Wednesday, 29th September, 2010 (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 shareholding as on 31st March, 2010

No. of Shares	Shareholders		Shareholding	
	Nos.	%	Nos.	%
Up to 500	10266	94.83	1387700	34.69
501-1000	326	3.01	278600	6.97
1001-2000	137	1.27	214300	5.36
2001-3000	38	0.35	96200	2.41
3001-4000	18	0.17	64800	1.62
4001-5000	9	0.08	42400	1.06
5001-10000	14	0.13	101400	2.53
10001-50000	11	0.10	250900	6.27
50001-100000	1	0.01	65500	1.64
100000-Above	6	0.05	1498200	37.45
	10,826	100.00	4000000	100.00

8. **Categories of Shareholders as on 31st March, 2010 :**

Category	No. of Shares held	% Shareholding
Financial Institutions	1900	00.05
Foreign Institutional Investors	700	00.02
Bodies Corporate	1041300	26.03
Directors & Relatives	840400	21.01
Others	2115700	52.89
	4000000	100.00



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9. Dematerialization of shares:

As on 31st March 2010, 48.62% of the Company's total shares representing 1944999 shares were held in dematerialized form and the balance 51.38% representing 2055001 shares were held in paper form.

10. Investors Complaints status:

During the year 2 (two) complaint for non receipt of Balance Sheet was received and was duly cleared. No request for dematerialization / Transfer was pending for Equity Shares as on 31st March 2010. 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 speedy 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 (Chhattisgarh).

12. Address for correspondence :

The Company's registered Office is situated at

Vill : Jhagarpur

Post : Rajgangpur-770017

(Orissa)

Shareholder correspondence should be addressed to :

MCS LTD.

77/2A, Hazra Road

Kolkata-700029

Tel : 2478-7350 to 54

Fax : 91-33-2474-7674

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

13. The Company has adopted the following non-mandatory requirements on Corporate Governance recommended 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 shareholders 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.



Sreechem Resins Ltd.


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: Jhagarapur,
Post: Rajgangpur – 770 017
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 2009-10 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.


P.D.SOMANI
MANAGER FINANCE & LEGAL


S. N. KABRA
MANAGING DIRECTOR

Place: KOLKATA
Dated: The 5th day of August, 2010

**AUDITORS' REPORT TO THE MEMBERS OF
M/S. SRECHEM RESINS LIMITED**

1. We have audited the attached Balance Sheet of M/S. SRECHEM RESINS LIMITED as at 31st March, 2010 and also 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 of 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 paragraph 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 purposes 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 and 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 written representations received from the directors, as on 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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 accounts 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, 2010, and
 - ii) in the case of the Profit and 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.



R. C. Jhaver
R C Jhaver
Proprietor
Membership No. 17704
For and on behalf of
R C Jhaver & Co.
Chartered Accountants
Kolkata,
5th August, 2010

ANNEXURE TO 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, 2010]

- 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 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, employees' 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.

Contd..2



- b) According to the information and 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, 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 dispute pertain	Forum wherein dispute is pending
Central & State Sales Tax Act	Sales Tax	15.92	2001-2004	A.C. Sundargarh(Orissa)
Central & State Sales Tax Act	Sales Tax	62.07	1999 to 2003	A.C. Raigarh(C.G.)

- x) The Company neither has accumulated losses as at 31st March, 2010 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 statute 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 guarantees 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 the 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.

R. C. Jhaver



R C Jhaver
Proprietor
Membership No. 17704
For and on behalf of
R C Jhaver & Co.
Chartered Accountants
Kolkata,
5th August, 2010

Sreechem Resins Ltd.
BALANCE SHEET AS AT 31 ST MARCH. 2010

	Schedule	As on <u>31.03.2010</u> Rs.	As on <u>31.03.2009</u> Rs.
I <u>SOURCES OF FUNDS</u>			
1 <u>Shareholders Funds</u>			
Share Capital	1	40,000,000	40,000,000
Reserves & Surplus	2	19,381,257	18,630,147
2 <u>Loans Funds</u>			
Secured loans	3	39,570,065	22,676,566
Unsecured Loan	4	-	1,700,000
3 <u>Deferred Tax Liabilities-Net</u> (Refer Note No.3 in Schedule 16)		4,489,519	5,070,098
Total		103,440,841	88,076,811
II <u>APPLICATION OF FUNDS</u>			
1 <u>Fixed Assets</u>			
Gross Block		78,488,264	76,388,424
Less : Depreciation		51,817,023	47,703,190
Net Block	5	26,671,241	28,685,234
2 Investments	6	279,000	279,000
3 <u>CURRENT ASSETS, LOANS & ADVANCES</u>			
Inventories	7	30,565,703	27,066,877
Sundry Debtors	8	33,380,361	31,547,072
Cash & Bank Balances	9	11,737,294	2,427,489
Loans and advances	10	11,293,162	10,422,315
		86,976,520	71,463,753
Less : <u>Current Liabilities & Provisions</u>			
Current Liabilities	11	7,865,920	9,591,176
Provisions		2,620,000	2,760,000
		10,485,920	12,351,176
Net Current Assets		76,490,600	59,112,577
Total		103,440,841	88,076,811

NOTES ON ACCOUNTS

17

Schedules referred to above form an integral part of the Balance Sheet. For SREECHEM RESINS LTD.
Signed in terms of our Report of even date.

For R. C. Jhaver & Co
Chartered Accountants

R. C. Jhaver

R. C. Jhaver
Proprietor
M. No 17704

This 5th Day of August 2010

For SREECHEM RESINS LIMITED
[Signature]
Joint Managing Director

[Signature]
Managing Director

For SREECHEM RESINS LTD.

For SREECHEM RESINS LTD.

[Signature]
Director

[Signature]
Director



Sreechem Resins Ltd.

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31 ST MARCH 2010

	<u>As on</u> <u>31.03.2010</u> Rs.	<u>As on</u> <u>31.03.2009</u> Rs.
<u>INCOME</u>		
Sales (Gross)	196,744,000	241,958,977
Less : Excise Duty	<u>15,455,269</u>	<u>27,970,272</u>
Net Sales	181,288,731	213,988,705
Other Income	12 399,731	261,288
(Decreton)/ Accretion to Stock of Fin.Goods	3,409,796	(2,452,689)
	<u><u>185,098,258</u></u>	<u><u>211,797,304</u></u>
<u>EXPENDITURE</u>		
Raw Material Consumed	13 145,841,412	171,580,127
Power & Fuel	8,300,313	8,928,017
Personnel	14 6,809,236	6,258,253
Interest	15 2,856,782	5,024,447
Administrative, Selling & other Expenses	16 15,786,151	14,677,480
Depreciation	<u>4,113,833</u>	<u>4,086,080</u>
	<u><u>183,707,727</u></u>	<u><u>210,554,404</u></u>
Profit before Taxation	1,390,531	1,242,900
Less : Provision for Taxation - Current	1,220,000	1,100,000
Less : Provision for F.B.T. - Current	-	150,000
Deferred Tax Liabilities adjusted	(580,579)	(948,856)
Profit after Taxation	751,110	941,756
Add :Brought forward from Previous Year	<u>8,524,451</u>	<u>7,582,695</u>
Balance carried to Balance Sheet	<u><u>9,275,561</u></u>	<u><u>8,524,451</u></u>

Earnings per Share (Refer to note no 5 Of Schedule 16)

Basic & Diluted earning Per share	0.19	0.24
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NOTES ON ACCOUNTS

17

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

Signed in terms of our Report of even date.

For R. C. Jawher & Co
Chartered Accountants

R. C. Jawher

R. C. Jawher

Proprietor

M. No 17704

This 5th Day of August 2010



For SREECHEM RESINS LIMITED

[Signature]
Joint Managing Director

For SREECHEM RESINS LTD.

[Signature]
Director

For SREECHEM RESINS LTD.

[Signature]
Managing Director

For SREECHEM RESINS LTD.

[Signature]
Director

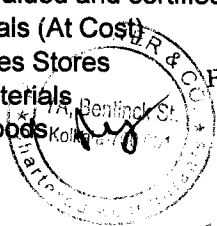
FIXED ASSETS (2009-10)

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As At 01.04.09 (Rs.)	Addition (Rs.)	Deduction (Rs.)	Total (Rs.)	As At 31.03.09 (Rs.)	During the Year (Rs.)	Adjustment (Rs.)	Total (Rs.)	As At 31.03.10 (Rs.)	As At 31.03.09 (Rs.)
Land (Freehold)	749660	0	0	749660	0	0	0	0	749660	749660
Building	13247107	0	0	13247107	6061733	442454	0	6504187	6742820	7185374
Plant & Machinery	50574256	1147710	0	51721966	33615063	2707974	0	36323067	15398899	16959163
Electrical Installation	2079821	0	0	2079821	1846498	108740	0	1955238	121583	231323
Laboratory Equipment	602516	5750	0	608266	469609	28647	0	498456	109810	132707
Motor Vehicle	5052928	311000	0	5363928	2499611	489256	0	2988867	2375069	2553315
Furniture & Fixtures	2816073	23500	0	2839573	2121788	158949	0	2281637	559936	893285
Motor Vehicle(Goods)	615000	0	0	615000	548661	66319	0	615000	0	66319
Computer	652065	99780	0	751845	537977	109594	0	647571	104274	114088
TOTAL	76389424	1957740	0	77976164	47703190	4113833	0	51817023	26159141	28692234
Capital Work In Progress		512100		512100					512100	
Previous Year	75319420	1069004	0	76388424	43817110	4056080	0	47703190	26862234	



Sreechem Resins Ltd.
SCHEDULES ANNEXED TO THE ACCOUNTS

	As on 31.03.2010 Rs.	As on 31.03.2009 Rs.
<u>SCHEDULE : 1</u>		
<u>SHARE CAPITAL</u>		
<u>Authorised</u>		
5000000 Equity Shares of Rs 10/- each	<u>50,000,000</u>	<u>50,000,000</u>
<u>Issued, subscribed & Paid up Capital</u>		
4000000 Equity Shares of Rs 10/- each	40,000,000	40,000,000
	<u>40,000,000</u>	<u>40,000,000</u>
<u>SCHEDULE : 2</u>		
<u>RESERVES & SURPLUS</u>		
<u>General Reserve</u>		
Balance as per last account	10,105,696	10,105,696
Profit and loss Account	9,275,561	8,524,451
	<u>19,381,257</u>	<u>18,630,147</u>
<u>SCHEDULE : 3</u>		
<u>SECURED LOANS</u>		
Cash Credit Facilities from Allahabad Bank	39,531,389	22,384,074
From ICICI Bank (For Vehicle Finance)	38,676	292,492
	<u>39,570,065</u>	<u>22,676,566</u>
<u>SCHEDULE : 4</u>		
<u>UNSECURED LOANS</u>		
From Body Corporates	-	1,700,000
	<u>-</u>	<u>1,700,000</u>
<u>SCHEDULE : 6</u>		
<u>INVESTMENT</u>		
<u>LONG TERM</u>		
<u>Non Trade , Unquoted</u>		
6 Year National Saving Certificates VII lodged with Sales Tax & Excise Authority	29,000	29,000
15000 Fully paid up Equity shares of Rs 10/- each in Sreechem Industries Pvt. Ltd	150,000	150,000
<u>Non Trade , Quoted</u>		
10000 Fully paid up Equity shares of Rs 10/- each in Orind Exports Limited	100,000	100,000
	<u>279,000</u>	<u>279,000</u>
<u>SCHEDULE : 7</u>		
<u>INVENTORIES</u>		
(As taken, valued and certified by the management)		
Raw Materials (At Cost)	20,765,040	20,343,933
Consumables Stores	303,290	307,950
Packing Materials	1,953,664	2,281,081
Finished Goods	7,543,709	4,133,913
	<u>30,565,703</u>	<u>27,066,877</u>



For SREECHEM RESINS LTD.
P. Banerjee
Director

For SREECHEM RESINS LTD.

[Signature]
Director

For SREECHEM RESINS LIMITED

[Signature]
Joint Managing Director

For SREECHEM RESINS LTD.

[Signature]
Managing Director

Sreechem Resins Ltd.
SCHEDULES ANNEXED TO THE ACCOUNTS

	<u>As on</u> <u>31.03.2010</u>	<u>As on</u> <u>31.03.2009</u>
	Rs.	Rs.
<u>SCHEDULE : 8</u>		
<u>SUNDRY DEBTORS</u>		
Exceeding six months	3,304,391	3,958,872
Other Debts	30,075,970	27,588,200
	<u>33,380,361</u>	<u>31,547,072</u>
<u>SCHEDULE : 9</u>		
<u>CASH AND BANK BALANCES</u>		
Cash in Hand	1,222,289	659,032
With Scheduled Banks-in current accounts	10,515,005	1,768,457
	<u>11,737,294</u>	<u>2,427,489</u>
<u>SCHEDULE : 10</u>		
<u>LOANS & ADVANCES</u>		
(Unsecured Considered Good)		
Advances to others	89,921	89,921
(Advances recoverable in cash or in kind or for value to be received)		
Taxes and Duties Receivable	3,179,515	3,594,030
Deposits(with Govt and other Authorities)	567,899	571,872
Claim Receivable	722,937	722,937
Modvat Receivable	4,937,586	3,400,095
Prepaid Expenses	240,045	188,646
Staff Advances	327,492	237,943
Other Advances	1,227,967	1,616,871
	<u>11,293,162</u>	<u>10,422,315</u>
<u>SCHEDULE : 11</u>		
<u>A) CURRENT LIABILITIES</u>		
Sundry Creditors	6,011,707	8,560,240
Differential Excise Duty on F.G. Stock	704,444	314,703
Other Liabilities	1,149,769	716,233
	<u>7,865,920</u>	<u>9,591,176</u>
<u>B) Provisions :</u>		
Provision for taxation	2,320,000	2,300,000
Provision For F.B.T.	300,000	460,000
	<u>2,620,000</u>	<u>2,760,000</u>
<u>SCHEDULE : 12</u>		
<u>OTHER INCOME</u>		
Misc. Receipts	367,820	241,821
Interest (Gross) [Tax Deducted at Source Rs 5468	31,911	19,467
	<u>399,731</u>	<u>261,288</u>
<u>SCHEDULE : 13</u>		
<u>RAWMATERIAL CONSUMPTION</u>		
Opening Stock	20,343,933	27,803,170
Add: purchases	146,262,519	164,120,890
Less : Closing Stock	20,765,040	20,343,933
Consumption	145,841,412	171,580,127
	<u>145,841,412</u>	<u>171,580,127</u>



For SREECHEM RESINS LTD.

For SREECHEM RESINS LIMITED

Joint Managing Director

For SREECHEM RESINS LTD.

For SREECHEM RESINS LTD.

Sreechem Resins Ltd.
SCHEDULES ANNEXED TO THE ACCOUNTS

	<u>As on</u> <u>31.03.2010</u> Rs.	<u>As on</u> <u>31.03.2009</u> Rs.
<u>SCHEDULE : 14</u>		
<u>PERSONNEL</u>		
Salary, Wages & Allowances	5,802,724	5,439,889
Staff Welfare Expenses	328,507	217,774
Contribution to P.F. & other Funds	<u>678,005</u>	<u>600,590</u>
	<u><u>6,809,236</u></u>	<u><u>6,258,253</u></u>

	<u>As on</u> <u>31.03.2010</u> Rs.	<u>As on</u> <u>31.03.2009</u> Rs.
<u>SCHEDULE : 15</u>		
<u>INTEREST</u>		
On Bank	1,123,502	4,487,582
On Others	1,285,958	147,305
Finance Charges	447,322	389,560
	<u><u>2,856,782</u></u>	<u><u>5,024,447</u></u>

SCHEDULE : 16
Administrative, Selling & other Expenses :

Advertisement	29,400	31,000
Bad Debts	-	-
Commission	985,139	1,082,380
Consumable Stores	1,586,186	1,265,685
Director's Remuneration	1,398,000	1,368,000
Insurance Premium	611,607	715,830
Miscellaneous Expenses	2,832,219	2,509,102
Packing Materials	2,829,506	2,484,473
Postage and Courier	138,115	147,753
Telephone & Mobile Expenses	300,416	345,824
Rent, Rates and Taxes	1,390,612	1,454,220
Repair and Maintenance :		
a) Plants & Machineries	180,365	133,252
b) Buildings	675,844	358,603
c) Others	111,177	117,278
d) Motor Cars	799,100	656,174
e) Motor Trucks	736,057	912,441
Computer Maintenance Expenses	24,233	17,809
Transportation Expenses	711,480	625,454
Travelling & Conveyance Expenses	<u>446,695</u>	<u>452,202</u>
	<u><u>15,786,151</u></u>	<u><u>14,677,480</u></u>



For SREECHEM RESINS LIMITED

Joint Managing Director

For SREECHEM RESINS LTD.

For SREECHEM RESINS LTD

Managing Director

For SREECHEM RESINS LTD.

Director

Director

Sreechem Resins Ltd.

Schedules 17

ACCOUNTING POLICIES AND NOTES ON ACCOUNTS FOR THE YEAR ENDED 31 ST MARCH 2010 :

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 trade discount. It does not include inter Unit transfers amounting to Rs.35489780.00 (last year Rs.41842825.00) 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 continue 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.



Sreechem Resins Ltd.

NOTES ON ACCOUNTS (Contd.)

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 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, 2001-2002, 2002-2003 has been completed resulting in nil demand for the said years. Assessments for year 2000-2001, is in process and the company hopes that the remaining demands amounting to Rs.62.07 lacs will also be nullified as has been done in revised assessment for the other years.

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 guarantees 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.

3. Deferred tax Liabilities :

	As on 31.03.10	As on 31.03.09
On Account Of Difference between Book Value of Depreciable Assets as per books of A/c's and Written Down Value for tax purposes	4489519	5070098
Net Incremental Liability Charged to Profit & Loss A/c =	(580579)	= (948856)

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 share :

	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	751110	941756
Basic and diluted earnings (in Rupees) per share of Rs. 10 each	0.19	0.24



Sreechem Resins Ltd.

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:

	Payment of Salaries/ Remuneration/perquisites	
I) a) Key Management Personnel :		
1. Mr. S. N. Kabra, Managing Director	5,29,978	
2. Mr. B. Sharma, Joint Managing Director	4,93,516	
3. Mr. B. M. Banerjee, Technical Director	2,14,080	
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)	2,02,328	
2. Mr. Vibhor Sharma (Son of JMD)	1,05,600	
3. Mrs. 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 :	<u>2010</u>	<u>2009</u>
i) To Key Management Personnel – Salaries	14,97,574	15,12,553
ii) To Relatives of Key Management Personnel – Salaries	307928	3,10,848
– Rent	96,000	96,000
iii) Concerns in which Key Management Personnel are Interested		
Re-Payment of Loan	1700000	NIL
Re-Payment of Advance	4,00,000	94500
Payment Of Interest	11,96,557	NIL
IV) Closing Balances :		
		Associate Companies
A) Advances – Receivable		NIL
B) Advances – Payable		NIL
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		35,000
Tax Audit Fees		10,000
Certification & other Fees		5,000
Total		50,000
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 are outstanding for more than 45 days as at March 31, 2010.		



Sreechem Resins Ltd.

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 :	2009-2010		2008-2009	
	Licenced	Installed	Licenced	Installed
(i) Capacity (As Certified by Management) Synthetic Resin & its derivative (M.T.)	N.A.	4,800	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	52.061	4133913	69.632	6586602
b) Production	2020.000	—	2219.204	—
c) Closing Stock	83.692	7543709	52.061	4133913
d) Sales	1988.369	196744000	2236.775	241958977
(iii) Raw Materials Consumed	(M.T.)	(Rs.)	(M.T.)	(Rs.)
a) Phenol	1456.736	93750987	1500.225	10,80,01,494
b) Formal Dehyde	964.147	7523243	1065.634	1,10,04,766
c) Hexamine	147.675	7104768	151.250	79,62,585
d) MEG	56.015	2652603	44.590	23,10,165
e) Others	—	34809811	—	4,23,01,117
	2624.573	145841412	2761.699	171580127

B. Consumption of Raw Material & Consumable Stores	2009-2010		2008-2009	
	Value (Rs.)	%	Value (Rs.)	%
i) Raw Materials				
— Imported	NIL	NIL	NIL	NIL
— Indigenous	145841412	100.00	171580127	100.00
TOTAL	145841412	100.00	171580127	100.00
ii) Stores				
— Imported	—	—	—	—
— Indigenous	1586186	100	1265885	100

C. Value of Imports on CIF basis Raw Material

NIL

NIL

D. Expenditure in Foreign Currency

NIL

NIL

E. Earning in Foreign Exchange

26,85,038

29,52,060

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. Jhaver

R.C. Jhaver
Proprietor
M.No. 17704
Kolkata-700 001

Dated : The 5th day of August, 2010

FOR SREECHEM RESINS LIMITED

[Signature]
Joint Managing Director

For SREECHEM RESINS LTD.

[Signature]
Managing Director

For SREECHEM RESINS LTD.

[Signature]
Director

For SREECHEM RESINS LTD.

[Signature]
Director



Sreechem Resins Ltd.

CASH FLOW STATEMENT

	2009 - 10 Rs.	2008 - 09 Rs.
A. Cash Flow from Operating activities :		
Net Profit/(Less) before taxation and extraordinary items	1390531	1242900
Adjustments for :		
Depreciation	4113833	4086080
Interest Expenses	2856783	5024447
(Profit)/ Loss On Fixed Assets Dispose/Sale	-----	-----
Operating Profit before working Capital Changes	(A) 8361146	10353427
Adjustment for :		
Trade & Other receivables	(1833289)	24799590
Inventories	(3498826)	9555529
Trade Payable	(1725256)	(8328211)
Cash generated from operations	(7057371)	26026908
Taxes Paid (Net)	(140000)	(578500)
Provision For taxes (Net)	(1220000)	(1250000)
	(B) (8417371)	24198408
Net Cash flow from operating activities	(A-B) (56225)	34561835
<hr/>		
B. Cash flow from Investing activities :		
Purchase of fixed assets/ Misc. Asset	(2099840)	(1069003)
Sale Of Fixed assets	-----	-----
Increase in advances	(870847)	808666
Net cash used in Investing activities	(2970687)	(260337)
<hr/>		
C. Cash flow from Financial activities :		
Proceeds from long term borrowings	16893499	(16639489)
Proceeds from short term borrowings	(1700000)	(15000000)
Interest Paid	(2856782)	(5024447)
Net Cash used in financing activities	(C) 12336717	(36663936)
<hr/>		
Net increase (decrease) in Cash and cash equivalents (A+B+C)	9309805	2372438
<hr/>		
Cash & Bank balance at the beginning of the period	2427489	4799927
Cash & Bank balance at the end of the period	11737294	2427489
<hr/>		
Net increase/decrease in cash and cash equivalent	9309805	2372438
<hr/>		

For R. C. Jhaver & Co
Chartered Accountants

R. C. Jhaver
R.C. Jhaver
Proprietor
Kolkata-700 001
Dated : The 5 th day of August, 2010



For SREECHEM RESINS LIMITED

[Signature]
Joint Managing Director

For SREECHEM RESINS LTD.
DIRECTORS

[Signature]
Director

For SREECHEM RESINS LTD.

[Signature]
Managing Director

For SREECHEM RESINS LTD.

[Signature]
Director

Sreechem Resins Ltd.

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 1 0

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

Public Issue	Rights Issue
N I L	N I L
Bonus Issue	Private Placement
N I L	N I L

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

Total Liabilities	Total Assets
1 1 3 9 2 7	1 1 3 9 2 7
SOURCE OF FUNDS	
Paid up Capital	Reserve & Surplus
4 0 0 0 0	1 9 5 8 8
Secured Loans	Unsecured Loans
3 9 5 7 0	N I L
APPLICATION OF FUNDS	
Net Fixed Assets	Investments
2 6 6 7 1	2 7 9
Net Current Assets	Misc. Expenditure
7 6 5 6 1	N I L
Accumulated Losses	
N I L	

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

Turnover	Total Expenditure
1 8 1 2 8 9	1 7 9 8 9 8
Profit/Loss Before Tax	Profit/Loss after Tax
+ 1 3 9 1	+ 9 5 8
* Earning per share (Rs.)	Dividend Rate (%)
0 . 2 4	N I L

(+ for Profit, - for Loss)

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

Item Code No.	Product Description
3 9 0 9 4 0 2 0	P . F . R E S I N S

As per our Report of even date attached

For R. C. Jhaver & Co
Chartered Accountants

A. C. Jhaver
R.C. Jhaver
Proprietor

Kolkata-700 001
Dated : The 5th day of August, 2010

FOR SREECHEM RESINS LIMITED

[Signature]
Joint Managing Director

FOR SREECHEM RESINS LTD.

[Signature]
Managing Director

FOR SREECHEM RESINS LTD. DIRECTORS

[Signature]
Director

FOR SREECHEM RESINS LTD.

[Signature]
Director

