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20th ANNUAL REPORT
(2009 - 2010)

SRIMANS ORGANIC CHEMICAL INDUSTRIES LTD.

BOARD OF DIRECTORS

Mr. Ashok G. Rajani	<i>Chairman & Managing Director</i>
Mr. Virendra Singh Khurana	<i>Director</i>
Mr. Ram Nath Arora	<i>Director</i>

Auditors

Jagiwala and Associates,
Chartered Accountants
Mumbai.

Bankers

IDBI Bank
Bank of India

Registered Office

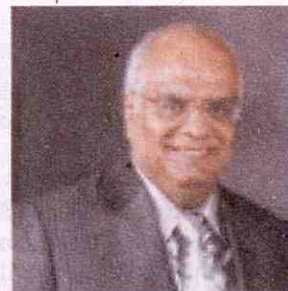
T-14, MIDC,
Boisar, Taluka-Palghar,
Dist. Thane - 401 506.

Factory

T-13/14, MIDC, Tarapur
Dist. Thane,
Maharashtra.

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Your Chairman speaks:



Dear Shareholders,

The business of living is not just business but living.

Like the proverbial phoenix, your company is geared for a rise which hitherto could only be imagined. Guided by a remarkable foresight and vision, the company has shown a commendable perseverance based on inner strengths that have now built strong foundations to provide unshakeable support for a rapid growth on a well researched path. With renewed confidence in the inner strength of the company along with your support, we are now marching forward with enthusiasm to achieve our long term vision of being a leader in the industry, along with short term goals of doing so with a strong foundation of a well researched broad range of quality products, with economies of scale, and at the same time with full attention to a modernized and eco-friendly manufacturing process.

On behalf of all of us, I must make a special mention of appreciation of our research team who over the years have helped us constantly make more efficient all operations and develop products both for backward and forward integration as well as arrive at the mechanics of being cost and energy effective.

In our movement towards scaling newer and hitherto unachieved heights, we find support in the growth of our country's economy.

The Indian economy has clocked a growth rate of 7.4% in FY 2009-10 with standing the ripples of imbalances in other parts of the world, as against growth of 6.7% in the previous year, i.e. FY 2008-09. This was made possible by India's more measured policy actions, strong counter-cyclical regulatory measures, resilient banking system, strong domestic demand and other positive features of the economy which helped in the early mitigation of the adverse impact of global financial crisis and recession.

The strongest impetus of recovery came from the manufacturing sector, which registered a double digit growth of 10.4% during FY 2009-10. The Index of Industrial Production (IIP) recorded a growth of 16.7%, 15.1% and 13.5% in January, February and in March 2010 respectively. The recovery was also broader with 14 out of 17 industry groups recording accelerated growth during FY 2009-10.

Exports which had remained in the negative territory for almost a year since October 2008 entered a growth phase from November 2009. In view of the initial sluggishness during FY 2009-10, cumulative exports declined by 4.7% to USD 176.5 billion and imports declined by 8.2% to USD 278.7 billion. Consequently, the trade deficit for the year 2009-10 was lesser at USD 102 billion as against USD 118 billion for the previous year. International Rating agencies viz., Standard & Poor's Ratings Services has revised the outlook on India to 'stable' from 'negative' in March 2010 and Fitch Rating has raised outlook of India's long term local currency to 'stable' from 'negative' in June 2010. Fitch, while revising the outlook on India's local currency, considered a fall in the Government debt ratio on the back of strong economic growth and the one-off revenues from the 3G license and broad-band spectrum auctions. The agency has raised India's 2010-11 growth forecast to 8.5% from 7%, owing to signs of strong growth momentum, including industrial production growth of 17.6% in April 2010, year -on-year.

The driving force for growth in the coming years is expected to come from the infrastructure sector. While industrial and infrastructural development would play the pivotal role in the growth forecast of Indian economy, on the Agricultural and Rural front, apart from the expectation on normal monsoon, a number of measures like improved education levels, larger agriculture credit, higher support prices, NREGA payments, repatriations from migrants, etc. would provide a buffer to the rural economy. These would enable the country to move up to a higher growth trajectory.

IMF, on July 08, 2010, revised the growth projection for India in 2010 to 9.5%, envisaging that 'Indian growth story during the year would be driven by favorable financing conditions and robust corporate profits'.

To conclude, I quote "It is the effort of every blade of grass that keeps the meadow green". We have every confidence that with the enthusiasm and support of the entire team of the Management and the workers, the shareholders, our customers and suppliers, and the faith shown in our company by our investors, financial institutions and banks our seat belts are now firmly fastened for a major take-off.

I wish all of you the very best.

Mr. Ashok G. Rajani,

Chairman

NOTICE

NOTICE is hereby given that the Twentieth Annual General Meeting of the members of SRIMAN ORGANIC CHEMICAL INDUSTRIES LIMITED will be held at T -14, MIDC, Tarapur, Dist. Thane, Maharashtra, on Wednesday, the 22nd day of September, 2010, at 09.00 a.m. to transact following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2010, the Income and Expenditure Account of the Construction Account and Cash flow statement for the year ended on that date, and also to consider report of the Directors' and Auditors Report thereon;
2. To appoint a Director in place of Shri R. N. Arora who retires by rotation and being eligible offers himself for reappointment;
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration by considering and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT Jagiwala and Associates, Chartered Accountants, Mumbai, the retiring Auditors of the Company, be and are hereby re-appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting on a remuneration as may be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS**AMMENDMENT OF SHARE CAPITAL CLAUSE IN MEMORANDUM OF ASSOCIATION**

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Section 16 and Section 94 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force), the Authorized Share Capital of the Company of Rs.12,00,00,000(Rupees Twelve Crores Only) divided into Equity Shares of Rs.10/- (Rupees Ten only) each, and is hereby increased to Rs. 150,00,00,000 (Rupees One Hundred Fifty Crores Only) divided into 15,00,00,000 Equity Shares of Rs.10/-each with rights, privileges and conditions attached thereto as per the relevant provisions contained in that behalf in the Articles of Association of the Company."

"RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following Clause V:

- V. "The Authorised Share Capital of the Company is Rs.150,00,00,000(Rupees One Hundred Fifty Crores only) divided into 15,00,00,000 Equity Shares of Rs.10/-each, with rights, privileges and conditions attached thereto as per the relevant provisions contained in that behalf in the Articles of Association of the Company and with power to increase or reduce the Capital and to divide the Shares in the Capital for the time being into several classes (being those specified in the Companies Act, 1956), and to attach thereto respectively such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being in force, and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by the said Act or provided by the Articles of Association of the Company for the time being in force".

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take all such steps and actions and give such directions as may be in its absolute discretion deem necessary and to settle any question that may arise in this regard."

AMMENDMENT OF ARTICLE FOR SHARE CAPITAL IN ARTICLES OF ASSOCIATION

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:
"RESOLVED THAT pursuant to provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force), the existing Articles of Association of the Company be and is hereby altered by substituting the existing Article 3 with Article 3 as under :

Art 3

The Authorised Share Capital of the Company is Rs.150,00,00,000 (Rupees One Hundred Fifty Crores only) Rs.150,00,00,000(Rupees One Hundred Fifty Crores only) divided into 15,00,00,000 Equity Shares of Rs.10/- with

