



# Sreechem Resins Limited

AN ISO 9001 : 2008 CERTIFIED COMPANY

KOLKATA OFFICE : 23A, NETAJI SUBHAS ROAD, 11 TH FLOOR, ROOM # - 11, KOLKATA - 700001, INDIA

PHONE : 91-33-2231 3149 / 4432 FAX : 91-33-2231 3164, E.MAIL : [sreechem@cal2.vsnl.net.in](mailto:sreechem@cal2.vsnl.net.in) / [sreechem.kol@gmail.com](mailto:sreechem.kol@gmail.com)

CIN-L24222OR1988PLC002739

24<sup>TH</sup> September, 2018

To,  
**The Deputy Manager**  
**Department of Corporate Services**  
**BSE Limited**  
P. J. Towers, Dalal Street, Fort  
Mumbai – 400 001

**Scrip Code: 514248(BSE)**

Dear Sir/ Madam,

**Sub: Submission of Annual Report of the 30<sup>th</sup> Annual General Meeting for the F. Y. 2017-2018 held on 18<sup>th</sup> September, 2018 – Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015**

In pursuance with the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, please find enclosed herewith the Annual Report of the 30<sup>th</sup> Annual General Meeting for the F. Y. 2017-2018 held on Tuesday, 18<sup>th</sup> day of September, 2018 at 10.00 AM at the registered office of the Company situated at Vill: Jhagarpur, Post- Rajganjpur- 770 017, Odisha.

**For SREECHEM RESINS LIMITED**

**VIKRAM KABRA**  
(DIN:00746232 )  
**WHOLETIME DIRECTOR**



REGD. OFFICE & WORKS - I : JHAGARPUR, P.BOX # 13, POST - RAJGANGPUR-770017, ODISHA

PHONE : (06624) 211943, E.MAIL: [sreechem.rajgangpur@rediffmail.com](mailto:sreechem.rajgangpur@rediffmail.com)

WORKS - II : DURRAMUDA, RAIGARH-496004, CHHATTISGARH, E.MAIL : [srl.rgh@gmail.com](mailto:srl.rgh@gmail.com)

VISIT US AT [www.sreechem.in](http://www.sreechem.in)

**ANNUAL  
REPORT  
2017-2018**



**SREECHEM RESINS LIMITED**



# Sreechem Resins Limited

## BOARD OF DIRECTORS :

Sri Binod Sharma	- Managing Director
Sri Vikram Kabra	- Whole Time Director
Smt. Rajee Sharma	- Woman Director
Sri Vishal Joshi	- Non-Exe. - Independent Director
Sri Niwesh Sharma	- Non-Exe. - Independent Director
Mrs. Sweta Maheshwari	- Non-Exe. - Independent Director

## AUDITORS :

Puja Somani & Co.  
Chartered Accountants

## BANKERS :

Allahabad Bank  
Red Cross Place Branch  
Kolkata - 700 001.

## SHARE TRANSFER AGENTS :

MCS Shares Transfer Agent Ltd.  
12/1/5, Manoharpukur Road  
Kolkata - 700 026

## REGISTERED OFFICE :

Vill. : Jhagarpur  
Post : Rajgangpur - 770 017  
(Odisha)

## WORKS :

Unit-I Vill. : Jhagarpur  
Post : Rajgangpur  
Odisha  
Unit-II Vill. : Durramura  
Post : Raigarh  
(C.G.)

## CORPORATE OFFICE :

23A, Netaji Subhash Road  
11th Floor, Room No. - 11  
Kolkata - 700 001  
West Bengal

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**Sreechem Resins Ltd.**

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**NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE 30<sup>TH</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF SREECHEM RESINS LIMITED WILL BE HELD ON TUESDAY THE 18<sup>TH</sup> DAY OF SEPTEMBER, 2018 AT 10.00 A.M AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT JHAGARPUR POST BOX NO. 13, POST – RAJGANGPUR – 770 017, ODISHA TO TRANSACT THE FOLLOWING BUSINESSES:**

**ORDINARY BUSINESS:****Item 1: ADOPTION OF FINANCIAL STATEMENTS:**

To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2018 and the Reports of Board of Directors and Auditors thereon.

**Item 2: RE-APPOINTMENT OF MRS. RAJEE SHARMA, RETIREMENT BY ROTATION:**

To appoint a Director in place of Mrs. Rajee Sharma, (DIN: 01771103), who retires by rotation at this Annual General Meeting and being eligible has offered herself for re-appointment

**SPECIAL BUSINESS:****Item 3: APPOINTMENT OF MR. BINOD SHARMA AS MANAGING DIRECTOR:**

To consider and if thought fit, to pass, the following resolution **as Special Resolution:**

**“RESOLVED THAT** pursuant Section 196, 197 and 203 read with Schedule V and all other applicable provisions of Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re enactment thereof for the time being in force), the consent of the company be and is hereby accorded for the appointment of Mr. Binod Sharma (DIN: 00557039) as Managing Director of the company for a period of five year with effect from 01<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023 on the following Terms, Conditions And Remuneration:

1. His tenure of appointment will be from 01<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023;
2. He shall be paid a consolidated Remuneration of Rs. 6,00,000/ per annum, subject to annual increment as may be decided by the board of directors of the company;
3. During the tenure of his appointment he will not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Consent of the Board of Directors of the Company be and is hereby accorded for the payment of the same salary, allowances and perquisites as mentioned above to Mr. Binod Sharma (DIN: 00557039), Managing Director, as minimum remuneration in case of absence or inadequacy of profits in any financial year of the Company during the said period;

**RESOLVED FURTHER THAT** Mr. Binod Sharma (DIN: 00557039), Managing Director, shall not be paid any sitting fee for attending the Meetings of the Board of Directors and Committees thereof;

**RESOLVED FURTHER THAT** the Board of Directors (herein after referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) be and is hereby given the liberty to alter and vary the terms and conditions of the said appointment and/or reappointment as it may deem fit and as may be acceptable to Mr. Binod Sharma (DIN: 00557039), subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re enactment thereof;

**RESOLVED FURTHER THAT** the Board of Director of the Company be and is hereby authorized to do all such acts and deeds to give effect to the above resolution.”

**Item 4: APPOINTMENT OF MR. VIKRAM KABRA AS WHOLE TIME DIRECTOR:**

To consider and if thought fit, to pass, the following resolution **as Special Resolution:**

**“RESOLVED THAT** Mr. Vikram Kabra (DIN: 00746232), who was appointed we.f., 01<sup>st</sup> April, 2018 as an Additional Director of the company by the Board of Directors at their meeting held on 04<sup>th</sup> April, 2018 and who ceases to hold office at this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 and who is eligible for



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appointment and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of a director, be and is hereby appointed as a Director of the Company liable to retire by rotation;

**RESOLVED FURTHER THAT** pursuant Section 196, 197 and 203 read with Schedule V and all other applicable provisions of Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re enactment thereof for the time being in force), the consent of the company be and is hereby accorded for the appointment of Mr. Vikram Kabra (DIN: 00746232) as Whole Time Director of the company for a period of five year with effect from 01<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023 on the following Terms, Conditions And Remuneration:

1. His tenure of appointment will be from 01<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023;
2. He shall be paid a consolidated Remuneration of Rs. 6,00,000/ per annum, subject to annual increment as may be decided by the board of directors of the company;
3. During the tenure of his appointment he will be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Consent of the Board of Directors of the Company be and is hereby accorded for the payment of the same salary, allowances and perquisites as mentioned above to Mr. Vikram Kabra (DIN: 00746232), Whole Time Director, as minimum remuneration in case of absence or inadequacy of profits in any financial year of the Company during the said period;

**RESOLVED FURTHER THAT** Mr. Vikram Kabra (DIN: 00746232), Whole Time Director, shall not be paid any sitting fee for attending the Meetings of the Board of Directors and Committees thereof;

**RESOLVED FURTHER THAT** the Board of Directors (herein after referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) be and is hereby given the liberty to alter and vary the terms and conditions of the said appointment and/or reappointment as it may deem fit and as may be acceptable to Mr. Vikram Kabra (DIN: 00746232), subject to the same not exceeding the limits specified under Schedule V of the Companies Act, 2013 or any statutory modification(s) or re enactment thereof;

**RESOLVED FURTHER THAT** the Board of Director of the Company be and is hereby authorized to do all such acts and deeds to give effect to the above resolution."

**Item 5: APPOINTMENT OF MRS. SWETA MAHESHWARI AS INDEPENDENT DIRECTOR:**

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re enactment thereof for the time being in force) read with Regulation 16 and 17 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, Mrs. Sweta Maheshwari (DIN:07389832), who was appointed w.e.f., 01<sup>th</sup> April, 2018 as an Additional cum Independent Director of the company by the Board of Directors at their meeting held on 04<sup>th</sup> April, 2018 and who ceases to hold office at this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the company to hold office for five consecutive years, for a term up to 31<sup>st</sup> March, 2023;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts and deeds to give effect to the above resolution."

**Item 6: APPOINTMENT OF MR. VISHAL JOSHI AS INDEPENDENT DIRECTOR:**

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re enactment thereof for the time being in force) read with Regulation 16 and 17 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, Mr. Vishal Joshi (DIN: 03290549), who was appointed w.e.f., 01<sup>th</sup> April, 2018 as an Additional cum Independent Director of the company by the Board of Directors at their meeting held on 04<sup>th</sup> April, 2018 and who ceases to hold office at this



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Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the company to hold office for five consecutive years, for a term up to 31<sup>st</sup> March, 2023;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts and deeds to give effect to the above resolution."

**Item 7: APPOINTMENT OF MR. NIWESH SHARMA AS INDEPENDENT DIRECTOR:**

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and all other applicable provisions of the Companies Act 2013 and the Companies (Appointment and Qualification of Directors) Rules 2014 (including any statutory modification(s) or re enactment thereof for the time being in force) read with Regulation 16 and 17 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, Mr. Niwesh Sharma (DIN: 08099366), who was appointed w.e.f., 01<sup>st</sup> April, 2018 as an Additional cum Independent Director of the company by the Board of Directors at their meeting held on 04<sup>th</sup> April, 2018 and who ceases to hold office at this Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 and who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the company to hold office for five consecutive years, for a term up to 31<sup>st</sup> March, 2023;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all such acts and deeds to give effect to the above resolution."

**Date : 14.08.2018**

**Place : Kolkata**

**By order of the Board of Directors  
For SREECHEM RESINS LIMITED**

**Sd/-  
BINOD SHARMA  
(DIN: (00557039)  
MANAGING DIRECTOR**

**IMPORTANT NOTES:**

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY /PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company.

Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.

3. **Members / proxies** should bring the duly filled Attendance slip enclosed herewith to attend the meeting. Shareholders are requested to tender their attendance slips at the registration counters at the venue of the



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AGM and seek registration before entering the meeting hall. The shareholder needs to furnish the printed 'attendance slip' along with a valid identity proof such as the PAN card, passport, AADHAR card or driving license, to enter the AGM hall.

4. The Register of Members and the Share Transfer books of the Company will remain closed from Tuesday, 11<sup>th</sup> September, 2018 to Tuesday, 18<sup>th</sup> September 2018 (both days inclusive), for the purpose of Annual General Meeting.
5. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
6. The Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
7. Members holding shares in electronic form are hereby informed that bank particulars against their respective depository account will be used by the company for payment of dividend (declared if any). The company or its Registrars cannot act on any request received directly from the members holding share in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested to write to the company.
8. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts.
10. Copies of the 30<sup>th</sup> Annual Report is being sent to all the members via the permitted mode.
11. Members may also note that 30<sup>th</sup> Annual Report will also be available on the Company's website [www.sreechem.in](http://www.sreechem.in) for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office in Odisha for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [sreechem@cal2.vsnl.net.in](mailto:sreechem@cal2.vsnl.net.in).
12. All documents referred to in the accompanying Notice and the explanatory Statement shall be open for inspection at the Registered Office of the company during normal business hours (10.00 am to 6.00 pm) on all working days except Saturdays, up to and including the date of the general meeting of the company.
13. No dividend has been proposed by the Board of Directors for the year ended 31st March, 2018.
14. Additional Information, pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, in respect to the Director seeking re-appointment (Retirement by rotation) at the Annual General Meeting is as follow;

**Mrs. Rajee Sharma:**

Mrs. Rajee Sharma (DIN: 01771103), aged 55 years, is a graduate by qualification. She is a Non-Executive Non Independent Director in the Board of the Company. She is capable of handling human resources and also advises the Board on handling business negotiation.

No director, key managerial personnel or their relatives, are concerned to except her Spouse Mr. Binod Sharma, Managing Director of the Company.

Mrs. Rajee Sharma (DIN: 01771103), does not hold directorship in any other listed entity other than that of M/s Sreechem Resins Limited.



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Mrs. Rajee Sharma (DIN: 01771103), holds 32,700 Equity Shares of the Company.

**15. Voting through electronic means:**

In compliance with provision of section 108 of the companies Act, 2013 and Rule 20 of the companies (Management and Administration) Rules, 2014, and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide e-voting facility to its shareholders to enable them to cast their votes electronically in the 30<sup>th</sup> Annual General Meeting (AGM). The business may be transacted through remote e-voting Services provided by National Securities Depository Limited (NSDL). Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

**THE INSTRUCTIONS FOR MEMBERS FOR VOTING ELECTRONICALLY ARE AS UNDER:-**

The process and manner for remote e-voting is as under:

**(A) In case of members receiving e-mail from NSDL:**

- i) Open e-mail and PDF file viz. "SREECHEM RESINS LIMITED e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user id and password for remote e-voting. Please note that the password is an initial password.
- ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- iii) Click on shareholder – Login.
- iv) Put user id and password as initial password in step (i) above. Click Login.
- v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi) Home page of remote e-voting opens. Click on remote e-voting cycles.
- vii) Select "EVSND" of Sreechem Resins Limited.
- viii) Now you are ready for **remote** e-voting as cast vote page opens.
- ix) Cast your vote by selecting appropriate option and click on "Submit" and also click "Confirm" when prompted.

**(B) In case of members receiving physical copy of the notice of Annual General Meeting and attendance slip:**

- i) Initial password is provided below the attendance slip.
- ii) If you are already registered with NSDL for **remote** e-voting then you can use your existing user id and password for casting your vote.
- iii) The remote e-voting period commences on September 15<sup>th</sup>, 2018 (9:00 AM) and ends on September 17<sup>th</sup>, 2018 (5:00 PM). During this period shareholder of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 08<sup>th</sup> September, 2018, may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
- iv) The voting rights of shareholders shall be as per the number of equity shares held by members as on the cut-off date (record date) of 08<sup>th</sup> September, 2018.

16. Institutional Members / Bodies Corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at [sreechem@cal2.vsnl.net.in](mailto:sreechem@cal2.vsnl.net.in) with a copy marked to the scrutinizer at [jpatnaikassociates@gmail.com](mailto:jpatnaikassociates@gmail.com) on or before 17<sup>th</sup> September, 2018 up to 05:00 pm without which the vote shall not be treated as valid.



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17. The shareholders shall have one vote per equity share held by them as on the cut-off date i.e, 08<sup>th</sup> September, 2018. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
18. Any person, who acquires shares of the Company and becomes a shareholder of the Company after dispatch of the Notice of AGM and holds shares as of the cut-off date i.e 08<sup>th</sup> September, 2018 may obtain the login ID and password by sending a request at to the Company at [sreechem@cal2.vsnl.net.in](mailto:sreechem@cal2.vsnl.net.in). However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset the password by using 'Forgot User Details / Password' option available on <https://www.evoting.nsdl.com/>.
19. A member may participate in the AGM even after exercising his right to vote through remote e-voting, but shall not be allowed to vote again at the AGM.
20. The facility for voting through ballot will also be made available at the AGM, and members attending the AGM who have not already cast their vote by remote e-voting will be able to exercise their right at the AGM. Shareholders who have not cast their vote electronically, by remote e-voting may cast their vote at the AGM through ballot paper.
21. At the end of the discussion at the AGM, on the resolutions on which voting is to be held, the Chairman shall, with the assistance of the Scrutinizer, order voting through ballot paper for all those members who are present but have not cast their votes electronically using the remote e-voting facility.
22. **Scrutiny of the Voting Process:**
  - a. The Board of directors has appointed **Patnaik & Patnaik, (Membership No. 5699 Certificate of Practice No. 7117)** Practising Company Secretary as a scrutinizer to scrutinize the voting process (both electronic and physical) in a fair and transparent manner.
  - b. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report of the total votes cast in favour of or against, if any, not later than 48 hours from the conclusion of the AGM to the Chairman of the Annual General Meeting. The Chairman, or any other person authorized by the Chairman, shall declare the result of the voting forthwith.
  - c. The result, along with the Scrutinizer's Report, will be placed on the Company's website, [www.sreechem.in](http://www.sreechem.in) and on the website of NSDL immediately after the result is declared by the Chairman or any other person authorized by the Chairman, and the same shall be communicated to the BSE Ltd.

Date : 14.08.2018  
Place : Kolkata

By order of the Board of Directors  
For SREECHEM RESINS LIMITED

Sd/-  
BINOD SHARMA  
(DIN: (00557039)  
MANAGING DIRECTOR



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**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO  
SECTION 102 OF THE COMPANIES ACT, 2013****Item No. 3:**

The Board of Directors at its meeting held on 04<sup>th</sup> April, 2018 appointed Mr. Binod Sharma (DIN: 00557039) as the Managing Director of the Company for a period of five years w.e.f 01<sup>st</sup> April, 2018 on the following terms and conditions;

**TERMS OF APPOINTMENT:**

1. His tenure of appointment will be from 01<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023;
2. He shall be paid a consolidated Remuneration of Rs. 6,00,000/ per annum, subject to annual increment as may be decided by the board of directors of the company;
3. During the tenure of his appointment he will not be liable to retire by rotation.

The appointment of Mr. Binod Sharma as Managing Director was recommended by "Nomination and Remuneration Committee" at its meeting held on 04<sup>th</sup> April, 2018.

Mr. Binod Sharma had started his career in Hari Machine Limited as Purchase Executive. Later on he started his first entrepreneurial venture along with Mr. S.N. Kabra by setting up a Resin manufacturing unit at Rajgangpur, Orissa. He is a Promoter Director of this Company. He is a Commerce Graduate from Sambalpur University and diploma in materials management from NITIE, Mumbai. He has a rich experience & knowledge in Marketing. He has an extensive knowledge about the products and its market.

He holds Directorships in the following companies other than that of our Company:

Sr. No.	Name of the Company	Date of Appointment	Designation
1.	SRL WOOD PRODUCTS PRIVATE LIMITED	01/08/2008	Director
2.	SSAB ENERGY & MINERALS LIMITED	17/08/2009	Director
3.	SHREECHEM INDUSTRIES PVT LTD	16/09/1988	Director
4.	STEEL AIDS PRIVATE LIMITED	10/04/2008	Director
5.	NIVEDAN MERCANTILES PVT. LTD	30/07/1992	Director
6.	JOSH COMMERCIAL PRIVATE LIMITED	25/04/2005	Director
7.	BSN INVESTMENTS PVT LTD	16/11/1992	Director
8.	KASTURI FISCAL PVT. LTD.	30/07/1992	Director
9.	SREECHEM FINANCE PVT. LTD.	30/07/1992	Director
10.	ROURKELA LIFE LINE PRIVATE LIMITED	01/04/1999	Director

He is the Member of the "Stakeholders Relationship Committee", of the Board of Directors of our Company.

He does not hold any membership/chairmanship in Committees of Board in other any company.

Mr. Binod Sharma holds 3,43,100 Equity Shares in our Company.

Mr. Binod Sharma during the FY 2017-2018 attended all the Meeting of Board of Directors.

The Company has received from Mr. Binod Sharma;

- a. Consent in writing to act as Managing Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014,
- b. Intimation of Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub Section (2) of Section 164 of the Companies Act, 2013.



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The "Nomination and Remuneration Committee" and the "Board of Directors" of the Company are of the strong opinion that with experience and expertise as mentioned above Mr. Binod Sharma will be able to guide and take the Company's business to next level.

We further confirm that the said appointment is in compliance with the provisions of Section 203 of the Companies Act and all other applicable provisions of the Companies Act, 2013 and the rules thereof.

He is not related to any of the other Director(s) and KMP(s) of the Company except his spouse Mrs. Rajee Sharma.

**Information in terms of Section II of Part II of the Schedule V of the Companies Act, 2013.**

**I. General Information:**

**1. Nature of Industry:**

Sreechem Resins Limited (SRL) is a leading manufacturer of Magnesia Carbon Refractory, Alumina Carbon Refractory, Dolomite Refractory, Continuous Casting Refractory. Over the last 18 years the company has consolidated its position as a market leader in Refractory Resin. With the upswing of the Steel manufacturing industries in the country, the requirement of specialty refractories, as mentioned above, will automatically go up. In turn, the supply of our Resin to the refractory industries, who are catering to the requirement of Steel Plants, will also go up substantially. Since, the number of competitors in this field is very limited, it is expected that, order booking on our company, will be continuous for next few years.

**2. Date and expected date of Commencement of Business Operations:**

The Company has been into existence since 1988 and focusing on contributing to the growth of Resin Sector and in turn the increase in Economic activities.

**3. In case of New Companies, expected date of commencement of activities:**

Not applicable as the company is already in to existence.

**4. Financial Performance based on given indicators:**

Rs. In Lakhs

Particulars	FY 2017-2018	FY 2016-2017	FY 2015-2016
Profit before Tax	(73.77)	(27.25)	(30.44)
Profit after Tax	(53.20)	(26.17)	(30.72)
Net-worth	550.74	603.94	630.11

**5. Foreign Investments or collaborators:**

Nil

**II. Information about Mr. Binod Sharma**

**1. Background:**

Mr. Binod Sharma had started his career in Hari Machine Limited as Purchase Executive. Later on he started his first entrepreneurial venture along with Mr. S.N. Kabra by setting up a Resin manufacturing unit at Rajgangpur, Orissa. He is a Commerce Graduate from Sambalpur University and diploma in materials management from NITIE, Mumbai. He has a rich experience & knowledge in Marketing. He has an extensive knowledge about the products and its market.

**2. Past Remuneration:**

His previous employment was that of the Joint Managing Director of this company. His last drawn remuneration was Rs. 50,000/- per Month.

**3. Recognition or Awards:**

Not Applicable



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**Sreechem Resins Ltd.**

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**4. Job Profile and his suitability:**

Mr. Binod Sharma had started his career in Hari Machine Limited as Purchase Executive. Later on he started his first entrepreneurial venture along with Mr. S.N. Kabra by setting up a Resin manufacturing unit at Rajgangpur, Orissa. He is a Commerce Graduate from Sambalpur University and diploma in materials management from NITIE, Mumbai. He has a rich experience & knowledge in Marketing. He has an extensive knowledge about the products and its market.

As he has vast knowledge in Finance, Administration, Sales, Accounts, Taxation and Marketing, he is suitable to occupy this position.

**5. Remuneration Proposed:**

It is proposed to pay Mr. Binod Sharma remuneration of Rs. 50,000/- per month w.e.f. 01<sup>st</sup> April, 2018 and further the authority of the shareholders of the Company is sought to empower the Board of Directors of the Company to alter the terms of his appointment as may be deemed fit by the Board of the Company, subject to the provisions of the Companies Act.

**6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

The remuneration is as per Section 197 and 198 of the Companies Act, 2013 read with Schedule V and is comparable with the remuneration in similar sized industries in same/similar segment of business for this position and profile.

**7. Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any:**

Except for the below mentioned Pecuniary relationship, Mr. Binod Sharma does not have any other Pecuniary relationship with the company.

**III. Other information:****1. Reasons of inadequate Profit;**

The Company operates in an industry where volatility is the order of the day.

**2. Steps taken/proposed to be taken for improvement:**

The Company is constantly undertaking steps to avoid NPA(s) and obtain market research data before undertaking investment activity. The Company is taking constant steps to stabilize the profits of the company.

**3. Expected increase in productivity and profits in measurable terms:**

The Company is aiming to increase the turnover of the company and become more profitable.

**IV. Disclosure:**

Information as required under this head is provided under the Corporate Governance head of the Director's Report of the Annual Report.

The Resolution/s seeks the approval of members for the appointment of Mr. Binod Sharma as the Managing Director of the Company for a period of five years i.e. from 01<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023 under the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re enactment thereof for the time being in force).

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Binod Sharma as the Managing Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Binod Sharma as the Managing Director of the company.

This Explanatory statement may also be regarded as a disclosure under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.



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**Sreechem Resins Ltd.**

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No Director, Key managerial personnel or their relatives, except Mr. Binod Sharma, to whom the resolution relates and his spouse Mrs. Rajee Sharma is interested or concerned in the resolution.

**The Board recommends the resolution set forth in Item No. 3 for the approval of the Members as Special Resolution.**

**Item No. 4:**

The Board of Directors at its meeting held on 04<sup>th</sup> April, 2018 appointed Mr. Vikram Kabra (DIN: 00746232) as an additional Director of the Company with effect from 1<sup>st</sup> April, 2018. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Vikram Kabra will hold office upto the date of this AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member along proposing the candidature of Mr. Vikram Kabra for the office of Director of the Company.

Further at the same board meeting Mr. Vikram Kabra (DIN: 00746232) was also re-designated as the Whole Time Director of the Company for a period of five years w.e.f 01<sup>st</sup> April, 2018 on the following terms and conditions;

**TERMS OF APPOINTMENT:**

1. His tenure of appointment will be from 01<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023;
2. He shall be paid a consolidated Remuneration of Rs. 6,00,000/ per annum, subject to annual increment as may be decided by the board of directors of the company;
3. During the tenure of his appointment he will be liable to retire by rotation.

The appointment of Mr. Vikram Kabra as Whole Time Director was recommended by "Nomination and Remuneration Committee" at its meeting held on 04<sup>th</sup> April, 2018.

Mr. Vikram Kabra is a Graduate in Commerce having vast knowledge in manufacturing & marketing of Resins & other Chemical Products. He has a rich experience of more than a decade in Resin & other Chemicals Business.

He holds Directorships in the following companies other than that of our Company:

Sr. No.	Name of the Company	Date of Appointment	Designation
1.	SRL WOOD PRODUCTS PRIVATE LIMITED	24/07/1997	Director
2.	AABAS PROJECTS PVT LTD	27/07/2009	Director

He is the Member of the "Audit Committee" of the Board of Directors of our Company.

He does not hold any membership/chairmanship in Committees of Board in any other company.

Mr. Vikram Kabra holds 15,900 Equity Shares in our Company.

Mr. Vikram Kabra during the FY 2017-2018 was not part of the Board of Directors of the Company, thus the question of the attending the Board Meeting during the said FY does not arise.

The Company has received from Mr. Vikram Kabra;

- c. Consent in writing to act as Whole Time Director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014,
- d. Intimation of Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub Section (2) of Section 164 of the Companies Act, 2013.

The "Nomination and Remuneration Committee" and the "Board of Directors" of the Company are of the strong opinion that with experience and expertise as mentioned above Mr. Binod Sharma will be able to guide and take the Company's business to next level.

We further confirm that the said appointment is in compliance with the provisions of Section 203 of the Companies Act and all other applicable provisions of the Companies Act, 2013 and the rules thereof.



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**Sreechem Resins Ltd.**

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He is not related to any of the other Director(s) and KMP(s) of the Company.

**Information in terms of Section II of Part II of the Schedule V of the Companies Act, 2013.**

**V. General Information:**

**1. Nature of Industry:**

Sreechem Resins Limited (SRL) is a leading manufacturer of Magnesite Carbon Refractory, Alumina Carbon Refractory, Dolomite Refractory, Continuous Casting Refractory. Over the last 18 years the company has consolidated its position as a market leader in Refractory Resin. With the upswing of the Steel manufacturing industries in the country, the requirement of specialty refractories, as mentioned above, will automatically go up. In turn, the supply of our Resin to the refractory industries, who are catering to the requirement of Steel Plants, will also go up substantially. Since, the number of competitors in this field is very limited, it is expected that, order booking on our company, will be continuous for next few years.

**2. Date and expected date of Commencement of Business Operations:**

The Company has been into existence since 1988 and focusing on contributing to the growth of Resin Sector and in turn the increase in Economic activities.

**3. In case of New Companies, expected date of commencement of activities:**

Not applicable as the company is already in to existence.

**4. Financial Performance based on given indicators:**

**Rs. In Lakhs**

Particulars	FY 2017-2018	FY 2016-2017	FY 2015-2016
Profit before Tax	(73.77)	(27.25)	(30.44)
Profit after Tax	(53.20)	(26.17)	(30.72)
Net-worth	550.74	603.94	630.11

**5. Foreign Investments or collaborators:**

Nil

**VI. Information about Mr. Vikram Kabra**

**1. Background:**

Mr. Vikram Kabra is a Graduate in Commerce having vast knowledge in manufacturing & marketing of Resins & other Chemical Products. He has a rich experience of more than a decade in Resin & other Chemicals Business

**2. Past Remuneration:**

Not Applicable

**3. Recognition or Awards:**

Not Applicable

**4. Job Profile and his suitability:**

Mr. Vikram Kabra is a Graduate in Commerce having vast knowledge in manufacturing & marketing of Resins & other Chemical Products. He has a rich experience of more than a decade in Resin & other Chemicals Business.

As he has vast knowledge in Finance, Administration, Sales, Accounts, Taxation and Marketing, he is suitable to occupy this position.

**5. Remuneration Proposed:**

It is proposed to pay Mr. Vikram Kabra remuneration of Rs. 50,000/- per month w.e.f. 01<sup>st</sup> April, 2018 and further the authority of the shareholders of the Company is sought to empower the



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**Sreechem Resins Ltd.**

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Board of Directors of the Company to alter the terms of his appointment as may be deemed fit by the Board of the Company, subject to the provisions of the Companies Act.

**6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

The remuneration is as per Section 197 and 198 of the Companies Act, 2013 read with Schedule V and is comparable with the remuneration in similar sized industries in same/similar segment of business for this position and profile.

**7. Pecuniary relationship directly or indirectly with the Company, or relationship with the Managerial Personnel, if any:**

Except for the below mentioned Pecuniary relationship, Mr. Vikram Kabra does not have any other Pecuniary relationship with the company.

**VII. Other information:**

**1. Reasons of inadequate Profit;**

The Company operates in an industry where volatility is the order of the day.

**2. Steps taken/proposed to be taken for improvement:**

The Company is constantly undertaking steps to avoid NPA(s) and obtain market research data before undertaking investment activity. The Company is taking constant steps to stabilize the profits of the company.

**3. Expected increase in productivity and profits in measurable terms:**

The Company is aiming to increase the turnover of the company and become more profitable.

**VIII. Disclosure:**

Information as required under this head is provided under the Corporate Governance head of the Director's Report of the Annual Report.

The Resolution/s seeks the approval of members for the appointment of Mr. Vikram Kabra as the Whole Time Director of the Company for a period of five years i.e. from 01<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023 under the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions of Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re enactment thereof for the time being in force).

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Vikram Kabra as the Whole Time Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Vikram Kabra as the Managing Director of the company.

This Explanatory statement may also be regarded as a disclosure under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

No Director, Key managerial personnel or their relatives, except Mr. Vikram Kabra, to whom the resolution relates, is interested or concerned in the resolution.

**The Board recommends the resolution set forth in Item No. 4 for the approval of the Members as Special Resolution.**

**Item No. 5:**

Mrs. Sweta Maheshwari is a Non-Executive (Independent Director) of the Company; she joined the Board of Directors on 04<sup>th</sup> April, 2018 w.e.f. 01<sup>st</sup> April, 2018. She is the Member of the "Audit Committee", "Nomination and Remuneration Committee" of the Board of Directors of our Company. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mrs. Sweta Maheshwari being eligible and seeks appointment as an Independent Director for a term of five years.

Mrs. Sweta Maheshwari is a Graduate in Science having practical experience in marketing. She has an experience of one and half decades in the field of marketing & product development of consumer products for several years. As an Independent Director of our Company with corporate acumen she shall bring value addition to our Company.



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**Sreechem Resins Ltd.**

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Mrs. Sweta Maheshwari does not hold Directorships in any Company other than our Company;

Mrs. Sweta Maheshwari does not hold any membership/chairmanships in Committees of Board other than that of our Company.

Mrs. Sweta Maheshwari does not hold any shares of the Company.

Mrs. Sweta Maheshwari was appointed on 04<sup>th</sup> April, 2018 and therefore the question of attending the meeting held during the FY 2017-2018 does not arise.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and she shall not be included in the total number of directors for retirement by rotation.

The Company has received from Mrs. Sweta Maheshwari;

- (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014,
- (ii) Intimation of Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013 and
- (iii) A declaration to the effect that he meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013.

Mrs. Sweta Maheshwari is not related to any of the other Director(s), and KMP(s) of the Company.

The Resolution seeks the approval of members for the appointment of Mrs. Sweta Maheshwari as an Independent Director of the Company up to 30<sup>th</sup> March, 2023 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder. She is not liable to retire by rotation.

In the opinion of the Board of Directors, Mrs. Sweta Maheshwari, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for appointment of Mrs. Sweta Maheshwari as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of AGM.

The Board considers that her association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mrs. Sweta Maheshwari as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mrs. Sweta Maheshwari as an Independent Director, for the approval by the shareholders of the company.

This Explanatory statement may also be regarded as a disclosure under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

No director, key managerial personnel or their relatives, except Mrs. Sweta Maheshwari, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 5 for the approval of the Members as ordinary resolution.

**Item No. 6:**

Mr. Vishal Joshi is a Non-Executive (Independent Director) of the Company; He joined the Board of Directors on 04<sup>th</sup> April, 2018 w.e.f 01<sup>st</sup> April, 2018. He is the Member of the "Audit Committee" and Chairman of "Nomination and Remuneration Committee", of the Board of Directors of our Company. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Vishal Joshi being eligible and seeks appointment as an Independent Director for a term of five years.

Mr. Vishal Joshi is a Graduate in Commerce having I.T. Experience in Accounting Software. He has rich experience in Administration and Finance. He possesses knowledge on various aspects of administration and is conversant with management and accounts of companies. As an Independent Director of our Company with corporate acumen he shall bring value addition to our Company.

He does not hold Directorships in any company other than that of our Company.



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**Sreechem Resins Ltd.**

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Mr. Vishal Joshi does not hold any membership/chairmanships in Committees of Board other than that of our Company.

Mr. Vishal Joshi does not hold any shares of the Company.

Mr. Vishal Joshi during the FY 2017-2018 was not part of the Board of Directors of the Company, thus the question of the attending the Board Meeting during the said FY does not arise.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received from Mr. Vishal Joshi;

- (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014,
- (ii) Intimation of Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013 and
- (iii) A declaration to the effect that he meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013.

He is not related to any of the other Director(s), and KMP(s) of the Company.

The Resolution seeks the approval of members for the appointment of Mr. Vishal Joshi as an Independent Director of the Company up to 30<sup>th</sup> March, 2023 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Vishal Joshi, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for appointment of Mr. Vishal Joshi as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of AGM.

The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Vishal Joshi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Vishal Joshi as an Independent Director, for the approval by the shareholders of the company.

This Explanatory statement may also be regarded as a disclosure under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

No director, key managerial personnel or their relatives, except Mr. Vishal Joshi, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 6 for the approval of the Members as ordinary resolution.

**Item No. 7:**

Mr. Niwesh Sharma is a Non-Executive (Independent Director) of the Company; He joined the Board of Directors on 04<sup>th</sup> April, 2018 w.e.f 01<sup>st</sup> April, 2018. He is the Chairman of the "Audit Committee" and Member of "Stakeholder's Relationship Committee", of the Board of Directors of our Company. In terms of Section 149 and any other applicable provisions of the Companies Act, 2013, Mr. Niwesh Sharma being eligible and seeks appointment as an Independent Director for a term of five years.

Mr. Niwesh Sharma is a Graduate in Commerce having vast knowledge of finance & planning. He has six years of experience in Business Administration. As an Independent Director of our Company with corporate acumen he shall bring value addition to our Company.

He does not hold Directorships in any company other than that of our Company.

Mr. Niwesh Sharma does not hold any membership/chairmanships in Committees of Board other than that of our Company.

Mr. Niwesh Sharma does not hold any shares of the Company.



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**Sreechem Resins Ltd.**

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Mr. Niwesh Sharma during the FY 2017-2018 was not part of the Board of Directors of the Company, thus the question of the attending the Board Meeting during the said FY does not arise.

Section 149 of the Act inter alia stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received from Mr. Niwesh Sharma;

- (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014,
- (ii) Intimation of Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-Section (2) of Section 164 of the Companies Act, 2013 and
- (iii) A declaration to the effect that he meets the criteria of independence as provided in Sub-Section (6) of Section 149 of the Companies Act, 2013.

He is not related to any of the other Director(s), and KMP(s) of the Company.

The Resolution seeks the approval of members for the appointment of Mr. Niwesh Sharma as an Independent Director of the Company up to 30<sup>th</sup> March, 2023 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder. He is not liable to retire by rotation.

In the opinion of the Board of Directors, Mr. Niwesh Sharma, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is independent of the Management. A copy of the draft letter for appointment of Mr. Niwesh Sharma as an Independent Director setting out the terms and conditions is available for inspection without any fee by the members at the Company's registered office during normal business hours on working days up to the date of AGM.

The Board considers that his association would be of immense benefit to the Company and it is desirable to continue to avail the services of Mr. Niwesh Sharma as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Niwesh Sharma as an Independent Director, for the approval by the shareholders of the company.

This Explanatory statement may also be regarded as a disclosure under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

No director, key managerial personnel or their relatives, except Mr. Niwesh Sharma, to whom the resolution relates, is interested or concerned in the resolution.

The Board recommends the resolution set forth in Item No. 7 for the approval of the Members as ordinary resolution.

**Date : 14.08.2018**

**Place : Kolkata**

**By order of the Board of Directors**

**For SREECHEM RESINS LIMITED**

**Sd/-**

**BINOD SHARMA  
(DIN: (00557039)  
MANAGING DIRECTOR**



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**Sreechem Resins Ltd.**

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**DIRECTOR'S REPORT**

Dear Members

We are pleased to present the report on our business and operations for the year ended 31<sup>st</sup> March, 2018.

**1. Results of our Operations:**

The Company's financial performance for the year ended 31<sup>st</sup> March, 2018 is summarised below;

(Rs. in Lacs)

Particulars	FY 2017-2018	FY 2016-2017
Revenue from Operations (Net)	2,884.22	2797.42
Other Income	2.78	5.02
Total Income	2887.00	2802.44
Total Expenses	2913.28	2829.69
Profit Before Tax & Extraordinary Items	(26.27)	(27.25)
Relisting Fees Paid	(47.50)	-
Tax Expense		
- Current Tax	0.06	1.36
- Deferred Tax Liability/(Assets)	(20.63)	(2.44)
Net Profit/(Loss) for the Year	<b>(53.20)</b>	<b>(26.17)</b>

**a. Review of operations and affairs of the Company:**

During the year under review, the Company has made Loss of Rs. 26.27 lacs before Taxes as compared to Loss of Rs. 27.25 lacs in previous year. However there is loss of Rs 53.20 lacs after Taxes & Exceptional items against Rs. 26.17 lacs loss last year. There was huge competition from other manufacturers during the year, as such, increased raw-materials prices could not be passed on to customers fully. The Management have taken steps and developed new products which are under observations with customers. On approval of the said new products, the Board expect significant improvement in Production & Sales.

**b. Dividend:**

Due to loss during the year, your Company do not recommend any Dividend during the year under review.

**c. Transfer to Reserves:**

The Company has not proposed to transfer any amount to any reserve.

**d. Deposits:**

During the year under review, your company has not accepted any deposits from the public within the meaning of section 76 of the Companies Act, 2013 and the rules there under. There are no public deposits, which are pending for repayment.

**e. Particulars of loans, guarantees or investments:**

It is hereby informed that the Company has not given any Loans. No fresh investments were made nor given any guarantee or provided any security during the financial year under review.

**f. Particulars of contracts or arrangements made with related parties:**

The Company has entered into related party transaction and the particulars of contracts or arrangements with related parties referred to in section 188(1) of the Companies Act, 2013, as prescribed in Form AOC-2 is appended as **Annexure I**. The Policy on Related Party Transaction can be viewed on our website <http://www.sreechem.in/policy.php>



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**Sreechem Resins Ltd.**

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**g. Variation in market Capitalization:**

During the financial year under review, the Securities of your Company were listed but the trading of these securities was under suspension at BSE Limited till 18<sup>th</sup> October, 2017. Further the BSE vide its Notice No. 20171010-9 dated 10<sup>th</sup> October, 2017 have informed the Trading Members of the Exchange that the suspension in trading of equity shares of the Company will be revoked w.e.f 18<sup>th</sup> October, 2017. Thus the company is not able to provide any Market Price data for the securities of the Company in comparison to the previous year. However the variation in the Market Capitalization of the Company as on date of revocation i.e. 18<sup>th</sup> October, 2017 and 31<sup>st</sup> March 2018 is as follows:

Particulars	As at 31 <sup>st</sup> March, 2018	As at 18 <sup>th</sup> October, 2017	Increase/ Decrease in %
Market Value per share	8.37	12.5	(33.04)
No. of Shares	40,00,000	40,00,000	-
Market Capitalization	3,34,80,000	5,00,00,000	(33.04)
EPS	(1.33)	(0.65)	(104.61)
Price earnings ratio	(6.29)	(19.23)	67.29
<b>Percentage increase/decrease in the Market Price of the Shares in comparison with the last issue<sup>1</sup></b>			<b>(16.30)</b>

<sup>1</sup>The Last issue of the Company in the FY 1992-1993 was brought out at a rate of Rs. 10/- per share.

**h. Management's Discussion and Analysis:**

Management's Discussion and Analysis Report for the year under review, as stipulated under Schedule V (B) of Regulation 34(2)(e) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, is appended as **Annexure II** to this report.

**i. Director's Responsibility Statement:**

Pursuant to Section 134(3)(c) and Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are 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 and loss of the Company for that period;
- the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 (erstwhile Companies Act, 1956) for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the directors have prepared the annual accounts on a going concern basis;
- the directors have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



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**Sreechem Resins Ltd.**

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**j. Recommendations of the Audit Committee:**

During the year under review, all the recommendations made by the Audit Committee were accepted by the Board.

**2. Human Resource Management:**

To ensure good human resources management at Sreechem Resins Limited, we focus on all aspects of the employee lifecycle. This provides a holistic experience for the employee as well. During their tenure at the Company, employees are motivated through various skill-development, engagement and volunteering programs. All the while, we create effective dialogs through our communication channels to ensure that the feedback reach the relevant teams, including the leadership.

**a. Particulars of employees:**

The table containing the details of remuneration of Directors and Employees in accordance with the provisions of Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is appended as **Annexure III** to this report.

There are no employees who were in receipt of remuneration in excess of the ceiling prescribed in the Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Further as on 31<sup>st</sup> March, 2017 the Company had 49 employees and the Disclosure with respect to details of the Top 10 employees as on 31<sup>st</sup> March, 2017 in pursuance to Rule 5(2) & Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given under **Annexure-IV**:

The Company currently do not provide any Employee Stock Option Scheme/Employee Stock Purchase Scheme to its employees.

**b. Key Managerial Personnel:****i. Managing Director or Chief Executive Officer or Manager and in their absence, a Whole-Time Director:**

- Ø During the year under review, Mr. S N Kabra (DIN: 00556947) was the Managing Director
- Ø During the year under review, Mr. Binod Sharma (DIN: 00557039) was the Joint Managing Director
- Ø Mr. S N Kabra resigned from the said post w.e.f 01<sup>st</sup> April, 2018 at the Board Meeting held on 04<sup>th</sup> April, 2018
- Ø Mr. Binod Sharma was re-designated from Joint Managing Director to Managing Director and is the Managing Director from 01<sup>st</sup> April, 2018 till the date of this report.

**ii. Company Secretary:**

- Ø Ms Suman Murarka, was appointed as Company Secretary cum Compliance Officer of the Company from the start of the Financial Year till the date of this report

**iii. Chief Financial Officer:**

- Ø Mr. Prabhu Dayal Somani is the Chief Financial Officer of the Company from the start of the Financial Year till the date of this report

**3. Corporate Governance:**

Corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. At Sreechem Resins Limited, it is imperative that our company affairs are managed in a fair and transparent manner. This is vital to gain and retain the trust of our stakeholders. The Company is committed to maintain the highest standards of corporate governance



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**Sreechem Resins Ltd.**

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and adhere to the corporate governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally.

As per the Regulation 15(2)(a) of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015; The compliance with the Corporate Governance provisions as specified in regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V shall not apply, in respect of the Listed entity having paid up Equity share capital not exceeding Rs. 10 Crore and Net-worth not exceeding of 25 Crore, as on the last day of the Previous financial year. It is hereby informed that your Company during the Previous financial year had the paid-up capital of Rs. 4,00,00,000 divided into 40,00,000 Equity Shares of Rs. 10/- each and the Net-worth of the Company was Rs. 603.94 Lakhs. Thus, the compliance with provisions of Corporate Governance in accordance with Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is not applicable to your Company.

**a. Compliance Department:**

Ms. Suman Murarka was appointed as Company Secretary cum Compliance officer of the Company.

The Compliance department of the Company is responsible for independently ensuring that the operating and business units comply with regulatory and internal guidelines. New instructions/guidelines issued by the Regulatory authorities were disseminated across the Company to ensure that the business and business units operate within the boundaries set by the regulators and that compliance risks are suitably monitored and mitigated in course of their activities & processes.

**b. Information on the Board of Directors of the Company:**

During the year under review, following changes took place in the Composition of Board of Directors of the Company;

- (i) The Shareholders at the Annual General Meeting of the Company held on 30<sup>th</sup> September, 2017 approved the following;
  - a. Re-Appointment of Mrs. Rajee Sharma (DIN: 01771103), who retired by rotation at this Annual General Meeting.

(ii) The Board at its Meeting held on 04<sup>th</sup> April 2018 restructured the Board and approved the following;

- a. Taking on record the Resignation tendered by Mr. S N Kabra (DIN: 00556947), Managing Director of the Company expressing his inability to continue as the Director of the Company and the same was accepted by the Board and he was relieved from the Directorship of the Company w.e.f 01<sup>st</sup> April, 2018.
- b. Re-designation of Mr. Binod Sharma (DIN: 00557039), Joint Managing Director as Managing Director w.e.f 01<sup>st</sup> April, 2018 for a period of five years commencing from 01<sup>st</sup> April, 2018 upto 31<sup>st</sup> March, 2023, subject to the approval of the Shareholders of the Company.
- c. Appointment of Mr. Vikram Kabra (DIN: 00746232) as Additional Director of the Company w.e.f 01<sup>st</sup> April, 2018 and to hold office till the conclusion of the ensuing Annual General Meeting.
- d. Appointment of Mr. Vishal Joshi (DIN: 03290549) as Additional cum Independent Director of the Company w.e.f 01<sup>st</sup> April, 2018 and to hold office till the conclusion of the ensuing Annual General Meeting.
- e. Appointment of Mr. Niwesh Sharma (DIN: 08099366) as Additional cum Independent Director of the Company w.e.f 01<sup>st</sup> April, 2018 and to hold office till the conclusion of the ensuing Annual General Meeting.
- f. Appointment of Mrs. Sweta Maheshwari (DIN: 07389832) as Additional cum Independent Director of the Company w.e.f 01<sup>st</sup> April, 2018 and to hold office till the conclusion of the ensuing Annual General Meeting.
- g. Appointment of Mr. Vikram Kabra (DIN: 00746232) as the Whole Time Director of the Company w.e.f 01<sup>st</sup> April, 2018 for a period of five year commencing from 01<sup>st</sup> April, 2018 upto 31<sup>st</sup> March, 2023, subject to the approval of the Shareholders of the Company.



## Sreechem Resins Ltd.

- h. Taking on record the Resignation tendered by Mr. Shashi Kant Joshi (DIN: 01457519), Independent Director of the Company expressing his inability to continue as the Director of the Company and the same was accepted by the Board and he was relived from the Directorship of the Company w.e.f 01<sup>st</sup> April, 2018.
- i. Taking on record the Resignation tendered by Mr. Sanjay Bansal (DIN: 00142576), Independent Director of the Company expressing his inability to continue as the Director of the Company and the same was accepted by the Board and he was relived from the Directorship of the Company w.e.f 01<sup>st</sup> April, 2018.
- j. Taking on record the Resignation tendered by Mr. Uttam Jhawar (DIN: 00631065), Independent Director of the Company expressing his inability to continue as the Director of the Company and the same was accepted by the Board and he was relived from the Directorship of the Company w.e.f 01<sup>st</sup> April, 2018.
- (ii) In compliance with the Companies Act, 2013 the following directors are proposed to be appointed/re-appointed as Director/Independent Directors/Executive Director of the Company by the approval of the Share Holders of the Company;
- Mrs. Rajee Sharma (DIN: 01771103), retires by rotation at this Annual General Meeting and being eligible has offered herself for re-appointment.
  - Ratification of the Appointment of Mr. Binod Sharma (DIN: 00557039) as Managing Director for a period of five years (i.e., from 01<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023)
  - Ratification of the Appointment of Mr. Vikram Kabra (DIN: 00746232) as Wholetime Director for a period of five years (i.e., from 01<sup>st</sup> April, 2018 to 31<sup>st</sup> March, 2023)
  - Ratification of the appointment of Mr. Vishal Joshi (DIN: 03290549) as Independent Director of the Company.
  - Ratification of the appointment of Mr. Niwesh Sharma (DIN: 08099366) as Independent Director of the Company.
  - Ratification of the appointment of Mrs. Sweta Maheshwari (DIN: 07389832) as Independent Director of the Company.
- c. Board Diversity:**
- The Company recognizes and embraces the importance of a diverse board in its success. We believe that a truly diverse board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity, race and gender, which will help us, retain our competitive advantage. The Board has adopted the Board Diversity Policy which sets out the approach to diversity of the Board of Directors. The Board Diversity Policy is available on our website <http://www.sreechem.in/policy.php>
- d. Details with regards to meeting of Board of Directors and attendance during the year of the Company:**

- (i) **Composition of the Board of Directors as on the date of this Report is mentioned below;**

Name of the Director	Designation	Category
Mr. Binod Sharma	Managing Director	Executive Director
Mr. Vikram Kabra	Whole Time Director	Executive Director
Mrs. Rajee Sharma	Director	Non-Executive cum Non Independent Director
Mr. Vishal Joshi	Director	Independent Director
Mr. Niwesh Sharma	Director	Independent Director
Mrs. Sweta Maheshwari	Director	Independent Director



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(ii) Meeting of Board of Directors and Attendance During the Year:

During the FY 2017-2018, 6 (Six) meetings of the Board of Directors of the Company were held i.e. on 30<sup>th</sup> May 2017, 04<sup>th</sup> August, 2017, 14<sup>th</sup> August, 2017, 14<sup>th</sup> November, 2017, 14<sup>th</sup> February, 2018 and 15<sup>th</sup> March 2018. The gap between two meetings did not exceed 120 days. The attendance of the members at the Board of Directors meetings was as follows:

Name of Director	Attendance Particulars		No. of Directorships in other Public Company	No. of Chairman / Membership of Board Committees in other Companies#	
	Board Meetings	Last AGM		Chairman	Member
Mr. Satya Narayan Kabra	6	YES	NA	NA	NA
Mr. Binod Sharma	6	YES	-	-	-
Mr. Shashi Kant Joshi	4	YES	NA	NA	NA
Mr. Sanjay Bansal	2	YES	NA	NA	NA
Mrs. Rajee Sharma	2	YES	-	-	-
Mr. UttamJhawar	4	NO	NA	NA	NA

\*The Directorships held by the Directors as mentioned above do not include Alternate Directorships and Directorships held in Foreign Companies, and Companies registered under Section 25 of the Companies Act, 1956 or Section 8 of the Companies Act, 2013.

#In accordance with Regulation 26 (1) (b) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 Membership/ Chairpersonship of only the Audit Committees and Stakeholders' Relationship Committee in all Public Limited Companies has only been considered.

**e. Policy on Directors' Appointment and Remuneration:**

The Board was restructured during the financial year. Sri B.M. Banerjee, Sri Vikram Kabra and Sri Vibhor Sharma resigned during the year. The current policy is to have an appropriate mix of executive, non-executive and independent directors to maintain the independence of the Board, and separate its functions of governance and management. As on 31<sup>st</sup> March, 2018, the Board consist of 6 Members, 2 of whomis Executive Director and 1 of whom is aWoman Director and the 3 others are Independent Directors. The Board periodically evaluates the need for change in its composition and size.

The Policy of the Company on Director's Appointment and Remuneration, including criteria for determining qualifications, positive attributes, independence of director and other matters provided under Section 178(3) of the Companies Act, 2013, adopted by the Board, is available on our website <http://www.sreechem.in/policy.php> We affirm that the Remuneration paid to the directors is as per the terms laid out in the said policy.

**f. Declaration by Independent Directors:**

The Company has received necessary declarations from each Independent Director(s) under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

**g. Training of Independent Directors:**

Every new Independent Director at the time of appointment is issued a detailed Appointment Letter incorporating the Role, Duties and Responsibilities, Remuneration and Performance evaluation process, Code of Conduct and obligations on disclosures.



## Sreechem Resins Ltd.

Further every new Independent Director is provided with copy of latest Annual Report, the Code of Conduct, the Code of Conduct for Internal Procedures and to Regulate, Monitor and Report Trading by Insiders ("Code of Conduct - PIT") and the Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information (the "Fair Practice Code"), Tentative Schedule of upcoming Board and Committee meetings.

The Company through its Executive Directors / Key Managerial Personnel conduct programs / presentations periodically to familiarize the Independent Directors with the strategy, operations and functions of the Company.

Thus such programs / presentations provides an opportunity to the Independent Directors to interact with the senior leadership team of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities and risk management and such other areas as may arise from time to time. The Policy on the Familiarization Programme for Independent Directors is available on our website <http://www.sreechem.in/policy.php>

### h. Board's Committees:

Currently, the Board has three Committees: the Audit Committee, the Nomination and Remuneration Committee, and the Stakeholder's Relationship Committee. All Committees are appropriately constituted

(i) The details of the composition of the Committees as on the date of this Report is mentioned below:

Name of the Committee	Name of the Company Member	Position in the Committee
Audit Committee	Mr. Niwesh Sharma	Chairman
	Mr. Vishal Joshi	Member
	Mr. Vikram Kabra	Member
Nomination and Remuneration Committee	Mr. Vishal Joshi	Chairman
	Mrs. Sweta Maheshwari	Member
	Mrs. Rajee Sharma	Member
Stakeholders Relationship Committee	Mrs. Rajee Sharma	Chairman
	Mr. Niwesh Sharma	Member
	Mr. Binod Sharma	Member

### a) MEETING OF AUDIT COMMITTEE AND ATTENDANCE DURING THE YEAR:

During the financial year under review, The Audit Committee Meetings were held 4 times in a year viz., on 30<sup>th</sup> May 2017, 14<sup>th</sup> August, 2017, 14<sup>th</sup> November, 2017 and 14<sup>th</sup> February, 2018 and the attendance of the members at the Audit Committee meetings was as follows:

Name of the Director	Attendance Particular	
	Meeting Held during their tenure	Meeting Attended during their tenure
Mr. Shashi Kant Joshi	4	3
Mr. Uttam Jhavar	4	3
Mr. Binod Sharma	4	4

### b) MEETINGS OF NOMINATION AND REMUNERATION COMMITTEE AND ATTENDANCE DURING THE YEAR:



## Sreechem Resins Ltd.

During the financial year under review, the Nomination and Remuneration Committee Meetings was held one time in a year viz., on 30<sup>th</sup> May, 2017 the attendance of the members at the Nomination and Remuneration Committee meeting was as follows:

Name of the Director	Attendance Particular	
	Meeting Held during their tenure	Meeting Attended during their tenure
Mr. Shashi Kant Joshi	1	1
Mr. Uttam Jhawar	1	1
Mr. Binod Sharma	1	1

**c) MEETING OF STAKEHOLDER RELATIONSHIP COMMITTEE AND ATTENDANCE DURING THE YEAR:**

During the financial year under review, Stakeholder Relationship Committee Meetings were held 4 times in a year viz., 30<sup>th</sup> May, 2017, 14<sup>th</sup> August, 2017, 14<sup>th</sup> November, 2017 and 14<sup>th</sup> February, 2018 and the attendance of the members at the Stakeholder Relationship Committee meeting was as follows:

Name of the Director	Attendance Particular	
	Meeting Held during their tenure	Meeting Attended during their tenure
Mr. Uttam Jhawar	4	3
Mrs. Rajee Sharma	4	3
Mr. S. N. Kabra	4	4

**i. Board Evaluation:**

The Board of Directors has carried out an Annual Evaluation of its “own performance”, “Board committees” and “Individual Directors” pursuant to the section 134(3) of the Companies Act, 2013.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the Committees was evaluated by the Board after seeking inputs from the Committee members on the basis of the criteria such as the composition of Committees, effectiveness of Committee meetings, etc.

The Board and the Nomination and Remuneration Committee (“NRC”) reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of Independent Directors, performance of non-Independent Directors, performance of the Board as a whole was evaluated, The same was discussed in the Board meeting that followed the meeting of the Independent Directors at which the report as submitted by the Independent Directors was taken on record and discussed.



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**Sreechem Resins Ltd.**

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**j. Listing:**

The equity shares of Sreechem Resins Ltd. (Scrip Code: 514248) are listed at BSE.

Your Company paid the Listing Fees to the BSE Limited for the FY 2017-2018 and FY 2018-2019 in terms of Uniform Listing Agreement entered with the said Stock Exchange.

**k. Insider Trading**

In compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company has constituted a comprehensive Code titled as "Code of Conduct for Internal Procedures and to Regulate, Monitor and Report Trading by Insiders" which lays down guide lines and advises the Directors and Employees of the Company on procedures to be followed and disclosures to be made while dealing in securities of the Company. The said policy is available on our website <http://www.sreechem.in/policy.php>

**4. Auditors:****a. Statutory Auditor:**

At the Annual General Meeting held on 25<sup>th</sup> September, 2017, M/s. Puja Somani & Co., Chartered Accountants (Firm Registration No. 328778E), were appointed as Auditors of the Company to hold office from the conclusion of the 29<sup>th</sup> Annual General Meeting till the conclusion of the Annual General Meeting of the Company to be held in the year 2022.

**b. Secretarial Auditors:**

The Board of Directors at the meeting held on 16<sup>th</sup> September, 2016 had appointed M/s. J. Patnaik & Associates, Company Secretaries as the Secretarial Auditor of the Company for a period of five years up to financial year 2020-2021. However in supersession of the said appointment, the Board at its Meeting held on 30<sup>th</sup> May 2018 appointed M/s. Patnaik & Patnaik, Company Secretaries as the Secretarial Auditor of the Company for a period of five years up to financial year 2023-2024.

The Secretarial Audit Report for the FY 2017-2018 is appended as **Annexure V** to this report

**c. Comments of the Board on the qualification/reservation/adverse remarks/disclosure made:****(i) by the Statutory Auditor in the Audit Report:**

The Statutory Auditor report does not contain any qualifications, reservations or adverse remarks.

**(ii) by the Secretarial Auditor in the Secretarial Audit Report:**

The Secretarial Audit report does not contain any qualifications, reservations or adverse remarks.

**d. Internal Financial Control**

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

**e. Risk Management:**

The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments. The Company has identified various risks and also has mitigation plans for each risk identified. The Risk Management Policy of the Company is available on our website <http://www.sreechem.in/policy.php>



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### f. Vigil Mechanism:

The Company has established a mechanism for Director's and employee's to report their concerns relating to fraud, malpractice or any other activity or event which is against the interest of the Company.

The Whistle Blower Policy is in place. Employees can report to the Management concerned unethical behaviour, act or suspected fraud or violation of the Company's Code of Conduct Policy. No Employee has been denied access to the Audit Committee. The Whistle Blower Policy is available on our website <http://www.sreechem.in/policy.php>

### g. Statement on Material Subsidiary:

The Company currently do not have any Material Subsidiary. The Policy on Identification of Material Subsidiaries is available on our website <http://www.sreechem.in/policy.php>

## 2. Corporate Social Responsibility:

As per the provision of Section 135 of the Companies Act, 2013, all companies having a net worth of Rs. 500 crore or more, or a turnover of Rs. 1,000 crore or more or a net profit of Rs. 5 crore or more during any financial year are required to constitute a CSR committee and hence our Company do not meet the criteria as mentioned above, the Company has not constituted any Corporate Social Responsibility Committee; and has not developed and implemented any Corporate Social Responsibility initiatives and the provisions of Section 135 of the Companies Act, 2013 is not applicable to the Company.

### a. Particulars on conservation of energy, research and development, technology absorption and foreign exchange earnings and outgo:

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:

### I. POWER & FUEL CONSUMPTION

Sl. No.	Particulars	Unit of Measurement	2017-2018	2016-2017
1.	Electricity Purchased Unit	KWH	433122	458505
	Total Amount	INR	36,09,803	37,80,387
	Rate	Rs./KWH	8.33	8.25
2.	Own Generation through	KWH	3141246	3092473
	Diesel Generator Unit			
	Unit per Litre of Diesel	KWH/ Ltr.	3.24	3.19
	Cost per Unit	Rs./ KWH	18.14	17.86
	Total Amount	INR	5,69,82,202	5,52,36,390



## Sreechem Resins Ltd.

### II. CONSUMPTION PER UNIT PRODUCTION

Sl. No.	Particulars	Unit of Measurement	2017-2018	2016-2017
1.	Consumption Per Unit Production (Electricity)	KWH/MT	143	141

#### b. Technology Absorption, Adoption and Innovation :

##### 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.

#### c. Foreign Exchange earnings and Outgo :

(Amount in Lacs)

Particulars	2018	2017
Earnings	81.03	97.52
Expenditure	-	-

### 3. Others:

#### a. Extract of Annual Return:

In accordance with Section 134(3)(a) and Section 92(3) of the Companies Act, 2013, an extract of the Annual Return in the prescribed format is appended as **Annexure VI** to this Report.

#### b. Significant and Material Orders:

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

#### c. Disclosure under the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013:

The Company has in place an Anti-Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act 2013. All the employees (permanent, Contractual, temporary, Trainees) are covered under this policy.

During the year under review, no complaints were received falling under the category of Sexual Harassment of Women.

#### d. Other Disclosures:

Your Directors state that no disclosure or reporting is required in respect to the following items as there were no transactions on these items during the year under review:



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**Sreechem Resins Ltd.**

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- (i) Issue of equity shares with differential rights as to dividend, voting, or otherwise.
- (ii) Issue of shares (including sweat equity shares) to employees of the company under any scheme.
- (iii) Redemption of Preference Shares and/or Debentures.

**e. Reporting of Fraud by Auditors:**

No Fraud has been reported by the Auditors of the Company under Section 143(12) of the Companies Act, 2013.

**f. Soliciting Shareholders Information:**

This is to inform you that the company is in process of updation of records of the shareholders in order to reduce the physical documentation as far as possible.

With new BSE Uniform listing agreement, it is mandatory for all the investors including transferors to complete their KYC information. Hence, we have to update your PAN No., Phone no. and e-mail id in our records. We would also like to update your current signature records in our system. To achieve this, we solicit your co-operation in providing the following details to us;

- e. If you are holding the shares in dematerialized form you may update all your records with your Depository Participant (DP).
- f. If you are holding shares in physical form, you may provide the following:
  - i. Folio No.
  - ii. Name
  - iii. Pan No.
  - iv. E-mail ID
  - v. Telephone No.
  - vi. Specimen Signatures (3 in Nos.)

**g. Share Transfer System:**

With reference to the SEBI Notification No. SEBI/LAD-NRO/GN/2018/24 dated 08<sup>th</sup> June, 2018 the shares of the Company can be transferred only in dematerialised form w.e.f. December 05, 2018 and thus with a view to facilitate seamless transfer of shares in future and as advised by the Stock Exchanges, the shareholders holding shares in physical form are to be advised to dematerialise their shareholding in the Company.

**4. Acknowledgement:**

Your Directors wish to place on record their appreciation for the contribution made by the employees at all levels but for whose hard work, and support, your company's achievements would not have been possible. Your Directors also wish to thank its customers, dealers, agents, suppliers, investors and bankers for their continued support and faith reposed in the company.

**By Order of the Board of Directors**

**Date: 14.08.2018**

**For SREECHEM RESINS LIMITED**

**Place: Kolkata**

**Sd/-**  
**BINOD SHARMA**  
**(DIN: 00557039)**  
**Managing Director**

**Sd/-**  
**VIKRAM KABRA**  
**(DIN: 00746232)**  
**Whole Time Director**



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**Sreechem Resins Ltd.**

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**Annexure-I****FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

**1. Details of contracts or arrangements or transactions not at Arm's length basis:**

There were no contracts or arrangements or transactions entered in to during the year ended 31<sup>st</sup> March, 2018, which were not at arm's length basis.

**2. Details of contracts or arrangements or transactions at Arm's length basis:**

SL. No.	Particulars	Details
I		
(a)	Name (s) of the related party & nature of relationship	Shreechem Industries Pvt. Ltd. Relationship – Associate Company
(b)	Nature of contracts/arrangements/transaction	Sales
(c)	Duration of the contracts/arrangements/transaction	Ongoing
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of Resins
(e)	Date of approval by the Board	30 <sup>th</sup> May, 2017
(f)	Amount of Transaction during the FY	Rs. 1,74,125/-
(g)	Amount paid as advances, if any during the FY	Nil
II		
(a)	Name (s) of the related party & nature of relationship	Steel Aids Pvt. Ltd. Relationship – Associate Company
(b)	Nature of contracts/arrangements/transaction	Sales
(c)	Duration of the contracts/arrangements/transaction	Ongoing
(d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of Resins
(e)	Date of approval by the Board	30 <sup>th</sup> May, 2017
(f)	Amount of Transaction during the FY	Rs. 1,42,667/-
(g)	Amount paid as advances, if any during the FY	Nil

**By Order of the Board of Directors  
For SREECHEM RESINS LIMITED**

**Date: 14.08.2018**

**Place: Kolkata**

**Sd/-  
BINOD SHARMA  
(DIN: 00557039)  
Managing Director**

**Sd/-  
VIKRAM KABRA  
(DIN: 00746232)  
Whole Time Director**

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****1. INDIAN ECONOMY:**

**OVERVIEW:** The company manufactures Phenol based resins and derivatives. During the year, demand for resins remained depressed. Company's products are used by refractory units & steel plants. There was dumping of imported refractories by China. As such local industries suffered and there was tremendous competition between refractory units as well as resins manufacturers.

**INDUSTRY STRUCTURE & DEVELOPMENT**

In the developing economy, Steel is a vital component to the development. The strength of the Steel Industry shows the growth & development of all major industrial economies. Consumption of Steel is a significant indicator of socio-economic development of the people of the Country. In the last few years, Steel Industry was rapidly expanding in India.

**OPPORTUNITIES, FUTURE OUTLOOK & THREATS**

The Basic Raw-material – Phenol is manufactured in India by a Govt. Undertaking and a Private Sector Unit and is also imported. Normally there is no problem in procuring the same. But in the last two / three years H.O.C.L Unit remained closed intermittently and supplies remained Erratic frequently during the year and as such the company was compelled to procure phenol from imported consignments imported by third parties. The Company regularly supplies Phenolic Resins to various Refractory manufacturers and to Steel Plants. During The last two / three years there was huge competition from other Resin manufacturers resulting in lower realizations. Thus, there was loss during the year. There was huge increase in the prices of raw-materials, which could not be passed on to the customers fully.

The improvement in India's economic fundamentals has accelerated since the year 2015 with the combined impact of strong government reforms, Reserve Bank of India's (RBI) inflation focus supported by benign global commodity prices.

**2. RESIN INDUSTRY IN INDIA:**

There are five – six established manufacturers of Phenolic Resins in India. The industry is dependent on growth of Refractory Industry in the country. But due to import of Refractories from China, Indian Industry is starved of orders, resulting in huge competitions between the Resin manufacturers. Due to this competition, the increased raw-materials prices could not be passed on to the customers fully.

**3. OPPORTUNITIES AND THREATS & OUTLOOK IN THE INDUSTRY**

The Basic Raw-material – Phenol is manufactured in India by a Govt. Undertaking and a Private Sector Unit and is also imported. Normally there is no problem in procuring the same. But in the last two / three years H.O.C.L Unit remained closed intermittently and supplies remained Erratic frequently during the year and as such the company was compelled to procure phenol from imported consignments imported by third parties. The Company regularly supplies Phenolic Resins to various Refractory manufacturers and to Steel Plants. During The last three / four years there was huge competition from other Resin manufacturers resulting in competitive realizations. Thus, there was loss during the year.

**4. RISKS AND CONCERNS****RAW MATERIALS PRICE RISK :**



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**Sreechem Resins Ltd.**

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There are only two manufacturers of our basic raw materials- phenol. Shut down of HOCL Plant intermittently pose a risk of getting supplies as well price increases. Besides that there is fluctuation in the prices of Phenol as it is a crude oil base product, which is imported by the middle man. The Company has business understanding with some of the big customers constituting about 30% of the production and sales. According to the said understanding any increase / decrease in price of basic raw-materials is passed on the customers. In the remaining sales also the Company tries to insulate from any fluctuations in price of basic raw-materials to the extent possible. But increase in prices of other input items which are difficult to pass on to Customers fully.

**OTHER BUSINESS RISKS:**

There is a risk of imports of Refractories from low cost Chinese Refractories manufacturers as well as resins dumped by China and resulting in lower capacity utilization by the Refractory Units. However, Company has long association with the Refractory Manufacturers, who are satisfied with the quality of the products of the Company. As such, the Company does not see much risk in marketing the products of the Company. The depreciation of the rupee is a big challenge affecting the cost of inputs.

**5. RISK MANAGEMENT & INTERNAL CONTROL SYSTEM**

The Company has a robust Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage. The business risk framework defines the risk management approach across the enterprise at various levels including documentation and reporting. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business segments. The Company has identified various risks and also has mitigation plans for each risk identified. The Risk Management Policy of the Company is available on our website <http://www.sreechem.in/policy.php>

The Board has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

**6. DISCUSSION ON FINANCIAL PERFORMANCE:**

During the year under review, the Company has made Loss of Rs. 26.27 lacs before Taxes as compared to Loss of Rs. 27.25 lacs in previous year. However there is loss of Rs 53.20 lacs after Taxes & Exceptional items against Rs. 26.17 lacs loss last year. The Directors have taken steps to reduce the cost wherever possible.

**7. HUMAN RESOURCE:**

The Company firmly believes that human resources is an important instrument to provide proper communication of the Company's growth story to its stake holders and plays vital role in the overall prospects of the Company. So the Company takes possible steps for the welfare of its manpower. The employee relationship was cordial throughout the year.

**By Order of the Board of Directors**

**For SREECHEM RESINS LIMITED**

**Sd/-**

**BINOD SHARMA**

**(DIN: 00557039)**

**Managing Director**

**Sd/-**

**VIKRAM KABRA**

**(DIN: 00746232)**

**Whole Time Director**

**Date: 14.08.2018**

**Place: Kolkata**



## Sreechem Resins Ltd.

### Annexure - III

#### Information as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 :

Sl. No.	Particulars	Details	
		Name of the Director	Ratio of the Median
1	The ratio of the remuneration of each director to the median employee's remuneration for the financial year	Mr. Binod Sharma	5.39 : 1
		<p>The Monthly remuneration as on 31st March, 2018, being paid to Mr. Binod Sharma, Joint Managing Director is Rs. 50,000/- per month.</p> <p>The Median of the employees of the company as on 31<sup>st</sup> March, 2018 is Rs.9,281/-</p>	
2	The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year.	<ul style="list-style-type: none"> <li>• The Managing Director has forgone his remuneration during the year due to loss</li> <li>• There was no change in the remuneration paid to the Joint Managing Director during the last year. Hence the question of Increase in the Monthly remuneration of the Managing Director and the Joint Managing Director does not arise.</li> <li>• The Increase in the Monthly remuneration of the CFO is to a tune of 6.07%</li> <li>• There was no change in the remuneration paid to the Company Secretary. Hence the question of Increase in the Monthly remuneration does not arise.</li> </ul>	
3	The percentage increase in the median remuneration of employees in the financial year.	<p>The Median remuneration of the employee as on 31<sup>st</sup> March, 2017 was Rs. 6,852/- and as on 31<sup>st</sup> March, 2018 was Rs.9,281/-, thus the median employee remuneration has increased to a tune of 35.45%.</p>	
4	The number of permanent employees on the rolls of company.	53 Employees as on 31 <sup>st</sup> March, 2018	
5	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and any exceptional circumstances for increase in the managerial remuneration.	<p>As on 31<sup>st</sup> March, 2018, there were 53 employees on the rolls of the company. As already discussed in point. No.3 the average percentile increase in the employee's remuneration is 35.45%.</p> <p>Average increase for median employee remuneration is 35.45% other than Managerial Personnel &amp; there is no increase in remuneration for Managerial Personnel. Therefore, Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration can not be calculated.</p>	
6	If remuneration is as per the remuneration policy of the Company.	It is hereby affirmed that the remuneration paid is as per the remuneration policy of the Company.	

**By Order of the Board of Directors  
For SREECHEM RESINS LIMITED**

**Date: 14.08.2018**  
**Place: Kolkata**

**Sd/-**  
**BINOD SHARMA**  
**(DIN: 00557039)**  
**Managing Director**

**Sd/-**  
**VIKRAM KABRA**  
**(DIN: 00746232)**  
**Whole Time Director**



## Sreechem Resins Ltd.

### Annexure-IV

Particulars of Employees Information as required under Rule 5 (2) & Rule 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Director's Report for the Financial Year ended March 31, 2018.

Sr. No.	Name of the Employee	Age	Designation	Nature of Employment	Amount (In Rs. Per Month)	Qualification	Experience in years	Date of Joining	Particulars of Previous Employment
1	Vikram Kabra	40	President	Operations	50,000	B.COM	16	01-06-04	NIL
2	Samir Kumar Sarkar	65	G.M. Operation	Production	41,031	B.Sc	36	19-05-89	NIL
3	Prabhu Dayal Somani	70	CFO	Taxation & Legal	32,350	B.COM (Hons.)	49	04-01-04	Smithabh Intercon Ltd.
4	Manohar Prasad Chandra	54	Manager (Prod)	Production	29,427	M.Sc	28	20-12-93	NIL
5	Guru Prasad Mishra	45	Manager (Q.C)	Production	27,170	B.Sc	19	20.12.93	NIL
6	Bibhas Kumar Mazumdar	64	Manager (Comm. & Admin.)	Accounts & Administration	25,482	B.Com	38	01-02-05	Mohan Jute Mill, Raigarh
7	Dibakar Mohapatra	55	Administration Manager	Administration	22,001	B.A	27	11-02-91	Crackers India, Barunai Paper Mills
8	Susanta Kumar Acharya	46	Manager Accounts	Accounts	17,807	B.Com	19	02-07-07	MBA Associates, Rourkela
9	Hari Kishan Singh	58	Driver	Permanent	13,871	Matric	25	20-12-93	NIL
10	Sonalal Gupta	54	Shift Supervisor	Production	13,173	B.Sc	30	27-07-01	NIL

**By Order of the Board of Directors  
For SREECHEM RESINS LIMITED**

**Sd/-  
BINOD SHARMA  
(DIN: 00557039)  
Managing Director**

**Sd/-  
VIKRAM KABRA  
(DIN: 00746232)  
Whole Time Director**

**Date: 14.08.2018  
Place: Kolkata**



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**Sreechem Resins Ltd.**

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**Annexure V****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies  
(Appointment and Remuneration Personnel) Rules, 2014]

To

The Members,

Sreechem Resins Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sreechem Resins Company Limited (hereinafter called "the company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Sreechem Resins Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed below except as reported herein and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Sreechem Resins Limited ("the Company") for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;(Not Applicable to the Company during the period under review)
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;(Not Applicable to the Company during the period under review)
  - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;(Not Applicable to the Company during the period under review)
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the period under review);
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable to the Company during the period under review), and i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (vi) Other applicable laws generally applicable to the Industry/Company:
  - a) Factories Act, 1948;



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**Sreechem Resins Ltd.**

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- b) The Payment of Wages Act, 1936;
  - c) The Minimum Wages Act, 1948;
  - d) The Payment of Gratuity Act, 1972;
  - e) The Child Labour (Prohibition & Regulations) Act, 1986;
  - f) The Environment (Protection) Act, 1986, read with the Environment (Protection) Rules, 1986;
  - g) The Water (Prevention & Control of Pollution) Act, 1974, read with Water (Prevention & Control of Pollution) Rules, 1975;
  - h) The Air (Prevention & Control of Pollution) Act, 1981 read with Air (Prevention & Control of Pollution) Rules, 1982;
- (vii) The management of the Company has informed that there is no specific law applicable to carry on its business/ industrial activities.;
- I have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standard-1 and II issued by the Institute of Company Secretaries of India.
  - (ii) The Listing regulations entered into by the Company with Bombay Stock Exchange Limited and Calcutta Stock Exchange Limited;

**I further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period there are no events or actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc, referred to above for example.

- i) Public/ Right/ Preferential issue of shares/ debentures/ sweat equity
- ii) Redemption/ buy back of securities
- iii) Merger/ amalgamation/ reconstruction, etc iv) For eign technical collaborations

Date : 30-05-2018  
Place : Kolkata

J Patnaik & Associates  
Company Secretaries

J Patnaik  
FCS No. : 5045  
C. P. No. : 3102



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**Sreechem Resins Ltd.**

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**Annexure –VI****Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31st March 2018**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS :**

i) CIN:- L24222OR1988PLC002739

ii) Registration Date- 16.05.1988

iii) Name of the Company- SREECHEM RESINS LIMITED

iv) Category / Sub-Category of the Company: Company Limited by Shares.

v) Address of the Registered office and contact details:

Jhagarpur, PO Box No. 13, Rajgangpur- 770 017, Odisha

Phone : (91) (06624) 211943 / 211944

Website: www.sreechem.in

Email: sreechem.rajgangpur@rediffmail.com

vi) Whether listed company: YES

vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:

M/S MCS Share Transfer Agent Limited, 12/1/5, Manoharpukur Road, Ground Floor, Kolkata - 700026

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Phenolic Resin & Allied Products	2429	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sl. No.	Name and Address of the Company	CIN / GLN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
	NA	NA	NA	NA	NA



## Sreechem Resins Ltd.

### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

#### i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	8,33,400	7,000	8,40,400	21.01	8,40,400	-	8,40,400	21.01	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>									
<b>(A) (1):-</b>	<b>8,33,400</b>	<b>7,000</b>	<b>8,40,400</b>	<b>21.01</b>	<b>8,40,400</b>	<b>-</b>	<b>8,40,400</b>	<b>21.01</b>	<b>-</b>
(2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>									
<b>(A) (2):-</b>									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	<b>8,33,400</b>	<b>7,000</b>	<b>8,40,400</b>	<b>21.01</b>	<b>8,40,400</b>	<b>-</b>	<b>8,40,400</b>	<b>21.01</b>	<b>-</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	1,900	-	1,900	0.05	1,900	-	1,900	0.05	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total</b>									
<b>(B)(1):-</b>	<b>1,900</b>	<b>-</b>	<b>1,900</b>	<b>0.05</b>	<b>1,900</b>	<b>-</b>	<b>1,900</b>	<b>0.05</b>	<b>-</b>



## Sreechem Resins Ltd.

<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	9,91,400	94,700	10,86,100	27.15	9,81,900	94,700	10,76,600	26.91	(0.24)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 Lakh	5,79,899	14,90,401	20,70,300	51.76	5,97,499	14,82,301	20,79,800	51.99	0.24
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 Lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)									
Trust	100	-	100	0.00	100	-	100	0.00	-
NRI Non Repat	1200	-	1200	0.03	1200	-	1200	0.03	-
<b>Sub-total</b>									
<b>(B)(2):-</b>	15,72,599	15,85,101	31,57,700	78.94	15,80,699	15,77,001	31,57,700	78.94	-
Total Public Shareholding									
<b>(B)=(B)(1)+ (B)(2)</b>	<b>15,74,499</b>	<b>15,85,101</b>	<b>31,59,600</b>	<b>78.99</b>	<b>15,82,599</b>	<b>15,77,001</b>	<b>31,59,600</b>	<b>78.99</b>	<b>-</b>
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
<b>Grand Total</b>									
<b>(A+B+C)</b>	<b>24,07,899</b>	<b>15,92,101</b>	<b>40,00,000</b>	<b>100.00</b>	<b>24,22,999</b>	<b>13,77,001</b>	<b>40,00,000</b>	<b>100.00</b>	<b>-</b>

**(ii) Shareholding of Promoters:**

SI	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledge / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledge / encumbered to total shares	% change in share holding during the year
1	Satya Narayan Kabra	4,45,200	11.13	-	4,45,200	11.13	-	-
2	Vikram Kabra	15,900	0.39	-	15,900	0.40	-	-
3	Binod Sharma	3,43,100	8.58	-	3,43,100	8.58	-	-
4	Rajee Sharma	32,700	0.82	-	32,700	0.82	-	-
5	Kanchan Sharma	2,000	0.05	-	2,000	0.05	-	-
6	Ravi Sharma	1,500	0.04	-	1,500	0.04	-	-
7	Krishna Kumar Kabra	-	-	-	-	-	-	-



## Sreechem Resins Ltd.

8	Sashi Kabra	-	-	-	-	-	-	-
9	Mahesh Kabra	-	-	-	-	-	-	-
10	Brajo Mohan Banerjee	-	-	-	-	-	-	-
11	Binod Sharma HUF	-	-	-	-	-	-	-
	<b>Total</b>	<b>8,40,400</b>	<b>21.01</b>	<b>-</b>	<b>8,40,400</b>	<b>21.01</b>	<b>-</b>	<b>-</b>

(iii) **Change in Promoters' Shareholding (please specify, if there is no change):**

Sl. No.	At the beginning of the year	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	01-04-2017	There has been no change in the Promoter's Shareholding during the year under review			
	Date wise Increase / Decrease in Promoters Share holding during the year.				
	31-03-2018				

Sl. No.	For Each of the Top 10 Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>KASTURI FISCAL PRIVATE LIMITED</b>				
	01.04.2017	4,82,400	12.06	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	-	-
	31.03.2018	-	-	4,82,400	12.06
2	<b>NIVEDAN MERCANTILES PRIVATE LIMITED</b>				
	01.04.2017	2,68,800	6.72	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	-	-
	31.03.2018	-	-	-	-
3	<b>SREECHEM FINANCE PRIVATE LIMITED</b>				
	01.04.2017	1,75,000	4.38	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	-	-
	31.03.2018	-	-	-	-
4	<b>ZADKO DISTRIBUTORS PRIVATE LIMITED</b>				
	01.04.2017	65,500	1.64	-	-
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	-	-
	31.03.2018	-	-	1,00,000	1.54



## Sreechem Resins Ltd.

Sl. No.	For Each of the Top 10 Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	<b>RAJ MOHTA</b>				
	01.04.2017	16,000	0.40	-	-
	Less Market Sales	3,000	0.08	13,000	0.32
	31.03.2018	-	-	13,000	0.32
6	<b>GOPAL SHARMA</b>				
	01.04.2017	13,000	0.32	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	31.03.2018	-	-	13,000	0.32
7	<b>DINESH SAHOO</b>				
	01.04.2017	12,600	0.31	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	31.03.2018	-	-	12,600	0.31
8	<b>OM PRAKASH KHAITAN</b>				
	01.04.2017	11,500	0.29	-	-
	Date wise Increase / Decrease in Shareholding during the year.	-	-	-	-
	31.03.2018	-	-	11,500	0.29
9	<b>SANJAY KR BAID</b>				
	01.04.2017	11,300	0.28	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	31.03.2018	-	-	11,300	0.28
10	<b>STEEL AIDS INDIA PRIVATE LIMITED</b>				
	01.04.2017	10,000	0.25	-	-
	Date wise Increase / Decrease in Shareholding during the year.	-	-	-	-
	31.03.2018	-	-	10,000	0.25
11	<b>RAJIV R JAGDALE HUF</b>				
	Entered Top 10	14,600	0.37	-	-
	Date wise Increase / Decrease in Shareholding during the year	-	-	-	-
	31.03.2018	-	-	14,600	0.37



## Sreechem Resins Ltd.

### (v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	<b>SATYA NARAYAN KABRA</b>				
	01.04.2017	4,45,200	11.13	-	-
	Date wise Increase / Decrease in Shareholding during the year.	-	-	-	-
	31.03.2018	-	-	4,45,200	11.13
2	<b>BINOD SHARMA</b>				
	01.04.2017	3,43,100	8.58	-	-
	Date wise Increase / Decrease in Shareholding during the year.	-	-	-	-
	31.03.2018	-	-	3,43,100	8.58
3	<b>RAJEE SHARMA</b>				
	01.04.2017	32,700	0.82	-	-
	Date wise Increase / Decrease in Shareholding during the year.	-	-	-	-
	31.03.2018	-	-	32,700	0.82

### V. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

In Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	209.89	-	-	208.47
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	209.89	-	-	208.47
<b>Change in Indebtedness during the financial year</b>				
Ø Addition	60.45	-	-	60.45
Ø Reduction	1.41	-	-	1.41
<b>Net Change</b>	59.04	-	-	59.04
<b>Indebtedness at the End of the financial year</b>				
i. Principal Amount	268.93	-	-	268.93
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	268.93	-	-	268.93



## Sreechem Resins Ltd.

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

#### A. Remuneration to Chairman, Whole-time Directors and/or Manager :

Sl.	Particulars of Remuneration	Name of M.D./ WTD/ Manager	Total Amount (Amount in Rs.)
		<b>BINOD SHARMA Jt. Managing Director</b>	
1	Gross salary	6.00	6.00
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Options	-	-
3	Sweat Equity	-	-
4	Commission - As % of Profit - Others, specify	- - -	- - -
5	Others, Please specify	-	-
	Total (A)	6.00	6.00
	Ceiling as per the Act (in accordance with Section II of the Schedule V of the Companies Act, 2013)	60.00	60.00

#### B. Remuneration to other Directors:

(In Lakhs)

Sl.No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors:- Fee for attending board / committee meetings Commission Others, Please specify	- - -	
	Total (1)	-	-
2	Other Non-Executive Directors Fee for attending board / committee meetings Commission Others, please specify	- - -	-
	Total (2)	-	-
	Total (B)=(1+2)	-	-
	Total Managerial Remuneration	-	-
	Overall Ceiling as per the Act	-	-



## Sreechem Resins Ltd.

### C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTd:

(In Lakhs)

Sl.No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary				
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	1.08	4.05	5.13
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Options	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- As % of Profit	-	-	-	-
	- Others, specify	-	-	-	-
5	Others, Please specify	-	-	-	-
	Total		1.08	4.05	5.13

### I. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

### C. OTHER OFFICERS IN DEFAULT

Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

By Order of the Board of Directors  
For SREECHEM RESINS LIMITED

Sd/-  
**BINOD SHARMA**  
(DIN: 00557039)  
Managing Director

Sd/-  
**VIKRAM KABRA**  
(DIN: 00746232)  
Whole Time Director

Date: 14.08.2018

Place: Kolkata



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**Sreechem Resins Ltd.**

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**INDEPENDENT AUDITORS' REPORT****TO THE MEMBERS OF SREECHEM RESINS LIMITED****Report on the Financial Statements**

We have audited the accompanying Ind AS financial statements of **Sreechem Resins Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes of Equity for the year then ended and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board Of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flow and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, its total comprehensive income, its cash flows and changes in equity for the year ended on that date.

**Other Matters**

The comparative financial information of the Company for the year ended 31<sup>st</sup> March, 2017 and the transition date opening Balance Sheet as at 1<sup>st</sup> April, 2016 included in these Ind AS financial statements, are based on the statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the



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**Sreechem Resins Ltd.**

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previous auditors whose report for the year ended 31<sup>st</sup> March, 2017 and 31<sup>st</sup> March, 2016 dated 30<sup>th</sup> May, 2017 and 30<sup>th</sup> May, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion on the Ind AS financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

1. As required by section 143(3) of the Act, we report to the extent applicable that:
  - a) We have sought and 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 those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure A**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness on the Company's internal financial controls over financial reporting.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanation given to us:
    - i) The Company does not have any pending litigations which would impact its financial position;
    - ii) The Company did not have any long-term contracts including derivate contracts for which there were any material foreseeable losses;
    - iii) There were no amounts required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of books and records of the Company as we consider appropriate and according to the information and explanation given to us, we give in the **Annexure B**, a statement on the matters specified in paragraph 3 and 4 of the Order.

**Puja Somani**  
*Proprietor*  
Membership No. 307267  
For and on behalf of  
**Puja Somani & Co.**  
*Chartered Accountants*  
**Regn. No. 328778E**  
**Kolkata**  
**30<sup>th</sup> May, 2018**



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**Sreechem Resins Ltd.**

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**Annexure A to the Independent Auditor's Report**  
**(Referred to in paragraph 1(f) under the heading "Report on Other Legal and Regulatory Requirements"**  
**of our report of even date)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Sreechem Resins Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;



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**Sreechem Resins Ltd.**

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- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**Puja Somani**

*Proprietor*

Membership No. 307267

For and on behalf of

**Puja Somani & Co.**

*Chartered Accountants*

**Regn. No. 328778E**

**Kolkata**

**30<sup>th</sup> May, 2018**



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**Sreechem Resins Ltd.**

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**Annexure B to the Independent Auditor's Report**

***(Referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)***

- (i) In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b) As explained to us, all fixed assets have been physically verified during the year by the management in accordance with a regular program of verification which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
  - c) As per the information and explanations provided to us, title deeds of immovable properties are in the name of the company.
- (ii) As explained to us physical verification of inventory has been conducted at reasonable intervals by the management and discrepancies noticed on such physical verification between physical stock and book records were not material considering the operations of the company and the same have been properly dealt with in the books of account.
- (iii) In our opinion and according to the information and explanations given to us, the company has not granted any loans, secured or unsecured, to any companies, firm, Limited Liability partnerships or other parties as covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a) (b) and (c) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the companies Act, 2013 with respect to loans, investments, guarantees and security made.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 73 to 76 of the act and the rules framed there under.
- (vi) According to the information and explanations given to us, provisions relating to Cost Records and Audit are not applicable to the company.
- (vii) In respect of statutory dues:
  - a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, goods and service tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues as applicable with the appropriate authorities.
  - b) According to the information and explanations given to us by the management and records of the company examined by us, there are no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, custom duty, value added tax, GST, excise duty, cess and other material statutory dues which were outstanding, at the year-end for a period of more than six months from the date they became payable.
- (viii) According to the information and explanations given to us and the records of the company examined by us, the Company has not defaulted in repayment of dues to any financial Institution, Bank or Government. The Company has not issued any debentures.



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**Sreechem Resins Ltd.**

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- (ix) In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the company did not raise any money by way of term loans, initial public offer or further public offer (Including debt instruments).
- (x) Based upon the audit procedures performed and to the best of our knowledge and belief and according to the information and explanations given to us, no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the company has paid or provided for managerial remunerations in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with the related parties if any are in compliance with the provisions of Sections 177 and 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the order is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the order is not applicable.

**Puja Somani**  
*Proprietor*  
Membership No. 307267  
For and on behalf of  
**Puja Somani & Co.**  
*Chartered Accountants*  
**Regn. No. 328778E**  
**Kolkata**  
**30<sup>th</sup> May, 2018**



## Sreechem Resins Ltd.

### BALANCE SHEET AS AT 31ST MARCH, 2018

Rs.

Particulars	Notes	As at 31.03.18 Audited	As at 31.03.17 Audited	As at 01.04.16 Audited
<b>ASSETS :</b>				
<b>Non-current Assets</b>				
Property, Plant & Equipment	2	1,46,75,039	1,66,81,340	1,81,56,965
Financial Assets				
(i) Investments	3	2,79,000	2,79,000	2,79,000
(ii) Other Financial Assets	4	9,48,550	5,02,050	3,46,049
Deferred Tax Asset(net)	5	5,57,904	-	-
Other Non current Assets	6	16,31,683	16,30,183	14,79,061
<b>TOTAL NON-CURRENT ASSETS (1)</b>		<b>1,80,92,176</b>	<b>1,90,92,573</b>	<b>2,02,61,075</b>
<b>Current Assets</b>				
Inventories	7	5,46,60,579	4,67,26,226	6,30,32,710
Financial Assets				
(i) Trade receivables	8	4,51,14,891	2,91,21,752	3,78,08,240
(ii) Cash & cash equivalents	9	12,16,673	16,20,546	12,02,944
(iv) Other current financial assets	10	54,553	76,109	-
Current Tax Asset(Net)	11	1,79,569	1,38,756	91,633
Other current Assets	12	20,50,265	22,01,711	26,69,513
<b>TOTAL CURRENT ASSETS (2)</b>		<b>10,32,76,530</b>	<b>7,98,85,100</b>	<b>10,48,05,040</b>
<b>TOTAL ASSETS (1+2)</b>		<b>12,13,68,706</b>	<b>9,89,77,673</b>	<b>12,50,66,115</b>
<b>EQUITY AND LIABILITIES:</b>				
<b>Equity</b>				
Equity Share capital	13	4,00,00,000	4,00,00,000	4,00,00,000
Other Equity	14	1,50,74,067	2,03,94,360	2,30,11,374
<b>TOTAL EQUITY (1)</b>		<b>5,50,74,067</b>	<b>6,03,94,360</b>	<b>6,30,11,374</b>
<b>Liabilities</b>				
<b>Non-current Liabilities :</b>				
Financial Liabilities				
Borrowings	15	-	1,41,660	4,58,572
Deferred Tax Liabilities(Net)	16	-	15,05,928	17,50,905
<b>TOTAL NON-CURRENT LIABILITIES (2)</b>		<b>-</b>	<b>16,47,588</b>	<b>22,09,477</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
(i) Borrowings	17	2,68,93,017	2,08,47,672	2,56,63,219
(ii) Trade Payables	18	3,85,23,226	1,37,62,482	3,05,04,244
(ii) Other financial liabilities	19	1,41,659	3,16,912	3,63,125
Other current liabilities	20	6,26,650	13,13,946	30,03,010
Provisions	21	1,10,087	6,94,713	3,11,666
<b>TOTAL CURRENT LIABILITIES (3)</b>		<b>6,62,94,639</b>	<b>3,69,35,725</b>	<b>5,98,45,264</b>
<b>TOTAL EQUITY AND LIABILITIES (1+2+3)</b>		<b>12,13,68,706</b>	<b>9,89,77,673</b>	<b>12,50,66,115</b>

Significant Accounting Policies

1

Notes on Accounts

2 to 31

The accompanying notes 1 to 31 are an integral part of the Financial Statements

For and on behalf of the Board

As per our attached report of even date

**PUJA SOMANI**

*Proprietor*

Membership No. 307267

*For and on behalf of*

**Puja Somani & Co.**

*Chartered Accountants*

F.R. No.328778E

Kolkata,

Date : 30th May 2018

**BINOD SHARMA**  
Managing Director

**VIKRAM KABRA**  
Whole Time Director

**RAJEE SHARMA**  
Woman Director

**SUMAN MURARKA**  
Company Secretary

**PRABHU DAYAL SOMANI**  
Chief Financial Officer



## Sreechem Resins Ltd.

### STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2018

Rs.

	Notes	YEAR ENDED 31ST MARCH, 2018	YEAR ENDED 31ST MARCH, 2017
<b>Income</b>			
Revenue from Operations	22	28,84,22,282	27,97,42,516
Other Income	23	2,78,103	5,01,649
<b>Total Income (1+2)</b>		<b>28,87,00,385</b>	<b>28,02,44,165</b>
<b>Expenses</b>			
Cost of materials consumed	24	24,14,68,735	20,75,88,719
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(39,23,375)	(35,85,127)
Excise Duty and Service Tax		56,53,738	3,01,53,024
Employees benefits expenses	26	1,09,36,363	1,09,81,848
Finance Cost	27	28,44,655	30,48,167
Depreciation and amortisation expenses	2	25,03,762	24,69,923
Other Expenses	28	3,18,44,364	3,23,12,912
<b>Total Expenses (4)</b>		<b>29,13,28,242</b>	<b>28,29,69,466</b>
<b>Profit (+)/Loss(-) from operations before exceptional items (3-4)</b>		(26,27,856)	(27,25,301)
Exceptional Items		-	-
Re-Listing Fees Paid		(47,50,000)	
<b>Profit (+) / Loss(-) from ordinary activities before Tax (5-6)</b>		(73,77,856)	(27,25,301)
Tax Expense - Current			-
- Relating to Earlier years		6,269	1,36,690
- Deferred		(20,63,832)	(2,44,977)
<b>Profit (+)/Loss(-) for the period</b>		<b>(53,20,293)</b>	<b>(26,17,014)</b>
<b>Other Comprehensive Income / Expenses (net of tax)</b>			
(a) (i) Items that will be reclassified to profit & loss			
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
(b) (i) Items that will not be reclassified to profit & loss			
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Total Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income for the year</b>		<b>(53,20,293)</b>	<b>(26,17,014)</b>
<b>Earning Per Share ( in Rs.)</b>			
(a) Basic (Rs.)	29	(1.33)	(0.65)
(b) Diluted (Rs.)	29	(1.33)	(0.65)

#### Significant Accounting Policies

1

#### Notes on Accounts

2 to 31

The accompanying notes 1 to 31 are an integral part of the Financial Statements

For and on behalf of the Board

As per our attached report of even date

**PUJA SOMANI**

Proprietor  
Membership No. 307267

For and on behalf of

**Puja Somani & Co.**

Chartered Accountants

F.R. No.328778E

Kolkata,

Date : 30th May 2018

**BINOD SHARMA**  
Managing Director

**VIKRAM KABRA**  
Whole Time Director

**RAJEE SHARMA**  
Woman Director

**SUMAN MURARKA**  
Company Secretary

**PRABHU DAYAL SOMANI**  
Chief Financial Officer



## Sreechem Resins Ltd.

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2018

	31st March,18	31st March,17
<b>A Cash Flow From Operating Activities</b>		
<b>Net Profit/ (Loss) Before Tax &amp; Extraordinary items</b>	(73,77,856)	(27,25,301)
Adjustments :		
Finance cost	28,44,655	30,48,167
Depreciation(Including Arrer Depreciation)	25,03,762	24,69,923
Interest Income	(53,977)	(69,724)
Other Non-Operating Income	(2,24,126)	(4,31,925)
Profit/ Loss of Fixed Asset	-	5,822
<b>Operating profit Before Working Capital Changes</b>	<b>(23,07,543)</b>	<b>22,96,962</b>
Increase/(decrease) in Provisions	(5,84,626)	3,83,047
Increase/(decrease) in Trade Payables	2,47,60,744	(1,67,41,762)
Increase/(decrease) in Other Financial Liabilities	(1,75,253)	(46,213)
Decrease/(Increase) in Other Current Liabilities	(6,87,296)	(16,89,064)
Decrease/(Increase) in Other Non Current Financial Assets	(4,46,500)	(1,56,001)
Decrease/(Increase) in Other Non Current Assets	(1,500)	(1,51,122)
Decrease/(Increase) in Inventories	(79,34,353)	1,63,06,484
Decrease/(Increase) in Trade & Other Receivables	(1,59,93,139)	86,86,488
Decrease/(Increase) in Other Current Financial Assets	21,556	(76,109)
Decrease/(Increase) in Other Current Assets	1,51,446	4,67,802
Decrease/(Increase) in Current Tax assets(net)	(40,813)	(47,123)
<b>Cash Generated from Operating Activities</b>	<b>(32,37,276)</b>	<b>92,33,389</b>
Taxes paid ( including earlier year taxes )	6,269	1,36,690
<b>Net Cash flow from/(used in) Operating Activities (A)</b>	<b>(32,43,545)</b>	<b>90,96,699</b>
<b>B Cash Flow From Investing Activities</b>		
Purchase of Fixed Assets(including Capital Work-in-Progress)	(4,97,461)	(10,03,120)
Proceeds from Sale of Fixed Assets	-	3,000
Interest received	53,977	69,724
<b>Net Cash From Investing Activities (B)</b>	<b>(4,43,484)</b>	<b>(9,30,396)</b>
<b>C Cash Flow From Financing Activities</b>		
Proceeds From / (Repayment of) Long Term Borrowings	(1,41,660)	(3,16,912)
Proceeds From / (Repayment of) Short Term Borrowings	60,45,345	(48,15,547)
Interest paid	(28,44,655)	(30,48,167)
Other Non-Operating Income	2,24,126	4,31,925
<b>Net Cash From Financing Activities (C)</b>	<b>32,83,156</b>	<b>(77,48,701)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents(A+B+C)</b>	<b>(4,03,873)</b>	<b>4,17,602</b>
Opening Cash and Cash Equivalent	16,20,546	12,02,944
Closing Cash and Cash Equivalent	12,16,673	16,20,546

#### NOTE:

- The above "Cash Flow Statement" has been prepared under "Indirect Method".
- Previous year's figures have been re-arranged/regrouped wherever considered necessary.
- Cash and cash equivalents includes ;

#### Balance with Scheduled Banks

On Current Accounts	7,18,940	9,87,763
Cash in hand (As Certified)	4,97,733	6,32,783
<b>Total</b>	<b>12,16,673</b>	<b>16,20,546</b>

#### Other bank balances

Fixed Deposits	-	-
<b>Total</b>	<b>12,16,673</b>	<b>16,20,546</b>



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**Sreechem Resins Ltd.**

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**As per our attached report of even date**

**PUJA SOMANI**

*Proprietor*

Membership No. 307267

*For and on behalf of*

**Puja Somani & Co.**

*Chartered Accountants*

F.R. No.328778E

Kolkata,

**Date : 30th May 2018**

**For and on behalf of the Board**

**BINOD SHARMA**  
**Managing Director**

**VIKRAM KABRA**  
**Whole Time Director**

**RAJEE SHARMA**  
**Woman Director**

**SUMAN MURARKA**  
**Company Secretary**

**PRABHU DAYAL SOMANI**  
**Chief Financial Officer**



## Sreechem Resins Ltd.

### Statement of Changes in Equity for the year ended March 31, 2018 and March 31, 2017

#### A) Equity Share Capital

	Subscribed and fully paid-up		Total Equity share capital
	No. of Shares	Rs.	Rs.
As at April 1, 2016	40,00,000	4,00,00,000	4,00,00,000
As at March 31, 2017	40,00,000	4,00,00,000	4,00,00,000
As at March 31, 2018	40,00,000	4,00,00,000	4,00,00,000

#### B) Other Equity

Particulars	Reserve and Surplus			Total
	General Reserve	Capital Reserve	Retained Earnings	
<b>Balance as at March 31, 2017</b>				
Balance as at April 1, 2016	1,01,05,696		1,29,05,678	2,30,11,374
Changes in accounting policy/prior period errors				-
<b>Restated balance as at 1st April, 2016</b>	<b>1,01,05,696</b>	<b>-</b>	<b>1,29,05,678</b>	<b>2,30,11,374</b>
Profit for the year			(26,17,014)	(26,17,014)
Provision of Income Tax of the earlier years written back				-
Other comprehensive income/(Expense) for the year				-
<b>Balance as at March 31, 2017</b>	<b>1,01,05,696</b>	<b>-</b>	<b>1,02,88,664</b>	<b>2,03,94,360</b>
<b>Balance as at March 31, 2018</b>				
Balance as at March 31, 2017	1,01,05,696	-	1,02,88,664	2,03,94,360
Profit for the year			(53,20,293)	(53,20,293)
Provision of Income Tax of the earlier years written back				-
Other comprehensive income/(Expense) for the year				-
<b>Balance as at March 31, 2018</b>	<b>1,01,05,696</b>	<b>-</b>	<b>49,68,371</b>	<b>1,50,74,067</b>



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**Sreechem Resins Ltd.**

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**NOTES ATTACHED TO AND FORMING PART OF FINANCIAL STATEMENTS AS AT AND FOR THE YEAR  
ENDED 31ST MARCH, 2018****NOTE NO. 1: -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****CORPORATE INFORMATION**

The Company is principally engaged in production of Resins at its plant at Jhagarpur (Rajgangpur) and Raigarh. The registered office is situated at Jhagarpur, Rajgangpur, Odisha and its corporate office at 23A, Netaji Subhash Road, 11<sup>th</sup> Floor, Kolkata-700 001. The company's financial statements are standalone statements. There is no holding/subsidiary company. The disclosures of significant accounting policies are pertaining to the present activities of the company. However, in the year of new financial activity, the relevant accounting policies shall be incorporated.

**1.01. BASIS OF PREPARATION OF FINANCIAL STATEMENTS****I. Statement of compliance**

The Standalone Financial Statements for the year under review have been prepared in accordance with Indian Accounting Standards (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

These are the first Ind-AS financial statements containing the Balance Sheet as at April 1, 2016 and as at March 31, 2017. The transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company. The effects of such changes have been elaborated in Note No 32 attached herewith.

**II. Use of Estimates and Judgments**

In preparing these Standalone Financial Statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from such estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31st March, 2018 are as follows:

- (a) recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
- (b) measurement of defined benefit obligations: key actuarial assumptions;
- (c) recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- (d) determining the fair value less costs to sell of the Non-current Assets held for Sale on the basis of significant unobservable inputs;

**III. Functional and presentation of Currency**

The Financial Statements are presented in Indian Rupees (INR), which is the functional currency.

**IV. Basis of Measurement**

The Financial Statements have been prepared on the historical cost convention basis.

**1.02. Classification of Assets and Liabilities**

A. Schedule III to the Act, requires assets and liabilities to be classified as either Current or Non-current.

- (a) An asset shall be classified as current when it satisfies any of the following criteria:
  - (i) it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
  - (ii) it is held primarily for the purpose of trading;
  - (iii) it is expected to be realized within twelve months after the reporting date; or
  - (iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
- (b) All assets other than current assets are classified as non-current.



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**Sreechem Resins Ltd.**

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- (c) A liability is classified as current when it satisfies any of the following criteria:
- (i) it is expected to be settled in the Company's normal operating cycle;
  - (ii) it is held primarily for the purpose of trading;
  - (iii) it is due to be settled within twelve months after the reporting date; or
  - (iv) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
- (d) All liabilities other than current liabilities are classified as non-current.

**B. Operating Cycle**

An operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. The Company's operating cycle is twelve months for the purpose of current or non-current classification of assets and liabilities.

**C. Property Plant and Equipment**

**i. Recognition and Measurement**

An item of Property, Plant and Equipment (erstwhile Fixed Assets) that qualifies for recognition as an asset is initially measured at its cost and then carried at the cost less accumulated depreciation and accumulated impairment, if any.

The cost of an item of Property, Plant and Equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is included in the cost of an item of property, plant and equipment.

The cost of a self-constructed item of Property, Plant and Equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of and removing the item and restoring the site on which it is located.

**ii. Capital Work In Progress**

Tangible Property, Plant and Equipment under construction are disclosed under this head.

**iii. Subsequent Expenditure**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**iv. Depreciation**

The depreciable amount of an item of Property, Plant and Equipment is allocated on a systematic basis over its useful life. The Company provides depreciation on the straight-line method at the rates prescribed under Schedule-II of the Companies Act, 2013 on the basis of useful life of the Assets. The Company believes that straight line method reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Company. Based on internal technical evaluation, the management believes useful lives of the assets are appropriate. The depreciation method is reviewed at least at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

The depreciation charge for each period is generally recognised in the Statement of Profit and Loss unless it is included in the carrying amount of another asset.

The residual value and the useful life of an asset is reviewed at year-end and, if expectations differ from previous estimates, the change(s) is accounted for as a change in an accounting estimate in



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**Sreechem Resins Ltd.**

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accordance with Ind AS 8. The estimated useful lives for the assets are as per the life provided in the Companies Act, 2013

Depreciation on additions/ disposals is provided on a pro-rata basis i.e. from/ upto the date on which asset is ready for use /disposed off. Depreciation charge for the year is displayed as depreciation on the face of Statement of Profit and Loss.

Fixed Assets are stated at their original cost including all expenses attributable to bring the assets to its intended use less CENVAT Credit / Capital Subsidy availed on acquisition.

**v. Disposal**

The carrying amount of an item of Property, Plant and Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the de-recognition of an item of Property, Plant and Equipment is charged in Statement of Profit and Loss when the item is derecognized.

**D. Intangible Assets**

**i. Recognition and Measurement**

An intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets are initially measured at its cost and then carried at the cost less accumulated depreciation and accumulated impairment, if any.

**ii. Amortization**

The other intangible assets are amortized on the straight line method. The Company believes that straight line method reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Company.

The amortization method is reviewed at least at each financial year-end and, if there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate in accordance with INS AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

The residual value and the useful life of an asset is reviewed at least at each financial year-end and, if expectations differ from previous estimates, the change(s) is accounted for as a change in an accounting estimate in accordance with IND AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

Amortized intangible asset is displayed as amortization on the face of Standalone Statement of Profit and Loss.

**E. Inventories**

**i. Measurement of Inventory**

The Company measures its inventories at the lower of cost and net realizable value.

**ii. Cost of Inventory**

The cost of inventories shall comprise all costs of purchase including the costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The costs of inventories comprise the purchase price, import duties (where applicable) and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services.

Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

The costs of conversion of inventories include costs directly related to the units of production and a systematic allocation of fixed and variable production overheads that are incurred in converting materials into finished goods.



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**Sreechem Resins Ltd.**

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Other costs (if any) are included in the cost of inventories only to the extent that they are incurred in bringing the inventories to their present location and condition.

The cost of inventories is assigned by weighted average cost formula. The Company uses the same cost formula for all inventories having a similar nature and use to the Company.

**iii. Net Realizable Value**

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Net realizable value is ascertained for each item of inventories with reference to the selling prices of related finished products.

**iv. Valuation of Spare Parts, Stand-by Equipment and Servicing Equipment**

Spare parts, stand-by equipment and servicing equipment are recognized as Property, Plant and Equipment if and only if it is probable that future economic benefits associated with them will flow to the Company and their cost can be measured reliably. Otherwise such items are classified and recognized as Inventory.

**F. Cash and Cash Equivalents**

Cash and cash equivalents in the Balance Sheet comprise of cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

**G. Revenue Recognition**

**Sale of Goods**

Revenue from the sale of products is recognized when all the following conditions have been satisfied:

- (a) the significant risks and rewards of ownership of the goods is transferred to the buyer;
- (b) the entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- (c) the amount of revenue can be measured reliably;
- (d) it is probable that the economic benefits associated with the transaction will flow
- (e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

The Company measures revenue at the fair value of the consideration received or receivable taking into account the amount of any sales returns, trade discounts and volume rebates allowed by the Company.

**Interest Income**

Interest income from a financial asset is recognized using the effective interest method.

**H. Foreign Currency Transactions**

Functional currency is the currency of the primary economic environment in which the Company operates whereas presentation currency is the currency in which the financial statements are presented. Indian Rupee is the functional as well as presentation currency for the Company. A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of each reporting period, foreign currency monetary items are translated using the closing rate whereas non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in



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**Sreechem Resins Ltd.**

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previous Financial Statements are recognized in the Standalone Statement of Profit and Loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognized in Other Comprehensive Income, any exchange component of that gain or loss is recognized in Other Comprehensive Income. Conversely, when a gain or loss on a non-monetary item is recognized in Statement of Profit and Loss, any exchange component of that gain or loss is recognized in Statement of Profit and Loss.

**I. Accounting of Claims**

- a) Claims receivable are accounted at the time when certainty of receivable is established.
- b) Claims raised by the Government Authorities regarding taxes & duties, which are disputed by the company, are accounted based on the merits of each claim.

**J. Employee Benefit**

**a) Short Term Employee Benefits:**

The undiscounted amount of short term employee benefit expected to be paid in exchange for the services rendered by employee is recognized during the year when the employee remains under the service. This benefit includes salary, wages, short term compensatory absences and bonus.

**b) Post-Employment Benefits:**

**i. Defined Contribution Plans**

This benefit includes contribution to Employee's State Insurance Corporation (ESI) and Provident Fund Contribution (PF) to the Regional Provident Fund Commissioner. These contributions are defined as an expense in the Statement Profit & Loss as and when such contributions are due.

**ii. Defined Benefit Plans**

**For Gratuity and compensated leave**

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 days salary payable for each completed year of service or part thereof in excess of six months. Vesting occurs upon completion of five years of service.

The company has not obtained any independent actuarial valuation report of its liability towards gratuity and leave encashment payable to its employees. Gratuity is provided for on the basis of actuarial payments made to Life Insurance Corporation of India as per their Group Gratuity Scheme.

**c) Other Long term Employee Benefits – Compensated Absences**

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment/availing.

**K. Cash Flow Statement**

Cash flows are reported using the indirect method, whereby Profit Before Tax (PBT) is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flow from operating, investing and financing activities of the company is segregated based on the available information.

**L. Taxation**

**Income Tax**

Income tax comprises current and deferred tax. It is recognized in Standalone Statement of Profit and Loss except to the extent that it relates to a business combination or to an item recognized directly in Equity or in Other Comprehensive Income.



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**Sreechem Resins Ltd.**

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**Current Tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

**Deferred Tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- i. temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- ii. taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

**M. Provisions, Contingent Assets and Contingent Liabilities**

- a) Provision is created when there is a present obligation as a result of past events that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.
- b) Contingent liability is disclosed by way of notes, unless the possibility of an outflow of resources embodying the economic benefit is remote.
- c) Contingent Assets are neither recognized nor disclosed in Financial Statements.

**N. Earnings per Share****Basic and Diluted Earnings per share**

The Company calculates basic earnings per share amounts for profit or loss attributable to ordinary equity holders and, if presented, profit or loss from continuing operations attributable to those equity holders.

Basic earnings per share is calculated by dividing profit or loss attributable to ordinary equity holders (the numerator) by the weighted average number of ordinary shares outstanding (the denominator) during the period.

The weighted average number of ordinary shares outstanding during the period and for all periods presented shall be adjusted for events, other than the conversion of potential ordinary shares, that have changed the number of ordinary shares outstanding without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares calculated for calculating basic earnings per share and adjusted the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares



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**Sreechem Resins Ltd.**

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into ordinary shares. Dilutive potential ordinary shares are deemed to have been converted into ordinary shares at the beginning of the period or, if later, the date of the issue of the potential ordinary shares

**O. Borrowing Costs**

The Company capitalizes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The Company recognizes other borrowing costs as an expense in the period in which it incurs them. Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale.

**P. Explanation of transition to Ind AS**

**(I) First-time adoption of Ind AS**

These Financial Statements, for the year ended 31st March, 2018, are the first "Ind AS" compliant Financial Statements prepared by the Company. Hitherto (i.e upto 2016-17) the statements of financial results were prepared in accordance with the requirement of Schedule III of the Act.

However, from the year under review the Company has prepared its first Financial Statements which comply with Ind AS applicable for the year ended on 31st March, 2018, together with comparative corresponding period data as at and for the year ended 31st March, 2017, as described in the summary of significant accounting policies. In preparing these Financial Statements, the Company's opening balance sheet was prepared as at 1st April, 2016, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP Financial Statements, including the balance sheet as at 1st April, 2016 and the Standalone Financial Statements as at and for the year ended 31st March, 2017.

**Exemption Applied**

Ind AS 101 – First-time adoption of Indian Accounting Standards allows first-time adopters certain exemptions from the retrospective application of certain adjustments under Ind AS. The Company has applied the following exemptions:

**Deemed cost**

Ind AS 101 – First-time adoption of Indian Accounting Standards permits a first-time adopter to elect to continue with the carrying value for all of its Property, Plant and Equipment as recognized in the Financial Statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for Intangible Assets, Investment Property and investments in subsidiaries.

Accordingly, the Company has elected to measure all of its Property, Plant and Equipment and Intangible Assets, at their previous GAAP carrying value.



**Sreechem Resins Ltd.**

**NOTES TO IND AS FINANCIAL STATEMENTS AS AT 31ST MARCH 2018**

**2 Property, Plant and Equipment along with Intangible Assets and Capital Work in Progress**

Tangible Assets	Land	Building	Plant & Machinery	Electrical Installation	Laboratory Equipments	Furniture & Fixture	Computer	Motor Vehicle	Motor Vehicle Goods	Total
<b>GROSS BLOCK</b>										
As at April 1, 2016	7,34,688	1,53,69,726	5,76,45,809	20,79,821	6,08,266	30,84,202	9,62,474	64,02,779	25,98,982	8,94,86,747
Additions	-	-	7,14,700	-	2,52,120	14,300	22,000	-	-	10,03,120
Deductions	-	-	-	-	-	27,190	-	-	-	27,190
Adjustments	-	-	-	-	-	-	-	-	-	-
As at March 31, 2017	7,34,688	1,53,69,726	5,83,60,509	20,79,821	8,60,386	30,71,312	9,84,474	64,02,779	25,98,982	9,04,62,677
Additions	-	-	3,11,100	-	-	1,86,361	-	-	-	4,97,461
Deductions	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	7,34,688	1,53,69,726	5,86,71,609	20,79,821	8,60,386	32,57,673	9,84,474	64,02,779	25,98,982	9,09,60,138
<b>ACCUMULATED DEPRECIATION</b>										
As at April 1, 2016	-	93,34,227	5,01,02,447	20,79,819	5,98,814	28,93,735	9,28,694	37,87,995	16,04,050	7,13,29,781
Additions	-	4,53,986	10,73,075	-	23,390	33,444	22,388	5,19,742	3,43,898	24,69,923
Deductions	-	-	-	-	-	18,367	-	-	-	18,367
Adjustments:	-	-	-	-	-	-	-	-	-	-
Reduction/(Appreciation) in value	-	-	-	-	-	-	-	-	-	-
As at March 31, 2017	-	97,88,213	5,11,75,522	20,79,819	6,22,204	29,08,812	9,51,082	43,07,737	19,47,948	7,37,81,337
Additions	-	4,53,986	10,89,323	-	23,390	59,174	14,249	5,19,742	3,43,898	25,03,762
Deductions	-	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	-	1,02,42,199	5,22,64,845	20,79,819	6,45,594	29,67,986	9,65,331	48,27,479	22,91,846	7,62,85,099
<b>NET BLOCK</b>										
As at April 1, 2016	7,34,688	60,35,499	75,43,362	2	9,452	1,90,466	33,780	26,14,784	9,94,932	1,81,56,965
As at March 31, 2017	7,34,688	55,81,513	71,84,987	2	2,38,182	1,62,500	33,392	20,95,042	6,51,034	1,66,81,340
As at March 31, 2018	7,34,688	51,27,527	64,06,764	2	2,14,792	2,89,687	19,143	15,75,300	3,07,136	1,46,75,039



## Sreechem Resins Ltd.

	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
<b>3 Non Current Financial Assets - Investments</b>			
6 Year National saving Certificate VII *	29,000	29,000	29,000
3000 (P.Y.-3000) Fully paid up Equity shares of Rs 10/- each in Sreechem Industries Pvt. Ltd	1,50,000	1,50,000	1,50,000
10000 (P.Y.-10000) Fully paid up Equity shares of Rs 10/- each in Orind Exports Limited	1,00,000	1,00,000	1,00,000
<b>Total</b>	<b>2,79,000</b>	<b>2,79,000</b>	<b>2,79,000</b>
<b>Aggregate Value of Unquoted Investments</b>	<b>2,50,000</b>	<b>2,50,000</b>	<b>2,50,000</b>
*Certificates are lodged with Sales Tax & Excise Authorities			
<b>4 Non Current Financial Assets - Others</b>			
Fixed Deposit with Bank	9,48,550	5,02,050	3,46,049
<b>Total</b>	<b>9,48,550</b>	<b>5,02,050</b>	<b>3,46,049</b>
<b>5 Deferred Tax Asset (Net)</b>			
On account of carry forward losses	15,77,077		
On Account of Difference between Book Value of Depreciable Assets as per Books of Account and Written Down Value for Tax purposes	(10,19,173)		
<b>Total</b>	<b>5,57,904</b>	<b>-</b>	<b>-</b>
<b>6 Other Non-Current Asset</b>			
Security Deposits	8,71,683	8,70,183	7,19,061
Advance against Land	7,60,000	7,60,000	7,60,000
<b>Total</b>	<b>16,31,683</b>	<b>16,30,183</b>	<b>14,79,061</b>
<b>7 Inventories</b>			
Raw Materials	4,05,60,946	3,67,15,697	5,21,88,032
Finished Goods	1,03,13,488	62,52,413	28,04,986
Packing Materials	32,70,905	31,09,926	36,73,104
Stores and Spares	5,15,240	5,10,490	5,13,130
Finished Goods with Consignment Agent / in Transit	-	1,37,700	38,53,458
<b>Total</b>	<b>5,46,60,579</b>	<b>4,67,26,226</b>	<b>6,30,32,710</b>
<b>8 Trade Receivables (Unsecured and considered good)</b>			
Outstanding for a period exceeding six months from due date of payment	8,42,598	27,21,430	14,36,487
Other receivables	4,42,72,293	2,64,00,322	3,63,71,753
<b>Total</b>	<b>4,51,14,891</b>	<b>2,91,21,752</b>	<b>3,78,08,240</b>
<b>9 Cash &amp; cash equivalents</b>			
Balances with Scheduled Banks -In Current Accounts	7,18,940	9,87,763	6,12,625
Cash in hand (As certified by the management)	4,97,733	6,32,783	5,90,319
<b>Total</b>	<b>12,16,673</b>	<b>16,20,546</b>	<b>12,02,944</b>



## Sreechem Resins Ltd.

	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
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### 10 Current Financial Assets - Others

Interest Accrued on Deposits	26,179	34,076	-
Other Receivables	28,374	42,033	-
<b>Total</b>	<b>54,553</b>	<b>76,109</b>	<b>-</b>

### 11 Current Tax Assets(Net)

Advance Income Tax	1,79,569	1,38,756	91,633
<b>Total</b>	<b>1,79,569</b>	<b>1,38,756</b>	<b>91,633</b>

### 12 Other Current Assets

<u>Advance/Balances</u>			
- With Statutory Authorities	10,30,189	14,81,844	19,02,947
- With Suppliers	1,54,236	1,31,931	2,02,391
- With Others	3,06,673	2,31,489	2,46,719
Prepaid Expenses	5,59,167	3,56,447	3,17,456
<b>Total</b>	<b>20,50,265</b>	<b>22,01,711</b>	<b>26,69,513</b>

### 13 Share Capital

<u>Authorized capital</u> 50,00,000 Equity Shares of Rs.10/- each	5,00,00,000 <b>5,00,00,000</b>	5,00,00,000 <b>5,00,00,000</b>	5,00,00,000 <b>5,00,00,000</b>
<u>Issued, subscribed and paid-up capital</u> 40,00,000 Equity Shares of Rs.10/- each	4,00,00,000	4,00,00,000	4,00,00,000
<b>Total</b>	<b>4,00,00,000</b>	<b>4,00,00,000</b>	<b>4,00,00,000</b>

#### a. Reconciliation of the equity shares outstanding at the beginning and at the end of the year

##### Equity Shares

	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	Rs.	No. of Shares	Rs.	No. of Shares	Rs.
At the beginning of the year	40,00,000	4,00,00,000	40,00,000	4,00,00,000	40,00,000	4,00,00,000
Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	40,00,000	4,00,00,000	40,00,000	4,00,00,000	40,00,000	4,00,00,000

#### b. Rights, preferences and restrictions attaching to equity shares including restrictions on the distribution of dividends and the repayment of capital:

The Company has one class of Equity Shares with equal rights for voting, dividend and equal right over surplus in case of winding up.



## Sreechem Resins Ltd.

c. The details of shareholders holding more than 5% equity shares is set below:

	As at 31st March, 2018		As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Sri Satya Narayan Kabra	4,45,200	11.13%	4,45,200	11.13%	4,14,600	10.37%
Sri Binod Sharma	3,43,100	8.58%	3,43,100	8.58%	3,39,600	8.49%
M/s Kasturi Fiscal Pvt. Ltd	4,82,400	12.06%	4,82,400	12.06%	4,79,500	11.99%
M/s Nivedan Marcantiles Pvt. Ltd	2,68,800	6.72%	2,68,800	6.72%	2,68,800	6.72%

As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
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### 14 Other Equity

<b>General Reserve</b>			
Opening balance	1,01,05,696	1,01,05,696	1,01,05,696
Additions	-	-	-
Deletions : Reduction in value of Depreciable Assets	-	-	-
	1,01,05,696	1,01,05,696	1,01,05,696
<b>Retained Earnings</b>			
Opening balance	1,02,88,664	1,29,05,678	1,29,05,678
Transition date Adjustment	-	-	-
(+) Net Profit/(Net Loss) For the current year	-53,20,293	-26,17,014	-
Provision of Income Tax of the earlier years written back	-	-	-
	49,68,371	1,02,88,664	1,29,05,678
<b>Other Comprehensive Income / (Expenses)</b>			
As Per last Balance sheet	-	-	-
Add:- Movement During the year	-	-	-
<b>Other Comprehensive Income / (Expenses)</b>	-	-	-
<b>Total</b>	<b>1,50,74,067</b>	<b>2,03,94,360</b>	<b>2,30,11,374</b>

### 15 Non Current Financial Liabilities - Borrowings

<b>Secured</b>			
Term Loan From Banks for Vehicle/Equipments	-	1,41,660	4,58,572
(i) Details of terms of payment of long term borrowings and security provided in respect of Secured Long term borrowings : 1) Secured by hypothecation of the Vehicle against which respective loans is taken. 2) Loan repayable in 36 equal monthly instalments of Rs. 29045/- from the date of loan. Rate of Interest - 10.01%.			
<b>Total</b>	<b>-</b>	<b>1,41,660</b>	<b>4,58,572</b>



## Sreechem Resins Ltd.

	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
<b>16 Deferred Tax Liabilities</b>			
On Account of Difference between Book Value of Depreciable Assets as per Books of Account and Written Down Value for Tax purposes	-	17,50,905	17,23,672
Net Incremental Liability Charged to Profit & Loss Account	-	-2,44,977	27,233
<b>Total</b>	<b>-</b>	<b>15,05,928</b>	<b>17,50,905</b>

### 17 Current Financial Liabilities - Borrowings

Loans repayable on demand			
Working Capital Loan from Bank - Secured*	2,68,93,017	2,08,47,672	2,56,63,219
<b>Total</b>	<b>2,68,93,017</b>	<b>2,08,47,672</b>	<b>2,56,63,219</b>

\* The Cash Credit Loan from Allahabad Bank is secured by :-

- (a) Equitable mortgage by way of deposit of the title deeds of Land & Building, Structures and fixtures thereon both present & future of both Rajgangpur & Raigarh plants of the company,
- (b) First charge by way of hypothecation of all movable properties - raw material, work in progress, finished goods, book debts, both present & future.
- (c) Personal guarantee of Managing Director & Joint Managing Director of the company.

### 18 Current Financial Liabilities - Trade Payables

Dues to other than Micro and Small Enterprises*	3,85,23,226	1,37,62,482	3,05,04,244
<b>Total</b>	<b>3,85,23,226</b>	<b>1,37,62,482</b>	<b>3,05,04,244</b>

There are no dues to Micro and Small Enterprises, determined to the extent such parties have been identified on the basis of information available with the Company, as at March, 31, 2018, which requires disclosure under the Micro, Small and Medium Enterprises Development Act, 2006.

### 19 Current Financial Liabilities - Others

Current maturities of long-term Borrowing	1,41,659	3,16,912	3,63,125
<b>Total</b>	<b>1,41,659</b>	<b>3,16,912</b>	<b>3,63,125</b>

### 20 Other Current Liabilities

Advances from Customers	1,610	90,700	80,685
Employees benefits liabilities	4,24,629	3,86,977	3,61,418
Statutory liabilities (includes Provident Fund, Tax Deducted at Source etc.)	59,377	2,37,550	5,08,806
Expenses payable	1,41,034	5,98,719	20,52,101
<b>Total</b>	<b>6,26,650</b>	<b>13,13,946</b>	<b>30,03,010</b>

### 21 Provisions- Current

Provision for Employee Benefits	1,10,087	-	-
Other provisions*	-	6,94,713	3,11,666
<b>Total</b>	<b>1,10,087</b>	<b>6,94,713</b>	<b>3,11,666</b>

\* Includes Provision of Excise Duty on Finished Goods



## Sreechem Resins Ltd.

	As at 31st March, 2018	As at 31st March, 2017
<b>22 Revenue From Operations</b>		
Sale of Goods	28,82,67,032	27,97,42,516
Processing Charges	1,55,250	-
<b>Revenue from operation</b>	<b>28,84,22,282</b>	<b>27,97,42,516</b>
<b>23 Other Income</b>		
Interest Income	53,977	69,724
Other Non-operating Income	2,24,126	4,31,925
	<b>2,78,103</b>	<b>5,01,649</b>
<b>24 Cost of Materials Consumed</b>		
Inventory at the beginning of the year	3,67,15,697	5,21,88,032
Add:Purchases	24,53,13,984	19,21,16,384
Less:Inventory at the end of the year	4,05,60,946	3,67,15,697
Cost of raw materials consumed	<b>24,14,68,735</b>	<b>20,75,88,719</b>
<b>25 (Increase) / Decrease in Inventories of Finished Goods.</b>		
<b>Work in Progress &amp; Traded Goods</b>		
<b>(a) Inventory at the beginning of the year</b>		
Finished Goods	63,90,113	28,04,986
Work-in-Progress	-	-
	<b>63,90,113</b>	<b>28,04,986</b>
<b>(b) Inventory at the end of the year</b>		
Finished Goods	1,03,13,488	63,90,113
Work-in-Progress	-	-
	<b>1,03,13,488</b>	<b>63,90,113</b>
<b>(Increase)/Decrease In Inventories (a-b)</b>	<b>(39,23,375)</b>	<b>(35,85,127)</b>
<b>26 Employees' Benefits Expenses</b>		
Salaries, Wages, Bonus, Other allowances etc.	84,48,621	80,91,651
Director Remuneration	6,00,000	14,50,000
Contribution to Provident and Others Funds Gratuity	16,45,193	11,96,004
Workmen and Staff Welfare Expenses	2,42,549	2,44,193
	<b>1,09,36,363</b>	<b>1,09,81,848</b>
As per IND AS-19- Employee Benefits the disclosures as defined are given below:-		
<b>Defined Contribution Plan</b>		
Contribution to Defined Contribution Plan, recognised as expenses for the year is as under -		
Employer's Contribution to Provident Fund	5,80,806	5,09,822
<b>Defined Benefit Plan</b>		
The company has taken an insurance policy with regard to liability for retirement benefits and contributing to it according to liability determined by the Insurance Company.		
<b>27 Finance Costs</b>		
Interest to Banks and Others	24,94,822	26,76,018
Bank Charges	3,49,833	3,72,149
	<b>28,44,655</b>	<b>30,48,167</b>



## Sreechem Resins Ltd.

### 28 Other Expenses

#### Manufacturing Expenses

Power & Fuel Expenses  
Stores & Spares Consumed

#### Repairs and Maintenance

Building  
Machinery  
Others  
Consumption of Packing Material

Auditors Remuneration  
Maintenance and upkeep expenses  
Motor Car Expenses  
Insurance  
Advertising, Business promotion & Market Research  
Transportation Expenses  
Motor vehicle expenses-Goods  
Consultancy & professional fees  
Travelling & Conveyance  
Printing and Stationery  
Commission on Sales  
Postage & Courier Expenses  
Telephone Expenses  
Rent  
Rates & Taxes  
Foreign exchange loss  
Loss on sale of Asset  
Bad Debts  
Miscellaneous Expenses

As at 31st March, 2018	As at 31st March, 2017
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1,45,86,049	1,27,84,401
9,29,955	8,06,690
1,05,607	10,95,021
2,22,707	2,47,151
1,95,955	1,43,858
40,14,123	38,54,445
<b>2,00,54,396</b>	<b>1,89,31,566</b>
65,000	74,750
1,75,989	65,184
14,16,278	13,18,281
4,20,058	4,12,540
1,41,730	2,85,494
20,38,580	24,91,094
22,27,900	17,72,838
3,24,400	3,90,022
2,79,704	3,64,669
2,21,693	1,89,082
9,74,167	9,87,542
65,307	66,545
1,75,728	2,27,788
2,04,824	4,73,776
2,26,116	14,10,963
10,615	12,690
-	5,822
1,78,476	-
26,43,403	28,32,266
<b>3,18,44,364</b>	<b>3,23,12,912</b>

### 29 Earnings Per Share(EPS)

#### 1 Basic EPS

- a. Net Profit / (Loss) after Tax as per Statement of Profit and Loss attributable to equity shareholders  
b. Weighted Average Equity Shares  
c. Basic EPS (a/b)

#### 2 Diluted EPS

- a. Net Profit / (Loss) after Tax as per Statement of Profit and Loss attributable to equity shareholders  
b. Weighted Average Equity Shares  
c. Diluted EPS (a/b)

(53,20,293)	(26,17,014)
40,00,000	40,00,000
(1.33)	(0.65)
(53,20,293)	(26,17,014)
40,00,000	40,00,000
(1.33)	(0.65)

### 30 Related Party Disclosures

(in terms of IND AS 24)

#### (a) List of Related Parties and description of relationship

##### (i) Key Management Personnel

Sri Satya Narayan Kabra - Managing Director  
Sri Binod Sharma - Jt. Managing Director



## Sreechem Resins Ltd.

**(ii) Relatives of KMP**

Sri Krishna Kumar Kabra-Brother of Managing Director  
Sri Vikram Kabra -Son of Director  
Sri Vibhor Sharma -Son of Director

**(iii) Enterprises in which Key Management Personnel are interested**

Kasturi Fiscal Pvt. Ltd.  
Nivedan Mercantiles Pvt. Ltd.  
Sreechem Finance Pvt. Ltd.  
Josh Commercial Pvt. Ltd.  
SRL Wood Products Pvt. Ltd.  
Steel Aids Pvt. Ltd.  
Sreechem Industries Pvt. Ltd.

**(iv) Transactions during the year with related parties**

Name of related party	Nature of transaction	Amount(Rs.)
1 Steel Aids Pvt. Ltd.	Sales	1,42,667/-
2 Sreechem Industries Pvt. Ltd.	Sales	1,74,125/-

Balance as at 31st March 2018

Steel Aids Pvt. Ltd.

65,661/-

**(v) Compensation of Key Management Personnel**

The remuneration of directors and other members of Key Management Personnel during the year was as follows:

	<u>2017-18</u>	<u>2016-17</u>
a) Short term benefits	6,00,000	18,00,000
b) Post employment benefits	-	-
c) Other long term benefits	-	-
d) Termination benefits	-	-
	<u>6,00,000</u>	<u>18,00,000</u>



## Sreechem Resins Ltd.

### NOTES TO IND AS FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

#### 31 Reconciliation of equity as on 31st March, 2017

Particulars	Previous GAAP	Adjustments	Ind AS
<b>ASSETS :</b>			
<b>Non-current Assets</b>			
Property, Plant & Equipment	1,66,81,340	-	1,66,81,340
Financial Assets			-
(i) Investments	7,81,050	(5,02,050)	2,79,000
(ii) Loans			-
(iii) Other Financial Assets		5,02,050	5,02,050
Other Non current Assets		16,30,183	16,30,183
<b>TOTAL NON-CURRENT ASSETS (1)</b>	<b>1,74,62,390</b>	<b>16,30,183</b>	<b>1,90,92,573</b>
<b>Current Assets</b>			
Inventories	4,67,26,226		4,67,26,226
Financial Assets			-
(i) Trade receivables	2,91,21,752		2,91,21,752
(ii) Cash & cash equivalents	16,20,546		16,20,546
(iii) Bank balances other than (ii) above			-
(iv) Loans			-
(v) Others	40,46,759	(39,70,650)	76,109
Current Tax asset (Net)		1,38,756	1,38,756
Other current Assets		22,01,711	22,01,711
<b>TOTAL CURRENT ASSETS (2)</b>	<b>8,15,15,283</b>	<b>(16,30,183)</b>	<b>7,98,85,100</b>
<b>TOTAL ASSETS (1+2)</b>	<b>9,89,77,673</b>	<b>-</b>	<b>9,89,77,673</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Equity</b>			
Share capital	4,00,00,000		4,00,00,000
Other Equity	2,03,94,360		2,03,94,360
<b>TOTAL EQUITY (1)</b>	<b>6,03,94,360</b>	<b>-</b>	<b>6,03,94,360</b>
<b>Liabilities</b>			
<b>Non-current Liabilities :</b>			
Financial Liabilities			
Borrowings	1,41,660		1,41,660
Provisions			-
Deffered Tax Liabilities(Net)	15,05,928		15,05,928
Other non current liabilities			-
<b>TOTAL NON-CURRENT LIABILITIES (2)</b>	<b>16,47,588</b>	<b>-</b>	<b>16,47,588</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	2,08,47,672		2,08,47,672
(ii) Trade Payables	1,37,62,482		1,37,62,482
(ii) Other financial liabilities		3,16,912	3,16,912
Other current liabilities	23,25,571	(10,11,625)	13,13,946
Provisions		6,94,713	6,94,713
<b>TOTAL CURRENT LIABILITIES (3)</b>	<b>3,69,35,725</b>	<b>-</b>	<b>3,69,35,725</b>
<b>TOTAL EQUITY AND LIABILITIES (1+2+3)</b>	<b>9,89,77,673</b>	<b>-</b>	<b>9,89,77,673</b>



## Sreechem Resins Ltd.

### Reconciliation of equity as on 1st April, 2016

Particulars	Previous GAAP	Adjustments	Ind AS
<b>ASSETS :</b>			
<b>Non-current Assets</b>			
Property, Plant & Equipment	1,81,56,965	-	1,81,56,965
Financial Assets			-
(i) Investments	6,25,049	(3,46,049)	2,79,000
(ii) Loans			-
(iii) Other Financial Assets		3,46,049	3,46,049
Deferred Tax Assets (Net)			-
Other Non current Assets		14,79,061	14,79,061
<b>TOTAL NON-CURRENT ASSETS (1)</b>	<b>1,87,82,014</b>	<b>14,79,061</b>	<b>2,02,61,075</b>
<b>Current Assets</b>			
Inventories	6,30,32,710		6,30,32,710
Financial Assets			-
(i) Trade receivables	3,78,08,240		3,78,08,240
(ii) Cash & cash equivalents	12,02,944		12,02,944
(iii) Bank balances other than (ii) above			-
(iv) Loans			-
(v) Others	42,40,207	(42,40,207)	-
Current tax Asset(Net)		91,633	91,633
Other current Assets		26,69,513	26,69,513
<b>TOTAL CURRENT ASSETS (2)</b>	<b>10,62,84,101</b>	<b>(14,79,061)</b>	<b>10,48,05,040</b>
<b>TOTAL ASSETS (1+2)</b>	<b>12,50,66,115</b>	<b>-</b>	<b>12,50,66,115</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Equity</b>			
Share capital	4,00,00,000		4,00,00,000
Other Equity	2,30,11,374		2,30,11,374
<b>TOTAL EQUITY (1)</b>	<b>6,30,11,374</b>	<b>-</b>	<b>6,30,11,374</b>
<b>Liabilities</b>			
<b>Non-current Liabilities :</b>			
Financial Liabilities			
Borrowings	4,58,572		4,58,572
Provisions			-
Deffered Tax Liabilites(Net)	17,50,905		17,50,905
Other non current liabilities			-
<b>TOTAL NON-CURRENT LIABILITIES (2)</b>	<b>22,09,477</b>	<b>-</b>	<b>22,09,477</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
(i) Borrowings	2,56,63,219		2,56,63,219
(ii) Trade Payables	3,05,04,244		3,05,04,244
(ii) Other financial liabilities		3,63,125	3,63,125
Other current liabilities	36,77,801	(6,74,791)	30,03,010
Provisions		3,11,666	3,11,666
<b>TOTAL CURRENT LIABILITIES (3)</b>	<b>5,98,45,264</b>	<b>-</b>	<b>5,98,45,264</b>
<b>TOTAL EQUITY AND LIABILITIES (1+2+3)</b>	<b>12,50,66,115</b>	<b>-</b>	<b>12,50,66,115</b>



## Sreechem Resins Ltd.

### NOTES TO IND AS FINANCIAL STATEMENTS AS AT 31ST MARCH 2018

#### Reconciliation of Net Profit & Other Equity between Ind AS and Indian GAAP

Nature of adjustment	Net Profit As at 31st March, 2017	Other Equity	
		As at 31st March, 2017	As at 1st April, 2016
Net Profit/ Other Equity as per Previous Indian GAAP	(26,17,014)	2,03,94,360	2,30,11,374
Adjustment on account of accounting changes	-	-	-
<b>Net Profit before OCI/ Other Equity as per Ind AS</b>	<b>(26,17,014)</b>	<b>2,03,94,360</b>	<b>2,30,11,374</b>
<b>Total Other Comprehensive Income</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Profit after OCI</b>	<b>(26,17,014)</b>	<b>2,03,94,360</b>	<b>2,30,11,374</b>

#### Notes

##### Following reclassification adjustments have been carried out as per IND AS requirements:-

- Security Deposit has been classified under Non-Current Assets instead of loans and advances.
- Current maturities of Long term Borrowing has been classified under Current Financial Liabilities.
- Fixed deposits have been classified as Non Current Assets-Others.

#### Signatures to Notes No. 1 to 31

As per our attached report of even date

For and on behalf of the Board

#### PUJA SOMANI

Proprietor  
Membership No. 307267

**BINOD SHARMA**  
Managing Director

**VIKRAM KABRA**  
Whole Time Director

For and on behalf of  
**Puja Somani & Co.**  
Chartered Accountants  
F.R. No.328778E  
Kolkata,  
Date : 30th May 2018  
Officer

**RAJEE SHARMA**  
Woman Director

**SUMAN MURARKA**  
Company Secretary

**PRABHU DAYAL SOMANI**  
Chief Financial



**Sreechem Resins Ltd.**

**Sreechem Resins Ltd.**

CIN: L24222OR1988PLC002739

Regd. Office: Vill : Jhagarpur, Post : Rajgangpur – 770 017

Dist : Sundargarh, Odisha, e-mail : sreechem.rajgangpur@rediffmail.com

website: www.sreechem.in | Ph: (06624) 211943

**ATTENDANCE SLIP**

**(To be handed over at the entrance of the meeting Hall)**

**(Annual General Meeting- 18<sup>th</sup> September, 2018)**

I/ We hereby record my presence at the Annual General Meeting of Sreechem Resins Ltd held on Tuesday, 18<sup>th</sup> September, 2018 at 10:00AM at Vill: Jhagarpur, Post: Rajgangpur – 770 017, Dist: Sundargarh, Odisha

Full Name of the member (IN BLOCK LETTERS): .....

Folio No. .... DP ID No. .... Client ID No. ....

Full Name of Proxy (In BLOCK LETTERS):.....

Member/ Proxy(s) Signature:.....

**Note:**

1. Please complete the Folio/ DP ID- Client ID No. and name, sign the Attendance Slip and hand it over at the Attendance Verification counter at the entrance of the Meeting Hall.
2. Electronic copy of the Annual Report for the financial period ended on 31.03.2018 and Notice of the Annual General Meeting (AGM) along with Attendance Slip and Proxy Form is being sent to all members whose e-mail address is registered with the Company/ Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the AGM can print copy of this Attendance Slip.
3. Physical copy of Annual Report for the financial period ended on 31.03.2018 and Notice of Annual General Meeting along with Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or have requested for hard copy.



## Sreechem Resins Ltd.

### SREECHEM RESINS LIMITED

Regd Off: Vill: Jhagarpur, Post: Rajgangpur – 770 017, Dist: Sundargarh, Odisha

Tel No. (06624) 211943, email: sreechem.rajgangpur@rediffmail.com

CIN: L24222OR1988PLC002739

(30<sup>th</sup> Annual General Meeting – 18<sup>th</sup> September, 2018)

FORM NO. MGT-11

### PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 of the Companies (Management and Administration) Rules, 2014]

CIN : L24222OR1988PLC002739  
Name of the Company : Sreechem Resins Limited  
Regd office : Vill: Jhagarpur, Post: Rajgangpur – 770 017  
Dist: Sundargarh, Odisha  
Name of the Members :  
Registered Address :  
E- Mail Id :  
Folio No./ Client No. :  
DP ID :

I/ We, being the member(s) of .....Shares of the above company, hereby appoint.

1. Name..... Address .....  
E-mail Id:..... Signature..... or failing him  
2. Name..... Address .....  
E-mail Id:..... Signature..... or failing him  
3. Name..... Address .....  
E-mail Id:..... Signature..... or failing him

As my proxy to attend and vote (on a poll) for me/ us on my/ our behalf at the AGM of the Company, to be held on 18<sup>th</sup> day of September, 2018 at 10.00 AM at land at Jhagarpur, Post: Rajgangpur, Sundargarh, Odisha and at any adjournment thereof in respect of such resolution(s) as are indicated below.

Resolution	For	Against
ORDINARY BUSINESS:-		
1. Adoption of Financial Statements.		
2. Re-appointment of Ms. Rajee Sharma as Director		
SPECIAL BUSINESS:		
1. Appointment of Mr. Binod Sharma as Managing Director		
2. Appointment of Mr. Vikram Kabra as Whole Time Director		
3. Appointment of Mrs. Sweta Maheshwari As Independent Director		
4. Appointment of Mr. Vishal Joshi as Independent Director		
5. Appointment of Mr. Niwesh Sharma as Independent Director		

Signed this .....Day of ..... 2018

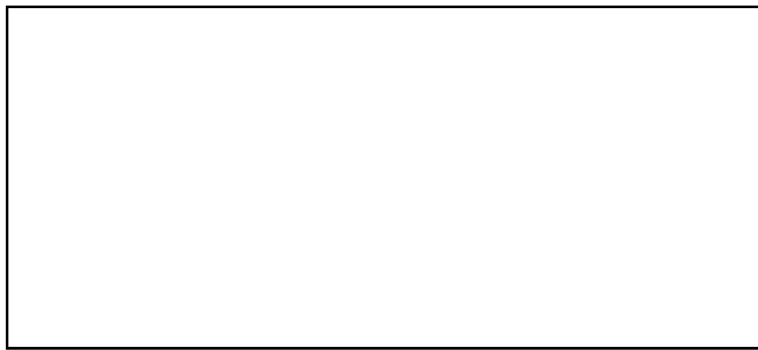
Signature of the Shareholder(s) ..... Signature of Proxy(s).....

Affix  
Revenue  
Stamp

NOTES: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.



## REGISTERED POST



*If undelivered please return to:*  
MCS Shares Transfer Agent Ltd.  
12/1/5, Manoharpukur Road  
Kolkata - 700 026

