

NOTICE

NOTICE is hereby given that Annual General Meeting of SHREY CHEMICALS LIMITED will be held on 2nd September, 2013 at 11.00 a.m. at the Registered office of the Company at 302, Pig Point Complex, Dr. Yagnik Road, Opp. Swami Vivekananda Statue, Rajkot – 360 001, Gujarat to transact the following business.

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit and Loss Account of the Company for the year ended on that date together with the reports of the Directors and auditors thereon.
2. To appoint a Director in place of Mr. Rajnibhai Kotak who retires by rotation and being eligible offers himself for reappointment.
3. To appoint auditors to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting of the Company and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS:

To consider and if thought fit, pass with or without modification(s), the following Resolution as Ordinary Resolution.

Item No. 1

Appointment of Mr. Sanjiv Mohan Gupta as Director:

"RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions including any modification or re-enactment thereof, if any, of the Companies Act, 1956, and subject to the approval of shareholders in General Meeting, Mr. Sanjiv Mohan Gupta who was appointed as an Additional Director in the meeting of the Board of Directors and whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation."

"RESOLVED FURTHER THAT all Directors of the Company be and are hereby authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

Item No. 2

Appointment of Mr. Hareshbhai M. Togadiya as Director:

"RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions including any modification or re-enactment thereof, if any, of the Companies Act, 1956, and subject to the approval of shareholders in General Meeting, Mr. Hareshbhai M. Togadiya who was appointed as an Additional Director in the meeting of the Board of Directors and whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office

of the Director be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation."

"RESOLVED FURTHER THAT all Directors of the Company be and are hereby authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

Item No. 3

Appointment of Mr. Rajeshbhai H. Ruparelia as Director:

"RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions including any modification or re-enactment thereof, if any, of the Companies Act, 1956, and subject to the approval of shareholders in General Meeting, Mr. Rajeshbhai H. Ruparelia who was appointed as an Additional Director in the meeting of the Board of Directors and whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation."

"RESOLVED FURTHER THAT all Directors of the Company be and are hereby authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

Item No. 4

Appointment of Mr. Dipakkumar R. Joshi as Director:

"RESOLVED THAT pursuant to the provisions of Section 257 and other applicable provisions including any modification or re-enactment thereof, if any, of the Companies Act, 1956, and subject to the approval of shareholders in General Meeting, Mr. Dipakkumar R. Joshi who was appointed as an Additional Director in the meeting of the Board of Directors and whose term expires at the ensuing Annual General Meeting of the company and for the appointment of whom the Company has received a notice in writing proposing his candidature for the office of the Director be and is hereby appointed as a Director of the Company whose period of office will be liable to determination by retirement of directors by rotation."

"RESOLVED FURTHER THAT all Directors of the Company be and are hereby authorized to do all the acts, deeds and things which are necessary to give effect to the above said resolution."

Dated : 01.08.2013

Place : Rajkot

BY ORDER OF THE BOARD

**Sd/-
Director**

**Sd/-
Director**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER. Proxy in order to be valid must be received by the company not less than forty-eight hours before the time of holding the Meeting.
2. Members/Proxies should bring the Attendance Slip, duly filled in, for attending the meeting.
3. The Register of Members and share transfer books of the Company will remain closed from 26.08.2013 to 02.09.2013 (both days inclusive).
4. Members desiring any information regarding the accounts are requested to write to the Company at least 7 (Seven) Days before the meeting so as to enable the management to keep the same ready.

Directors' Report, Management Discussion & Analysis

To the Members,

Your Directors have pleasure in presenting this Annual Report of your Company together with the Audited Statements of Accounts for the year ended March 31, 2013.

(Rs. in Lacs)		
Financial Results	Year Ended 31.03.2013	Year Ended 31.03.2012
Income	184.72	176.91
Profit before Tax	5.00	5.12
Less : Provision for Taxation	1.54	1.58
Profit after Tax	3.46	3.54

DIVIDEND

Due to inadequate profits in the previous financial year, the Board has not recommended any dividend for the Financial Year 2012-2013.

BUSINESS

The Company is in the business of trading of chemicals.

AUDITOR

The Members are requested to reappoint auditors for the current year and to fix their remuneration. M/s Gaurang Vora & Associates, Chartered Accountants have consented for continuation to act as the auditors of the company, if re-appointed.

RISK & CONCERNS

Every Company runs the risk of stiff competition from established market players and your Company is not an exception to this universal rule.

The Company's goal in risk management is to understand, measure and monitor the various risks that arise, and to evolve appropriate policies and procedures to mitigate these risks.

The Company manages and reviews the risk management system, policy and strategy from time to time. The Management periodically reviews the risk assessment and minimization procedures and steps taken by it to mitigate these risks.

INTERNAL CONTROL SYSTEMS AND ADEQUACY

In the opinion of the management, the internal control systems are adequate and provide, among other things, reasonable assurance of recording transactions of operations in all material respects and of providing protection against significant misuse or loss of Company assets.

The accounts of the Company are reviewed by the Audit Committee of the Board. Policy and process corrections are undertaken based on input from these auditors.

MATERIAL DEVELOPMENT IN HUMAN RESOURCES

The relation of the Company with its employees continued to be harmonious during the year under review.

Our philosophy was redefined towards making it more performance oriented and business driven, at the same time, acknowledging an employee's commitment to growth. We believe that a culture of appreciating all big and small achievements is crucial to develop a motivated, contributing workforce.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposits from the public within the meaning of Section 58A of the Companies Act 1956 and the rules there under.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and pursuant to the provisions of Articles of Association of your Company, Mr. Rajnibhai Korat, Director, is liable to retire by rotation and being eligible, offers himself for re-appointment in the forthcoming Annual General Meeting.

Mr. Sanjiv Mohan Gupta, Mr. Hareshbhai M. Togadiya, Mr. Rajeshbhai H. Ruparelia and Mr. Dipakkumar R. Joshi was appointed by the Board as Additional Director and they hold the office till the ensuing Annual General Meeting.

Further, none of the Directors of your Company are disqualified under Section 274(1)(g) of the Companies Act 1956.

CORPORATE GOVERNANCE

As required by Clause 49 of the Listing Agreement, a detailed Report on Corporate Governance is given as an Annexure to this Report. The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The Certificate from the Auditor of the company confirming compliance of the Corporate Governance requirements is attached to the Report on Corporate Governance.

PARTICULARS OF EMPLOYEES

There is no information as required pursuant to the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Amendments Rules, 1988 to be reported.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. In the preparation of the annual accounts, for the year ended March 31 2013, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed.

2. The Directors had adopted 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 your Company at the end of the financial year and of the loss of the Company for that period.

3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

4. The Directors had prepared the annual accounts on a going concern basis.

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

Disclosure under section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 are as follows:

(a) CONSERVATION OF ENERGY:

Your Company has taken the necessary steps to conserve energy.

(b) TECHNOLOGY ABSORPTION:

Your Company has taken the necessary steps to absorb upgraded technology.

(c) FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year under review, the Company has not incurred any expenditure in foreign currency nor has earned any Foreign exchange income.

APPRECIATION

The Board of Directors wishes to convey their appreciation to all your Company's employees for their performance and continued support. The Directors would also like to thank all the Shareholders, Consultants, Customers, Vendors, Bankers, Service Providers and Government and Statutory Authorities for their continued support.

Place: Rajkot
Date: August 1, 2013

By order of the Board
For **Shrey Chemicals Limited**
(Formerly Dhvanil Chemicals Limited)

Registered Office:
302, Pig Point Complex,
Dr.Yagnik Road,
Opp. Swami Vivekananda Statue
Rajkot – 360 001

Sd/-
Director

Sd/-
Director

SHREY CHEMICALS LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. Overall Review

The Growth rate has been on the upward trend as compared to the previous year with favorable market conditions which reflect the positive market.

2. Financial Review

During the year the company has earned the profit of Rs. 3,26,023.

3. Risk and Concern

High Competition in Chemical Industry is affects the business of the company. Company is maintaining the quality of product and efficiently handle the clients' relationship.

4. Internal Control System and their adequacy

The internal control system is looked after by Directors themselves, who also looked after the day to day affairs to ensure compliance of guide lines and policies, adhere to the management instructions and policies to ensure improvements in the system. The Internal Audit reports are regularly reviewed by the management.

5. Environmental Issues

As the company is not in the field of manufacture, the matter relating to produce any harmful gases and the liquid effluents are not applicable.

6. Financial Performance with Respect to Operation Performance

The Company has all the plans for tight budgetary control on key operational performance indication with judicious deployment of funds without resorting to any kind borrowing where ever possible.

7. Cautionary Statement

Statement in this report on Management Discussion and Analysis may be forward looking statements within the meaning of applicable security laws or regulations. These statements are based on certain assumptions and expectations of future events. Actual results could however, differ materially, from those expressed or implied. Important factors that could make a difference to the company's operations include global and domestic demand supply conditions, finished goods prices, raw material cost and availability and changes in government regulation and tax structure, economic development within India and the countries with which the company has business contacts and other factors such as litigation and industrial relations.

The Company assumes no responsibility in respect of forward - looking statements, which may be amended or modified in future on the basis of subsequent developments, information or events.

REPORT ON CORPORATE GOVERNANCE

The Company, pursuant to the guidelines of Corporate Governance introduced by Securities and Exchange Board of India (SEBI) furnishes its report as under:

Company's Philosophy on Corporate Governance:

The Company's philosophy on corporate governance envisages the attainment of the highest level of transparency, accountability and equity, in all facets of its operations, and in all its interactions with its stakeholders, including shareholders, employees, the government and lenders.

BOARD OF DIRECTORS

a) Size and Composition of the Board:

The Company has a proper blend of Executive and Independent Directors to maintain the independence of the Board. As of the year ended 31st March, 2013, the Board of Directors had 3 members comprising of 1 Executive Directors and 2 Non-Executive Directors.

b) Details of Board Meetings held during the Financial Year and the number of Directors present:

Sr. No.	Dates on which Board Meeting was held	Total Strength of the Board	No. of Directors Present
1.	April 20, 2012	5	4
2.	April 30, 2012	5	5
3.	May 29, 2012	5	5
4.	June 7, 2012	5	5
5.	June 9, 2012	5	5
6.	July 27, 2012	5	5
7.	July 31, 2012	3	3
8.	October 31, 2012	3	3
9.	November 19, 2012	3	3
10.	January 31, 2013	3	3
11.	March 15, 2013	3	3
12.	March 31, 2013	3	3

The details in regard to the attendance of Directors at Board Meetings/Shareholders Meetings held during the year as also the number of Directorship/s held by them in other Companies and the position of membership of Committee/s are given below:

Name of Director	Category of Director	No. of Board Meeting Attended	Attendance at the Last AGM	Directorships in other Indian Public Companies as at March 31, 2013	Other Committee Memberships as at March 31, 2013	
					Chairman	Member
Mr. Sanjay Shah	Executive Director	12	Yes	NIL	NIL	NIL
Mr. Tushar Shah	Non-Executive Director	12	Yes	NIL	NIL	NIL
*Mr. Jignesh Shah	Non-Executive Director	5	Yes	NIL	NIL	NIL
*Mr. Prakashsinh Rehvar	Non-Executive Director 5	6	Yes	NIL	NIL	NIL
Mr. Rajnibhai Korat	Non-Executive Director	12	Yes	NIL	NIL	NIL

* Mr. Jignesh Shah and Mr. Prakashsinh Rehvar have resigned during the year under review.

c) Management & Function of the Board:

The day-to-day management of the Company is conducted in consultation and subject to the supervision and control of the Board of Directors.

The required information as enumerated in Annexure I to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meetings.

d) Committees of the Board:

Currently the Board has three committees:

1) Audit Committee

Composition:

The Audit Committee has been constituted in conformity with the requirements of Section - 292A of the Companies Act, 1956 and Clause - 49 of the Listing Agreement with Stock Exchanges.

At present the Audit Committee comprises of Three Directors. The Chairman of the Audit Committee is Independent Non – Executive Director. Details of the composition, number of meetings held during the year and attendance thereat are as under:

Name of Director	Designation	Attended or Not				
		April 30, 2012	June 9, 2012	July 31, 2012	October 31, 2012	January 31, 2013
Mr. Rajnibhai Korat	Chairman	Yes	Yes	Yes	Yes	Yes
Mr. Tushar Shah	Member	Yes	Yes	Yes	Yes	Yes

Minutes of meetings of the Audit Committee are circulated to members of the Committee and the Board is kept apprised.

Members of the Audit Committee have requisite financial and management expertise.

Powers of the audit committee includes:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain outside legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The terms of reference are broadly as under:

- a. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
- c. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on;
 - Matters required to be included in the Director's Report in terms of clause **2AA** of Section 217 of the Companies Act, 1956
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgment by management.
 - Qualifications in draft audit report.
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with accounting standards.
 - Compliance with stock exchange and legal requirements concerning financial statements
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.
- d. Reviewing with the Management, external and internal auditors, the adequacy of internal control systems.
- e. Reviewing the periodical financial statements with management before submission to the board for their approval.
- f. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and efficiency of internal audit.
- g. Discussion with internal auditors any significant findings and follow up there on.
- h. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- i. Discussion with external auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.