

MD	✓		BKC	✓
CS	NA		DPY	NA
RO	✓		DHV	NA
TRA	✓		AC	✓
AGM	✓	✓	SHI	✓
YE	✓	✓		

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Report

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SHREE HARI
CHEMICALS EXPORT LTD.

SHREE HARI CHEMICALS EXPORT LTD.

SHREE HARI CHEMICALS EXPORT LIMITED

BOARD OF DIRECTORS :

Shri B. C. Agrawal	<i>Managing Director</i>
Shri K. C. Ramuka	<i>Joint Managing Director</i>
Shri Purshottam Sharma	<i>Whole Time Director</i>
Shri A. B. Aradhye	<i>Director</i>

BANKERS

State Bank of India
Backbay Reclamation Br.
Mumbai - 400 021.

AUDITORS

Kailash Chand Jain & Co.
Chartered Accountants
Mumbai.

REGD. OFFICE & WORKS

A/8, M.I.D.C. Indl. Area,
Mahad, Dist. Raigad (Maharashtra)

REGISTRAR & SHARE TRANSFER AGENTS

Nipar Financial Services (P) Ltd.
5, Santosh, Plot No. 83, Suvarnapuri,
Jetalpur Road, Baroda - 390 005

11th ANNUAL REPORT**NOTICE**

The ELEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF **SHREE HARI CHEMICALS EXPORT LIMITED** will be held on Wednesday, The 30th September, 1998 at 11.00 A.M. at A/8, M.I.D.C. MAHAD, Dist. Raigad (Maharashtra) to transact the following business :-

1. To receive and adopt audited Profit and Loss Account for the year ended 31st March, 1998 and the Balance Sheet as at that date and Directors Report & Auditors Report there on.
2. To appoint a Director in place of Mr. Purusottam Sharma, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

NOTES :-

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER..
- b) The Register of members and share transfer books of the Company will remain closed from 24th September 1998 to 30th September 1998 (Both days inclusive).
- c) Members are requested to notify immediately any changes in their addresses to the Company's Registrar and Share transfer Agents.

By order of the Board
(B.C. AGRAWAL)
Managing Director

Mumbai, 28th August, 1998.

SHREE HARI CHEMICALS EXPORT LTD.**DIRECTORS' REPORT TO THE MEMBERS**

Dear Members,

Your Directors have pleasure in presenting the 11th Annual Report together with the Audited Statement of Accounts of the Company for the year ended 31st March, 1998.

FINANCIAL RESULTS :

	<u>1997-98</u> (In Rupees)	<u>1996-97</u> (In Rupees)
Sales & Other Income	17,19,31,886	11,25,09,035
Profit before Depreciation	1,57,27,921	74,68,818
Less : Depreciation	53,88,973	53,62,630
Profit after Depreciation	1,03,38,948	21,06,188
Less : Provision for Income Tax	12,75,000	2,75,000
Profit After Tax	90,63,948	18,31,188

DIVIDEND

As Indian Economy Emerging globally, the Company has to compete in International Market and therefore Board has decided to upgrade, modernize and automate the process by adding latest equipments in Main Plant as well as in Effluent Treatment Plant. The Company from internal accrual has invested during the year under review Rs. 40 lacs and Rs. 70 lacs during the current year. As a result of above, Company has achieved 90% capacity utilisation during current year. Looking to the above your Directors have not recommended any Dividend.

OPERATION

As a result of investment on installation of balancing and modern equipments, Company has achieved 77 % of its installed capacity as against 51% during the previous year and 90% during the current year which is marked as best utilization in Dye-Intermediate plants.

The turnover of Company has increased to Rs.1719.32 lacs as against Rs.1125.09 lacs in the previous year registering an increase of 52.82%. The profit during the year before depreciation is Rs. 157.28 lacs as against Rs. 74.69 lacs in previous year registering an increase of 110.57%.

EXPORT

The Board is happy to inform that the Company's products continue to be well accepted in international market and this year direct export as well as through Recognised Export Houses have increased by 216.42% aggregating to Rs. 1005.76 lacs as against Rs. 317.85 lacs in previous year.

EFFLUENT TREATMENT PLANT

The Company have Effluent Treatment Plant since inception, which has been upgraded and modernised as per latest technology available. For that purpose the Company had invested huge amount during previous years. All this upgradation is made as per norms and directions of Maharashtra Pollution Control Board.

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The officials of Central Pollution Control Board visited Company's plant and found that Company has adequate system to control the pollution in all respects which is a great achievement for the Company.

OUT LOOK FOR THE CURRENT YEAR :

The Company continues to perform satisfactorily and has maintained its prominent position among H-Acid manufacturers. The Company's product continues to enjoy preferential position in domestic as well as international market.

Due to heavy recession in South East Asia as well as in India the prices of H-Acid come down drastically around 28-29%. This may affect profitability during the current financial year.

The Company's turnover for the 1st 4 months (i.e. April 1998 to July 1998) is Rs. 436.71 lacs as against Rs. 494.04 lacs (export Rs. 178.30 lacs as against Rs. 300.62 lacs) for the same period of previous year, inspite the increase the production by 50%. Total production is 312.229 MT as against 209.672 MT for the same period in the previous year.

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

In accordance with the requirement of Sec.217(1) of the Companies Act 1956, read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988 statement showing particulars, with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed hereto and form part of this report.

PARTICULARS OF EMPLOYEES :

In accordance with the provision of section 217(2A) of the Companies Act 1956, there is no employee drawing salary in excess of Rs. 3.00 lacs per annum or Rs. 25000/- per month.

AUDITORS

M/s. Kailash Chand Jain & Co; Chartered Accountants, the Auditors of the Company, will retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have given their consent to re-appointment for the current year. Members are requested to appoint the Auditors and fix their remuneration.

ACKNOWLEDGEMENT

Your directors place on record their sincere appreciation to all the employees of the Company whose untiring efforts have made possible achieving its goal Possible. Your Directors also express their gratitude on behalf of the Company to SICOM Ltd and State Bank of India for their valuable support and co-operation.

For and on behalf of the Board
(**B.C. AGRAWAL**)
Managing Director

Mumbai, 28th August, 1998.

SHREE HARI CHEMICALS EXPORT LTD.**ANNEXURE TO THE DIRECTORS' REPORT**

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange earning and outgo as required under Companies (disclosure of particulars in the report of Board of Directors) Rule 1988 and forming part of the report of the Board of Directors for the year ended 31st March, 1998.

A) CONSERVATION OF ENERGY :

Total energy consumption and energy consumption per unit of production is given in the prescribed form as below:

FORM A

Form for disclosure of particulars with respect to conservation of energy :

a) Power & Fuel consumption	<u>1997-98</u>	<u>1996-97</u>
i) Electricity :		
a) Purchased :		
Units (KWH)	21,13,816	16,80,710
Total Amount (Rs.)	77,83,566	54,12,766
Rate/Unit (Rs.)	3.68	3.22
b) Own Generation		
Through Diesel Generator	NIL	NIL
ii) Light Diesel Oil (L.D.O.)/Furnace Oil		
Qty. (K.Ltrs)	8,99,630	8,16,055
Total Amount (RS.)	61,80,247	51,54,939
Avg. Rate (Rs.)	6.87	6.32
c) Consumption per unit of Production :		
Product : Dye Intermediates (M.T.)	770.055	512.128
Electricity (KWH)	2745.02	3281.82
L.D.O./F.O.(K.Ltrs)	1168.27	1593.46

11th ANNUAL REPORT**FORM B****B) (FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION)**

Company has in house Research & Development unit. The R&D work is going on in the specific area of recycling of process waste water, recovery of impurities of H-Acid and to convert them in to useful products.

Technology Absorption, Adoption and Innovation

Efforts are made towards technology absorption, adoption and innovation for optimum utilisation of Naphthalene to recover high production and to improve the yield. The technology is adopted to meet customers specific requirements. Innovation are made whenever required keeping in view their application based on operating conditions.

C) Foreign Exchange Earning and Outgo :	<u>1997-98</u>	<u>1996-97</u>
1) Earning CIF Value of Exports (figures includes Direct export as well as through Export House and Merchant Exporters)	10,05,75,917	3,17,85,212
2) Outgo CIF Value of Imports	47,10,921	31,01,573
3) Foreign Travelling	3,87,675	--

For and on behalf of the Board
(B.C. AGRAWAL)
 Managing Director

Mumbai, 28th August, 1998.

SHREE HARI CHEMICALS EXPORT LTD.

AUDITORS' REPORT

AUDITORS' REPORT TO THE MEMBERS OF SHREE HARI CHEMICALS EXPORT LTD.

We have audited the attached Balance Sheet of SHREE HARI CHEMICALS EXPORT LTD. as at 31st March, 1998 and the Profit & Loss Account annexed hereto for the year ended on that date and report that:

1. As required by the Manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of section 227 (4A) of the Companies Act, 1956 we enclose in the annexure a statement of matters specified in paragraph 4&5 of the said order.
2. Further to our comments in the annexure referred to in paragraph 1 above we report that.
We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

In our opinion proper books of account as required by the Law have been kept by the Company so far as appears from our examination of the books of the Company.

The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the Books of Account.

In our opinion and to the best of our information and according to the explanations given to us the said accounts, read together with the Notes thereon, give the information as required by the Companies Act, 1956 in the manner so required and give a true and fair view:

- i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st, March, 1998 and
- ii) In the case of Profit & Loss Account, of the Profit for the year ended on that date.

KAILASH CHAND JAIN & CO.
CHARTERED ACCOUNTANTS
PER : (K.C. JAIN)
PARTNER

Mumbai, 28th August, 1998.