

**13<sup>th</sup>**  
**ANNUAL REPORT**  
**1999-2000**



**SHREE HARI**  
**CHEMICALS EXPORT LTD.**

**SHREE HARI CHEMICALS EXPORT LTD.**

**SHREE HARI CHEMICALS EXPORT LIMITED**

**BOARD OF DIRECTORS**

Shri R. R. Agarwal

Shri K. L. Ramuka

Shri B. C. Agrawal

Shri K. C. Ramuka

Shri C .S .Ghaisas

*Chairman*

*Vice Chairman & Managing Director*

*Nominee of SICOM Ltd.*

**BANKERS**

**STATE BANK OF INDIA**

Backbay Reclamation Br.

Mumbai - 400 021.

**AUDITORS**

**KAILASH CHAND JAIN & CO.**

Chartered Accountants

Mumbai.

Report  Junction.com

**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

*(Shares are listed at Mumbai Stock Exchange, Application for delisting have been made to Ahmedabad & Jaipur Stock Exchanges)*

## NOTICE

The THIRTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF THE **SHREE HARI CHEMICAL EXPORT LIMITED** will be held on Saturday 30th September 2000 at 1.00 p.m. at A/8, M.I.D.C. Mahad, Dist. Raigad (Maharashtra) to transact the following business :-

1. To receive and adopt Audited Profit & Loss Account for the year ended 31st March, 2000 and the Balance Sheet as at that date and Directors' Report & Auditors Report thereon.
2. To appoint a Director in place of Mr. R. R. Agarwal, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.
4. To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

"Resolved that pursuant to Section 31(1) and other applicable provisions, if any, of the Companies Act, 1956 ('the Act') the Articles of Association of the Company be and are hereby altered in the following manner:

**A. Insert the following definitions in the existing Article 3, in alphabetical order:**

"Beneficial Owner" means a person whose name is recorded as such with a Depository.

"Bye-laws" means bye-laws made by a Depository under Section 26 of the Depositories Act.

"Depositories Act" means The Depositories Act, 1996, including any statutory modifications or re-enactments thereof for the time being in force.

"Depository" means a Company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration under Sub-Section (1A) of Section 12 of the Securities and Exchange Board of India Act, 1992.

"Member" means a duly registered holder from time to time of the shares of the Company and includes every person whose name is entered as a Beneficial Owner in the records of the Depository.

"Participant" means a person registered as such under Section 12(1A) of The Securities and Exchange Board of India Act, 1992.

"Record" includes the records maintained in the form of books or stored in Computer or in such other form as may be determined by regulations

made by SEBI in relation to the Depositories Act.

"Regulations" means the regulations made by SEBI.

"SEBI" means the Securities and Exchange Board of India established under Section 3 of The Securities and Exchange Board of India Act, 1992.

"Security" means such security as may be specified by SEBI.

Words and expressions used and not defined in this Article shall have the same meaning as respectively assigned to them in the Act.

**B. Insert the following Article as Article 40A after the existing Article 40:**

**Article 40A**

**Dematerialisation of Securities:**

Either the Company or the investor may exercise an option to issue, deal in, hold Securities (including Shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialised in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification thereto or re-enactment thereof.

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing Securities, rematerialise its Securities held in the Depositories and/or offer its fresh Securities in a dematerialised form pursuant to the Depositories Act and the rules framed thereunder, if any.

**Option to receive security certificates or hold securities with Depository:**

Every person subscribing to or holding securities of the Company shall have the option to receive security certificates or to hold the securities with a Depository. If a person opts to hold his Security with a Depository, the Company shall intimate such Depository the details of allotment of the Security and on receipt of the information, the Depository shall enter in its records the name of the allottees as the Beneficial Owner of the security.

**Securities in Depositories:**

All Securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 153B, 187B, 187C

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and 372A of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

**Rights of Depositories and Beneficial Owners:**

- (a) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of Security on behalf of the Beneficial Owner.
- (b) Save as otherwise provided in (a) above, the Depository as the registered owner of the Securities shall not have any voting rights or any other rights as the case may be in respect of the Securities held by it.
- (c) Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner of Securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his Securities which are held by a Depository.

**Beneficial Owner deemed as absolute Owner:**

Except as ordered by a Court of competent jurisdiction or as required by law, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any Share or where the name appears as the Beneficial Owner of the Security in the records of the Depository, as the absolute owner thereof. The Company shall not be bound to recognise any benami trust or equitable, contingent, future or partial interest in the Security (except otherwise provided by the Articles) or any right in respect of the Security other than an absolute right thereto in accordance with these Articles on the part of any other person whether or not it has express or implied notice thereof, but the Board shall subject to the provisions of the Act, be at its sole discretion to register the Security in the joint names of any two or more persons or survivor or survivors of them.

**Depository to furnish information:**

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by the bye-laws and the Company in that behalf.

**Cancellation of certificates upon surrender by a person:**

Upon receipt of Certificate of Securities for dematerialisation in terms of the applicable provisions

of appropriate Acts or rules, the Company shall cancel such certificates and substitute in its records, the name to the Depository as the owner in respect of the said Securities and shall also inform the Depository accordingly.

**Option to opt out in respect of any security:**

If a Beneficial Owner seeks to opt out of a Depository in respect of any security, the Beneficial Owner shall inform the Depository accordingly. The Depository shall on receipt of information as above, make appropriate entries in its records and shall inform the Company. The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial Owner or the transferee as the case may be.

**Service of Documents:**

Notwithstanding anything in the Act, or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository to the Company by means of electronic mode or by delivery of floppies of discs.

**Provisions of the Act and Articles to apply to Securities held in the Depository:**

All the provisions of the Act and Articles of Association of the Company, particularly the provision relating to joint holding, calls, lien, forfeiture and transfer and transmission of securities shall also be applicable to securities held in the Depository.

**Allotment of Securities dealt within a Depository:**

Notwithstanding anything in the Act or these Articles where securities are dealt with Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

**Distinctive number of shares held in the Depository:**

The shares in the capital shall be numbered progressively according to their several denominations, provided however, that the provisions relating to progressive numbering shall not apply to the shares of the Company which are dematerialised or may be dematerialised in future or issued in future in dematerialised form.

**Power to Board to take necessary actions to Dematerialise Securities offered by the Company:**

The Board is authorised to take all such actions and steps as may be necessary to dematerialise listed securities offered by the Company including executing deeds, documents and papers and appointing such persons and agencies as may be necessary to facilitate dematerialisation/rematerialisation and trading in such securities.

**C. Insert the following Article as Article 40C after the newly inserted Article 40B.**

**Article 40C**

**Register and Index of Beneficial Owners:**

The Company shall cause to keep a Register and Index of Members and a Register and Index of Debenture holders in accordance with Section 150, 151, 152 of the Act respectively read with the applicable provisions of the Depositories Act with details of Shares and Debentures held in material and demat forms in any media as may be permitted by law. The Register and Index of Beneficial Owners maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be the Register and Index of Members and Register and Index of Debenture holders, as the case may be, for the purpose of the Act. The Company shall have the power to keep in any state or country outside India, a branch Register of Members in respect of the resident in that state or country.

**Insert the following Article as Article 40D after the newly inserted Article 40C**

**Article 40D**

**NOMINATION:**

Notwithstanding anything contained in these Articles and subject to Section 109A of the Act:

Every holder of shares or debentures of the Company, may at any time nominate, in the prescribed manner a person to whom his shares in or debentures of the Company shall vest in the event of his death. A member may revoke or vary his or her nomination at any time by notifying the Company to that effect.

Where the shares or debentures of the Company are held by more than one person jointly, the joint holders may together nominate in the manner prescribed under the Act, a person to whom all the rights in the shares or debentures of the Company shall best in the event of death of all joint holders.

Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the shares or debentures where a nomination is made in the manner

prescribed under the Act, purports to confer on any person the right to vest the shares or debentures of the Company the nominee shall, on the death of the shareholder or the debenture holder concerned, or on the death of the joint holders become entitled to all the rights in the shares or debentures of the Company of such shareholder or holder of debentures or as the case may be of all the joint holders, in relation to such shares in or debentures of the Company to the exclusion of all other persons unless the nomination is cancelled in the manner prescribed under the Act.

Where the nominee is a minor, the holder of the shares or debentures concerned can make the nomination to appoint, in the prescribed manner under the Act any person to become entitled to the shares or debentures concerned in the event of his death, during the minority.

Notwithstanding anything contained in these Articles, any person who becomes a nominee under the provisions of Section 109A, and to whom the shares in or debentures of the Company have vested on the death of the shareholder or holder of the debentures of the Company, or as the case may be, on the death of the joint holders, upon the production of such evidence as may be required by the Board and subject as hereinafter provided elect either to be registered himself as holder of the share or debenture as the case may be or to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debenture holder as the case may be, could have made.

If the person being a nominee, so becoming entitled, elects to be registered as holder of the share or debenture himself as the case may be, he shall deliver or send to the Company a notice in writing duly signed by him that nominee concerned so elects and such notice shall be accompanied with the death certificate of the deceased shareholder/debenture holder, as the case may be.

All the limitations, restrictions and provisions of this Act relating to the right to transfer and the registration of transfers of shares or debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the member had not occurred and the notice or transfer were signed by that shareholder or debenture holder, as the case may be.

A person being a nominee becoming entitled to share or debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share or debenture except that he shall not, before registered as member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

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Provided that the Board may, at any time give notice requiring any such person to elect to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold all payments of all dividend, bonus or other money payable in respect of the share or debenture, until the requirements of the notice have been complied with.

The Board shall, in either case, have the same right to decline or suspend registration, as it would have had, if the deceased shareholder or debenture holder as the case may be had transferred the shares or debentures as the case may be, before his death.

No person shall be recognised by the Company as a nominee unless the shareholder has, during his life time, given an intimation to the Company of his having appointed a nominee in the manner specified under Section 109A of the Companies Act, 1956.

The Company shall not be in any way responsible for transferring the shares and/or debentures consequent upon such information.

If the holder of the share or debenture survives the nominee, then and in such case, the nomination made by the registered holder shall be of no effect and shall automatically stand revoked.

A depositor may, at any time, make a nomination and the provision of Section 109A and 109B shall as far as may be applicable to such nominations made pursuant to the provisions of Section 58A(11) of the Companies Act, 1956.

**E. Insert the following Articles as Article, 40(E) and 40F after the existing Article 40D**

**Article 40E**

**Register of Transfers:**

The Company shall keep a Register of Transfers and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any share held in material form.

**Article 40F**

**Trading and Transfer of Securities:**

Trading and transfer of securities can be effected in the form permitted by appropriate authorities from time to time."

**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 TO BE A MEMBER.
- b) The register of members and share transfer books of the company will remain closed from 26th September 2000 to 30th September, 2000 (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**

Vice Chairman & Managing Director

MUMBAI : 30th Day of August, 2000.

## **EXPLANATORY STATEMENT**

**Item No. 4**

Consequent to the enactment of Depositories Act, 1996, and the introduction of the Depository System, some of the provision of the Companies Act, 1956, relating to issue, holding, transfer and transmission and dealing in shares and other securities as also certificates thereon have been amended to facilitate the Depository system. Few articles in the Articles of Association pertain to the aforesaid issue which were in line with the erstwhile provision of the Companies Act, 1956, may be in conflict with the provisions of Depositories Act, 1996, and therefore the relevant articles are being amended. Further, the enactment of the Companies (Amendment) Act, 1999 has necessitated the insertion and alteration of certain relevant Articles in the Articles of Association of the Company.

A copy of the existing Memorandum and Articles of Association of the Company together with the proposed

amendment/alteration available to the members of the Company for inspection at the Registered office of the Company between 11.00 A.M. to 1.00 P.M. on any working days (except Saturdays) upto the date of the meeting.

The Board recommends the resolution for the approval of the Members.

None of the Directors of the Company are interested in the resolution except as a member of the Company.

**B.C.AGRAWAL**

Vice Chairman & Managing Director

MUMBAI : 30TH Day of August, 2000.

**Regd. Office:**

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



**DIRECTORS' REPORT TO THE MEMBERS**

Dear Members,

Your Directors have pleasure in presenting the 13th Annual Report together with the Audited Statement of accounts of the Company for the year ended 31st March, 2000.

**FINANCIAL RESULTS :**

	<b>1999-2000</b> (In Rupees)	<b>1998-99</b> (In Rupees)
Sales & Other Income	17,57,64,137	15,88,39,652
Profit before Depreciation	54,86,258	57,96,022
Less : Depreciation	52,75,071	53,22,899
Profit After Depreciation	2,11,187	4,73,123
Less : Provision for Income Tax	-	-
Profit After Tax	2,11,187	4,73,123

**DIVIDEND**

Your Directors after careful consideration and looking to the profitability of Company are of the opinion that it is essential in the larger interest of the Company not to recommend any Dividend.

**OPERATION**

The production of H-Acid for the year was 1094.621 MT against 974.036 MT in previous year. Due to constant monitoring of production cycle and installation of balancing equipments the production and sales has increased by 11- 12 % . However due to continuous recession in market the turnover for the year under review is Rs. 1757.64 lacs as against Rs. 1588.90 lacs in the previous year.

**EXPORT**

Export turnover is recorded Rs. 682.39 lacs as against Rs. 514.95 lacs in previous year, which is also increased by 32 % though the continuous recessionary condition in the Globe Market.

**EFFLUENT TREATMENT PLANT**

Company is always committed to pollution free environment and its Effluent Treatment Plant is adequate to meet the norms prescribed by the Maharashtra Pollution Control Board. Whenever there are further direction/guidelines, it is always being implemented with top priority.

**OUT LOOK FOR THE CURRENT YEAR**

In spite of the continuous recessionary trend in the market the Company have achieved sales of Rs. 796 lacs for the period April,2000 to August,2000 as against Rs.569 lacs for the corresponding period.

Due to drastical increase in oil prices your Company is installing 4 Ton capacity coal fired boiler to save fuel cost around 40% at present price level of Furnace Oil . This will add the profitability for the current Year.

The Board is hopeful that current year will be far better than the year under review.

**SHREE HARI CHEMICALS EXPORT LTD.****INDUSTRIAL RELATIONS :**

Industrial relation at all the units of the Company continued to be cordial and pieceful. The Directors express there appreciation to all the employees for their dedication and support.

**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 a part of this report.

The members had passed a special resolution at their Annual General Meeting held on 24th day of September,1999 for delisting of its shares at Jaipur and Ahmedabad Stock Exchange as there has not been any trading in the shares at the said Exchanges for prolonged periods. The shares continued to be listed at Mumbai Stock Exchange. The Company has made arrangement for the purchase of shares through another Company from the members from Rajasthan and Gujarat and the letters have been sent to the members, the members will have no difficulty as Mumbai Stock Exchange bolt is available at many places. The Company has made applications to Ahmedabad , Jaipur Stock Exchanges for delisting of shares. The Company has paid listing fees to Mumbai Stock Exchange.

**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. 6.00 lacs per annum or Rs. 50,000/- 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.

Regarding the qualification made by the Auditors in the Audit Report about retirement benefits to the Employee, the Company has taken adequate steps to complet with this provision during the current year.

**ACKNOWLEDGEMENT :**

Your directors place on record their sincere appreciation to all the employees of the Company whose untiring efforts have made 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

**KISHORILAL RAMUKA**

Chairman

MUMBAI : 30th Day of August, 2000.



**13th ANNUAL REPORT****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, 2000.

**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 :

<b>a) Power &amp; Fuel consumption</b>		<b><u>1999-2000</u></b>	<b><u>1998-99</u></b>
<b>i) Electricity :</b>			
a) Purchased :			
Units (KWH)		26,62,891	22,76,317
Total Amount (Rs.)		1,05,81,761	85,36,356
Rate/Unit (Rs.)		3.97	3.75
<b>b) Own Generation</b>			
i) Through Diesel Generator		NIL	NIL
<b>ii) Light Diesel Oil ( L.D.O.)/Furnace Oil</b>			
Qty. (K.Ltrs)		12,79,113	10,43,712
Total Amount (RS.)		1,02,12,348	59,73,444
Avg. Rate (Rs.)		7.98	5.72
<b>c) Consumption per unit of Production :</b>			
Product : Dye Intermediates (M.T.)		1094,621	974.036
Electricity (KWH)		2432.71	2336.99
L.D.O./F.O.(K.Ltrs)		1168.54	1071.53