

**15<sup>th</sup>**  
**ANNUAL REPORT**  
**2001-2002**



**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**

**Chairman**

**Vice Chairman & Managing Director**

**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)

**ADMINISTRATIVE OFFICE**

103/104, Unique Tower,

Near Kamat Club,

S. V. Road, Goregaon (W),

MUMBAI - 400 062.

**REGISTRAR & SHARE TRANSFER AGENTS**

MONDKAR COMPUTERS PVT. LTD.

21, Shakil Niwas, Mahakali Caves Road,

Andheri (E), MUMBAI 400093.

(The Shares of the Company are listed at Mumbai Stock Exchange)

**15th ANNUAL REPORT****NOTICE**

The **FIFTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF SHREE HARI CHEMICALS EXPORT LIMITED** will be held on Saturday 21st September, 2002 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, 2002 and the Balance Sheet as at that date and Directors' Report & Auditors Report thereon.
2. To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution :

"RESOLVED that pursuant to the provisions of Sec. 269,309,198 read with Schedule XIII and other applicable provisions, if any, of the Companies Act,1956 and subject to such other approvals, if and as may be required, the consent and approval of the Company be and is hereby accorded to the re-appointment of Mr. Bankesh Chandra Agrawal, as Managing Director of the Company for a period of 5 years with effect from 10th October,2002 and to his receiving remuneration,benefits and amenities and upon the terms and conditions and stipulations contained in an agreement to be entered into between the Company and Mr. Bankesh Chandra Agrawal, a draft whereof is placed before the meeting and for purposes of identification, is initialled by the Chairman hereof, which agreement is hereby specifically sanctioned with liberty to Board of Directors to alter and vary the terms and conditions of the said appointment and/or remuneration and/or agreement as may be agreed to between the Board of Directors and Mr.Bankesh Chandra Agrawal provided however that the remuneration payable to Mr. Bankesh Chandra Agrawal shall not exceed the maximum limits for payment of managerial remuneration in accordance with laws, policies, rules, regulation or guidelines in force from time to time.

RESOLVED FURTHER that the Board of Directors be and is hereby authorised to take all necessary steps for the aforesaid purpose and matters incidental thereto."

3. To appoint a Director in place of Mr.K.C.RAMUKA, who retires by rotation and being eligible, offers himself for re-appointment.
4. 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 to be a member.
- b) The Register of members and share transfer books of the Company will remain closed from 16th September, 2002 to 21st September, 2002 ( both days inclusive ).
- c) Members are requested to notify immediately any changes in their addresses to the Company.

By order of the Board  
**B: C. Agrawal**  
 Managing Director

MUMBAI : 17/08/2002.

**Registered office :**

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

**SHREE HARI CHEMICALS EXPORT LTD.**

**EXPLANATORY STATEMENT  
(PURSUANT OF SECTION 173 OF THE COMPANIES ACT,1956)**

Item No. 2

The Managing Director Mr. Bankesh Chandra Agrawal was re-appointed for 5 years with effect from 10th October,1997 on the terms and conditions and remuneration as approved by members. The term of the said Managing Director would expire on 9th October,2002. The Board has decided to re-appoint the said Managing Director for a further period of 5 years with effect from 10th October,2002. The terms and conditions of the appointment are as follows :

- 1. Period :** 5 years from 10th October,2002
- 2. Nature of Duties :** The Managing Director shall devote whole time and attention to the business of the Company. He shall have control of and full executive responsibility for general conduct and management of the business and affairs of the Company. He shall exercise all such powers as may be granted and entrusted to or required by him for the proper discharge of his duties. The Managing Director shall at all times be subject to the superintendence, control and direction of the Board of Directors.
- 3. Remuneration :** The Managing Director shall be entitled to the following emoluments, benefits and perquisites during the period of his employment subject to the ceiling limits laid down in Section 198, Section 309 and Schedule XIII of the Companies Act,1956.
  - (1) Salary :** Rs. 25,000/- per month.
  - (2) Commission :** Commission will be allowed in addition to salary and perquisites, the amount of which based on the net profit of the Company in a particular year, shall be subject to the overall ceiling laid down in Section 198 and 309 of the Companies act, 1956. The amount of commission for each financial year or part thereof will be decided by the Board of Directors from time to time in its absolute discretion but shall not exceed an amount equal to the salary for the relevant period. Commission may be payable pro-rata on a monthly basis at the discretion of the Board of Directors.
  - (3) Perquisites :** Perquisites will be allowed in addition to salary and commission restricted to an amount equal to the annual salary.

Unless the context otherwise requires, the perquisites are classified as follows :

- i) **Housing :** The Company shall provide rent free furnished residential accomodation to the Director or House Rent Allowance of 60% of Salary in lieu thereof.
- (ii) **Medical Reimbursement :** Membership of and subscription paid to any hospital and/or doctors' schemes and/or schemes of an insurance company in India and all hospital and medical expenses incurred for self and family.
- (iii) **Leave Travel Concession :** For self and family incurred in accordance with the rules specified by the Company.
- (iv) **Personal Accident insurance :** In accordance with the rules specified by the Company. For the above purpose "family" means the spouse, dependent children and dependent parents of the Director.

Company's contribution to Provident Fund and the Superannuation or annuity Pension Fund as per the Company's Rules provided that the Company's contribution to the Providend Fund and the Pension Fund will not be included in the computation of the ceiling on perquisites

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to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity shall be paid as per the Company's rules and will not be included in the computation of the ceiling on perquisites. Encashment of leaves at the end of the tenure will be permitted in accordance with the Rules of the Company and will not be included in the computation of the ceiling on perquisites.

The Company shall provide a car with driver and telephone facility at the residence of the Managing Director. Provision of a car for use on the Company's business and telephone at residence will not be considered as perquisites, Personal long distance calls on telephone and use of the car for private purpose shall be billed by the Company to the Managing Director.

4. Where in any financial year, the Company has no profits or its profits are inadequate, the remuneration payable will be in accordance with the provisions of Part II of Schedule XIII to the Companies Act, 1956 as may be amended from time to time.
5. Other Terms :
  - (i) The Managing Director shall not become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company without the prior approval of the Central Government.
  - (ii) He shall be entitled to reimbursement of all actual expenses including on entertainment and travelling incurred in the course of the Company's business.
  - (iii) He shall be entitled to 30 days fully paid leave for every eleven months completed service.
  - (iv) The appointment may be terminated by the Company or by the Managing Director by giving not less than three months prior notice in writing.
  - (v) The agreement also sets out the mutual rights and obligation of the Company and the Managing Director.

In compliance with the applicable provisions of the Companies Act, 1956, ordinary resolution in terms as set out in item 2 of the accompanying notice is now being placed before the Members in the General Meeting for their approval. Except Mr. Bankesh Chandra Agrawal and Mr. R.R. Agarwal who is related to Mr. Bankesh Chandra Agrawal, no other Director of the Company is concerned or interested in the said ordinary Resolution.

This Explanatory Statement is and should be treated as an abstract under Section 302 of the Companies Act, 1956 of the agreement to be entered into between the Company and Mr. Bankesh Chandra Agrawal.

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

Mumbai : 17/08/2002

Regd. office :  
 A/8, M.I.D.C. Industrial Area,  
 MAHAD  
 Dist. : Raigad (Maharashtra)

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

Dear Members,

Your Directors have pleasure in presenting the 15th Annual Report together with the Audited Statement of accounts of the Company for the year ended 31st March, 2002.

**FINANCIAL RESULTS :**

|   | <b>2001-2002</b><br><b>(In Rupees)</b> | <b>2000-2001</b><br><b>(In Rupees)</b> |
|---|--|--|
| Sales & Other Income                        | <b>21,77,22,760</b>                    | 18,56,00,944                           |
| Profit before Depreciation                  | <b>91,69,161</b>                       | 62,92,048                              |
| Less : Depreciation                         | <b>57,36,730</b>                       | 52,45,063                              |
| Profit After Depreciation                   | <b>34,32,431</b>                       | 10,46,985                              |
| Less : Provision for Income Tax             | <b>9,00,000</b>                        | 3,50,000                               |
| Less : Provision for Deferred Tax Liability | <b>3,61,530</b>                        | ---                                    |
| Profit After Tax                            | <b>21,70,901</b>                       | 6,96,985                               |

**DIVIDEND**

Your Directors are not recommending any dividend for the year.

**OPERATION**

The year under review was a difficult one for the industries in general. Your Directors are pleased to inform that Company has registered growth in turnover inspite of continues recessionary trend in the industries.

The turnover for the year under review year is Rs.2177.23 lacs as against Rs. 1856.01 lacs in the previous year registering an increase of 17.30 %.

**EXPORT**

Export turnover is Rs.217.03 lacs for the year under review as against Rs. 320.24 lacs in previous year. The reason of lower export turnover is because of better realisation in Domestic market than International 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 implemented with top priority. During the year Company has spent Rs. 12.60 lacs towards upgradation of Effluent Treatment Plant.

**INDUSTRIAL RELATIONS :**

Industrial relation of the Company continued to be cordial and peaceful. The Directors express their 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.

**15th ANNUAL REPORT****LISTING OF SHARES**

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 had not been any trading in the shares at the said Exchanges for prolonged period. The shares of your Company continue to be listed at Mumbai Stock Exchange. The members will have no difficulty as Mumbai Stock Exchange is available at many places. The Company had made applications to Ahmedabad and Jaipur Stock Exchanges for voluntary delisting of shares. The shares have been delisted at Jaipur Stock Exchange, The Company has paid listing fees to Mumbai Stock Exchange.

**DIRECTORS' RESPONSIBILITY**

Persuant to Section 217(2AA) of the Companies (Amendment) Act, 2000 the Directors confirmed that in the preparation of annual accounts, the applicable accounting Standards have been followed. Appropriate accounting policies have been selected and applied consistently and have 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 as at 31st March, 2002 and of the profit for the period 1st April, 2001 to 31st March, 2002. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and the annual accounts have been prepared on a going concern basis.

**CORPORATE GOVERNANCE :**

The Report on Corporate Governance alongwith a Report from the auditors of the Company regarding Compliance of the conditions of Corporate Governance pursuant to clause 49 of the listing Agreement is annexed.

**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 the amount as prescribed.

**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 comply with this provision.

**ACKNOWLEDGEMENT :**

Your directors are pleased to 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

**KISHORI LAL RAMUKA**

Chairman

MUMBAI : 17/08/2002.

**SHREE HARI CHEMICALS EXPORT LTD.****ANNEXURE TO THE DIRECTORS' REPORT****GENERAL SHAREHOLDERS INFORMATION :****BOARD OF DIRECTORS :**

The following table gives details of attendance of directors at the board meetings and at the last Annual General Meeting :

| Name               | Category | Attendance Particulars |          |
|--------------------|----------|------------------------|----------|
|                    |          | Board Meeting          | Last AGM |
| Shri K. L. Ramuka  | C        | 5                      | Yes      |
| Shri R. R. Agarwal | D        | 5                      | Yes      |
| Shri B. C. Agrawal | MD       | 5                      | Yes      |
| Shri K. C. Ramuka  | D        | 5                      | Yes      |

C : Chairmain, MD : Managing Director, D : Director,

**Annual General Meetings**

The last three Annual General Meetings of the Company were held as under :

| Year      | Location   | Date       | Time      |
|-----------|--|------------|-----------|
| 1998-1999 | A/8, M.I.D.C. Mahad<br>Dist : Raigad (Maharashtra) | 24.09.1999 | 1.00 P.M. |
| 1999-2000 | Same as above                                      | 30.09.2000 | 1.00 P.M. |
| 2000-2001 | Same as above                                      | 22.09.2001 | 1.00 P.M. |

**Disclosure**

- (a) **Disclosures on materially significant related party transaction i.e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large.**

There were no transactions with any parties, in which Directors of the company were interested that may have potential conflict with the interest of Company at large.

- (b) **Details of non-compliance by the company, Penalties, Strictures imposed on the Company by Stock Exchange or SEBI or any Statutory Authority, on any matter related to capital markets, during the last three years.**

There were no instances of non-compliance of any matter related to the capital markets during the last three years.

**Means of Communication**

The Company has published its quarterly results in Free Press Journal (English) and Nav Shakti (Marathi) Mumbai.

**Annual General Meeting :**

|                   |   |   |
|-------------------|---|---|
| Date and Time     | : | 21st September, 2002. 1.00 P.M.                                       |
|                   | : | A/8, M.I.D.C. Industrial Area,<br>Mahad Dist : Raigad ( Maharashtra)  |
| Book Closure date | : | 16th September, 2002 to 21st September, 2002<br>(both days inclusive) |



**15th ANNUAL REPORT****Board Meetings**

|   |   |                             |
|---|---|-----------------------------|
| Result for the quarter ending June 30, 2002   | : | 29th day of July, 2002      |
| Results for the quarter ending Sept. 30, 2002 | : | 30th day of October, 2002   |
| Results for the quarter ending Dec. 31, 2002  | : | 30th day of January, 2003   |
| Results for the quarter ending March 31, 2003 | : | 30th day of the April, 2003 |

**Listing of Equity Shares**

1. The Bombay Stock Exchange, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 023.
2. The application for Voluntary delisting of shares to Ahmedabad Stock Exchange, and Jaipur Stock Exchange were made on 10th January, 2000. The shares at Jaipur Stock Exchange were delisted on 27th July, 2001.

**Any query on Annual Report should be sent to :**

M/s. Mondkar Computers Pvt. Ltd.  
21, Shakil Niwas, Mahakali Caves Road,  
Andheri (E), MUMBAI 400 093.

|                                      |                       |                |
|--------------------------------------|-----------------------|----------------|
| <b>Stock Code</b>                    | 524336                |                |
| <b>Trading Symbol at</b>             | Mumbai Stock Exchange | Sh. Hari Chem. |
| Demate ISIN Numbers in NSDL and CDSL | Equity Shares         | INE 065E01017  |

Distribution of Share Holding as on 31 March 2002.

| Sr. No. | Category           | Records | Holding | Percentage % |
|---------|--------------------|---------|---------|--------------|
| 1.      | Promoters          | 106     | 1738700 | 38.64        |
| 2.      | Corporate Bodies   | 41      | 74155   | 1.65         |
| 3.      | N R I              | 558     | 131000  | 2.91         |
| 4.      | Public-Individuals | 10345   | 2556145 | 56.80        |
| Total   |                    | 11050   | 4500000 | 100.00       |

**Dematerialiation of Shares**

225400 Shares were dematerialised in the Following Depositories

|   |   |         |        |
|---|---|---------|--------|
| National Securities Depository Ltd.           | = | 213400  | 4.74%  |
| Central Depository Services Ltd.              | = | 12000   | 0.27%  |
| Total Number of Shares Transferred (Physical) | = | 4274600 | 94.99% |

For and on behalf of the Board

**KISHORI LAL RAMUKA**

Chairman

MUMBAI : 17/08/2002.