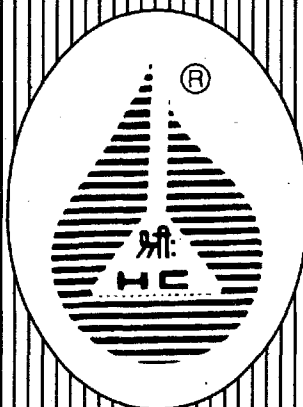


**17<sup>th</sup>**  
**ANNUAL REPORT**  
**2003-2004**

Report Junction . com



**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 Branch

Nariman Point, 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 Bombay Stock Exchange)

## SHREE HARI CHEMICALS EXPORT LTD.

### NOTICE

The **SEVENTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF SHREE HARI CHEMICALS EXPORT LIMITED** will be held on Tuesday, 28th September, 2004 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, 2004 and the Balance Sheet as at that date and Directors' Report & Auditors' Report thereon.
2. To appoint a Director in place of Mr. K. L. Ramuka who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and to fix their remuneration.

By order of the Board  
**B. C. AGRAWAL**  
Managing Director

MUMBAI : 1st September, 2004.

**Registered Office :**

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

**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, 2004 TO 28TH SEPTEMBER, 2004 (BOTH DAYS INCLUSIVE).
- c) MEMBERS ARE REQUESTED TO NOTIFY IMMEDIATELY ANY CHANGES IN THEIR ADDRESSES TO THE COMPANY.

**DIRECTORS' REPORT TO THE MEMBERS**

Dear Members,

Your Directors have pleasure in presenting the 17th Annual Report together with the Audited Statement of accounts of the Company for the year ended 31st March, 2004.

**FINANCIAL RESULTS**

	<b>2003-2004</b> <b>(In Rupees)</b>	<b>2002-2003</b> <b>(In Rupees)</b>
Sales & Other Income	<b>31,72,96,755</b>	25,73,63,479
Profit before Depreciation	<b>1,03,07,317</b>	72,06,084
Less : Depreciation	<b>67,57,732</b>	58,32,395
Profit After Depreciation	<b>35,49,585</b>	13,73,689
Less : Provision for Income Tax	<b>12,45,000</b>	3,20,000
Less : Provision for Deferred Tax Liability	<b>2,86,668</b>	1,27,450
Profit After Tax	<b>20,17,917</b>	9,26,239

**DIVIDEND**

Your Directors are not recommending any dividend for the year.

**OPERATION**

Your Directors have pleasure in informing you that despite recessionary pressures in the industry, your company was able to achieve total income of Rs. 3172.96 lakhs against 2573.63 lakhs in previous year showing an increase of 23.29 %. The net profit is increased by 117.86 %. This was made possible by a strict but judicious control on costs.

As the company has already in the process of modernization of its plant, improving its process by latest technology is still continue. Your directors are hopeful to increase the profitability of the company during the coming year.

**EXPORT**

Your Directors are pleased to inform you that your Company has added its shares in global market. Export turnover is Rs.738.25 lacs for the year under review as against Rs. 388.71 lacs in previous year registering a growth of 89.92%.

**EFFLUENT TREATMENT PLANT**

Company strongly believes in and committed to pollution free environment. Its Effluent Treatment Plant is adequate to meet the norms prescribed by the Maharashtra Pollution Control Board.

In addition to that Company is also a member of the Common Effluent Treatment Plant ( CETP) which is operated by the Mahad Manufacturing Association (M.M.A.) and contributed Rs. 22.81 lakhs.

**INDUSTRIAL RELATIONS**

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

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

**LISTING OF SHARES**

The shares of your Company continue to be listed at Bombay Stock Exchange. The Company had made applications to Ahmedabad Stock Exchanges for voluntary delisting of shares. The shares have been delisted from Ahmedabad Stock Exchange, The Company has paid listing fees to Bombay Stock Exchange.

**DIRECTORS' RESPONSIBILITY**

Persuant to Section 217(2AA) of the Companies (Amendment) Act, 2000 the Directors confirm 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, 2004 and of the profit for the period 1st April, 2003 to 31st March, 2004. 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 is in process of finalizing the arrangement with the insurance Company.

**ACKNOWLEDGEMENT**

Your Directors are pleased to place on record their sincere appreciation to all the employees of the Company whose entiring efforts have made achieving its goal possible. Your Directors wish to thanks to the Central and State Governments, customers, suppliers, business associates, shareholders, Banks and Financial Institutions for their continued support and faith reported in your Company.

For and on behalf of the Board  
**KISHORI LAL RAMUKA**  
 Chairman

MUMBAI : 1st September, 2004.

**ANNEXURE (1) TO DIRECTORS' REPORT****REPORT ON CORPORATE GOVERNANCE****1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE :**

Your Company strongly believes that the system of Corporate Governance protects the interests of all the stakeholders by inculcating transparent business operations and accountability from management. The core values viz. customer focus, team work, leadership, innovation, respect for people, integrity and performance guide the Company towards fulfilling the consistently high standard of Corporate Governance over the years by placing strong emphasis on transparency, empowerment, accountability so as to continuously enhance value of the stakeholders, shareholders, customers, employees and the suppliers.

The disclosures required by clause 49 of the Listing Agreement are as under :

**2. BOARD OF DIRECTORS :**

The Board of your Company has 2 Executive Directors and 2 Non-Executive Directors.

The details of composition of the Board, category, attendance of Directors at Board Meetings and last Annual General Meeting, number of other Directorships and other Committee Memberships are given below :

Name of Director	Category	No. of Board Meeting Attendend	Attendance at last AGM	No of other Directorship Held		Outside Committee Position Held As on 31/03/04	
				As on 31/03/04		Mem. Chmn.	
				Public	Private		
Shri K.L. Ramuka	Chairman	6	Yes	--	--	--	--
Shri R.R. Agarwal	Non-Exe. Director	6	Yes	--	4	--	--
Shri B.C. Agrawal	Managing Director	6	Yes	--	2	--	--
Shri K.C. Ramuka	Non-Exe. Director	6	Yes	--	--	--	--

During the financial year ended 31st March 2004, six Board Meetings were held on 30th April 2003, 30th June 2003, 30th July 2003, 23rd August 2003, 30th October 2003 and 30th January 2004.

**3. COMMITTEE OF DIRECTORS :**

Non-Executive Directors provide guidance to operating management on policy matters as well as in monitoring the actions of operating management. This involvement is formalized through constitution of designated committees of the Board. The Committees are intended to provide regular exchange of information and ideas between the Non-Executive Directors and the operating management.

To confirm with the requirements of clause 49 of the Listing Agreement with the Stock Exchange and Companies Act, 1956, the Board has constituted the required Committees.

**SHREE HARI CHEMICALS EXPORT LTD.****3.1 AUDIT COMMITTEE :**

The Company has a qualified and independent Audit Committee comprising of 2 Non-Executive Directors. The Committee held 3 meetings during the year.

The name of Members of Committee and their attendance are as follow :

Name of Director	Status	No. of Meeting Attended
Shri K.C.Ramuka	Chairman	3
Shri R.R.Agarwal	Member	3
Shri K.L.Ramuka	Member	3

The General Manager - Accounts and Statutory Auditors were also invited to Audit Committee Meetings.

**3.2 REMUNERATION :**

Although Remuneration Committee ( being a non-mandatory requirement) has not been constituted by the Company, all matters relating to review and approval of compensation payable to Executive and Non-Executive Directors are considered by the Board within the overall limits approved by the Members.

The details of remuneration paid to Directors during the Financial Year 2003-2004 are given below :

Name of Director	Salary (Rs.)	Total (Rs.)
Shri K.L.Ramuka	1,98,000	1,98,000
Shri B.C.Agrawal	1,98,000	1,98,000

**3.3 SHARE HOLDERS' COMMITTEE :**

The Company has constituted a Shareholders' Committee to specifically look into investors' complaints, if any, and to redress the same expeditiously. The Committee redresses all complaints of investors. The shareholders committee meet twice during the year ended 31st March, 2004.

The composition of the Shareholders' Committee and details of the meetings attended by the committee members are given below :

Name of Member	Category	No. of Meetings Attended
Shri R.R.Agarwal	Chairman	2
Shri K.C.Ramuka	Member	2
Shri B.C.Agrawal	Member	2

Finance Officer of the Company is the Compliance Officer.

**DETAILS OF INVESTORS COMPLAINTS RECEIVED DURING THE YEAR :**

Sr. No.	Nature of Complaints	Received	Disposed	Pending
1	Non Receipt of Annual Report	2	2	- NIL-
2	Non Receipt of Annual Report / Dividend	1	1	- NIL-
3	Non Receipt of Share Certificate	2	2	- NIL-
4	Non Receipt of Duplicate Share Certificate	1	1	- NIL-
<b>TOTAL</b>		<b>6</b>	<b>6</b>	<b>- NIL -</b>

**4. ANNUAL GENERAL MEETINGS :**

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

Year	Location	Date	Time
2000-2001	A/8, M.I.D.C. Mahad Dist : Raigad (Maharashtra)	22.09.2001	1.00 P.M.
2001-2002	Same as above	21.09.2002	1.00 P.M.
2002-2003	Same as above	27.09.2003	3.00 P.M.

**5. DISCLOSURE :**

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

**6. MEANS OF COMMUNICATION:**

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

**7. GENERAL SHARE HOLDERS INFORMATION :****7.1 ANNUAL GENERAL MEETING**

Date and Time  
Venue

**: 17th Annual General Meeting**  
: 28th September, 2004. 1.00 P.M.  
: A/8, M.I.D.C. Industrial Area,  
Mahad Dist : Raigad ( Maharashtra)

**7.2 DATE OF BOOK CLOSURE**

: 24th September, 2004 to 28th  
September, 2004 (both days inclusive)

**7.3 FINANCIAL CALENDAR FOR THE YEAR 2004-2005 ( PROVISIONAL ) :**

Results for the quarter ending June 30, 2004 : 30th day of July, 2004  
Results for the quarter ending Sept. 30, 2004 : 30th day of October, 2004  
Results for the quarter ending Dec. 31, 2004 : 29th day of January, 2005  
Results for the quarter ending March 31, 2005 : 30th day of April, 2005



**SHREE HARI CHEMICALS EXPORT LTD.****7.4 SHARE TRANSFER SYSTEM :**

The time for completion of transfer of shares in physical mode is generally 20-25 days, from the day of receipt of the documents, if the same are in order in all respects. The Board has delegated the responsibility of share transfer to Share Transfer Committee. Shares for Demat mode are transferred by the Registrar within 15 - 20 days.

**7.5 TRANSFER UNDER PHYSICAL AND DEMAT MODE ;**

MONDKAR COMPUTERS PVT. LTD.

21, Shakil Niwas, Mahakali Caves Road,  
Andheri (E), MUMBAI 400 093.

**7.6 ADDRESS FOR CORRESPONDENCE :**

SHREE HARI CHEMICALS EXPORT LTD.

103/104, Unique Tower,  
Near Kamat Club, S.V. Road,  
Goregaon (W), MUMBAI-400 062.

**7.7 LISTING :**

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, were made on 10th January, 2000. The shares at Ahmedabad Stock Exchange were delisted on 12th September, 2004.

**7.8 STOCK CODE OF THE COMPANY :**

Stock Code	524336	
Trading Symbol at	Bombay Stock Exchange	Sh. Hari Chem.
Demate ISIN Numbers in		
NSDL and CDSL	Equity Shares	INE 065E01017

**7.9 DEMATERIALIZATION OF SHARES :**

710400 Shares were dematerialised in the Following Depositories

National Securities Depository Ltd.	=	598643	13.31%
Central Depository Services Ltd.	=	111757	2.48%
Total Number of Shares (Physical )	=	3789600	84.21%

**7.10 STOCK PRICE DATA :** ( As obtained from BSE Website)

Stock Market price data for the year

Month	Company's Share	
	High (Rs.)	Low (Rs.)
April,2003	5.75	4.00
May,2003	4.65	1.90
June,2003	3.75	1.86
July,2003	3.85	2.20
August,2003	4.00	2.76
September,2003	4.00	2.41
October,2003	3.30	2.22
November,2003	3.60	2.55
December,2003	5.25	2.77
January,2004	4.66	3.12
February,2004	3.49	2.57
March,2004	3.15	2.17

**7.11 SHARE HOLDING PATTERN AS ON 31ST MARCH, 2004.**

Sr. No.	Category	Records	Holding	Percentage
1.	Promoters	99	1765500	39.23
2.	Corporate Bodies	49	81441	1.81
3.	N R I	506	114600	2.55
4.	Public-Individuals	9678	2538459	56.41
Total		10332	4500000	100.00

**7.12 DISTRIBUTION OF SHAREHOLDING AS ON 31ST MARCH, 2004.**

No.of Shares	No.of Shareholders	No.of Shares held	% of Shares
Up to 500	9523	1714915	38.109
500-1000	496	414836	9.219
1001-2000	163	251325	5.585
2001-3000	36	91862	2.041
3001-4000	15	54549	1.212
4001-5000	21	99499	2.211
5001-10000	30	262225	5.827
10001 & above	48	1610789	35.796
10332		4500000	100.00