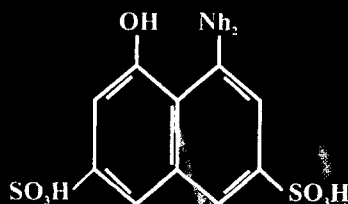
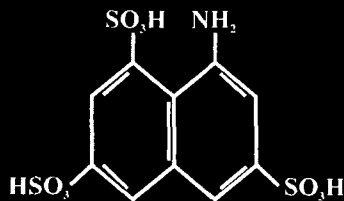
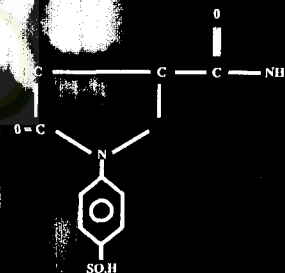


21st Annual Report 2007-2008



RESEARCH & INTERMEDIATES



SHREE HARI CHEMICALS EXPORT LTD.

21st ANNUAL REPORT**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 H. P. Ramuka
 Shri S. K. Sultania
 Shri V. N. Gupta
 Shri A. M. Kanodia
 Shri A. D. Chirania
 Shri R. K. Dayma
 Shri V. P. Kedia

Whole Time Director
Chairman & Executive Director
Managing Director
Whole Time Director
Whole Time Director
Director
Director
Director
Director
Director

BANKERS**STATE BANK OF INDIA**

Backbay Reclamation Branch,
 Raheja Chambers, Nariman Point,
 MUMBAI - 400 021.

AUDITORS**KAILASH CHAND JAIN & CO.**

Chartered Accountants
 MUMBAI 400 020.

REGD. OFFICE & WORKS

A/8, M.I.D.C. Indl. Area,
 MAHAD, Dist. Raigad
 (Maharashtra) 402 309.

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.

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SHREE HARI CHEMICALS EXPORT LTD.**SHREE HARI CHEMICALS EXPORT LIMITED****Regd. Office:** A/8, M.I.D.C. Industrial Area, Mahad, Dist. Raigad (Maharashtra)**NOTICE**

Notice is hereby given that the **TWENTY FIRST** Annual General Meeting of the members of **SHREE HARI CHEMICALS EXPORT LIMITED** be held at A/8, M.I.D.C. Industrial Area, Mahad, Dist. Raigad (Maharashtra) on Tuesday, September 30, 2008 at 4.00 p.m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2008 and the Profit and Loss Account for the year ended on that date and the Directors' and Auditors' Reports thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Virjanand Gupta who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Shri Arvind Chirania who retires by rotation and is eligible for reappointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

To appoint Director in place of Shri Hanuman Prasad Ramuka, who was appointed as an Additional Director by the Board of Directors and who holds office upto the date of the ensuing Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director.

7. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

To appoint Director in place of Shri Raj Kumar Dayma who was appointed as an Additional Director by the Board of Directors and who holds office upto the date of the ensuing Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director.

8. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

To appoint Director in place of Shri Vinit Kedia, who was appointed as an Additional Director by the Board of Directors and who holds office upto the date of the ensuing Annual General Meeting pursuant to the provisions of Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Director.

9. To consider and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, Schedule XIII and other applicable provisions, of the Companies Act, 1956 and subject to such other approvals as may be necessary, the Company hereby approves the appointment of Shri Hanuman Prasad Ramuka as Wholetime Director of the Company for a period of five years with effect from April 30, 2008 on the terms and conditions including the terms as to remuneration approved by the remuneration committee and set out in the explanatory statement with liberty to the Board of Directors of the Company to alter or vary and modify the terms and conditions of the said appointment and remuneration so as the remuneration not to exceed the limits specified in Schedule XIII of the Companies Act, 1956 or any amendment thereto as may be agreed between the Board and Shri Hanuman Prasad Ramuka.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year of the Company during Shri Hanuman Prasad Ramuka's term of office as Whole time Director the remuneration payable to him shall be as per the minimum remuneration prescribed in Schedule XIII of the Act and that he shall be entitled to all other benefits and perquisites set out in the Explanatory Statement as the minimum remuneration.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this resolution".

10. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution

"RESOLVED THAT the consent of the Company be and is hereby accorded under Section 293(1)(d) of the Companies Act, 1956 to the Board of Directors of the Company for borrowing from time to time all such sums of money as they may deem requisite for the purpose of the business of the Company notwithstanding that moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained

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from the company's bankers in the ordinary course of business) will exceed the aggregate of the paid up share capital of the Company and free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount upto which moneys may be borrowed by the Board of Directors shall not, exceed the sum of Rupees One Hundred Crores only at any point of time exclusive of interest."

11. To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution
- "RESOLVED THAT the consent of the Company, be and is hereby accorded under Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to the Board of Directors of the Company to mortgage and/ or charge and/ or hypothecate, on such terms and conditions and at such time or times, and in such form or manner, as it may think fit, the whole or substantially the whole of any one or more of the undertakings of the Company including the present and/ or future properties whether movable or immovable, comprised in any existing undertaking or undertakings of the Company, as the case may be for the purpose of securing financial assistance not exceeding Rupees One Hundred Crores only at any point of time by way of any of the following namely Term Loans in Indian Rupees and Foreign Currency, Export Credit, Equipment Credit Scheme, Leasing Credit Facilities or other facilities from the Financial Institutions and/or Bankers and/or any other parties together with interest thereon, commitment charges, liquidated damages, costs, charges, expenses and other moneys payable by the Company to the respective Financial Institutions and/ or Bankers and/or other parties in terms of their respective Loan Agreements/ Deeds of Agreements/ Hypothecation Agreements/ Letters of Sanction/Memorandum of terms and conditions entered into or to be entered into by the Company in respect of the said financial assistance, such security to rank pari passu with or second or subservient to the mortgages and/ or charges and/ or hypothecation already created or to be created in future by the Company or in such other manner as may be agreed to between the concerned parties and as may be thought expedient by the Board of Directors."

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 A PROXY NEED NOT BE A MEMBER.
2. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The relative explanatory statement, pursuant to section 173 of Companies Act, 1956 in respect of business at item nos. 6 to 11 annexured hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday , September 23, 2008 to Tuesday, September 30, 2008 (both days inclusive) for the purpose of Annual General Meeting and declaration of dividend.
5. Members are requested to notify promptly any change in their addresses to the Company's Registrar and Share Transfer Agents, Mondkar Computers Private Limited, 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093.
6. Members are hereby informed that Dividend which remain unclaimed over a period of 7 years have to be transferred by the company to the Investors Education & Protection fund, constituted by the Central Government under Section 205(A) & 205(C) of the Companies Act, 1956.

Details of unclaimed Dividend with it's due date of transfer to Investors Education and Protection Fund is as below :

<u>Year ended</u>	<u>Date of Declaration</u>	<u>Amount</u>	<u>Due date of transfer to IEPF</u>
31.03.2007	26.09.2007	5.53,664.00	25.10.2014

7. Members are requested to bring their copy of Annual Report as extra copies will not be supplied at the time of Annual General Meeting.
8. Members who have not paid the calls-in-arrears are required to pay the same as per the Notices issued to them from time to time. Shares held by such members are subject to forfeiture due to non-payment of calls -in- arrears.
9. Dividend if declared on equity shares shall be adjusted against the calls in arrears of those shareholders who have not paid their arrears.

Registered Office:

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

Dated : 22nd August, 2008

By Order of the Board
BANKESH CHANDRA AGRAWAL
Managing Director

SHREE HARI CHEMICALS EXPORT LTD.**SHREE HARI CHEMICALS EXPORT LIMITED****Regd. Office:** A/8, M.I.D.C. Industrial Area, Mahad, Dist. Raigad (Maharashtra)**ANNEXURE TO NOTICE****Explanatory Statement under Section 173(2) of the Companies Act, 1956****Item No. 6 to 8 :**

Shri Hanuman Prasad Ramuka, Shri Raj Kumar Dayma and Shri Vinit Kedia were appointed as Additional Directors of the Company by the Board of Directors on April 30, 2008. By virtue of Section 260 of the Companies Act, 1956, they hold office upto the date of the ensuing Annual General Meeting of the Company. Notices alongwith the necessary deposit have been received from some members under Section 257 of the Companies Act, 1956 proposing the names of Shri Hanuman Prasad Ramuka, Shri Raj Kumar Dayma and Shri Vinit Kedia for the office of Director.

The Board commends your approval to the said appointments.

Shri Hanuman Prasad Ramuka, Shri Raj Kumar Dayma and Shri Vinit Kedia are interested in the respective resolutions as it relates to their own appointment.

Item No. 9

The Board of Directors of the Company at its meeting held on April 30, 2008 had appointed Shri Hanuman Prasad Ramuka as Wholetime Director of the Company for a period of five years with effect from April 30, 2008 on the following terms and conditions including the terms as to remuneration approved by the remuneration committee.

- a) **Salary** : **Salary @ Rs. 41500/- per month subject to the ceiling limit of upto Rs. 100000/- per month inclusive of perquisites as may be decided by the Board of Directors.**
- b) **Commission** : **Commission on the net profit of the Company computed in the manner laid down in section 349 of the Companies Act, 1956 as may be fixed by the Board subject to the ceiling limits laid down in Section 198 and 309 of the Companies Act, 1956.**

Where in any financial year during the currency of the tenure of the Wholetime Director, the company has made no profits or its profits are inadequate, the Company shall pay to the Wholetime Director, the above salary except commission not exceeding the ceiling limits prescribed in schedule XIII of the Companies Act, 1956 as minimum remuneration

- c) The Wholetime Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein above :
- i) Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.
 - ii) Gratuity payable at the rate not exceeding half a month's Salary for each completed year of service.
 - iii) Earned privilege leave at the rate of one month's leave for every eleven months of service. The Wholetime Director shall be entitled to encash leave at the end of his tenure as Whole Time Director.
 - iv) Provision for Car and Telephone at the residence of the Whole time Director shall not be treated as perquisites.

The Board commends the approval by the members of the appointment of Wholetime Director and payment of remuneration to him.

Shri Hanuman Prasad Ramuka is concerned or interested in the said resolution at item no. 9 of the accompanying notice as it relates to him.

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The above may be treated as an abstract of the terms of remuneration payable to Shri Hanuman Prasad Ramuka, as Wholetime Director pursuant to Section 302 of the Act, 1956.

Item No. 10

The Company may have to borrow more funds from banks and financial institutions and other parties in excess of the paid-up capital and free reserves of the Company.

It is therefore proposed to authorise the Board of Directors to borrow in excess of the paid-up capital and free reserves of the Company subject to a maximum of Rupees One Hundred Crores only.

An Ordinary resolution under Section 293 (1) (d) of the Companies Act, 1956 is therefore proposed for approval by the members.

The Board commends your approval of the said resolution.

None of the Directors of the Company is interested in the said resolution.

Item No. 11

The borrowings from the Banks, financial institutions or other parties might be secured by mortgaging or charging the moveable and/or immovable assets of the Company.

An ordinary resolution under Section 293(1) (a) of the Companies Act, 1956 is therefore proposed for approval by the Shareholders.

None of the Directors of the Company is interested in the said resolution.

Registered Office:

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

By the Order of the Board

BANKESH CHANDRA AGRAWAL

Managing Director

Dated : 22nd August, 2008

SHREE HARI CHEMICALS EXPORT LTD.**SHREE HARI CHEMICALS EXPORT LIMITED****Regd. Office:** A/8, M.I.D.C. Industrial Area, Mahad, Dist. Raigad (Maharashtra)**DIRECTORS' REPORT**

To the Members,

The Directors have pleasure in presenting the Twenty First Annual Report together with the Statement of Accounts for the year ended 31st March, 2008.

FINANCIAL RESULTS

	2007-2008 (In Rupees)	2006-2007 (In Rupees)
Sales & Other Income	81,26,09,411	68,28,87,790
Profit before Depreciation & Tax	8,82,76,255	8,86,42,553
Less : Depreciation	1,36,26,133	1,21,97,108
Profit After Depreciation	7,46,50,121	7,64,45,444
Less : Provision for Income Tax	24,257,457	2,50,00,000
Less : Provision for Fringe Benefit Tax	392,277	2,20,717
Less : Provision for Deferred Tax Liability	1,958,964	38,86,515
Profit after tax	48,041,423	4,73,38,212
Balance Brought forwarded	71,503,660	2,93,60,306
	119,545,084	7,66,98,518
Appropriation		
Proposed Dividend	4,500,000	44,40,050
Corporate Dividend Tax	764,775	7,54,808
Balance Carried forwarded to Balance Sheet	114,280,309	7,15,03,660

OPERATION :

Your Directors are pleased to inform you that the Company has achieved the turnover of Rs. 8126.09 lacs against 6828.87 lacs in the previous year showing an increase of 19% . The net profit after tax for the year under review is Rs. 480.41 which is 5.91 % of the turnover.

EXPORT :

The Export turnover of Rs. 3923.41 lacs for the year under review which is 48.28 % of the turnover.

DIVIDEND :

Your Director are pleased to recommend a dividend of Re.1/- (10%) per equity shares of Rs. 10/- each for the financial year 2007-2008, which if approved at the forthcoming 21st Annual General Meeting.

FIXED DEPOSIT :

Your company have not accepted any deposit during the year within the meaning of Section 58A of the Companies Act,1956 from public and the rules made there under.

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EFFLUENT TREATMENT PLANT :

The Company has its own full fledged Effluent Treatment Plant as per the norms prescribed by the Maharashtra Pollution Control Board.

During the year under review Company invested Rs. 72.93 lacs for upgradation of Effluent Treatment Plant.

The Company is also a member of Common Effluent Treatment Plant (CETP) managed by the Mahad Manufacturing Association (MMA).

DIRECTORS :

Shri Virjanand Gupta and Shri Arvind Chirania would retire by rotation at the ensuing Annual General Meeting of the Company and are eligible for reappointment.

Shri Hanuman Prasad Ramuka, Shri Raj Kumar Dayma and Shri Vinit Kedia were appointed as Additional Directors of the Company by the Board of Directors on April 30, 2008. By virtue of Section 260 of the Companies Act, 1956, they hold office upto the date of the ensuing Annual General Meeting are eligible for appointment.

Shri Hanuman Prasad Ramuka was appointed as Wholetime Director for a period of five years with effect from April 30, 2008. Necessary resolution has been proposed for the approval of shareholders for his appointment and payment of remuneration at the ensuing Annual General Meeting.

Brief resume of the above Directors, nature of their experience in specific functional areas and names of the companies in which they hold directorship and membership/chairmanship of committees of the Board, as stipulated under clause 49 of the Listing Agreement with the Stock Exchange are given in the section on Corporate Governance in the Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to section 217(2AA) of the Companies Act, 1956 your Directors confirm the following

- a) That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting record 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;
- d) that the directors have prepared the annual accounts on a going concern basis;

CORPORATE GOVERNANCE :

Pursuant to clause 49 of the Listing Agreement with the Stock Exchange, Reports on Management Discussion & Analysis and on Corporate Governance alongwith a certificate from the Auditors are attached hereto and forms part of this Annual Report

SHREE HARI CHEMICALS EXPORT LTD.

PARTICULARS OF EMPLOYEES :

The Company does not have any employee whose particulars are required to be given pursuant to the provisions of Section 217 (2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules, 1975.

PARTICULARS UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956 :

As required 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, statement showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure forming part of this report.

LISTING :

The Equity Shares of the Company are listed at the Bombay Stock Exchange Limited. The Company has paid the Annual Listing Fees to the Bombay Stock Exchange Limited for the year 2008-2009

AUDITORS :

M/s. Kailash Chand Jain & Co., Chartered Accountants, the Auditors of the company would retire at the ensuing Annual General Meeting and are eligible for reappointment. You are requested to appoint auditors and to fix their remuneration.

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 thank the Central and State Governments, customers, suppliers, business associates, shareholders, Banks and Financial Institutions for their continued support and for the faith reposed in your Company.

For and on behalf of the Board
KISHORI LAL RAMUKA
Chairman & Executive Director

DATED : 22nd August, 2008

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ANNEXURE TO THE DIRECTORS' REPORT

PARTICULARS UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956

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, 2008.

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	2007-2008	2006-2007
i)	Electricity :		
a)	Purchased :		
	Units (KWH)	4685064	4808500
	Total Amount (Rs.)	2,42,45,219	2,24,73,894
	Rate/Unit (Rs.)	5.18	4.67
b)	Own Generation (Through D.G.Set)		
	Diesel Oil Consumed (Ltrs.)	148355	164773
	Total Amount	51,74,635	59,98,493
	Rate/Ltr (Rs.)	36.40	36.40
ii)	Furnace Oil		
	Qty. (.Ltrs)	-	4660
	Total Amount (Rs.)	-	58390
	Avg. Rate (Rs.)	-	12.53
iii)	Steam Coal		
	Qty. (Kgs.)	7997195	8616225
	Total Amount (RS.)	32,693,586	2,79,56,379
	Avg. Rate (Rs.)	4.09	3.24
b)	Consumption per unit of Production (P.MT) :		
	Product : Dye Intermediates (M.T.)	3016.565	2814.845
	Electricity (KWH)	1553.11	1708.26
	Furnace Oil(Ltrs)	-	1.65
	Steam Coal (Kgs)	2651.09	3060.99
	Own generated Through Generater (Ltrs.)	49.18	58.54

B

FORM 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 specified area of recycling of process waste, water, recovery of impurities of H-Acid and to convert them into 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 :	2007-2008	2006-2007
1) Earning CIF Value of Exports (figures includes Direct Export as well as through Export House and Merchant Exporters)	392,340,630	32,20,69,712
2) Outgo CIF Value of Imports	124,589,923	10,26,82,742

For and on behalf of the Board

KISHORI LAL RAMUKA

Chairman & Executive Director

DATED : 22nd August, 2008.