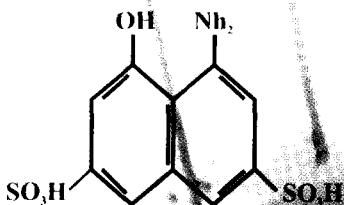
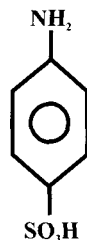
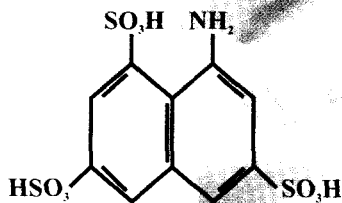
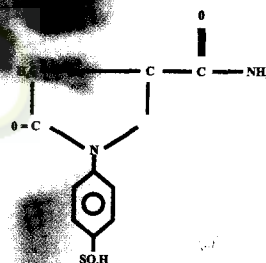


22nd Annual Report 2008-2009



DYES & INTERMEDIATES



SHREE HARI CHEMICALS EXPORT LTD.

22nd 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
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 SECOND** 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 Wednesday, August 26, 2009 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2009 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 Kishori Lal Ramuka who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Shri Ramu Raman Agarwal who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Shri Amar Kanodia who retires by rotation and is eligible for reappointment.
6. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, including any Statutory modification or re-enactment thereof, for the time being in force and as approved by the Remuneration Committee, the Company in General Meeting hereby approves the re-appointment of Shri Kishori Lal Ramuka as Chairman & Executive Director of the Company for a period of five years with effect from 1st October, 2009 and on the terms and conditions and remuneration (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment) for a period of three years with effect from 1st October, 2009 as set out in the explanatory statement.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to vary any of the terms of remuneration in consultation with Chairman & Executive Director provided such variation is in accordance with the provisions in part II of Schedule XIII of the Companies Act, 1956 and/or the provisions of law as may be applicable thereto from time to time.

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, including any Statutory modification or re-enactment thereof, for the time being in force and as approved by the Remuneration Committee, the Company in General Meeting hereby approves the payment of remuneration to Shri Bankesh Chandra Agrawal, Managing Director of the company for the remaining period of his tenure with effect from 1st October, 2009 upto 28th February, 2010 and on the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits during the tenure of his appointment) as set out in the explanatory statement.

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"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to vary any of the terms of remuneration in consultation with Managing Director provided such variation is in accordance with the provisions in part II of Schedule XIII of the Companies Act, 1956 and/or the provisions of law as may be applicable thereto from time to time.

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 explanatory statement pursuant to Section 173 of the Companies Act, 1956 in respect of the business item 7 and 8 is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, August 20, 2009 to Wednesday, August 26, 2009 (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	5,35,664.00	31.10.2014
31.03.2008	30.09.2008	6,91,748.00	05.11.2015

7. Members are requested to bring their copy of Annual Report as extra copies will not be supplied at the Annual General Meeting.

Registered Office:

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

By Order of the Board
BANKESH CHANDRA AGRAWAL
Managing Director

Dated : 16th July, 2009.

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 as required by Section 173 of the Companies Act, 1956****Item No. 7**

The term of Shri Kishori Lal Ramuka as Chairman & Executive Director of the Company will expire on 30th September, 2009. The Board of Directors of the Company has re-appointed Shri Kishori Lal Ramuka as Chairman & Executive Director of the Company for a period of 5 years with effect from 1st October, 2009.

The terms of the remuneration for a period of first three years are as under:

- a) **Salary** : Rs. 2,00,000/- per month including other perquisites.
- b) **Commission** : Commission on Net Profits 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 Sections 198 and 309 of the Companies Act, 1956.

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

The Chairman & Executive Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration:

- a) Contribution towards 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.
- b) Gratuity payable at the rate not exceeding half a months salary for each completed year of service.
- c) Earned privilege leave at the rate of one month leave for every eleven months of service. The Chairman & Executive Director shall be entitled to encash leave at the end of his tenure as Chairman & Executive Director.
- d) Provision of Car and Telephone at the Residence of the Chairman & Executive Director shall not be treated as perquisites.

Additional information required to be given alongwith a Notice calling General Meeting as per sub para (B) of para 1 of Section II of Part II of Schedule XIII to the Companies Act, 1956 is given hereunder:

i. General Information:

- (1) Nature of industry : Chemicals Industry
- (2) Date or expected date of commencement of commercial production : The Company has been in the business since 1987
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. : Not Applicable

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(4) Financial performance based on given indicators	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Turnover	384451222	404847029	682887790	812609410	634024561
Net profit (as computed under section 198)	3048908	4498995	50818212	55001424	(14374823)
Net profit/ (Loss) as per profit and loss account	2717408	3898995	47338212	48041424	(22127168)
Amount of Dividend paid	--	--	440050	4500000	4446300
Rate of Dividend declared	--	--	(10 %)	(10 %)	(10 %)
Earning before interest, depreciation & taxes	17269664	26836832	101691043	103262424	4607247
% of EBIDT to turnover	4.49 %	6.63 %	14.89 %	12.70 %	0.73 %
(5) Export performance and net foreign exchange collaborations	29977277	110679694	316096262	367876750	212119042
(6) Foreign investments or collaborators, if any.	Nil				

II. Information about the appointee:

- (1) Background details
- Name** : Shri Kishori Lal Ramuka
Designation : Chairman & Executive Director
Father's name : Shri Suwalal Ramuka
Nationality : Indian
Date of Birth : 07.04.1949
Qualifications : B. Com
Experience : Over 38 years in Textile Chemical Industry
- (2) Past remuneration
- The gross remuneration paid to him in the year 2008-09 was Rs.22,80,000/-.
- (3) Recognition or awards
- Nil
- (4) Job profile and his suitability
- Shri Kishori Lal Ramuka shall be responsible for the management of the whole of the affairs of the Company and to do all acts and things, which, in the ordinary course of business, he considers necessary or proper or in the interest of the Company. Considering the above and having regard to age, qualifications, ability and experience and looking to the business requirement the proposed remuneration is in the interest of the Company.
- (5) Remuneration proposed
- Salary Rs.2,00,000/- per month including all other perquisites.
- (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w. r. t. the country of his origin)
- Compared to the remuneration with respect to the industry, size of the Company etc. the remuneration proposed to be paid to is very low.
- (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.
- The Chairman & Executive Director is a promoter director of the Company. He is concerned or interested as it relates to him and Shri Kailash Chand Ramuka is also interested or concerned being relative of Shri Kishori Lal Ramuka.

SHREE HARI CHEMICALS EXPORT LTD.**III. Other information:**

- | | |
|--|--|
| (1) Reasons of loss or inadequate profits | Due to the Global and Domestic slowdown Company's turnover has been affected and resulted into loss. |
| (2) Steps taken or proposed to be taken for improvement | Substantial marketing efforts and upgradation in technology is likely to increase in sales and profitability of the Company. |
| (3) Expected increase in productivity and profits in measurable terms. | With the curtailment in expenses and increase in the turnover the Company expects to make profit to the tune of approximately Rs. 300.00 lacs. |

IV. Disclosures:

The remuneration of Shri Kishori Lal Ramuka and other details such as service contract, notice period etc. have been disclosed above. The Company does not have any scheme for grant of stock options.

The Board commends the approval by the members for re-appointment of chairman & Executive Director and payment of remuneration to him.

Shri Kishori Lal Ramuka, Chairman & Executive Director, is concerned or interested in the said resolution at item no. 7 of the accompanying notice as it relates to his own appointment. Shri Kailash Chand Ramuka being relative of Shri Kishori Lal Ramuka is also deemed to be interested or concerned in the aforesaid resolution

The above may also be treated as an abstract referred to in Section 302 of the Act.

Item No. 8

The Board of Directors of the Company at its meeting held on July 1, 2009 approved the following payment of remuneration to Shri Bankesh Chandra Agrawal with effect from October 01, 2009 for the remaining period of his tenure as Managing Director of the company and the other terms of his appointment remaining unchanged.

- a) Salary** : Rs. 2,00,000/- per month including other perquisites.
- b) Commission** : Commission on Net Profits 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 Sections 198 and 309 of the Companies Act, 1956.

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

The Managing Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration:

- a) contribution towards 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.
- b) Gratuity payable at the rate not exceeding half a months salary for each completed year of service.
- c) Earned privilege leave at the rate of one month leave for every eleven months of service. The Managing Director shall be entitled to encash leave at the end of his tenure as Managing Director.

22nd ANNUAL REPORT

d) Provision of Car and Telephone at the Residence of the Managing Director shall not be treated as perquisites.

Additional information required to be given alongwith a Notice calling General Meeting as per sub para (B) of para 1 of Section II of Part II of Schedule XIII to the Companies Act, 1956 is given hereunder:

I. General Information:

- (1) Nature of industry : Chemicals Industry
- (2) Date or expected date of commencement of commercial production : The Company has been in the business since 1987
- (3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. : Not Applicable

(4) Financial performance based on given indicators :

	2004-2005	2005-2006	2006-2007	2007-2008	2008-2009
Turnover	384451222	404847029	682887790	812609410	634024561
Net profit (as computed under section 198)	3048908	4498995	50818212	55001424	(14374823)
Net profit/ (Loss) as per profit and loss account	2717408	3898995	47338212	48041424	(22127168)
Amount of Dividend paid	--	--	440050	4500000	4446300
Rate of Dividend declared	--	--	(10 %)	(10 %)	(10 %)
Earning before interest, depreciation & taxes	17269664	26836832	101691043	103262424	4607247
% of EBIDT to turnover	4.49 %	6.63 %	14.89 %	12.70 %	0.73 %

(5) Export performance and net foreign exchange collaborations : 29977277 110679694 316096262 367876750 212119042

(6) Foreign investments or collaborators, if any. : Nil

II. Information about the appointee:

(1) Background details

Name : Shri Bankesh Chandra Agrawal
Designation : Managing Director
Father's name : Late Shri Babulal Agrawal
Nationality : Indian
Date of Birth : 29.10.1951
Qualifications : B.Com, ICWA
Experience : Over 35 years in Yarn and Chemical Industry.

(2) Past remuneration : The gross remuneration paid to him in the year 2008-09 was Rs. 22,80,000/- .

(3) Recognition or awards : Nil

(4) Job profile and his suitability : The Managing Director is fully involved in the company and overseas the production and factory administration activities. Considering the above and having regard to age, qualifications, ability and experience and looking to the business requirement the re-appointment and proposed remuneration is in the interest of the company.

SHREE HARI CHEMICALS EXPORT LTD.

- | | |
|--|---|
| (5) Remuneration proposed | Salary Rs.2,00,000/- per month including all other perquisites. |
| (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w. r. t. the country of his origin) | Compared to the remuneration with respect to the industry, size of the Company etc. the remuneration proposed to be paid to is very low. |
| (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. | The Managing Director is a promoter director of the Company. He is concerned or interested as it relates to him and Shri Ramu Raman Agarwal is also interested or concerned being relative of Shri Bankesh Chandra Agrawal. |

III. Other information:

- | | |
|--|--|
| (1) Reasons of loss or inadequate profits | Due to the Global and Domestic slowdown Company's turnover has been affected and resulted into loss. |
| (2) Steps taken or proposed to be taken for improvement | Substantial marketing efforts and upgradation in technology is likely to increase in sales and profitability of the Company. |
| (3) Expected increase in productivity and profits in measurable terms. | With the curtailment in expenses and increase in the turnover the Company expects to make profit to the tune of approximately Rs. 300.00 lacs. |

IV. Disclosures:

The remuneration of Shri Bankesh Chandra Agrawal and other details such as service contract, notice period etc. have been disclosed above. The Company does not have any scheme for grant of stock options.

The Board commends the approval by the members for the payment of remuneration to him.

Shri Bankesh Chandra Agrawal, Managing Director is concerned or interested in the said resolution at item no.8 of the accompanying notice as it relates to him. Shri Ramu Raman Agarwal being relative of Shri Bankesh Chandra Agrawal is also deemed to be interested or concerned in the said resolution.

The above may also be treated as an abstract referred to in Section 302 of the Act.

Registered Office:

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

By Order of the Board
BANKESH CHANDRA AGRAWAL
Managing Director

Dated : 16th July, 2009.

22nd ANNUAL REPORT**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 Second Annual Report together with the Statement of Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

	2008-2009 (In Rupees)	2007-2008 (In Rupees)
Sales & Other Income	63,40,24,561	81,26,09,411
Profit before Depreciation & Tax	(1,93,06,476)	8,82,76,255
Less : Depreciation	1,34,16,735	1,36,26,133
Profit After Depreciation	(3,27,23,211)	7,46,50,121
Less : Provision for Income Tax	-	24,257,457
Less : Provision for Fringe Benefit Tax	4,71,002	392,277
Less : Provision for Deferred Tax Liability	(1,10,67,045)	1,958,964
Profit after tax	(2,21,27,168)	48,041,423
Balance Brought forwarded	1,142,80,309	71,503,660
	9,21,53,141	1,19,545,084
Appropriation		
Proposed Dividend	44,46,300	45,00,000
Corporate Dividend Tax	7,55,649	764,775
Balance Carried forwarded to Balance Sheet	8,69,51,192	1,14,280,309

OPERATION :

Due to Global and Domestic slowdown your company could able to achieve a turnover of Rs. 6340.24 lacs as against Rs. 8126.09 lacs in the previous year. This resulted in a loss of Rs. 327.23 lacs. However in the current year your company has already overcome of this situation and doing well.

EXPORT :

The Export turnover of the year under review is Rs. 2324.16 lacs as against Rs. 3921.41 lacs in previous year, However from the beginning of the current year your company is having sufficient export orders on continuous basis.

DIVIDEND :

The Board of Directors of the Company, for the year ended 31st March, 2009 has recommended a dividend of Re. 1/- (10% per equity shares of face value of Rs. 10/- each) subject to the approval of the shareholders at the Annual General Meeting.