

SHREE HARI CHEMICALS EXPORT LIMITED

BOARD OF DIRECTORS

Shri K. L. Ramuka
Shri B. C. Agrawal
Shri H. P. Ramuka
Shri S. K. Sultania
Shri A. D. Chirania
Shri R. K. Dayma
Shri V. P. Kedia

Chairman & Executive Director
Managing Director
Whole Time 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

UNIVERSAL CAPITAL SECURITIES PVT. LTD.

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

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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- FIFTH 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 September 29, 2012 at 2.00 p. m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2012 and the Profit and Loss Account for the year ended on that date and the Directors' and Auditors' Reports thereon.
2. To appoint a Director in place of Shri Vinit Kedia who retires by rotation and is eligible for reappointment.
3. To appoint a Director in place of Shri Raj Kumar Dayma who retires by rotation and is eligible for reappointment.
4. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

5. 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 Kishori Lal Ramuka, Chairman & Executive Director of the company for the remaining period of his tenure with effect from 1st October, 2012 upto 30th September, 2014 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.

“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.

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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 Register of Members and Share Transfer Books of the Company will remain closed from September 24, 2012 to September 29, 2012 (both days inclusive) for the purpose of Annual General Meeting.
4. Members are requested to notify promptly any change in their addresses to the Company's Registrar and Share Transfer Agents, Universal Capital Securities Pvt. Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai – 400093, Share Transfer Agents of the Company quoting their Folio No.
5. Members are requested to note that pursuant to the provisions of Section 205C of the Companies Act, 1956 the dividend remaining unclaimed or unpaid for a period of seven years from the date they became due for payment shall be credited to the Investor Education and protection Fund set up by the Central Government. Members who have so far not claimed the dividend are requested to make claim with the Company as no claim shall lie against the fund or the Company in respect of the individual amounts once credited to the said funds.
6. Members are requested to bring their copy of Annual Report as extra copies will not be provided at the Annual General Meeting.

Registered Office:

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

Dated: August 25, 2012

By the Order of the Board

B. C. Agrawal
Managing Director

SHREE HARI CHEMICALS EXPORT LTD.

ANNEXURE TO NOTICE

Explanatory Statement as required by Section 173 of the Companies Act, 1956

Item No. 5

The Board of Directors of the Company at its meeting held on August 25, 2012 approved the payment of remuneration to Shri Kishori Lal Ramuka with effect from October 01, 2012 for the remaining period of his tenure as Chairman & Executive Director of the company and the other terms of his appointment remaining unchanged. The remuneration are as under:

- a) Salary: Rs. 2,00,000/- per month including other perquisites or as may be decided by the Board of Directors of the Company.
- 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	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
	Turnover Net profit (as computed under section 198)	812609410 55001424	634024561 (14374823)	693598765 16276397	733780106 16020815	702976148 (13036249)
	Net profit/ (Loss) as per profit and loss account	48041424	(22127168)	8522397	8142815	21196249
	Amount of Dividend paid	4500000	4446300	4446300	44463000	-
	Rate of Dividend declared	(10%)	(10%)	(10%)	(10%)	-
	Earning before interest, depreciation & taxes	103262424	4592246	54248592	62335998	15636366
	% of EBIDT to turnover	12.70%	0.72%	7.82%	8.50%	2.22%
(5)	Export performance and net foreign exchange collaborations	367876750	212119042	180854810	101420823	55726276
(6)	Foreign investments or collaborators, if any.	Nil	Nil	Nil	Nil	Nil

II. Information about the appointee:

(1)	Background details	Name: Mr. 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 40 years in textile chemical industry
(2)	Past remuneration	The gross remuneration paid to him in the year 2011-12 was Rs. 22,80,000/- per month.
(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.

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(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.
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III. Other information:

(1)	Reasons of loss or inadequate profits	Due to stoppage of manufacturing activity as per the directions of the Maharashtra Pollution Control Board, Company's turnover has been affected and resulted into loss.
(2)	Steps taken or proposed to be taken for improvement	The Matter is with the Hon'ble High Court, Bombay and the company has allowed to operate the plant for a period of three weeks under the observations of NEERI and the company is hopeful about the positive comeout.
(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 payment of remuneration to him.

Shri Kishori Lal Ramuka, Chairman & Executive Director, is concerned or interested in the said resolution at item no. 5 of the accompanying notice as it relates to him.

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)

Dated: 25th August, 2012

By the Order of the Board

B. C. Agrawal
Managing Director

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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 - Fifth Annual Report together with the Statement of Accounts for the year ended March 31, 2012:

FINANCIAL RESULTS:

(Amount in Rupees)

	2011-2012	2010-2011
Sales & Other Income	70,29,76,148	73,16,13,081
Profit Before Depreciation & Tax	(33,79,762)	3,76,04,418
Less : Depreciation	2,04,99,527	2,31,07,622
Profit After Depreciation	(2,38,79,289)	1,44,96,798
Less: Provision for Income Tax	--	29,00,000
Less:(Add):Provision for Deferred Tax (Assets) /Liability	(19,76,882)	34,53,983
Profit/(Loss) after Tax	(2,11,96,249)	81,42,815
Balance brought forward	9,32,13,503	9,02,72,639
	7,20,17,254	9,84,15,454
Appropriation:		
Proposed Dividend	---	44,46,300
Corporate Dividend Tax	---	7,55,649
Profit c/f to Balance sheet	7,20,17,254	9,32,13,505
	7,20,17,254	9,84,15,454

OPERATIONS:

During the year the Company's manufacturing activities had been discontinued from 28th February, 2012, due to disconnection of electricity /water supply to the factory, as per the directions of MPCB (Maharashtra Pollution Control Board). Then the company had filed a notice of motion with the Hon'ble High Court, Bombay. The High Court appointed the NEERI (National Environmental Engineering Research Institute) to inspect the plant. After the inspection of the plant NEERI recommended to operate the plant about 50% levels of production capacity for a period of three weeks for assessment of all polluting streams under the observations of MPCB and NEERI.

Due to the closure of the company's manufacturing activity and the Global and Domestic slowdown, your company could able to achieve a turnover of Rs. 7029.76 lacs as against Rs. 7316.13 lacs in the previous year. This resulted in a loss of Rs. 211.96 lacs.

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EXPORT

The Export turnover of the year under review is Rs. 968.07 lacs as against Rs. 1557.33 lacs in previous year.

FIXED DEPOSIT

The company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits) Rules, 1975 made thereunder.

DIRECTORS

Shri Vinit Kedia and Shri Raj Kumar Dayma, would retire by rotation at the ensuing Annual General Meeting of the Company and are eligible for re-appointment.

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.

Shri Kailash Chand Ramuka and Shri Ramu Raman Agarwal Directors of the Company, resigned as Directors with effect from 1st April, 2012. Shri Virjanand Gupta and Shri Amar Kanodia, Directors of the Company, resigned as Directors with effect from 12th May, 2012. The Board places on record their sincere appreciation for the valuable services rendered by them during their tenure as Directors of the Company.

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 loss 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.

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COMPLIANCE CERTIFICATE:

A Compliance Certificate under section 383A of the Companies Act, 1956 from the Practicing Company Secretary in respect of the financial year ended on March 31, 2012 is attached hereto.

PARTICULARS OF EMPLOYEES:

The company does not have any employees 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 BSE Limited. The company has paid the Annual Listing Fees to the BSE Limited for the year 2012-2013.

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 the Auditors and fix their Remuneration.

For and on behalf of the Board

KISHORI LAL RAMUKA
Chairman & Executive Director

Date: 25 August, 2012

SHREE HARI CHEMICALS EXPORT LTD.

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 2012.

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	<u>2011-2012</u>	2010-2011
i)	Electricity :		
a)	Purchased :		
	Units (KWH)	5887463	6872049
	Total Amount (Rs.)	3,82,35,376	3,78,92,587
	Rate/Unit (Rs.)	6.49	5.51
b)	Own Generation (Through D.G.Set)		
	Diesel Oil Consumed (Ltrs.)	9200	15400
	Total Amount	3,97,668	6,11,322
	Rate/Ltr (Rs.)	43.22	39.70
ii)	Steam Coal		
	Qty. (Kgs.)	7007939	7867311
	Total Amount (RS.)	3,92,96,156	3,93,53,604
	Avg. Rate (Rs.)	5.61	5.00
iii)	Steam		
	Units	6021905	6573703
	Total Amount (Rs)	69,26,425	72,81,867
	Avg. Rate (Rs)	1.15	1.11
b)	Consumption per unit of Production (P.MT) :		
	Product : Dye Intermediates (M.T.)	2857.748	3285.965
	Electricity (KWH)	2060.17	2091.33
	Steam Coal (Kgs)	2452.26	2394.22
	Steam (Units)	2107.22	2000.54
	Own generated Through Generator (Ltrs.)	3.21	4.69

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 :

	<u>2011-2012</u>	2010-2011
1) Earning CIF Value of Exports (figures includes Direct Export as well as through Export House and Merchant Exporters)	9,68,06,909	15,57,33,262
2) Outgo CIF Value of Imports	8,76,00,533	15,18,99,240

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

Dated : 25th August, 2012