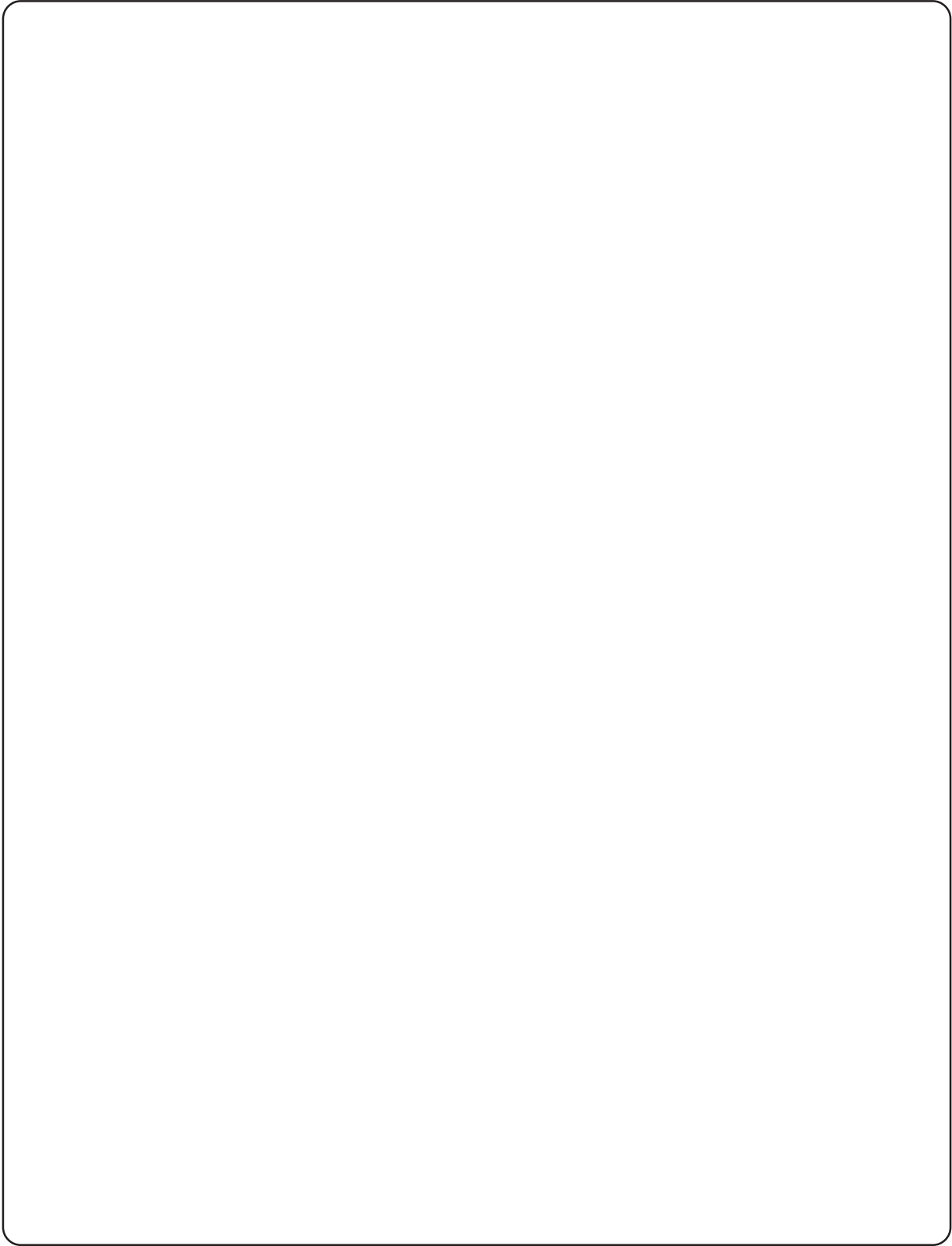


SHREE HARI CHEMICALS EXPORT LTD.



SHREE HARI CHEMICALS EXPORT LIMITED

BOARD OF DIRECTORS

| | |
|---------------------|--|
| Shri R. R. Agarwal | <i>Whole Time Director</i> |
| Shri K. L. Ramuka | <i>Chairman & Executive Director</i> |
| Shri B. C. Agrawal | <i>Managing Director</i> |
| Shri K. C. Ramuka | <i>Whole Time Director</i> |
| Shri H. P. Ramuka | <i>Whole Time Director</i> |
| Shri S. K. Sultania | <i>Director</i> |
| Shri V. N. Gupta | <i>Director</i> |
| Shri A. M. Kanodia | <i>Director</i> |
| Shri A. D. Chirania | <i>Director</i> |
| Shri R. K. Dayma | <i>Director</i> |
| Shri V. P. Kedia | <i>Director</i> |

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 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 THIRD** 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 Monday, September 6, 2010 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, 2010 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 Kailash Chand Ramuka who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Shri Santosh Kumar Sultania who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Shri Virjanand Gupta 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, 310,311 and other applicable provisions, if any, read with Schedule XIII 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 Bankesh Chandra Agrawal as Managing Director of the Company for a period of five years with effect from March 1, 2010 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 March 1, 2010 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 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.

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FURTHER RESOLVED that the Board of Directors be and are 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.

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 no. 7 is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Monday August 30th, 2010 to Monday, September 06, 2010 (both days inclusive) for the purpose of Annual General Meeting and declaration of dividend.
5. Dividend if declared will be payable to those members whose names appear in the Register of Members on September 06, 2010. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership of shares as at the end of business hours on August 30, 2010 as per details furnished by the Depositories for this purpose.
6. 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 400093.
7. 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.
8. 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 : 30th July, 2010.

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 Bankesh Chandra Agrawal as Managing Director of the Company was expired on 28th February, 2010. The Board of Directors of the Company has re-appointed Shri Bankesh Chandra Agrawal as Managing Director of the Company for a period of 5 years with effect from 1st March, 2010.

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.

The Managing 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 :

- a) 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.
- b) Gratuity payable at the rate not exceeding half a month's salary for each completed year of service.
- c) Earned privilege leave at the rate of one month's 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.
- d) Provision of Car and Telephone at the Residence of the Managing Director shall not be treated as perquisites.

The above perquisites shall be evaluated as per the Income Tax Rules wherever applicable. In the absence of such rules, perquisites will be evaluated at actual costs.

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 and perquisites except commission not exceeding the ceiling limits prescribed in Schedule XIII of the Companies Act, 1956 as Minimum Remuneration.

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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: 2005-2006 2006-2007 2007-2008 2008-2009 2009-2010

| | | | | | |
|---|-----------|-----------|-----------|------------|-----------|
| Turnover | 404847029 | 682887790 | 812609410 | 633007114 | 693598765 |
| Net profit (as computed under section 198) | 4498995 | 50818212 | 55001424 | (14374823) | 16276397 |
| Net profit/ (Loss) as per profit and loss account | 3898995 | 47338212 | 48041424 | (22127168) | 8523397 |
| Amount of Dividend paid | - | 4500000 | 4500000 | 4446300 | 4446300 |
| Rate of Dividend declared | -- | (10 %) | (10 %) | (10 %) | (10%) |
| Earning before interest, depreciation & taxes | 26836832 | 101691043 | 103262424 | 4592246 | 54248592 |
| % of EBIDT to turnover | 6.63 % | 14.89 % | 12.70 % | 0.73 % | 7.82% |

- (5) Export performance and net foreign exchange collaborations 110679694 316096262 367876750 212119042 180854810
- (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., AICWA
Experience : Over 36 years in Yarn & Chemical Industry
- (2) Past remuneration
- The gross remuneration paid to him in the year 2009-10 was Rs. 22,80,000/-.

SHREE HARI CHEMICALS EXPORT LTD.

- | | |
|--|--|
| (3) Recognition or awards | Nil |
| (4) Job profile and his suitability | The Managing Director is fully involved in the day to day affairs of the Company, the production and factory administration activities. Considering the above and having regard to qualification, ability and experience and looking after the business of the company since incorporation. The reappointment and 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 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 | In view of the International Market condition the Company is still facing competition and inspite of the improved turnover of the Company, the profitability is effected and the overall profit was not adequate. |
| (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 cost effective measures and increase in the turnover the Company expects to make profit to the tune of approximately Rs. 300.00 lacs. |

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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 re-appointment of Managing Director and payment of remuneration to him.

Shri Bankesh Chandra Agrawal, Managing Director, is concerned or interested in the said resolution at item no. 7 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 aforesaid 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 : 30th July, 2010.

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 Third Annual Report together with the Statement of Accounts for the year ended 31st March, 2010.

| FINANCIAL RESULTS | 2009-2010 | 2008-2009 |
|--|---------------------|---------------|
| | (In Rupees) | (In Rupees) |
| Sales & Other Income | 69,35,98,765 | 63,30,07,114 |
| Profit before Depreciation & Tax | 3,65,13,137 | (1,93,06,476) |
| Less : Depreciation | 1,69,43,058 | 1,34,16,735 |
| Profit After Depreciation | 1,95,70,079 | (3,27,23,211) |
| Less : Provision for Income Tax | 10,00,000 | - |
| Less : Provision for Fringe Benefit Tax | - | 4,71,002 |
| Less : Provision for Deferred Tax Liability/(Assets) | 1,23,46,904 | (1,10,67,045) |
| Less/(Add) : Short/(Excess) provision for Income Tax /F.B.T. for Earlier Year | (23,00,222) | - |
| Profit after tax | 85,23,397 | (2,21,27,168) |
| Balance Brought forwarded | 8,69,51,192 | 1,142,80,309 |
| | 9,54,74,588 | 9,21,53,141 |
| Appropriation | | |
| Proposed Dividend | 44,46,300 | 44,46,300 |
| Corporate Dividend Tax | 7,55,649 | 7,55,649 |
| Balance Carried forwarded to Balance Sheet | 9,02,72,639 | 8,69,51,192 |
| | 9,54,74,588 | 9,21,53,141 |

OPERATION :

In spite of persistence of economic slow down your Company could able to overcome the same to the extent possible and has achieved turnover of Rs. 6935.99 lacs and profit before tax Rs. 195.70 lacs.

EXPORT :

The Export turnover of the year under review is Rs. 2139.92 lacs as against Rs. 2324.16 lacs in previous year.

DIVIDEND :

The Board of Directors of the Company, for the year ended 31st March, 2010 has recommended a dividend

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of Re. 1/- per share (10% per equity shares of face value of Rs. 10/- each) subject to the approval of the shareholders at the Annual General Meeting.

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.

EFFLUENT TREATMENT PLANT :

The Company has its own full fledged Effluent Treatment Plant as per the norms prescribed by the Maharashtra Pollution Control Board. The Company is also a member of Common Effluent Treatment Plant (CETP) managed by the Mahad Manufacturing Association (MMA).

During the year under review the Company has invested Rs. 90.65 lacs for upgradation of Effluent Treatment Plant.

DIRECTORS :

Shri Kailash Chand Ramuka, Shri Santosh Kumar Sultania and Shri Virjanand Gupta would retire by rotation at the ensuing Annual General Meeting of the Company and are eligible for reappointment.

The term of Shri Bankesh Chandra Agrawal as Managing Director has expired on 28th February, 2010. The Board of Directors of the Company has re-appointed him for a further period of five years with effect from 1st March, 2010. subject to the approval of the members in the ensuing Annual General Meeting of the Company.

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 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;

SHREE HARI CHEMICALS EXPORT LTD.

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, 2010 is attached hereto.

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.

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 Bombay Stock Exchange Limited. The Company has paid the Annual Listing Fees to the Bombay Stock Exchange Limited for the year 2010-2011.

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 : 30th July, 2010.

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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, 2010.

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>2009-2010</u> | <u>2008-2009</u> |
|---|------------------|------------------|
| i) Electricity : | | |
| a) Purchased : | | |
| Units (KWH) | 7359555 | 4762860 |
| Total Amount (Rs.) | 3,97,52,849 | 2,09,96,785 |
| Rate/Unit (Rs.) | 5.40 | 4.41 |
| b) Own Generation (Through D.G.Set) | | |
| Diesel Oil Consumed (Ltrs.) | 12476 | 8762 |
| Total Amount | 4,33,279 | 343,889 |
| Rate/Ltr (Rs.) | 34.73 | 39.25 |
| ii) Steam Coal | | |
| Qty. (Kgs.) | 8312176 | 5177579 |
| Total Amount (RS.) | 3,70,41,872 | 2,41,44,003 |
| Avg. Rate (Rs.) | 4.46 | 4.66 |
| b) Consumption per unit of Production (P.MT) : | | |
| Product : Dye Intermediates (M.T.) | 3457.453 | 2120.807 |
| Electricity (KWH) | 2128.61 | 2245.78 |
| Steam Coal (Kgs) | 2404.13 | 2441.32 |
| Own generated Through Generator (Ltrs.) | 3.61 | 4.13 |

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>2009-2010</u> | <u>2008-2009</u> |
|--|------------------|------------------|
| 1) Earning CIF Value of Exports (figures includes Direct Export as well as through Export House and Merchant Exporters) | 21,39,91,756 | 23,24,16,042 |
| 2) Outgo CIF Value of Imports | 10,24,89,792 | 8,79,22,846 |

For and on behalf of the Board

KISHORI LAL RAMUKA

Chairman & Executive Director

Dated : 30th July, 2010.

SHREE HARI CHEMICALS EXPORT LTD.

CIN: L99999MH1987PLC044942

Nominal Capital Rs. 10,00,00,000/-

Compliance Certificate

To,

The Members

SHREE HARI CHEMICALS EXPORT LIMITED

A-8, MIDC, Indl. Area,
Mahad, Dist. Raigad,
Maharashtra.

We have examined the registers, records, books and papers of Shree Hari Chemicals Export Limited as required to be maintained under the Companies Act, 1956, (the Act) and the rules made thereunder and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained the registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made thereunder and entries therein have been recorded.
2. The Company has filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities as mentioned in the said Annexure.
3. The Company being a public limited company, comments that it has minimum prescribed paid-up capital and comments relating to Private Limited Company about maximum number of members, invitation to public to subscribe for shares and acceptance of deposits from persons other than its members, directors or their relatives, are not required.
4. The Board of Directors duly met 5 (Five) times on 29.04.2009, 01.07.2009, 30.07.2009, 30.10.2009, and 30.01.2010 in respect of which meetings notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose. (No circular resolution was passed.)
5. The Company has closed its Register of Members from August 20, 2009 to August 26, 2009 and necessary compliance of Section 154 of the Act has been made.
6. The annual general meeting for the financial year ended on 31st March, 2009 was held on 26.08.2009 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its directors or persons or firms or companies referred to under Section 295 of the Act.
9. The Company has not entered into any contracts falling within the purview of Section 297 of the Act.
10. The Company has made necessary entries in the register maintained under section 301 of the Act.
11. The Company has obtained necessary approvals from the Board of Directors and members pursuant to Section 314 of the Act wherever applicable.
12. The duly constituted committee of Directors has approved the issue of duplicate share certificates.
13. (i) The company has delivered all the certificates on lodgment thereof for transfer /transmission or any other purpose in accordance with the provisions of the Act;

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- (ii) The Company had declared dividend at the Annual General Meeting held on 26th August,2009 and deposited the amount of dividend in a separate Bank Account on 31st August, 2009.
 - (iii) The Company has paid/posted warrants to all the members within a period of 30 days (Thirty) days from the date of declaration and that all unclaimed /unpaid dividend has been transferred to Unpaid Dividend Account of the company with State Bank of India, Mumbai on 1st October,2009.
 - (iv) There are no unpaid dividends, application money due for refund, matured deposits, matured debentures or the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years.
 - (v) The Company has complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted. There was no appointment of additional directors, alternate directors and directors to fill casual vacancies during the financial year.
 15. The appointment of Managing Director/Whole-time Director has been made in compliance with the provisions of section 269 read with Schedule XIII to Act.
 16. The Company has not appointed any sole selling agents during the financial Year.
 17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and/or such other authorities prescribed under the various provisions of the Act during the financial year.
 18. All the directors have disclosed their interest in other firms/ companies to the Board of Directors pursuant to the provisions of the Act and the rules made thereunder.
 19. The Company has not issued any shares, debentures or other securities during the financial year.
 20. The Company has not bought back any shares during the financial year.
 21. The Company has not issued any Preference shares/debentures.
 22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
 23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
 24. The amount borrowed by the Company from banks during the financial year ending 31st March, 2010 is within the borrowing limits of the company and that necessary resolutions as per section 293(1)(d) of the Act have been passed in duly convened annual general meeting.
 25. The Company has not made any loans or investments or given guarantees or provided securities to other bodies corporate during the financial year.
 26. The Company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another during the year under scrutiny.
 27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
 28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
 29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.

SHREE HARI CHEMICALS EXPORT LTD.

30. The Company has not altered its Articles of Association during the financial year.
31. There was no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has generally deposited both employees' and employer's contribution to Provident Fund with prescribed authorities pursuant to Section 418 of the Act.

For Shalini Hegde & Associates

Name of Company Secretary : Shalini Bhat
C. P. No. : 6994

Mumbai : 30.07.2010

SHREE HARI CHEMICALS EXPORT LIMITED

Annexure 'A'

Statutory Registers as maintained by the Company

1. Register of Charges u/s 143 of the Act.
2. Register of Members u/s 150 of the Act.
3. Minutes Book of Board Meetings u/s 193 of the Act. (in loose-leaf)
4. Minutes Book of General Meetings u/s 193 of the Act. (in loose-leaf)
5. Books of Accounts u/s 209 of the Act are being audited by the Statutory Auditors of the Company.
6. Register of Contracts u/s 301 of the Act.
7. Register of disclosure of interest u/s 301 of the Act.
8. Register of Particulars of Directors etc. u/s 303 of the Act.
9. Register of Directors' Shareholding u/s 307 of the Act.
10. Register of Renewed and Duplicate Certificates under Rule 7 of the Companies (Issue of Share Certificates) Rule 1960.

Other Registers

1. Register of Transfers
2. Attendance Register of Board Meetings.

For Shalini Hegde & Associates

Name of Company Secretary : Shalini Bhat
C. P. No. : 6994

Mumbai : 30.07.2010

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Annexure 'B'

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ended on March 31st, 2010.

| Sr. No. | Form No./ Return | Filed under section | For | Date of filing/ Registration | Whether filed within prescribed time Yes/No | If delay in filing whether requisite additional fee paid. Yes/No |
|---------|--|---------------------|--|------------------------------|---|--|
| 1. | Form 23 | 192 | Re-appointment of Shri Kishori Lal Ramuka as Chairman and Executive Director w.e.f. 01.10.2009 for a period of five years & Remuneratin for a period of three years w.e.f. 01.10.2009 and Remuneration to Shri Bankesh Chandra Agrawal, Managing Director from 01.10.2009 to 28.02.2010. | 30.07.2009 | Yes | N.A. |
| 2. | Form-23 | 192 | Re-appointment of Shri Kishori Lal Ramuka as Chairman and Executive Director w.e.f. 01.10.2009 for a period of five years & Remuneratin for a period of three years w.e.f. 01.10.2009 and Remuneration to Shri Bankesh Chandra Agrawal, Managing Director from 01.10.2009 to 28.02.2010. | 29.08.2009 | Yes | N.A. |
| 3. | Form 23AC & 23ACA alongwith the Annual Report as on 31.03.2009 | 220 | Adopted at the Annual General Meeting held on 26.08.2009 | 31.08.2009 | Yes | N.A. |
| 4. | Form 66 alongwith Compliance Certificate | 383A | Financial Year 2008-2009 | 31.08.2009 | Yes | N.A. |
| 5. | Form 20B Annual Retun made up to 26.08.2009 | 159 | Annual General Meeting held on 26.08.2009 | 24.09.2009 | Yes | N.A. |
| 6. | Form 25C | 269 | Re-appointment of Shri Kishori Lal Ramuka as Chairman and Executive Director w.e.f. 01.10.2009 for a period of five years and Remuneration for a period of three years w.e.f. 01.10.2009 | 07.10.2009 | Yes | N.A. |

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| Sr. No. | Form No./ Return | Filed under section | For | Date of filing/ Registration | Whether filed within prescribed time Yes/No | If delay in filing whether requisite additional fee paid. Yes/No |
|---------|------------------|---------------------|---|------------------------------|---|--|
| 7. | Form 32 | 303 | Appointment of Shri Kishori Lal Ramuka as Chairman and Executive Director w.e.f. 01.10.2009 | 07.10.2009 | Yes | N.A. |
| 8. | Form 23 | 192 | Re-appointment of Shri Bankesh Chandra Agrawal as Managing Director w.e.f.01.03.2010 and Remuneratin for a period of three years w.e.f. 01.03.2010. | 23.02.2010 | Yes | N.A. |
| 9. | Form 25C | 269 | Re-appointment of Shri Bankesh Chandra Agrawal as Managing Director w.e.f. 01.03.2010 for a period of five years and Remuneratin for a period of three years w.e.f. 01.03.2010. | 02.03.2010 | Yes | N.A. |
| 10. | Form 32 | 303 | Re-appointment of Shri Bankesh Chandra Agrawal as Managing Director w.e.f. 01.03.2010. | 02.03.2010 | Yes | N.A. |
| 11. | Form 8 | 135 | Modification of Charge on 14.01.2010 | 09.02.2010 | Yes | N.A. |

For Shalini Hegde & Associates

Name of Company Secretary : Shalini Bhat
C. P. No. : 6994

Mumbai : 30.07.2010

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ANNEXURE TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT :

A report on Management Discussion and Analysis [MDA], which is forming part of this Report, adequately deals with the operations as also current and future outlook of the Company.

INDUSTRY STRUCTURE, DEVELOPMENT, OPPORTUNITY & THREATS :

India, being 2nd largest producer of Dyestuffs & Intermediate after China, has the potential to improve its Global Market share from the current 11 % to 35 % in next five years time. Due to declining industry scenario in Europe and acquisition of some of European industry by Indian Dyestuff Manufacturer which resulted in the improvement of India's share in Global Market from 11 % to 21 %. As your Company is also part of this industry will have a benefit of it in the years to come.

However as the China have developed huge economics of scale in the dyestuff industry there will be stiff competition from them.

SEGMENT-WISE PRODUCTION PERFORMANCE :

Since the Company operations in Dye Intermediate i.e., 1-Amino, 8-Napthol, 3-6 Disulphonic Acid, therefore the above figures relates to that segment.

OUTLOOK :

The product of the company is an intermediate for dyestuff mainly reactive dyes which is being used in the cotton textiles. As there is an upward trend in use of cotton textiles, your Company foresee continuous growth in demand for its products.

RISK & CONCERNS :

As the Company is falling under pollution industry, any stringent/non achievable norms fixed by the regulators may affect the production.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

The Company has appropriate and adequate internal control systems for its business processes at all sites with regard to efficiency of operations, accurate and prompt financial reporting, compliance with applicable laws and regulations etc. The Company continues to regularly evaluate and strengthen its Internal Control Systems to be commensurate with its size and growth.

FINANCIAL PERFORMANCE :

| PARTICULARS | 2009-2010 | 2008-2009 | % Changes |
|--|--------------------|---------------|-----------|
| Total quantity of Sales (MT) | 3453.779 | 2186.363 | 57.97% |
| Income from operations (Rs.) | 9,58,84,082 | 4,53,77,582 | 111.30 % |
| Profit before interest, Depreciation and Tax (Rs.) | 5,42,48,592 | 45,92,247 | 1081.31% |
| Interest Expenditure (Rs.) | 1,77,35,455 | 2,38,98,722 | (25.79 %) |
| Depreciation (Rs.) | 1,69,43,058 | 1,34,16,734 | 26.28 % |
| Net Profit (Rs.) | 85,23,397 | (2,21,27,167) | 138.52 % |

HUMAN RESOURCES / INDUSTRIAL RELATIONS :

The Company presently has 78 numbers of employees. Your Company's Human Resource Policies are directed towards attaining, motivating, rewarding and retaining talent at all levels in the organistaion. Human Development Department is being strengthened to meet the ever-growing challenges in motivating and retaining the talents by streamlining the rules, policies and procedures. Human Resource is recognised as most valuable asset of the Company that play vital role in attaining success for the organisation.

CAUTIONARY STATEMENT :

Statement in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be interpreted as forward-looking statements, but are stated as required under the applicable securities laws and regulations. Actual results could differ from those expressed or implied for many reasons including economic policy and conditions, market developments and changes in Government regulations, tax laws and other statues and other incidental factors.

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REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreement)

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's philosophy of Corporate Governance is to protect the long-term interest of the shareholders while respecting interest of other stakeholders and society at large.

The Company is committed to good corporate governance and transparency in its dealing and lays emphasis on integrity and regulatory compliance.

II. BOARD OF DIRECTORS

A. Composition of Board

The present strength of Board of Directors of your Company is Eleven.

Composition and category of Directors is as follows:

| Name of Director | Category | No. of Board Meetings | | Attendance at the last AGM | Directorship in other Companies including private Companies in India | No. of Committees in which Chairman/Member(other) than SHCEL | |
|------------------------------|-------------------------------|-----------------------|----------|----------------------------|--|--|----------|
| | | Held | Attended | | | Member | Chairman |
| Shri Kishori Lal Ramuka | Chairman & Executive Director | 5 | 5 | Yes | 1 | NIL | NIL |
| Shri Bankesh Chandra Agrawal | Managing Director | 5 | 5 | Yes | 3 | NIL | NIL |
| Shri Ramu Raman Agarwal | Whole Time Director | 5 | 5 | Yes | 2 | NIL | NIL |
| Shri Kailash Chand Ramuka | Whole Time Director | 5 | 5 | Yes | 1 | NIL | NIL |
| Shri Hanuman Prasad Ramuka | Wholetime. Director | 5 | 4 | Yes | NIL | NIL | NIL |
| Shri Santosh Kumar Sultania | **I & N.E.D. | 5 | 5 | No | NIL | NIL | NIL |
| Shri Virjanand Gupta | **I & N.E.D. | 5 | 5 | No | NIL | NIL | NIL |
| Shri Amar Kanodia | **I & N.E.D. | 5 | 5 | No | NIL | NIL | NIL |
| Shri Arvind Chirania | **I & N.E.D. | 5 | 5 | yes | NIL | NIL | NIL |
| Shri Raj Kumar Dayma \$ | **I & N.E.D. | 5 | 5 | No | NIL | NIL | NIL |
| Shri Vinit Kedia \$ | **I & N.E.D. | 5 | 5 | No | NIL | NIL | NIL |

** I & N.E.D. - Independent & Non-Executive Director

Shri Kishori Lal Ramuka and Shri Kailash Chand Ramuka are brothers, hence related to each other.

Shri Bankesh Chandra Agrawal and Shri Ramu Raman Agrawal are brothers, hence related to each other.

B. Non - Executive Directors Compensation:

None of the non-executive directors is paid any remuneration other than sitting fee of Rs. 1500 /-for each director for attending Board Meeting and Rs. 1000/- for each Audit Committee Meeting.

None of the Non-executive directors of the company hold any equity shares in the company.

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C. Independent Directors:

The independent Directors are not related to promoters or management at the Board level. They review at every board meeting legal compliance reports prepared by the company.

D. Board Procedure

Five Board Meetings were held during the year 2009-2010. The dates on which the said meetings were held are as follows:
29.04.2009, 01.07.2009, 30.07.2009, 30.10.2009 and 30.01.2010

The Company has a process to provide the information to the Board as required under Annexure - 1A to clause 49 which was followed.

All directors have made necessary disclosures about the committee positions they occupy in other companies.

The company has not entered into any materially significant transactions during the year under report with promoters, directors, senior management personnel etc. other than transactions if any, entered into in the normal course of company's business.

E. Details of Directors to be appointed

The particulars of Directors who are proposed to be appointed/re-appointed at this Annual General Meeting, are given below, as required pursuant to clause 49 of the Listing Agreement:

| Name of Directors | Shri Kailash Chand Ramuka | Shri Santosh Kumar Sultania | Shri Virjanand Gupta |
|--|---------------------------|-----------------------------|----------------------|
| Age | 59 | 56 | 56 |
| Qualification | B.Com | B.Com. | C.A. |
| Nature of Expertise | Manufacturing | Accounts & Finance | Finance |
| Name of Other Companies in which holds Directorship | Shri Hari Finvest Ltd. | NIL | NIL |
| Name of Other Companies in which holds Membership of Committees of the Board | NIL | NIL | NIL |

F. Code of Conduct:

The Board has laid down a code of conduct for Board members and senior management personnel of the company. The board members and senior management personnel have affirmed compliance with the said code of conduct.

III. AUDIT COMMITTEE

The Audit Committee comprised solely of Qualified, Independent & Non-Executive Directors. The terms of reference to the Audit Committee cover the matters specified under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956 such as overseeing of the company's financial reporting process; recommending the appointment / reappointment of statutory auditors; reviewing with the management annual financial statements; quarterly financial statements and other matters as covered under role of audit committee in clause 49. The audit committee has powers, inter-alia, to investigate any activity within its terms of reference and to seek information from any employee of the company as well as seek outside legal and professional advice.

The members of audit committee have knowledge on financial matters and majority of them have accounting or related financial management expertise. The Chairman of the audit committee is an independent director.

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The statutory auditors and finance personnel are invitees to the meetings of the audit committee.

The audit committee reviews all the information that is required to be mandatorily reviewed by it under corporate governance.

Five meetings of the Committee were held during the year 2009-2010. The dates on which the meetings were held are as follows:

29.04.2009, 01.07.2009, 30.07.2009, 30.10.2009, and 30.01.2010.

Composition and category of Members is as follows:

| Name of Director | Category | No. of Meetings | |
|-----------------------------|----------|-----------------|----------|
| | | Held | Attended |
| Shri Arvind Chirania | Chairman | 5 | 5 |
| Shri Virjanand Gupta | Member | 5 | 5 |
| Shri Santosh Kumar Sultania | Member | 5 | 5 |

The Chairman of the Audit Committee was present at the 22nd Annual General Meeting held on 26th August, 2009.

IV. SUBSIDIARY COMPANY

The company has no subsidiary company.

V. REMUNERATION COMMITTEE

The Remuneration Committee comprised solely of Independent & Non-Executive Directors namely Shri Virjanand Gupta, Shri Santosh Kumar Sultania and Shri Arvind Chirania was constituted to determine / review the remuneration of management personnel. The Chairman of the committee is Shri Virjanand Gupta.

The remuneration committee deals with the matters specified in clause 49 of the listing agreement and also reviews the overall compensation structure and policies of the company.

Two meetings of the committee were held on 01.07.2009 and 30.01.2010 during the year 2009-10 in which all members were present.

The details of remuneration to all Directors for the year ended March 31, 2010 are as under:

| Name of Director | Salary (Rs.) | Perquisites (Rs.) | Commission (Rs.) | Others (Rs.) | Sitting Fees (Rs.) | Total (Rs.) |
|---------------------|--------------|-------------------|------------------|--------------|--------------------|-------------|
| Shri K. L. Ramuka | 2280000 | - | - | - | - | 2280000 |
| Shri B. C. Agrawal | 2280000 | - | - | - | - | 2280000 |
| Shri R. R. Agarwal | 1200000 | - | - | - | - | 1200000 |
| Shri K. C. Ramuka | 1200000 | - | - | - | - | 1200000 |
| Shri H. P. Ramuka | 757000 | 36000 | - | - | - | 793000 |
| Shri S. K. Sultania | - | - | - | - | 12500 | 12500 |
| Shri V. N. Gupta | - | - | - | - | 12500 | 12500 |
| Shri A. D. Chirania | - | - | - | - | 12500 | 12500 |
| Shri A. M. Kanodia | - | - | - | - | 7500 | 7500 |
| Shri R. K. Dayma | - | - | - | - | 7500 | 7500 |
| Shri V. P. Kedia | - | - | - | - | 7500 | 7500 |

None of the Non- Executive Directors are entitled to any remuneration other than the sitting fees. The company does not have a scheme for grant of stock options.

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VI. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The shareholders'/Investors' Grievance Committee comprised solely of Independent & Non-Executive Directors viz: Shri Virjanand Gupta, Shri Arvind Chirania and Shri Amar Kanodia. The Chairman of the Committee is Shri Virjanand Gupta.

Five meetings of the Committee were held during the year 2009-2010. The dates on which the meetings were held are as follows:

29.04.2009, 01.07.2009, 30.07.2009, 30.10.2009 and 30.01.2010.

Composition and category of Members is as follows:

| Name of Director | Category | No. of Meetings | |
|----------------------|----------|-----------------|----------|
| | | Held | Attended |
| Shri Virjanand Gupta | Chairman | 5 | 5 |
| Shri Arvind Chirania | Member | 5 | 5 |
| Shri Amar Kanodia | Member | 5 | 5 |

The queries received from investors are being regularly attended to and are being resolved. The Committee also reviews these queries. Shri Sanjay Kedia, has been appointed as Compliance Officer of the Company.

The shareholders'/Investors' Grievance Committee has delegated the power of approving transfer/transmission of shares to share transfer committee which met on fortnightly basis during the year 2009-10.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review, were 25 (Twenty Five). Outstanding complaints as on 31st March, 2010 were NIL. No requests for transfers were pending for approval as on 31st March, 2010.

VII. GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings:

| Year | Venue | Day | Date | Time |
|-----------|--|-----------|------------|------------|
| 2006-2007 | A/8, M.I.D.C.Industrial Area, Mahad, Dist.Raigad (Maharashtra) | Wednesday | 26.09.2007 | 1.00 p.m. |
| 2007-2008 | A/8, M.I.D.C.Industrial Area, Mahad, Dist.Raigad (Maharashtra) | Tuesday | 30.09.2008 | 4.00 p.m. |
| 2008-2009 | A/8, M.I.D.C.Industrial Area, Mahad, Dist.Raigad (Maharashtra) | Wednesday | 26.08.2009 | 11.00 a.m. |

The following are the special resolutions passed at the General Meeting held in the past three years :

Date of Meeting Summary

| | |
|------------|---|
| 26.09.2007 | Approval of revision in the remuneration to Shri Kishori Lal Ramuka, Chairman & Executive Director Approval of revision in the remuneration to Shri Bankesh Chandra Agrawal, Managing Director. Approval to Shri Anup Ramuka and Shri Manoj Agrawal for holding an office or place of profit u/s. 314 Alteration of the Articles of Association for increase in Authorised Share Capital. Preferential issue of Zero Percent Convertible Warrants u/s. 81 |
| 30.09.2008 | NIL |
| 26.08.2009 | Re-appointment and Remuneration of Shri Kishori Lal Ramuka, Chairman & Executive Director. Remuneration to Shri Bankesh Chandra Agrawal, Managing Director. |

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No postal ballots were used for voting at these meetings. At the ensuing Annual General Meeting, there is no item on the agenda that needs approval by postal ballot.

VIII. DISCLOSURES

A. Related Party Transactions

The particulars of transactions between the company and its related parties as per Accounting Standard AS-18 is set out in notes on accounts in the Annual Report. However, these transactions are not likely to have any conflict with the Company's interest.

B. Risk Management

The Company has adopted a risk management policy. The Board of Directors have been informed from time to time of the business risks faced by the Company and the steps taken by the management to face them.

C. Proceeds from Initial Public Offerings (IPOs)

The Company has not made any IPO during the year.

D. Management

A Separate report on Management Discussion and Analysis which forms part of the report is annexed.

The Company has complied with the requirements of regulatory authorities on matters related to capital markets and no penalties/ strictures have been imposed against the company during the last three years.

Clause 49 of the Listing agreement mandates to obtain a certificate from either the Auditors or Practicing Company Secretaries regarding compliance of conditions of corporate governance stipulated in the clause and annex the certificate with the Directors' report, which is sent annually to all the shareholders. The company has obtained a certificate from the Auditors of the company to this effect and the same is given as an annexure to Directors' report.

IX. WHISTLE BLOWER POLICY

The Company has not framed any whistle blower policy. However, no person has been denied any access to the audit committee.

The Company has not adopted non-mandatory requirements of clause 49. However the particulars relating to the remuneration committee are given in this report.

X. MEANS OF COMMUNICATION

The quarterly results are regularly submitted to the Stock Exchange in accordance with the Listing Agreement and are published in newspapers like Free Press Journal (English) and Navshakti (Marathi). These are not sent individually to the shareholders.

Pursuant to erstwhile Clause 51 of the listing agreement the company was regularly filing quarterly results, annual report, and the shareholding pattern statement on the Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by National Informatics Centre (NIC).

As per the new clause 52 of the listing agreement, the company shall ensure the electronic filing of all compliances through Corporate Filing and Dissemination System (CFDS) within the time limit mentioned in respective clause of the listing agreement.

The Company's financial results are displayed on the Company's Website: www.shreeharichemicals.com

There were no presentations made to the institutional investors or analysts.

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XI. GENERAL SHAREHOLDER INFORMATION

- 1 Annual General Meeting** :
- Date and Time : September 06, Monday , 2010 at 11.00 a.m.
- Venue : A/8, M.I.D.C. Industrial Area, Mahad,
 Dist. Raigad (Maharashtra)
- 2 Financial Year** : April to March
 First quarter results last week of July*
 Second quarter results last week of October*
 Third quarter results last week of January*
 Fourth quarter results last week of April *
 * Tentative
- 3 Date of Book Closure** : Monday 30th August, 2010
 to Monday, September 06, 2010
 (both days inclusive)
- 4 Dividend Payment Date** : The final Dividend, if declared,
 shall be paid/ credited on or after
 September 06, 2010.
- 5 Listing on Stock Exchange** : At the Bombay Stock Exchange Limited
- 6 (a) Stock Code Physical** : 524336 at BSE
**(b) ISIN Number in NSDL
 and CDSL** : ISIN No. INE065E01017
- 7 Market Price Data**
 Table below gives the monthly highs and lows of the Company's shares on the Bombay Stock Exchange Limited (BSE).

High and Low prices of the Company's shares on BSE with corresponding BSE Sensex April 2009 to March 2010.

| Months | High | | Low | |
|----------------|------------------------|------------|------------------------|------------|
| | Shree Hari Price (Rs.) | BSE Sensex | Shree Hari Price (Rs.) | BSE Sensex |
| April 2009 | 22.85 | 11,492.10 | 11.25 | 9,546.29 |
| May 2009 | 18.50 | 14,930.54 | 12.55 | 11,621.30 |
| June 2009 | 18.75 | 15,600.30 | 13.35 | 14,016.95 |
| July 2009 | 16.50 | 16,002.46 | 12.45 | 13,219.99 |
| August 2009 | 17.45 | 17,142.52 | 14.00 | 14,684.45 |
| September 2009 | 19.50 | 17,493.17 | 13.50 | 15,356.72 |
| October 2009 | 20.00 | 17,290.48 | 14.25 | 15,805.20 |
| November 2009 | 28.40 | 17,530.94 | 14.35 | 15,330.56 |
| December 2009 | 35.25 | 17,790.33 | 26.20 | 16,557.78 |
| January 2010 | 38.20 | 16,669.25 | 29.90 | 15,982.08 |
| February 2010 | 32.65 | 16,669.25 | 22.15 | 15,651.99 |
| March 2010 | 26.65 | 17,793.01 | 17.55 | 16,438.45 |

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8. Registrar & Transfer Agents : Mondkar Computers Private Limited,
21, Shakil Niwas, Mahakali Caves Road,
Andheri (East), Mumbai 400 093

9. Share Transfer System

Share transfers are registered and duly transferred share certificates are returned to the lodger within a period of thirty days from the date of receipt, if the documents are otherwise in order.

The share transfer committee meets as often as possible to approve transfers and related matters as may be required.

10. Distribution of shareholding as on 31st March, 2010

| Sr. No. | Range | No. of shareholders | % to total holders | No. of Shares held | % of Capital |
|---------|-----------------|---------------------|--------------------|--------------------|---------------|
| 1 | 1 to 500 | 6373 | 91.579 | 1101132 | 24.765 |
| 2 | 501 to 1,000 | 316 | 4.541 | 259938 | 5.846 |
| 3 | 1,001 to 2,000 | 126 | 1.811 | 187880 | 4.226 |
| 4 | 2,001 to 3,000 | 38 | 0.546 | 95299 | 2.143 |
| 5 | 3,001 to 4,000 | 22 | 0.316 | 78808 | 1.772 |
| 6 | 4,001 to 5,000 | 15 | 0.216 | 71889 | 1.617 |
| 7 | 5,001 to 10,000 | 19 | 0.273 | 151078 | 3.398 |
| 8 | 10,001 & above | 50 | 0.718 | 2500276 | 56.233 |
| | Total | 6959 | 100.00 | 44,46,300 | 100.00 |

11. Categories of Shareholders as on 31st March, 2010

| Category | No. of shares held | % to total share capital |
|--|--------------------|--------------------------|
| Promoters and persons acting in concert | 1896795 | 42.66 |
| Foreign holding (FIIs, OCBs and NRIs) | 90497 | 2.04 |
| Financial Institutions/ Banks/ Insurance Companies | 2650 | 0.06 |
| Corporate Bodies | 119619 | 2.69 |
| Public | 2310543 | 51.96 |
| Clearing members | 26196 | 0.59 |
| Total | 44,46,300 | 100.00 |

12. Dematerialization of shares and Liquidity

As on 31st March, 2010, 61.18 % of the paid up share capital has been dematerialized. The shares of the Company are frequently traded.

Outstanding GDRs /ADRs/Warrants or any convertible instruments conversion date and likely impact on equity: Nil

13. Plant Locations

The Company's plant is located at A/8, M.I.D.C. Industrial Area, Mahad, Dist. Raigad (Maharashtra).

14. Address for Correspondence

Registrar and Share Transfer Agents :
Mondkar Computers Private Limited
Unit : Shree Hari Chemicals
Export Limited
21, Shakil Niwas, Mahakali Caves Road,
Andheri (East), Mumbai 400 093
Tel. : 28257641/28262920/28366620
Fax : 28207207

Compliance Officer :
Shri Sanjay Kedia
A/8, M.I.D.C. Industrial Area,
Mahad, Dist. Raigad (Maharashtra)
Tel. : 28787081/2/3
Fax : 28725033

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XIII. CEO/CFO Certification

A certificate from the Chairman & Executive Director of the Company in terms of clause 49 (V) of the Listing Agreement was placed before the Board meeting held on 30th July, 2010 to approve the audited annual accounts for the year ended 31st March 2010.

DECLARATION

As provided under Clause 49 of the listing agreement with the Stock Exchange the Board members and the senior management personnel have affirmed compliance with the Code of Conduct for the Board of Directors and senior management for year ended 31st March, 2010.

**For SHREE HARI CHEMICALS EXPORT LTD.
KISHORI LAL RAMUKA**

Mumbai : 30th July, 2010

Chairman & Executive Director

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Shree Hari Chemicals Export Ltd.

We have examined the compliance of conditions of Corporate Governance by SHREE HARI CHEMICALS EXPORT LIMITED, for the year ended on 31st March, 2010 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedure and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement.

As per the representation receipt from the registrar of the Companies, we state that as per the record maintained by the share holders/investors grievance committee, no investor grievance is remaining unattended/pending for more than 30 days as on 31st March, 2010.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **KAILASHCHAND JAIN & CO.**
Chartered Accountants

H. K. PANDA
PARTNER
Firm Reg. No. : 112318W
Member No. 105641
MUMBAI : 30th July, 2010..

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AUDITORS' REPORT AUDITORS' REPORT TO THE MEMBERS OF SHREE HARI CHEMICALS EXPORT LTD.

We have audited the attached Balance Sheet of SHREE HARI CHEMICALS EXPORT LTD. as at 31st March, 2010 and also the Profit & Loss Account, Cash Flow Statement of the Company for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform that audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Company (Auditors' Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section(4A) of section 227 of 'The Companies Act, 1956' and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
3. Further to our comments in the annexure referred to in paragraph 2 above, we report that :
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b) In our opinion, proper books of account as required by Law have been kept by the Company so far as appears from our examination of the books of the Company.
 - c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the Books of Account.
 - d) In our opinion, the Profit & Loss Account and Balance Sheet comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956, except Accounting Standard-2 for valuation of closing stock. The closing stock is valued inclusive of CENVAT credit receivable. However due to same there is no impact on the profitability of the Company.
 - e) On the basis of the written representation received from the Directors and to the best of our information, we report that none of the Director is disqualified as on 31st March, 2010 from being appointed as a Director in term of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) In our opinion and to the best of our information and according to the explanations given to us the said accounts, read with the other Notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view:
 - i) In the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2010 and
 - ii) In the case of Profit & Loss Account, of the Profit for the year of the Company for the year ended on that date.
 - iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **KAILASH CHAND JAIN & CO.**
Chartered Accountants

H.K.PANDA
Partner
Firm Reg No.: 112318W
Mem No. : 105641

MUMBAI : 30th July, 2010.

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ANNEXURE TO AUDITORS' REPORT

(Referred to in paragraph 2 of the Auditors' Report of even date to the members of Shree Hari Chemicals Export Limited on the financial statements for the year ended 31st March, 2010)

1. a) The company is maintaining proper records showing full particulars including quantitative details & situation of fixed assets.
b) We have been informed that the fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the company during the year and going concern status of the company is accordingly not affected.
2. a) We have been informed that the inventory have been physically verified by the management during the year in reasonable interval.
b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. a) According to the information and explanation given to us the company has not granted unsecured loans from/to companies and other parties covered in the register maintained under Section 301 of the Act during the year under audit.
b) According to the information and explanation given to us the Company has not taken unsecured loans from Companies and other parties covered in the register maintained under section 301 of the Act during the year under audit.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
5. According to the information and explanations given to us there were no contracts or arrangements referred to in Section 301 of Companies Act, 1956 that need to be entered into the Register required to be maintained in pursuance of Section 301 of the Companies Act, 1956.
6. The company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and rules framed there under.
7. In our opinion, the company has an internal audit system commensurate with its size and nature of business.
8. As informed to us the Central Government has not prescribed the maintenance of cost records under clause(d) of sub-section (1) of section 209 of the Act for any of the products of the company.
9. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, customs duty, excise duty, educational cess and other material statutory dues as applicable with the appropriate authorities. No undisputed amount payable in respect of the aforesaid dues were outstanding as at 31st March, 2010 for a period of more than six months from the date they becoming payable.

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- b) According to the information and explanations given to us there is no disputed amount payable by the Company.
10. The company has no accumulated losses as on 31.03.2010. The company has not incurred cash loss during the financial year 2009-10, however in the immediate preceding previous year the company has incurred cash losses.
 11. According to the records of the company examined by us and the information and explanation given to us, the company has not defaulted in repayment of dues to any financial institution or banks as at the balance sheet date.
 12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
 13. The provisions of any special statute applicable to chit fund/nidhi/mutual benefit fund/societies are not applicable to the company.
 14. In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments.
 15. In our opinion, and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
 16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
 17. On the basis of an overall examination of the balance sheet of the company, in our opinion and according to the information and explanations given to us, there are no funds raised on the short-term basis, which have been used for long-term investment.
 18. The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
 19. The company has not issued any debentures during the year.
 20. The company has not raised any money by public issues during the year.
 21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For **KAILASH CHAND JAIN & CO.**
Chartered Accountants

H.K.PANDA

Partner

Firm Reg No. : 112318W

Mem.No.: 105641

MUMBAI : 30th July, 2010.

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BALANCE SHEET AS AT 31ST MARCH 2010

| | SCHEDULE | AS AT <u>31.03.2010</u> (RUPEES) | AS AT <u>31.03.2009</u> (RUPEES) |
|---|----------|--|--|
| I SOURCES OF FUNDS : | | | |
| SHARE HOLDER'S FUND : | | | |
| Share Capital | 1 | 44,463,000 | 44,463,000 |
| Share Application Money | | - | 4,440,000 |
| Reserves & Surplus | 2 | 102,774,611 | 95,013,164 |
| Deferred Tax Liability | | 14,108,823 | 1,761,919 |
| LOAN FUNDS : | | | |
| Secured Loans | 3 | 176,832,252 | 125,868,585 |
| TOTAL | | 338,178,686 | 271,546,668 |
| II APPLICATION OF FUNDS : | | | |
| FIXED ASSETS : | | | |
| Gross Block | 4 | 291,895,099 | 224,593,058 |
| Less : Depreciation | | 136,912,325 | 120,224,663 |
| | | 154,982,774 | 104,368,395 |
| Add : Work-in-Progress | | 10,555,986 | 54,041,376 |
| NET BLOCK | | 165,538,760 | 158,409,771 |
| INVESTMENTS : | 5 | 3,292,640 | 9,666,440 |
| CURRENT ASSETS, LOANS AND ADVANCES : | 6 | | |
| Inventories | | 53,016,318 | 54,016,243 |
| Sundry Debtors | | 149,406,300 | 51,037,359 |
| Cash & Bank Balances | | 12,398,950 | 6,264,056 |
| Loans & Advances | | 62,790,081 | 119,195,740 |
| | | 277,611,649 | 230,513,398 |
| Less : Current Liabilities & Provisions | | 108,264,363 | 127,042,941 |
| NET CURRENT ASSETS | | 169,347,286 | 103,470,457 |
| TOTAL | | 338,178,686 | 271,546,668 |
| SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS | 13 | | |

As per our report of even date attached
For **KAILASH CHAND JAIN & CO.**
Chartered Accountants

For and on behalf of the Board
K. L. RAMUKA **B. C. AGRAWAL**
Chairman & Executive Director *Managing Director*

H.K.PANDA
Partner
Firm Reg No. : 112318W
Mem.No.: 105641
MUMBAI : 30th July, 2010.

V. N. GUPTA **A. D. CHIRANIA**
Director *Director*

SHREE HARI CHEMICALS EXPORT LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

| PARTICULARS | SCHEDULE | YEAR ENDED 31.03.2010 (RUPEES) | YEAR ENDED 31.03.2009 (RUPEES) |
|---|----------|---|--------------------------------------|
| I. INCOME : | | | |
| Sales & other Income | 8 | 693,598,765 | 633,007,114 |
| Increase/(Decrease) in Stock | 9 | 7,008,433 | (22,371,662) |
| Total | | 700,607,198 | 610,635,452 |
| II. EXPENDITURE : | | | |
| Cost of Production | 10 | 603,547,628 | 521,702,609 |
| Purchases for Trading | | 1,175,488 | 43,555,261 |
| Office, Administrative & Other Expenses | 11 | 41,635,490 | 40,785,336 |
| Financial Charges | 12 | 17,735,455 | 23,898,722 |
| Total | | 664,094,061 | 629,941,828 |
| Profit / (Loss) before Depreciation | | 36,513,137 | (19,306,476) |
| Less : Depreciation | | 16,943,058 | 13,416,735 |
| Profit / (Loss) after Depreciation | | 19,570,079 | (32,723,211) |
| Less : Provision for Income Tax | | 1,000,000 | - |
| Less : Provision for Fringe Benefit Tax | | - | 471,002 |
| Less /(Add) : Deferred Tax(Assets)/Liabilities | | 12,346,904 | (11,067,045) |
| Less/(Add) : Short/(Excess) Provision for Income Tax /F.B.T for earlier year | | (2,300,222) | - |
| Profit after Taxation | | 8,523,397 | (22,127,168) |
| Balance brought forwarded from last year | | 86,951,192 | 114,280,309 |
| | | 95,474,588 | 92,153,141 |
| Appropriation | | | |
| Proposed Dividend | | 4,446,300 | 4,446,300 |
| Corporate Tax on Proposed Dividend | | 755,649 | 755,649 |
| Balance carried forwarded to Balance Sheet | | 90,272,639 | 86,951,192 |
| | | 95,474,588 | 92,153,141 |
| Earning per Share Basic & Diluted (Face Value of Rs. 10/- each per Equity Share) | | 1.92 | (4.97) |

SIGNIFICANT ACCOUNTING POLICIES AND
NOTES ON ACCOUNTS

13

As per our report of even date attached
For **KAILASH CHAND JAIN & CO.**
Chartered Accountants

For and on behalf of the Board
K. L. RAMUKA **B. C. AGRAWAL**
Chairman & Executive Director Managing Director

H.K.PANDA
Partner
Firm Reg No. : 112318W
Mem.No.: 105641
MUMBAI : 30th July, 2010.

V. N. GUPTA **A. D. CHIRANIA**
Director Director

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SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2010 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

| P A R T I C U L A R S | AS AT 31.03.2010 (RUPEES) | AS AT 31.03.2009 (RUPEES) |
|--|--|---------------------------------|
| SCHEDULE 1 : SHARE CAPITAL : | | |
| AUTHORISED : | | |
| 10000000 Equity Shares of Rs. 10/- each (Previous year 1,00,00,000 Equity Shares of Rs. 10/- each) | 100,000,000 | 100,000,000 |
| | 100,000,000 | 100,000,000 |
| ISSUED, SUBSCRIBED & PAID UP : | | |
| 4446300 Equity Shares of Rs.10/- each (Previous year 4446300 Equity Shares of Rs. 10/- each) Issued for cash at par | 44,463,000 | 44,463,000 |
| | 44,463,000 | 44,463,000 |
| Share Application Money (Refer note no. 10 to Notes on Account) | - | 4,440,000 |
| | - | 4,440,000 |
| SCHEDULE 2 : RESERVES AND SURPLUS : | | |
| Central Subsidy Reserve | - | 1,000,000 |
| Less : Transferd to General Reserve | - | 1,000,000 |
| | - | - |
| State Subsidy Reserve | - | 4,500,000 |
| Less : Transferd to General Reserve | - | 4,500,000 |
| | - | - |
| General Reserve | 7,793,472 | 2,293,472 |
| Add : Transferd from Central Subsidy Reserve | - | 1,000,000 |
| Add : Transferd from State Subsidy Reserve | - | 4,500,000 |
| | 7,793,472 | 7,793,472 |
| Share Foreifited Account | 4,708,500 | 268,500 |
| [Transferd from Share Application Money Rs.4,440,000 (P.Y. NIL) Transferd from Call Money in Arrears Rs. NIL (P.Y. 268,500/-)] | | |
| Profit & Loss Account | 90,272,639 | 86,951,192 |
| | 102,774,611 | 95,013,164 |

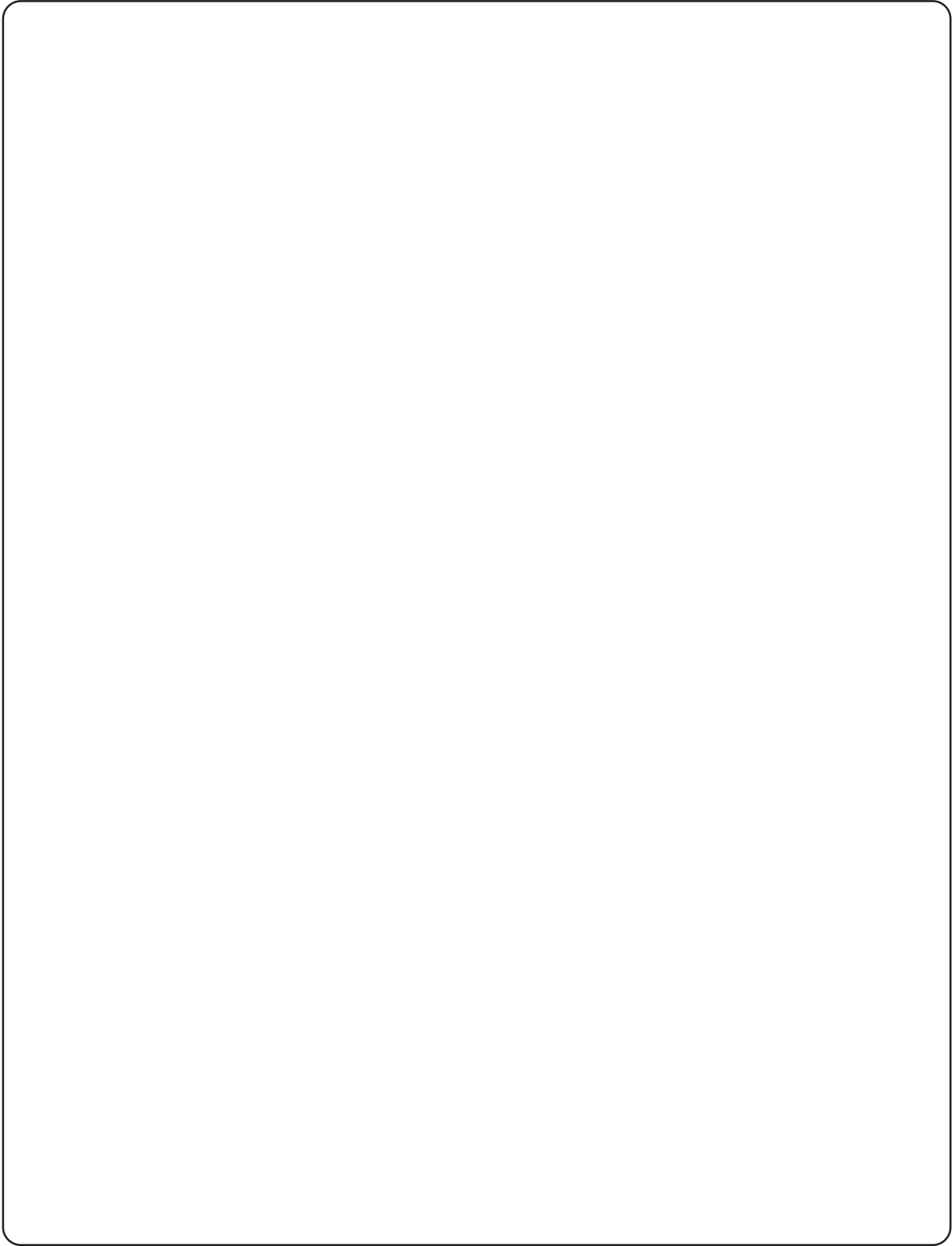
SHREE HARI CHEMICALS EXPORT LTD.

| P A R T I C U L A R S | AS AT 31.03.2010 (RUPEES) | AS AT 31.03.2009 (RUPEES) |
|-------------------------------------|--|---------------------------------|
| SCHEDULE 3 : SECURED LOANS : | | |
| a) Working Capital Loan | 143,447,744 | 109,261,020 |
| From State Bank of India | | |
| b) Term Loan | | |
| From State Bank of India | 33,384,508 | 16,607,565 |
| TOTAL | <u>176,832,252</u> | <u>125,868,585</u> |

Notes :

- 1) The Working Capital Loan from State Bank of India is secured by way of hypothecation of Company's entire stock of raw materials both imported and indigenous, stock-in-process, consumable stores, spares and packing materials and finished products as well as the personal guarantees given by the Directors of the Company.
- 2) Term Loan from STATE BANK OF INDIA is secured by way of mortgage of immovable property and hypothecation of all Plant, Machineries, Spares, Tools and Accessories, Stores relating to Plant and Machinery etc., both present and future at its Plant at A/8, A/9, A/13, A/15-1, A/15-2 M.I.D.C. Industrial Area of MAHAD.

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SHREE HARI CHEMICALS EXPORT LTD.

| PARTICULARS | | AS AT 31.03.2010 (RUPEES) | AS AT 31.03.2009 (RUPEES) |
|--|---|--|--|
| SCHEDULE 5 : INVESTMENTS : | | | |
| | (QUANTITY) | | |
| | (Non - Trade, At cost) | | |
| 1) | Quoted Equity Shares (Fully paid up) | | |
| | a) Simco Industries Ltd. (300) | 6,000 | 6,000 |
| | b) Siddhartha Tubes Ltd. (1000) | 25,450 | 25,450 |
| | c) Bhageria Dye Chem Ltd. (300) | 4,800 | 4,800 |
| | (Aggregate Market value Rs.13755/-) | 36,250 | 36,250 |
| | (As on 31.03.2010) | | |
| 2) | Unquoted Investment | | |
| | In Companies : | | |
| | M/s. Ramuka Capital Markets Ltd. | 300,000 | 300,000 |
| | M/s. Shubhalakshmi Polyster Ltd. | - | 30,98,800 |
| | M/s. Shubhlaxmi Dyetex Pvt. Ltd. | - | 3,050,000 |
| | M/s. Shubhlaxmi Polytex Pvt. Ltd. | - | 225,000 |
| | MMA CETP Co-Op. Society Ltd. | 2,956,390 | 2,956,390 |
| | | 3,292,640 | 9,666,440 |
| SCHEDULE 6 : CURRENT ASSETS, LOANS & ADVANCES : | | | |
| A. CURRENT ASSETS : | | | |
| 1 | Inventories : | | |
| | (As taken valued and certified by the management) | | |
| | a) Raw Material (At Cost) | 19,301,916 | 30,062,965 |
| | b) Finished Goods (At cost or market value whichever is lower) | 17,040,584 | 14,053,469 |
| | c) Work-in-progress (At estimated cost) | 8,713,145 | 4,172,664 |
| | d) Steam Coal (At Cost) | 932,781 | 165,427 |
| | e) Stores & Spares Parts (At cost) | 5,883,804 | 4,707,100 |
| | f) Packing Materials (At cost) | 1,144,087 | 335,455 |
| | g) Sodium Sulphate (Trading Purchases) | - | 519,163 |
| | TOTAL (1) | 53,016,318 | 54,016,243 |
| 2 | SUNDRY DEBTORS : | | |
| | (Unsecured, considered good except stated otherwise net of discount) | | |
| | a) Debts outstanding for a period exceeding six months (Refer Note no. 11) | 24,719,185 | 4,275,118 |
| | b) Others | 124,687,115 | 46,762,241 |
| | TOTAL (2) | 149,406,300 | 51,037,359 |

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| PARTICULARS | AS AT 31.03.2010 (RUPEES) | AS AT 31.03.2009 (RUPEES) |
|---|--|--|
| 3 CASH & BANK BALANCES : | | |
| a) Cash in Hand | 698,509 | 377,447 |
| b) Balances with scheduled Banks In Margin Accounts | 9,124,957 | 2,858,715 |
| In Current Accounts | 660,418 | 1,433,961 |
| In Fixed Deposit | 1,915,066 | 1,623,933 |
| TOTAL (3) | 12,398,950 | 6,264,056 |
| 4. LOANS AND ADVANCES : | | |
| (Unsecured Considered good except stated otherwise) | | |
| a) Advances recoverable in cash or in kind or for value to be received | 29,135,893 | 83,620,662 |
| b) Deposit with Govt. Departments and others | 849,820 | 2,669,600 |
| c) Advance against Capital Goods | 4,871,599 | 1,196,230 |
| d) Staff advances | 1,092,141 | 872,323 |
| e) Advance against Expenses | 923,845 | 2,024,337 |
| f) Advance against Goods | 4,874,020 | 8,774,462 |
| g) Cenvet Receivable | 21,042,763 | 20,038,126 |
| TOTAL (4) | 62,790,081 | 119,195,740 |
| TOTAL (1+2+3+4) | 277,611,649 | 230,513,398 |
| SCHEDULE 7 : | | |
| CURRENT LIABILITIES & PROVISIONS : | | |
| A) CURRENT LIABILITIES : | | |
| Sundry Creditors for Goods | 73,068,758 | 42,395,341 |
| Other Liabilities | 28,993,656 | 26,679,198 |
| TOTAL (A) | 102,062,414 | 69,074,539 |
| B) PROVISIONS : | | |
| Provision for Income Tax | - | 51,527,457 |
| Provision for Fringe Benefit Tax | - | 1,238,996 |
| Proposed Dividend | 4,446,300 | 4,446,300 |
| Tax on Proposed Dividend | 755,649 | 755,649 |
| Provision for Income Tax (MAT) | 1,000,000 | - |
| TOTAL (B) | 6,201,949 | 57,968,402 |
| TOTAL (A+B) | 108,264,363 | 127,042,941 |

SHREE HARI CHEMICALS EXPORT LTD.

| P A R T I C U L A R S | AS AT <u>31.03.2010</u> (RUPEES) | AS AT <u>31.03.2009</u> (RUPEES) |
|---|--|--|
| SCHEDULE 8 : | | |
| SALES & OTHER INCOME | | |
| Sales (H-Acid) | 666,356,478 | 534,157,014 |
| Sales (Bio-Products) | 10,764,009 | 8,813,297 |
| Sales (Trading) | 1,756,764 | 45,397,549 |
| Export Benefits | 12,726,580 | 39,618,137 |
| Other Income | 1,994,934 | 5,021,117 |
| | 693,598,765 | 633,007,114 |
| | 693,598,765 | 633,007,114 |
| SCHEDULE 9 : | | |
| INCREASE/(DECREASE) IN INVENTORIES | | |
| OPENING STOCK | | |
| Finished Goods | 14,053,469 | 34,915,258 |
| Work - in - Progress | 4,172,664 | 6,201,700 |
| Trading Stock | 519,163 | - |
| | 18,745,296 | 41,116,958 |
| [1] | | |
| Less : CLOSING STOCK : | | |
| Finished Goods | 17,040,584 | 14,053,469 |
| Work - in - Progress | 8,713,145 | 4,172,664 |
| Trading Stock | - | 519,163 |
| | 25,753,729 | 18,745,296 |
| [2] | | |
| Increase/(Decrease) in Inventories (2-1) | 7,008,433 | (22,371,662) |
| | 7,008,433 | (22,371,662) |
| SCHEDULE 10 : | | |
| COST OF PRODUCTION | | |
| Direct & Manufacturing Expenses : | | |
| a) Raw Material Consumed | 453,950,504 | 432,046,244 |
| b) Power & Fuel Expenses | 78,257,430 | 45,484,677 |
| c) Transportation Charges | 12,173,046 | 7,805,432 |
| d) Wages/Salary/Labour charges & Other Benefits | 30,649,849 | 23,077,472 |
| e) Stores & Spares Consumed | 8,714,705 | 4,701,266 |
| f) Water Charges | 943,680 | 1,032,344 |
| g) Repairs & Maintenance | 2,655,794 | 2,476,129 |
| h) Security Expenses | 649,708 | 559,432 |
| i) Taxes | 1,050,501 | 2,288,794 |
| j) CETP Treatment Charges | 14,502,411 | 2,230,819 |
| | 603,547,628 | 521,702,609 |
| TOTAL | 603,547,628 | 521,702,609 |

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| P A R T I C U L A R S | AS AT 31.03.2010 (RUPEES) | AS AT 31.03.2009 (RUPEES) |
|-----------------------|--|---------------------------------|
|-----------------------|--|---------------------------------|

**SCHEDULE 11 :
OFFICE, ADMINISTRATIVE,
SELLING & OTHER EXPENSES**

| | | | |
|----|---|--------------------------|-------------------|
| 1 | Salary & Other Benefits | 3,943,368 | 3,576,821 |
| 2 | Staff Welfare Expenses | 336,146 | 300,220 |
| 3 | Travel & Conveyance | 2,771,099 | 3,811,293 |
| 4 | Rent, Rates & Taxes | 284,225 | 223,287 |
| 5 | Insurance Expenses | 875,035 | 1,366,769 |
| 6 | Auditors Remuneration | | |
| | Audit Fees | 150,000 | 150,000 |
| | Tax Audit Fees | 50,000 | 50,000 |
| | | 200,000 | |
| 7 | Internal Audit Fees | 60,000 | 60,000 |
| 8 | Legal & Professional Charges | 1,467,006 | 1,882,984 |
| 9 | Telephone Charges | 461,257 | 529,041 |
| 10 | Clearing & Forwarding | 4,259,966 | 2,975,325 |
| 11 | Lab & Research and Development Expenses | 429,826 | 262,164 |
| 12 | Directors Remuneration | 7,753,000 | 7,752,345 |
| 13 | Share Transfer Expenses | 36,583 | 35,138 |
| 14 | Transportation Outward | 4,555,051 | 2,610,970 |
| 15 | Donation | 25,000 | 5,100 |
| 16 | Dividend Expenses | 7,173 | 140,296 |
| 17 | Miscellaneous & Other Expenses | 14,170,756 | 15,053,582 |
| | TOTAL | <u>41,635,490</u> | <u>40,785,336</u> |

**SCHEDULE 12 :
FINANCIAL CHARGES :**

| | | | |
|---------------|----------------------|--------------------------|-------------------|
| Interest on : | | | |
| | Term Loan | 3,315,821 | 1,847,758 |
| | Working Capital Loan | 14,419,634 | 22,050,964 |
| | TOTAL | <u>17,735,455</u> | <u>23,898,722</u> |

SHREE HARI CHEMICALS EXPORT LTD.

SCHEDULE 13 : SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS : I. SIGNIFICANT ACCOUNTING POLICIES :

- 1) **Accounting Concepts :**
The accounts are prepared on basis of historical cost, as a going concern and are consistent with generally accepted accounting principles. All expenses and income to the extent ascertainable with reasonable certainty are considered payable and receivable respectively are accounted for on accrual basis.
- 2) **Fixed Assets :**
Fixed assets are stated at their original cost less depreciation. Cost includes inward freight, duties, taxes and other expenses incidental to acquisition and installation of such assets.
- 3) **Depreciation :**
Depreciation in respect of all assets is provided on 'Written Down Value' method as per the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- 4) **Inventories :**
(As taken valued & certified by the management)
 - i) **Raw Material, Packing Material and Stores & Spares :**
At Cost.
 - ii) **Work in Progress :**
At estimated cost.
 - iii) **Finished goods :**
Closing stock of finished goods have been valued at cost of Raw Materials and cost of conversion thereof including the cost incurred in the normal course of business in bringing the goods up to the present condition and inclusive of the provision of Excise Duty or available market value whichever is lower.
- 5) **Amortization of Expenses :**
Preliminary Expenses and Deferred Revenue Expenditure (Including the Shares issue expenses) are amortized over a period of 10 years as per the provision of section 35D of the Income Tax Act, 1961.
- 6) **Investments :**
Investments are stated at cost.
- 7) **Sales :**
Sale of goods is recognised on despatch to customers.
- 8) **Accounting of CENVAT Credit :**
CENVAT Benefit is accounted on accrual basis on purchase of materials and appropriated against payment of excise duty on clearance of the finished goods.
- 9) **Export Benefits :**
Export benefits are accounted on the basis of legiment claim before the appropriate authority, except for the export benefits which is disputed with the issuing authority.
- 10) **Research & Development Expenses :**
Revenue Expenditure pertaining to the Research and Development is debited to Profit & Loss Account.
- 11) **Allocation of Expenditure of Capital Work - In - Progress :**
Project expansion expenses under the head "Capital work in Progress" have been apportioned to the respective Fixed Assets in proportion to the direct cost of respective Fixed Assets.
- 12) **Foreign Currency Transaction :**
Transaction in foreign currency are recorded at the rate of their actual realisation up to the date of Balance Sheet and outstanding balances of the exchange rate prevailing at the year end.

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13) Contingent Liabilities :

Contingent Liabilities are not provided but disclosed by way of notes.

II. NOTES ON ACCOUNTS :

1. Contingent liabilities not provided for in respect of :

| | AS AT 31/03/2010 | AS AT 31/03/2009 |
|---|-----------------------------|---------------------|
| a) Bank Guarantees | 4,070,292 | 3,170,292 |
| b) Income Tax (A.Y.2003-2004) | - | 392,861 |
| c) Supply of Capital Goods (Net of Advances) | 2,169,500 | 5,620,500 |
| d) Mathadi Board | 4,420,536 | - |
| e) Show Cause Notice from Custom Department for Sulphur | 1,544,493 | - |
| f) Show Cause Notices received from various authorities, amount which is not ascertainable. | | |

2. Directors' Remuneration :

(Within the limit prescribed in section II, part II of schedule XIII of the Companies Act, 1956.)

| | | |
|--------------|------------------|-----------|
| Remuneration | 7,753,000 | 7,752,345 |
|--------------|------------------|-----------|

3. Payments to Auditors :

| | | |
|-------------------|----------------|---------|
| a) Audit Fees | 150,000 | 150,000 |
| b) Tax Audit Fees | 50,000 | 50,000 |
| | 200,000 | 200,000 |

4. No provision has been made for the deminution value of the investments held by the Company, as in the opinion of the management this is temporary in nature.
5. Balance of Sundry Debtors, Sundry Creditors, Loans & Advances and Loans and Borrowings are subject to confirmation and reconciliation.
6. Miscellaneous and other expenses included bank charges, office expenses, sundry balances written off, brokerage & commission paid and other miscellaneous expenses.
7. Amount due to S.S.I. and/or ancillary undertaking as sundry creditors as on 31st March, 2010 due to the following parties to, the extent ascertained from the available information

M/s. Shree Laxmi Powder Products
M/s. Newreka Chemicals Pvt. Ltd.
M/s. Laxmi Micro Mettalic Industries
M/s. Dyechem Industries
M/s. Shree Mahalaxmi Enterprise

Overdue amount as on 31st March, 2010 to S.S.I. and/or ancillary industrial suppliers on account of principal amount together with interest is Rs. NIL.

| <u>AMOUNT OUTSTANDING</u> | <u>CURRENT YEAR</u> | <u>PREVIOUS YEAR</u> |
|----------------------------------|--------------------------------|---------------------------------|
| More than one year | -- | -- |
| Less than one year | 7,567,944 | 5,808,297 |

8. Deferred tax assets/liability on account of timing difference as per Accounting Standard 22 issued by The Institute of Chartered Accountants of India. For the Year deferred tax liability amounting Rs.1,23,46,904/- being credited to the Profit & Loss account and debited to the opening balance of deferred tax liabilities.

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9. The deferred tax balance arising principally on account of the timing difference between the depreciation admissible under the Income Tax and depreciation adjusted in the accounts. Though adjustments is being made in terms of Accounting Standard 22 having regard to the normal capital expenditure which the Company is expected to continue to make in future years, the timing difference not effectively reversed and no cash out go likely to be materialised on account thereof.
10. Application money of Rs. 44,40,000 received against 12,00,000 Zero Percent convertible Warrants of Rs. 37/- per warrant convertible into equal number of equity shares of Rs. 10/- each at a premium of Rs. 27/- per share having option to convert into equity shares by the warrant holder within eighteen months from the date of allotment of warrants. However none of the warrant holder exercise the option to convert the warrant into equity shares within eighteen months from the date of allotment and the time for conversion of warrants had lapsed. Hence the aforesaid application money was forfeited and transferred to Share Forfeited A/c.
11. Sundry Debtors includes of Rs. 2,03,60,154/- which is doubtful in nature. One of the debtor of the Company filed an insolvency petition in the local Court of Frankfurt, Germany . The Company has received a notice from the Administrator of the insolvency proceeding to lodge its claim if any. The Company has lodged a claim on 17.02.2010 before the Administrator. In view of the above the amount receivable from the debtor of Rs. 2,03,60,154/- is doubtful in nature. The Company has not provided the benefits receivable under DEPB Scheme.
12. Related Parties Transactions :
- a) Parties where control exists :
- i) Shree Hari Finvest Limited
- b) Other related parties with whom transactions have taken place during the year in ordinary course of business :
- A) Key Management Persons :
- i) Shri K. L. Ramuka
ii) Shri B. C. Agrawal
iii) Shri R. R. Agarwal
iv) Shri K. C. Ramuka
v) Shri H. P. Ramuka
vi) Shri Anup Ramuka
vii) Shri Manoj Agrawal
- c) Nature of Transactions :
- | | CURRENT
YEAR | PREVIOUS
YEAR |
|--------------------------------|-------------------------|------------------|
| i) Salaries, Remuneration paid | 8,833,000 | 8,832,345 |
13. The Company is a single segment company engaged in manufacturing of H-Acid. According the disclouser requirements as prescribed in the Accounting Standard-17 (AS-17) on segment reporting issued by the Institute of Chartered Accountants of India is not applicable.
14. Figures of the previous year have been regrouped / rearranged & reclassified wherever necessary for better presentation of financial statement
15. The amounts in the Balance Sheet and Profit & Loss Account are rounded off to the nearest rupees.
16. The basic earning per share (EPS) as disclosed in the profit and loss account has been calculated by dividing the net profit for the year ended on 31.03.2010 attributable to shareholders (Rs. 85.23 lacs) by its weighted average number of equity shares (4446300) outstanding during the said financial year.

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14. Additional information pursuant to paragraph 4C & 4D of part II of Schedule VI of the Companies Act, 1956.

| A. CAPACITIES & PRODUCTIONS : | UNITS | <u>2009-2010</u> | <u>2008-2009</u> |
|-------------------------------------|-------|------------------|------------------|
| Licensed : | | | |
| H-Acid / Koch-Acid | M.T. | 3500.000 | 3500.000 |
| Installed : | | | |
| H-Acid / Koch-Acid etc. | M.T. | 3500.000 | 3500.000 |
| Production : | | | |
| H-Acid / Koch-Acid | M.T. | 3457.453 | 2120.807 |
| * (As certified by the management.) | | | |

B. EXPENSES IN FOREIGN CURRENCY :

| | | |
|--|---------------------|------------|
| i) C.I.F.Value of Imports Raw Materials (for consumption) | 1,024,89,792 | 87,922,846 |
| | 1,024,89,792 | 87,922,846 |

C. EARNING IN FOREIGN CURRENCY :

| | | |
|--|--------------------|-------------|
| F.O.B. Value of Exports | 180,854,810 | 212,119,042 |
| Through Merchants Exporters (Sale Price) | 33,136,946 | 20,297,000 |
| | 213,991,756 | 232,416,042 |

D. CONSUMPTION OF RAW MATERIAL :

| | <u>2009-2010</u> | | <u>2008-2009</u> | |
|---------------------|-------------------------------|------------------------------|-------------------------------|------------------------------|
| | <u>Qty</u> <u>(Tonnes)</u> | <u>Value</u> <u>(Rs.)</u> | <u>Qty</u> <u>(Tonnes)</u> | <u>Value</u> <u>(Rs.)</u> |
| Naphthalene | 2716.150 | 153,551,528 | 1722.080 | 97,630,991 |
| Oleum 65 % | 7902.486 | 30,133,173 | 4994.025 | 70,445,417 |
| Sulphuric Acid | 9174.098 | 15,788,725 | 6389.730 | 56,806,365 |
| Caustic Soda Flakes | 5091.120 | 98,365,334 | 3909.510 | 97,876,850 |
| Soda Ash | 2272.530 | 30,840,714 | 1540.250 | 26,682,101 |
| Others | | 95,230,814 | | 64,612,968 |
| | | 423,910,287 | | 414,054,692 |

E. CONSUMPTION OF RAW MATERIAL :

| | <u>Percentage</u> | <u>Value</u> | <u>Percentage</u> | <u>Value</u> |
|------------|-------------------|--------------------|-------------------|--------------|
| Imported | 28.92 % | 122,631,786 | 22.87 % | 94,707,341 |
| Indigenous | 71.08 % | 301,278,502 | 77.13 % | 319,347,351 |
| | 100.00 % | 423,910,288 | 100.00 % | 414,054,692 |

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F. DETAILS OF OPENING STOCK, PRODUCTION, SALES & CLOSING STOCK FOR PRODUCTION :

| | <u>2009-2010</u> | | <u>2008-2009</u> | |
|------------------------|------------------------|--------------------------|------------------------|--------------------------|
| | <u>Qty</u> (Tonnes) | <u>Value</u> (Rupees) | <u>Qty</u> (Tonnes) | <u>Value</u> (Rupees) |
| Opening Stock : | | | | |
| H-Acid | 76.374 | 14,053,469 | 141.929 | 34,915,257 |
| Koch Acid | -NIL- | -NIL- | -NIL- | -NIL- |
| | 76.374 | 14,053,469 | 141.929 | 34,915,257 |
| Production : | | | | |
| H-Acid | 3457.453 | | 2120.808 | |
| Koch Acid | -NIL- | | -NIL- | |
| | 3457.453 | | 2120.808 | |
| Sales : | | | | |
| H-Acid | 3453.779 | 666,356,478 | 2186.363 | 534,157,014 |
| Koch-Acid | -NIL- | -NIL- | -NIL- | -NIL- |
| | 3453.779 | 666,356,478 | 2186.363 | 534,157,014 |
| Closing Stock : | | | | |
| H-Acid | 80.048 | 17,040,584 | 76.374 | 14,053,469 |
| Koch-Acid | -NIL- | -NIL- | -NIL- | -NIL- |
| | 80.048 | 17,040,584 | 76.374 | 14,053,469 |

G. DETAILS OF OPENING STOCK, PURCHASES, SALES & CLOSING STOCK (FOR RE-SALE):

| | <u>2009-2010</u> | | <u>2008-2009</u> | |
|-------------------------------------|---------------------|--------------------------|---------------------|--------------------------|
| | <u>Qty</u> (KGS) | <u>Value</u> (Rupees) | <u>Qty</u> (KGS) | <u>Value</u> (Rupees) |
| a) ORGANICS CHEMICALS : | | | | |
| Opening Stock | 51250 | 519,163 | - | - |
| Purchase | 248780 | 1,175,488 | 1324642 | 43,555,261 |
| Sales for the year | 300030 | 1,733,014 | 1273392 | 45,397,549 |
| Sales from Op.Stock of Raw Material | 950 | 23,720 | - | - |
| Closing Stock | - | - | 51250 | 519,162 |

15. Schedule 1 to 13 form an integral part of Balance Sheet as on 31st March, 2010 and Profit & Loss Account for the year ended on that date.

As per our report of even date attached
For **KAILASH CHAND JAIN & CO.**
Chartered Accountants

For and on behalf of the Board
K. L. RAMUKA **B. C. AGRAWAL**
Chairman & Executive Director Managing Director

H.K.PANDA
Partner
FIRM REG. NO. : 112318W
MEM NO. 105641
MUMBAI : 30th July, 2010.

V. N. GUPTA **A. D. CHIRANIA**
Director Director

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CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH,2009 AND 31ST MARCH, 2010.

(RUPEES IN THOUSAND)

| | <u>2009-2010</u> | <u>2008-2009</u> |
|---|-------------------|------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit after Tax and before Extra ordinary Items : | 3321.45 | (27329.12) |
| Adjustment for : | | |
| Depreciation (Net) | 16687.65 | 13163.03 |
| Dividend Received | (0.18) | - |
| Interest Received | (1319.85) | (554.60) |
| Insurance Claim Received | - | - |
| Interest Expenses | 17735.46 | 23898.72 |
| | 36424.53 | 9178.03 |
| Changes in Working Capital : | | |
| Loans & Advances | 56405.66 | (10989.51) |
| Current Liabilities & Provisions(except provision for taxation) | (6431.67) | (33222.86) |
| Inventories | 999.93 | 18536.20 |
| Sundry Receivables | (98368.94) | 99783.25 |
| Increase / (Decrease) in Cash Credit | 34186.72 | (20259.57) |
| Cash flow from operating activities before extraordinary items | 23216.23 | 63025.54 |
| Extraordinary Items : | | |
| Cash flow after extraordinary Items | 23216.23 | 63025.54 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets (Net) | (23816.65) | (58611.73) |
| Interest Received | 1319.85 | 554.60 |
| Dividend Received | 0.18 | - |
| Purchase /sales of Investments | 6373.80 | 4100.00 |
| Cash Generated from Investment Activities | (16122.82) | (53957.13) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Term Loan Received | 16776.94 | 3369.67 |
| Interest Expenses | (17735.46) | (23898.72) |
| Share Capital | - | (252.50) |
| Share Application Money | (4440.00) | - |
| Share forfeited Account | 4440.00 | 268.50 |
| Cash Generated from Financial Activities | (958.52) | (20513.05) |
| Net Increase in Cash & Cash Equivalents | 6134.89 | (11444.64) |
| Opening Balance of Cash & Cash Equivalents | 6264.06 | 17708.70 |
| Closing Balance of Cash & Cash Equivalents | 12398.95 | 6264.06 |

For and on behalf of the Board

K. L. RAMUKA
Chairman & Executive Director

B. C. AGRAWAL
Managing Director

MUMBAI : 30th July, 2010.

SHREE HARI CHEMICALS EXPORT LTD.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I) Registration Detail

Regn.No. : 44942 of 1987
 State Code : 011
 Balance Sheet Date : 31.03.2010.

II) Capital Raised during the year (Amount in Rs.Thousand)

Public Issue : Nil Right Issue : Nil
 Bonus Issue : Nil Private Placement : Nil

III) Position of Mobilisation and Deployment of funds.(Amount in Rs.Thousand)

Total Liabilities

- - 3 3 8 1 7 9

Total Assets

- - 3 3 8 1 7 9

SOURCES OF FUNDS

Paid-up Capital

- - - 4 4 4 6 3

Reserve & Surplus

- - 1 0 2 7 7 5

Secured loan

- - 1 7 6 8 3 2

Unsecured Loan

- - - - - - -

Deferred Tax

- - - 1 4 1 0 9

APPLICATION OF FUNDS

Net fixed assets

- - 1 6 5 5 3 9

Investments

- - - - 3 2 9 3

Net Current Assets

- - 1 6 9 3 4 7

Misc. Expenditure

- - - - - - -

Accumulated loss

- - - - - N I L

IV) Performance of the Company (Amount in Rs.Thousand)

Turn Over

- - 7 0 0 6 0 7

Total Expenditure

- - 6 8 1 0 3 7

Profit / (Loss) before Tax

- - - 1 9 5 7 0

Profit/(Loss) after Tax

- - - - 8 5 2 3

Earning per share

- - - - 1 . 9 2

Dividend Rate

- - - - - 1 0 %

V) Generic Name of Three principal products/Services of the Company

1. Item Code No. 1

2 9 2 2 2 1 0 6 / 2 9 0 4 1 0 0 3

(ITC Code)

Product Description

H - Acid

2. Item Code No. 2

2 9 2 1 4 5 0 8 / 2 9 0 4 1 0 0 3

(ITC Code)

Product Description

Koch - Acid

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SHREE HARI CHEMICALS EXPORT LIMITED

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

ATTENDANCE SLIP

(TO BE HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

I hereby record my presence at the 23rd Annual General Meeting of the Company to be held at A/8, M.I.D.C. Incl. Area, Mahad, Dist. Raigad (Maharashtra) on Monday, 06th Day of September, 2010.

NAME OF THE ATTENDING MEMBER (IN BLOCK LETTERS).....

Name of the Proxy (to be Filled in if the Proxy attends instead of the Members).....

SIGNATURE OF THE MEMBER / PROXY

Member's Folio Number _____ No. of Shares held _____

Notes :

1. Shareholder/Proxyholders are requested to bring the attendance slips with them duly completed when they come to the meeting and hand them over at the gate after affixing their signatures on them.
2. The proxy form must be deposited duly stamped at the Registered office of the Company not less than 48 hours before the time for holding the meeting.



SHREE HARI CHEMICALS EXPORT LIMITED

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

PROXY FORM

I/We _____ of _____

in the district of _____ being a member/members of SHREE HARI CHEMICALS EXPORT LIMITED hereby appoint _____ of _____ in the district of _____ failing him _____ of _____ in the district of _____ as my/our proxy to vote for me/us on my/our behalf at the 23rd Annual General Meeting of Shree Hari Chemicals Export Ltd. to be held at A/8, M.I.D.C., Mahad, Dist. Raigad, (Maharashtra), on Monday, 06th September, 2010 at 11.00 a.m. and at any adjournment thereof.

Signed this _____ day of _____ 2010.

Signature :.....

affix
Re. 1/-
Revenue
Stamp

Note : The Proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

SHREE HARI CHEMICALS EXPORT LTD.

BOOK-POST

To,



If not delivered please return to :

SHREE HARI CHEMICALS EXPORT LIMITED

103/104,UNIQUE TOWER,

NEAR KAMAT CLUB, S.V.ROAD,

GOREGAON (W), MUMBAI-400 062