

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

UNIVERSAL CAPITAL SECURITIES PVT. LTD.

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

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SHREE HARI CHEMICALS EXPORT LTD.

SHREE HARI CHEMICALS EXPORT LIMITED

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

NOTICE

Notice is hereby given that the **TWENTY FOURTH** 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 Saturday, September 10, 2011 at 2.00 p.m. to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2011 and the Profit and Loss Account for the year ended on that date and the Directors' and Auditors' Reports thereon.
2. To declare dividend on equity shares.
3. To appoint a Director in place of Shri Kishori Lal Ramuka who retires by rotation and is eligible for reappointment.
4. To appoint a Director in place of Shri Arvind Chirania who retires by rotation and is eligible for reappointment.
5. To appoint a Director in place of Shri Amar Kanodia who retires by rotation and is eligible for reappointment.
6. To appoint Auditors and to fix their remuneration.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 06, 2011 to Saturday, September 10, 2011 (both days inclusive) for the purpose of Annual General Meeting and declaration of dividend.
4. The dividend on Equity Shares as recommended by the Directors for the year ended 31st March, 2011, if approved at the Annual General Meeting, will be paid to those Members whose names appear in the Register of Members as on 10th September, 2011. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as per details furnished by the depositories for this purpose as at the close of business hours on 5th September, 2011.

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5. Members are requested to notify promptly any change in their addresses to the Company's Registrar and Share Transfer Agents, Universal Capital Securities Pvt. Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400093. quoting their Folio No.
6. Members are requested to note that pursuant to the provisions of Section 205C of the Companies Act, 1956 the dividend remaining unclaimed or unpaid for a period of seven years from the date they became due for payment shall be credited to the Investor Education and Protection Fund set up by the Central Government. Members who have so far not claimed the dividend are requested to make claim with the Company as no claim shall lie against the fund or the Company in respect of the individual amounts once credited to the said funds.
7. Members are requested to bring their copy of Annual Report as extra copies will not be provided at the Annual General Meeting.
8. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar can not act on any request received directly from the Members holding shares in electronic form for any change of bank.
9. Members are requested to avail the facility of remittance of dividend through the National Electronic Clearing System (NECS) . The NECS facility is available at locations identified by the Reserve Bank of India from time to time, Members holding shares in physical form and desirous of availing this facility are requested to immediately write to the Company's Registrar and Transfer Agents with change in their bank account/account numbers, if any alongwith a photocopy of a blank cheque pertaining to the concerned account particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
10. As a responsible corporate citizen, the Company welcomes and supports the "Green Initiative" taken by the Ministry of Corporate Affairs, enabling the Company to effect electronic delivery of documents. The above initiative will go a long way in conserving paper which is natural resource as also result in substantial savings on printing and posting of annual reports and other documents of your Company sent to shareholders.
11. Members are requested to support this green initiative by updating their email addresses with the respective Depository Participants, in case of electronic shareholding, or registering their email addresses with the Company's Registrar and Transfer Agents, in case of physical shareholding, Join this cause and make the world a cleaner, greener and healthier place to live.

Registered Office:

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

Dated : 5th August, 2011.

By Order of the Board
BANKESH CHANDRA AGRAWAL
Managing Director

SHREE HARI CHEMICALS EXPORT LTD.

SHREE HARI CHEMICALS EXPORT LIMITED

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

DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting the Twenty Fourth Annual Report together with the Statement of Accounts for the year ended 31st March, 2011.

FINANCIAL RESULTS	2010-2011 (In Rupees)	2009-2010 (In Rupees)
Sales & Other Income	73,37,80,106	69,35,98,765
Profit before Depreciation & Tax	3,76,04,420	3,65,13,137
Less : Depreciation	2,31,07,622	1,69,43,058
Profit After Depreciation	1,44,96,798	1,95,70,079
Less : Provision for Income Tax	29,00,000	10,00,000
Less : Provision for Deferred Tax Liability/(Assets)	34,53,983	1,23,46,904
Less/(Add) : Short/(Excess) provision for Income Tax/F.B.T. for Earlier Year	-	(23,00,222)
Profit after tax	81,42,815	85,23,397
Balance Brought forwarded	9,02,72,639	8,69,51,192
	9,84,15,454	9,54,74,588
Appropriation		
Proposed Dividend	44,46,300	44,46,300
Corporate Dividend Tax	7,55,649	7,55,649
Balance Carried forwarded to Balance Sheet	9,32,13,505	9,02,72,639
	9,84,15,454	9,54,74,588

OPERATION :

Your Directors' are pleased to inform you that the company has achieved the turnover of Rs. 7337.80 lacs against 6935.98 lacs in the previous year and profit before tax Rs. 144.97 lacs as against Rs. 195.70 lacs in the previous year.

EXPORT :

The Export turnover of the year under review is Rs.1557.33 lacs as against Rs. 2139.92 lacs in previous year.

DIVIDEND :

The Board of Directors of the Company, for the year ended 31st March, 2011 has recommended a dividend 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.

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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.92.86 lacs for upgradation of Effluent Treatment Plant.

DIRECTORS :

Shri Kishori Lal Ramuka, Shri Arvind Chirania and Shri Amar Kanodia would retire by rotation at the ensuing Annual General Meeting of the Company and are eligible for reappointment.

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.

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, 2011 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.

SHREE HARI CHEMICALS EXPORT LTD.

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 2011-2012.

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 re-appointment. 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 : 5th August, 2011.

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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, 2011.

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 :

	<u>2010-2011</u>	<u>2009-2010</u>
a) Power & Fuel consumption		
i) Electricity :		
a) Purchased :		
Units (KWH)	6872049	7359555
Total Amount (Rs.)	3,78,92,587	3,97,52,849
Rate/Unit (Rs.)	5.51	5.40
b) Own Generation (Through D.G.Set)		
Diesel Oil Consumed (Ltrs.)	15400	12476
Total Amount	6,11,322	4,33,279
Rate/Ltr (Rs.)	39.70	34.73
ii) Steam Coal		
Qty. (Kgs.)	7867311	8312176
Total Amount (RS.)	3,93,53,604	3,70,41,872
Avg. Rate (Rs.)	5.00	4.46
iii) Steam		
Units	6573703	-
Total Amount (Rs)	72,81,867	-
Avg. Rate (Rs)	1.11	
b) Consumption per unit of Production (P.MT) :		
Product : Dye Intermediates (M.T.)	3285.965	3457.453
Electricity (KWH)	2091.33	2128.61
Steam Coal (Kgs)	2394.22	2404.13
Steam (Units)	2000.54	-
Own generated Through Generator (Ltrs.)	4.69	3.61

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>2010-2011</u>	<u>2009-2010</u>
1) Earning CIF Value of Exports (figures includes Direct Export as well as through Export House and Merchant Exporters)	15,57,33,262	21,39,91,756
2) Outgo CIF Value of Imports	15,18,99,240	10,24,89,792

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

Dated : 5th August, 2011.

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, 2011. 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 29.04.2010, 30.07.2010, 30.10.2010, 18.12.2010 and 31.01.2011 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 30, 2010 to September 06,2010 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, 2010 was held on 06.09.2010 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. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or previous approval of the Central Government during the year.
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;
(ii) The Company had declared dividend at the Annual General Meeting held on 06th September,2010 and deposited the amount of dividend in a separate Bank Account on September 8, 2010.
(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 October 11, 2010
(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.

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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 Company has not appointed any Managing Director / Whole-time Directors / Manager during the financial year.
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, 2011 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.
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 : 05.08.2011.

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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.

Annexure 'B'

Forms and Returns as filed by the Company with the Registrar of Companies during the financial year ended on March 31, 2011.

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 Bankesh Chandra Agrawal as Managing Director w.e.f. 01.03.2010 for a period of five years & Remuneratin for a period of three years w.e.f. 01.03.2010	27.09.2010	Yes	N.A.
2.	Form 23AC & 23ACA alongwith the Annual Report as on 31.03.2010	220	Adopted at the Annual General Meeting held on 06.09.2010	28.09.2010	Yes	N.A.
3.	Form 66 alongwith Compliance Certificate for the year ended 31.03.2010	383A	Financial Year 2009-2010	28.09.2010	Yes	N.A.
4.	Form 20B Annual Return made up to 06.09.2010	159	Annual General Meeting held held on 06.09.2010	26.10.2010	Yes	N.A.

For Shalini Hegde & Associates

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

Mumbai : 05.08.2011.

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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 :

Indian Dyestuff & Dye Intermediate industries have emerged as major player in the world with the Market share, which was about 11% till last year jumped to about 21% with the acquisition of overseas dyestuff company by an Indian company. Total Export of Dye & Intermediate for the year under review is Rs. 14480 Crores against Rs. 11090 Crores in the previous year. As your Company is in the production of Dye Intermediate, will have the benefit of increased market share in the years to come.

China being largest producer of Dyestuff & Dye Intermediate there will be pressure on supply side, which may affect profitability of the Company.

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 which is used in Reactive Dyes, Acid Dyes and Direct Dyes. Reactive Dyes used in the cotton textiles and as the demand of cotton textile is increasing which in turn will boost the demand of the product we manufacture.

RISK & CONCERNS :

As the Company is falling under red category, any stringent/non achievable norms fixed by the regulators may affect the working of the company.

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	2010-2011	2009-10	% Changes
Total quantity of Sales (MT)	3291.481	3453.779	(4.70%)
Income from operations (Rs.)	9,88,05,519	9,58,84,082	3.04%
Profit before interest, Depreciation and Tax (Rs.)	6,23,35,998	5,65,51,745	10.23%
Interest Expenditure (Rs.)	2,47,31,578	2,00,38,608	23.42%
Depreciation (Rs.)	2,31,07,622	1,69,43,058	36.38%
Net Profit (Rs.)	81,42,815	85,23,397	(4.47%)

HUMAN RESOURCES / INDUSTRIAL RELATIONS :

The Company presently has 93 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 Resource 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 incidental factors.

SHREE HARI CHEMICALS EXPORT LTD.

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	4	No	NIL	NIL	NIL
Shri Virjanand Gupta	**I & N.E.D.	5	4	No	NIL	NIL	NIL
Shri Amar Kanodia	**I & N.E.D.	5	4	No	NIL	NIL	NIL
Shri Arvind Chirania	**I & N.E.D.	5	4	yes	NIL	NIL	NIL
Shri Raj Kumar Dayma	**I & N.E.D.	5	4	No	NIL	NIL	NIL
Shri Vinit Kedia	**I & N.E.D.	5	4	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 2010-2011. The dates on which the said meetings were held are as follows:

29.04.2010, 30.07.2010, 30.10.2010, 18.12.2010 and 31.01.2011

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 Kishori Lal Ramuka	Shri Arvind Chirania	Shri Amar Kanodia
Age	62	31	48
Qualification	B.Com	C.A.	B.Com
Nature of Expertise	Procurement & Sales	Finance	Marketing & 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.

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

SHREE HARI CHEMICALS EXPORT LTD.

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

Four meetings of the Committee were held during the year 2010-2011. The dates on which the meetings were held are as follows:

29.04.2010, 30.07.2010, 30.10.2010, and 31.01.2011.

Composition and category of Members is as follows:

Name of Director	Category	No. of Meetings	
		Held	Attended
Shri Arvind Chirania	Chairman	4	4
Shri Virjanand Gupta	Member	4	4
Shri Santosh Kumar Sultania	Member	4	4

The Chairman of the Audit Committee was present at the 23rd Annual General Meeting held on 06th September, 2010.

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. No meeting of the Committee was held during the year 2010-2011.

The details of remuneration to all Directors for the year ended March 31, 2011 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	882000	36000	-	-	-	918000
Shri S. K. Sultania	-	-	-	-	10000	10000
Shri V. N. Gupta	-	-	-	-	10000	10000
Shri A. D. Chirania	-	-	-	-	10000	10000
Shri A. M. Kanodia	-	-	-	-	6000	6000
Shri R. K. Dayma	-	-	-	-	6000	6000
Shri V. P. Kedia	-	-	-	-	6000	6000

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.

Four meetings of the Committee were held during the year 2010-2011. The dates on which the meetings were held are as follows:

29.04.2010, 30.07.2010, 30.10.2010 and 31.01.2011.

Composition and category of Members is as follows:

Name of Director	Category	No. of Meetings	
		Held	Attended
Shri Virjanand Gupta	Chairman	4	4
Shri Arvind Chirania	Member	4	4
Shri Amar Kanodia	Member	4	4

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 2010-11.

The total number of complaints received and replied to the satisfaction of shareholders during the year under review, were 14 (Fourteen). Outstanding complaints as on 31st March, 2011 were NIL. No requests for transfers were pending for approval as on 31st March, 2011.

VII. GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings:

Year	Venue	Day	Date	Time
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.
2009-2010	A/8, M.I.D.C.Industrial Area, Mahad, Dist.Raigad (Maharashtra)	Monday	06.09.2010	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

30.09.2008	NIL
26.08.2009	Re-appointment and Remuneration of Shri Kishori Lal Ramuka, Chairman & Executive Director Remuneration of Shri Bankesh Chandra Agrawal, Managing Director.
06.09.2010	Re-appointment and Remuneration of Shri Bankesh Chandra Agrawal, Managing Director.

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.

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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 half yearly and 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.

As per the new clause 52 of the listing agreement with Stock Exchange , the company is filing quarterly results, annual report, corporate governance report and the shareholding pattern statement on the www.corpfiling.co.in website maintained by IRIS Business Services (India) Pvt.Ltd.

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

XI. GENERAL SHAREHOLDER INFORMATION

1 Annual General Meeting

- | | | |
|-----------------|---|---|
| - Date and Time | : | Saturday, September 10, 2011 at 2.00 p.m. |
| - Venue | : | A/8, M.I.D.C. Industrial Area, Mahad,
Dist. Raigad (Maharashtra) |

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- 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** : Tuesday, September 6, 2011
 to Saturday, September 10, 2011
 (both days inclusive)
- 4 Dividend Payment Date** : The final Dividend, if declared,
 shall be paid/ credited on or after
 September 10, 2011
- 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 2010 to March 2011.

Months	High		Low	
	Shree Hari Price (Rs.)	BSE Sensex	Shree Hari Price (Rs.)	BSE Sensex
April 2010	23.45	18,047.86	16.30	17,276.80
May 2010	20.80	17,536.86	17.30	15,960.15
June 2010	20.90	17,919.62	18.15	16,318.39
July 2010	27.40	18,237.56	19.50	17,395.58
August 2010	30.00	18,475.27	23.55	17,819.99
September 2010	28.85	20,267.98	23.50	18,027.12
October 2010	25.10	20,854.55	22.00	19,768.96
November 2010	26.00	21,108.64	21.20	18,954.82
December 2010	24.95	20,552.03	20.50	19,071.57
January 2011	25.85	20,664.80	19.75	18,038.48
February 2011	22.00	18,690.97	17.50	17,295.62
March 2011	23.35	19,575.16	19.00	17,792.17

- 8. Registrar & Transfer Agents** : Univesal Capital Securities Pvt. Ltd.,
 21, Shakil Niwas, Mahakali Caves Road,
 Andheri (East), Mumbai 400 093

SHREE HARI CHEMICALS EXPORT LTD.

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, 2011

Sr. No.	Range	No. of shareholders	% to total holders	No. of Shares held	% of Capital
1	1 to 500	6137	91.433	1053382	23.691
2	501 to 1,000	310	4.619	259443	5.835
3	1,001 to 2,000	116	1.728	172781	3.886
4	2,001 to 3,000	44	0.656	110957	2.495
5	3,001 to 4,000	22	0.328	78430	1.764
6	4,001 to 5,000	10	0.149	47024	1.058
7	5,001 to 10,000	20	0.298	152091	3.421
8	10,001 & above	53	0.790	2572192	57.850
	Total	6712	100.00	44,46,300	100.00

11. Categories of Shareholders as on 31st March, 2011

Category	No. of shares held	% to total share capital
Promoters and persons acting in concert	1896795	42.66
Foreign holding (FILs, OCBs and NRIs)	84355	1.90
Financial Institutions/ Banks/ Insurance Companies- Corporate Bodies	-	2.87
Public	2328084	52.36
Clearing members	9540	0.21
Total	44,46,300	100.00

12. Dematerialization of shares and Liquidity

As on 31st March, 2011, 62.17% 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:

Universal Capital Securitirs 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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XII. 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 5th August, 2011 to approve the audited annual accounts for the year ended 31st March 2011.

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, 2011.

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

Mumbai : 5th August, 2011

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, 2011 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, 2011.

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
Firm Reg. No. : 112318W

H. K. PANDA
PARTNER
Member No. 105641

MUMBAI : 5th August, 2011.

SHREE HARI CHEMICALS EXPORT LTD.

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, 2011 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, 2011 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, 2011 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
Firm Reg No.: 112318W

H.K.PANDA
Partner
Mem No. : 105641

MUMBAI : 5th August, 2011.

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, 2011

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, 2011 for a period of more than six months from the date they becoming payable.

SHREE HARI CHEMICALS EXPORT LTD.

- b) According to the information and explanations given to us there is no disputed amount payable by the Company of the aforesaid.
10. The company has no accumulated losses as on 31.03.2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
 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
Firm Reg No. : 112318W

H.K.PANDA

Partner
Mem.No.: 105641

MUMBAI : 5th August, 2011.

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BALANCE SHEET AS AT 31ST MARCH 2011

	SCHEDULE	AS AT <u>31.03.2011</u> (RUPEES)	AS AT <u>31.03.2010</u> (RUPEES)
I SOURCES OF FUNDS :			
SHARE HOLDER'S FUND :			
Share Capital	1	44,463,000	44,463,000
Reserves & Surplus	2	105,715,477	102,774,611
Deferred Tax Liability		17,562,806	14,108,823
LOAN FUNDS :			
Secured Loans	3	165,357,499	176,832,252
TOTAL		333,098,782	338,178,686
II APPLICATION OF FUNDS :			
FIXED ASSETS :			
Gross Block	4	304,710,754	291,895,099
Less : Depreciation		160,000,752	136,912,325
		144,710,002	154,982,774
Add : Work-in-Progress		474,294	10,555,986
NET BLOCK		145,184,296	165,538,760
INVESTMENTS :	5	3,292,640	3,292,640
CURRENT ASSETS, LOANS AND ADVANCES :	6		
Inventories		74,575,385	53,016,318
Sundry Debtors		151,626,250	149,406,300
Cash & Bank Balances		13,457,379	12,398,950
Loans & Advances		48,290,984	62,790,081
		287,949,998	277,611,649
Less : Current Liabilities & Provisions		103,328,151	108,264,363
NET CURRENT ASSETS		184,621,847	169,347,286
TOTAL		333,098,782	338,178,686
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	13		

As per our report of even date attached

For **KAILASH CHAND JAIN & CO.**

Chartered Accountants

Firm Reg No. : 112318W

H.K.PANDA

Partner

Mem, No.: 105641

MUMBAI : 5th August, 2011.

For and on behalf of the Board

K. L. RAMUKA

Chairman & Executive Director

V. N. GUPTA

Director

B. C. AGRAWAL

Managing Director

A. D. CHIRANIA

Director

SHREE HARI CHEMICALS EXPORT LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	SCHEDULE	YEAR ENDED 31.03.2011 (RUPEES)	YEAR ENDED 31.03.2010 (RUPEES)
I. INCOME :			
Sales & other Income	8	733,780,106	693,598,765
Increase/(Decrease) in Stock	9	(106,196)	7,008,433
Total		733,673,910	700,607,198
II. EXPENDITURE :			
Cost of Production	10	631,250,522	603,547,628
Purchases for Trading Office, Administrative & Other Expenses		3,617,869	1,175,488
	11	36,469,522	39,332,337
Financial Charges	12	24,731,578	20,038,608
Total		696,069,491	664,094,061
Profit / (Loss) before Depreciation		37,604,420	36,513,137
Less : Depreciation		23,107,622	16,943,058
Profit / (Loss) after Depreciation		14,496,798	19,570,079
Less : Provision for Income Tax		2,900,000	1,000,000
Less /(Add) : Deferred Tax(Assets)/Liabilities		3,453,983	12,346,904
Less/(Add) : Short/(Excess) Provision for Income Tax /F.B.T for earliar year		-	(2,300,222)
Profit after Taxation		8,142,815	8,523,397
Balance brought forwarded from last year		90,272,639	86,951,192
		98,415,454	95,474,588
Appropriation			
Proposed Dividend		4,446,300	4,446,300
Corporate Tax on Proposed Dividend		755,649	755,649
Balance carried forwarded to Balance Sheet		93,213,505	90,272,639
		98,415,454	95,474,588
Earning per Share Basic & Diluted (Face Value of Rs. 10/- each per Equity Share)		1.83	1.92

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

13

As per our report of even date attached

For **KAILASH CHAND JAIN & CO.**

Chartered Accountants

Firm Reg No.:112318W

For and on behalf of the Board

K. L. RAMUKA

Chairman & Executive Director

B. C. AGRAWAL

Managing Director

V. N. GUPTA

Director

A. D. CHIRANIA

Director

H.K.PANDA

Partner

Mem.No.: 105641

MUMBAI : 5th August, 2011.

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SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON THAT DATE

PARTICULARS	AS AT <u>31.03.2011</u> (RUPEES)	AS AT <u>31.03.2010</u> (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
	<u>100,000,000</u>	<u>100,000,000</u>
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
	<u>44,463,000</u>	<u>44,463,000</u>
SCHEDULE 2 : RESERVES AND SURPLUS :		
General Reserve	7,793,472	7,793,472
Share Foreifited Account [Transferred from Share Application Money Rs.-nil- (P.Y. 4,708,500)]	4,708,500	4,708,500
Profit & Loss Account	93,213,505	90,272,639
	<u>105,715,477</u>	<u>102,774,611</u>

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P A R T I C U L A R S	AS AT 31.03.2011 (RUPEES)	AS AT 31.03.2010 (RUPEES)
SCHEDULE 3 : SECURED LOANS :		
a) Working Capital Loan	143,417,729	143,447,744
From State Bank of India		
b) Term Loan		
From State Bank of India	21,939,770	33,384,508
TOTAL	<u>165,357,499</u>	<u>176,832,252</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.

**SCHEDULE : 4
FIXED ASSETS :**

Sr. No.	Particulars	RATE OF DEP. %	GROSS BLOCK				DEPRECIATION					NET BLOCK	
			As on 01.04.2010	Addition During The Year	Deduction/ Adjustment During The Year	As on 31.03.2011	As on 01.04.2010	Deduction/ Adjustment During The Year	During The Year	Written off	As on 31.03.2011	As on 31.03.2011	As on 31.03.2010
1.	Lease Hold Land	0.00	2,587,822	-	-	2,587,822	146,636	-	25,772	-	172,408	2,415,414	2,441,186
2.	A.Building	10.00	39,701,349	-	-	39,701,349	12,291,408	-	2,740,994	-	15,032,402	24,668,947	27,409,941
	B.Roads	5.00	1,596,149	854,494	-	2,450,643	433,659	-	65,031	-	498,690	1,951,953	1,162,490
3.	Plant & Machinery	15.33	172,383,197	2,419,087	-	174,802,284	94,064,480	-	12,252,825	-	106,317,305	68,484,979	78,318,717
4.	Electrcal Installation	20.00	6,895,173	-	-	6,895,173	3,257,241	-	727,586	-	3,984,827	2,910,346	3,637,932
5.	D.G Sset (1250kva)	13.91	3,397,929	-	-	3,397,929	1,481,041	-	266,639	-	1,747,680	1,650,249	1,916,889
6.	Furniture & Fixture	18.10	3,729,915	65,450	-	3,795,365	1,919,274	-	333,339	-	2,252,613	1,542,752	1,810,641
7.	Effluent Treatment Plant	15.33	52,535,477	9,285,878	-	61,821,355	20,501,808	-	6,217,285	-	26,719,092	35,102,263	32,033,669
8.	Lab Equipment	13.91	754,442	-	-	754,442	282,205	-	65,688	-	347,893	406,549	472,237
9.	Air Conditioner	13.91	441,850	89,850	-	531,700	204,437	-	43,686	-	248,123	283,577	237,413
10.	Computer	40.00	1,114,396	21,905	-	1,136,301	904,972	-	87,490	-	992,462	143,839	209,424
11.	Office Equipments	13.91	292,022	67,361	-	359,383	178,401	-	18,370	-	196,771	162,612	113,621
12.	Fax Machine	13.91	66,500	-	-	66,500	58,610	-	1,098	-	59,707	6,793	7,890
13.	Office Premises	5.00	6,379,684	30,824	-	6,410,508	1,168,958	-	261,820	-	1,430,778	4,979,730	5,210,726
	Total Rs.		291,875,905	12,834,849	-	304,710,754	136,893,130	-	23,107,622	-	160,000,752	144,710,001	154,982,774
	Previous Year		224,593,058	67,562,041	260,000	291,895,100	120,224,663	256,628	16,943,058	1,231	136,912,325	154,982,774	104,368,395

Capital Work in Progress :

Opening Balance :	10,555,986	
Add :Addition during the year:	2,508,591	
		13,064,577
Less : Transferred to Fixed Assets		
Road	854,494	
Plant & Machinery	2,419,087	
Effluent Treatment Plant	9,285,878	
Office Premises	30,824	
		12,590,283
Closing Balance carried forward		474,294

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PARTICULARS		AS AT 31.03.2011 (RUPEES)	AS AT 31.03.2010 (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.14855/-)	36,250	36,250
	(As on 31.03.2011)		
2)	Unquoted Investment		
	In Companies :		
	M/s. Ramuka Capital Markets Ltd.	300,000	300,000
	MMA CETP Co-Op. Society Ltd.	2,956,390	2,956,390
		3,292,640	3,292,640
SCHEDULE 6 : CURRENT ASSETS, LOANS & ADVANCES :			
A. CURRENT ASSETS :			
1 INVENTORIES :			
(As taken valued and certified by the management)			
	a) Raw Material (At Cost)	42,435,019	19,301,917
	b) Finished Goods (At cost or market value whichever is lower)	19,072,426	17,040,584
	c) Work-in-progress (At estimated cost)	6,575,108	8,713,145
	d) Steam Coal (At Cost)	846,491	932,781
	e) Stores & Spares Parts (At cost)	4,915,306	5,883,804
	f) Packing Materials (At cost)	731,034	1,144,087
	TOTAL (1)	74,575,384	53,016,318
2 SUNDRY DEBTORS :			
(Unsecured, considered good except stated otherwise net of discount)			
	a) Debts outstanding for a period exceeding six months (Refer Note no. 10)	21,792,367	24,719,185
	b) Others	129,833,883	124,687,115
	TOTAL (2)	151,626,250	149,406,300

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PARTICULARS	AS AT 31.03.2011 (RUPEES)	AS AT 31.03.2010 (RUPEES)
3 CASH & BANK BALANCES :		
a) Cash in Hand	1,626,716	698,509
b) Balances with scheduled Banks		
In Margin Accounts	7,062,906	9,124,957
In Current Accounts	2,852,691	660,418
In Fixed Deposit	1,915,066	1,915,066
TOTAL (3)	13,457,379	12,398,950
4. LOANS AND ADVANCES :		
(Unsecured Considered good except stated otherwise)		
a) Advances recoverable in cash or in kind or for value to be received	25,085,758	29,135,893
b) Deposit with Govt. Departments and others	874,820	849,820
c) Advance against Capital Goods	331,031	4,871,599
d) Staff advances	1,429,536	1,092,141
e) Advance against Expenses	1,010,547	923,845
f) Advance against Goods	3,392,035	4,874,020
g) Cenvet Receivable	16,167,258	21,042,763
TOTAL (4)	48,290,984	62,790,081
TOTAL (1+2+3+4)	287,949,998	277,611,649
SCHEDULE 7 :		
CURRENT LIABILITIES & PROVISIONS :		
A) CURRENT LIABILITIES :		
Sundry Creditors for Goods	66,199,754	73,068,758
Other Liabilities	28,026,448	28,993,656
TOTAL (A)	94,226,202	102,062,414
B) PROVISIONS :		
Proposed Dividend	4,446,300	4,446,300
Tax on Proposed Dividend	755,649	755,649
Provision for Income Tax (MAT)	3,900,000	1,000,000
TOTAL (B)	9,101,949	6,201,949
TOTAL (A+B)	103,328,151	108,264,363

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P A R T I C U L A R S	AS AT <u>31.03.2011</u> (RUPEES)	AS AT <u>31.03.2010</u> (RUPEES)
SCHEDULE 8 :		
SALES & OTHER INCOME		
Sales (H-Acid)	706,535,199	666,356,478
Sales (By-Products)	9,817,845	10,764,009
Sales (Steam)	375,509	-
Sales (Trading)	3,748,500	1,756,764
Export Benefits	10,801,551	12,726,580
Other Income	2,501,502	1,994,934
	<u>733,780,106</u>	<u>693,598,765</u>
 SCHEDULE 9 :		
INCREASE/(DECREASE) IN INVENTORIES		
OPENING STOCK		
Finished Goods	17,040,584	14,053,469
Work - in - Progress	8,713,145	4,172,664
Trading Stock	-	519,163
	<u>25,753,729</u>	<u>18,745,296</u>
[1]		
Less : CLOSING STOCK :		
Finished Goods	19,072,426	17,040,584
Work - in - Progress	6,575,108	8,713,145
	<u>25,647,533</u>	<u>25,753,729</u>
[2]		
Increase/(Decrease) in Inventories (2-1)	<u>(106,196)</u>	<u>7,008,433</u>
 SCHEDULE 10 :		
COST OF PRODUCTION		
Direct & Manufacturing Expenses :		
a) Raw Material Consumed	474,089,117	453,950,504
b) Power & Fuel Expenses	85,139,380	78,257,430
c) Transportation Charges	11,828,030	12,173,046
d) Wages/Salary/Labour charges & Other Benefits	35,792,825	30,649,849
e) Stores & Spares Consumed	13,281,851	8,714,705
f) Water Charges	1,643,695	943,680
g) Repairs & Maintenance	5,175,546	2,655,794
h) Security Expenses	738,159	649,708
i) Taxes	283,410	1,050,501
j) CETP Treatment Charges	3,278,509	14,502,411
TOTAL	<u>631,250,522</u>	<u>603,547,628</u>

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P A R T I C U L A R S	AS AT 31.03.2011 (RUPEES)	AS AT 31.03.2010 (RUPEES)
SCHEDULE 11 :		
OFFICE, ADMINISTRATIVE, SELLING & OTHER EXPENSES		
1 Salary & Other Benefits	4,214,457	4,396,564
2 Staff Welfare Expenses	311,062	336,146
3 Travelling & Conveyance	2,493,210	2,771,099
4 Rent, Rates & Taxes	591,619	1,346,119
5 Insurance Expenses	1,117,821	875,035
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	1,160,593	1,467,006
9 Telephone Charges	362,018	461,257
10 Clearing & Forwarding	2,196,340	4,259,966
11 Lab & Research and Development Expenses	526,850	429,826
12 Directors' Remuneration	7,842,000	7,753,000
13 Share Transfer Expenses	34,991	36,583
14 Packing Expenses	2,727,423	2,704,393
15 Transportation Outward	4,838,999	4,555,051
16 Brokerage & Commission	2,993,800	4,116,654
17 Directors' Sitting Fee	48,000	60,000
18 Donation	-	25,000
19 Dividend Expenses	-	7,173
20 Electricity Charges (Office)	110,500	117,900
21 Miscellaneous & Other Expenses	4,639,839	3,353,565
TOTAL	36,469,522	39,332,337
SCHEDULE 12 :		
FINANCIAL CHARGES :		
Interest on Term Loan	4,130,476	3,315,821
Interest on Working Capital Loan	17,446,082	14,419,634
Bank Charges/L.C.Charges	3,155,019	2,303,153
TOTAL	24,731,578	20,038,608

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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 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 legitimate claim made 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 :

	<u>AS AT</u> <u>31/03/2011</u>	<u>AS AT</u> <u>31/03/2010</u>
a) Bank Guarantees	4,741,592	4,070,292
b) Supply of Capital Goods (Net of Advances)	1,894,500	2,169,500
c) Demand From Mathadi Board	4,420,536	4,420,536
d) Show Cause Notice received but not acknowledged as Debt.	5,657,638	1,544,493

2. **Directors' Remuneration :**

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

Remuneration	<u>7,878,000</u>	<u>7,753,000</u>
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3. **Payments to Auditors :**

a) Audit Fees (Including Service Tax)	165,450	165,450
b) Tax Audit Fees (Including Service Tax)	55,150	55,150
	<u>220,600</u>	<u>220,600</u>

4. No provision has been made for the diminution 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 Printing & stationery, office expenses, sundry fees & subscription advertisement expenses and miscellaneous expenses.
7. Amount due to S.S.I. and/or ancillary undertaking as sundry creditors as on 31st March, 2011 due to the following parties to, the extent ascertained from the available information
- M/s. Newreka Chemicals Pvt. Ltd.
M/s. Laxmi Micro Metallc Industries
M/s. Dyechem Industries
M/s. Shree Mahalaxmi Enterprise
M/s. Shri Laxmi Intrachem Pvt. Ltd.

Overdue amount as on 31st March, 2011 to S.S.I. and/or ancillary industrial suppliers on account of principal amount together with interest is Rs. NIL.

AMOUNT OUTSTANDING

	<u>CURRENT</u> <u>YEAR</u>	<u>PREVIOUS</u> <u>YEAR</u>
More than one year	--	--
Less than one year	7,352,078	7,567,944

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. 34,53,983/- being debited to the Profit & Loss account and credited 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. Sundry Debtors includes of Rs. 1,77,92,620/- 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. 1,77,92,620/- is doubtful in nature. The Company has not provided the benefits receivable under DEPB Scheme in the respective years against the export sales.
11. The Company received invoices from MMA CETP Co-op, Society Ltd. from time to time against effluent treatment charges. Till 31st March, 2010, all the invoices received from MMA CETP Co-op, Society Ltd. is duly accounted in the books, even though the matter is pending before the Judiciary. During the year although the company has received the invoices against effluent treatment charges from MMA CETP Co-op, Society Ltd., only the amount paid to MMA CETP Co-op, Society Ltd. is accounted as expenses, as the Company has obtained a stay order from the Judiciary and in the opinion of the management the provision made in this regard in the books of accounts of the Company is sufficient to cover the liabilities, if any, which may arise in future.
12. Related Parties Transactions :
- | | <u>CURRENT
YEAR</u> | <u>PREVIOUS
YEAR</u> |
|---|-------------------------|--------------------------|
| a) Parties where control exists : | | |
| i) Shree Hari Finvest Limited | Nil | Nil |
| 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 : | <u>CURRENT
YEAR</u> | <u>PREVIOUS
YEAR</u> |
| i) Salaries, Remuneration paid | 8,958,000 | 8,833,000 |
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 31.03.2011 attributable to shareholders (Rs.81.43 lacs) by its weighted average number of equity shares (4446300) outstanding during the said financial year.

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

A. CAPACITIES & PRODUCTIONS :	UNITS	<u>2010-2011</u>	<u>2009-2010</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.	3285.965	3457.453
* (As certified by the management.)			

B. EXPENSES IN FOREIGN CURRENCY :

i) C.I.F.Value of Imports Raw Materials (for consumption)	Rs. 151,899,240	102,489,792
	<u>Rs. 151,899,240</u>	<u>102,489,792</u>

C. EARNING IN FOREIGN CURRENCY :

F.O.B. Value of Exports	Rs. 101,420,823	180,854,810
Through Merchants Exporters (Sale Price)	Rs. 54,312,439	33,136,946
	<u>Rs. 155,733,262</u>	<u>213,991,756</u>

D. CONSUMPTION OF RAW MATERIAL :

	<u>2010-2011</u>		<u>2009-2010</u>	
	<u>Qty</u> <u>(MT)</u>	<u>Value</u> <u>(Rs.)</u>	<u>Qty</u> <u>(MT)</u>	<u>Value</u> <u>(Rs.)</u>
Naphthalene	2580.830	151,830,541	2716.150	153,551,528
Oleum 65 %	7719.111	42,503,986	7902.486	30,133,173
Sulphuric Acid	8002.856	30,562,121	9174.098	15,788,725
Caustic Soda Flakes	5723.400	100,736,684	5091.120	98,365,334
Soda Ash	2462.110	35,003,409	2272.530	30,840,714
Others		85,090,364		95,230,814
		<u>445,727,105</u>		<u>423,910,288</u>

E. CONSUMPTION OF RAW MATERIAL :

	<u>Percentage</u>	<u>Value</u>	<u>Percentage</u>	<u>Value</u>
Imported	32.55%	145,080,980	28.92 %	122,631,786
Indigenous	67.45%	300,646,125	71.08 %	301,278,502
	<u>100.00%</u>	<u>445,727,105</u>	<u>100.00 %</u>	<u>423,910,288</u>

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

	<u>2010-2011</u>		<u>2009-2010</u>	
	<u>Qty</u> (MT)	<u>Value</u> (Rupees)	<u>Qty</u> (MT)	<u>Value</u> (Rupees)
Opening Stock :				
H-Acid	80.048	17,040,584	76.374	14,053,469
Koch Acid	-NIL-	-NIL-	-NIL-	-NIL-
	<u>80.048</u>	<u>17,040,584</u>	<u>76.374</u>	<u>14,053,469</u>
Production :				
H-Acid	3285.965		3457.453	
Koch Acid	-NIL-		-NIL-	
	<u>3285.965</u>		<u>3457.453</u>	
Sales :				
H-Acid	3291.481	706,535,199	3453.779	666,356,478
Koch-Acid	-NIL-	-NIL-	-NIL-	-NIL-
	<u>3291.481</u>	<u>706,535,199</u>	<u>3453.779</u>	<u>666,356,478</u>
Closing Stock :				
H-Acid	74.532	19,072,426	80.048	17,040,584
Koch-Acid	-NIL-	-NIL-	-NIL-	-NIL-
	<u>74.532</u>	<u>19,072,426</u>	<u>80.048</u>	<u>17,040,584</u>

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

	<u>2010-2011</u>		<u>2009-2010</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	63000	3,617,869	248780	1,175,488
Sales for the year	63000	3,748,500	300030	1,733,014
Sales from Op.Stock of Raw Material	-	-	950	23,720
Closing Stock	-	-	-	-

18. Schedule 1 to 13 form an integral part of Balance Sheet as on 31st March, 2011 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
FIRM REG. NO. : 112318W

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

H.K.PANDA
Partner
MEM NO. 105641
MUMBAI : 5th August, 2011.

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

24th ANNUAL REPORT

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010 AND 31ST MARCH, 2011.

(RUPEES IN THOUSAND)

	<u>2010-2011</u>	<u>2009-2010</u>
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit after Tax and before Extra ordinary Items :	2940.87	3321.45
Adjustment for :		
Depreciation (Net)	23107.62	16687.65
Dividend Received	(0.36)	(0.18)
Interest Received	(642.37)	(1319.85)
Interest Expenses	24731.58	17735.46
	50137.34	36424.53
Changes in Working Capital :		
Loans & Advances	14499.10	56405.66
Current Liabilities & Provisions (except provision for taxation)	(1482.23)	(6431.67)
Inventories (Increase)/Decrease	(21559.07)	999.93
Sundry Receivables (Increase)/Decrease	(2219.95)	(98368.94)
Increase / (Decrease) in Cash Credit	(30.01)	34186.72
Cash flow from operating activities before extraordinary items	39345.18	23216.23
Extraordinary Items :	-	-
Cash flow after extraordinary Items	39345.18	23216.23
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets (Net)	(2733.96)	(23816.65)
Interest Received	642.37	1319.85
Dividend Received	0.36	0.18
Purchase /sales of Investments	-	6373.80
Cash Generated from Investment Activities	(2091.23)	(16122.82)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Term Loan Received	(11444.74)	16776.94
Interest Expenses	24731.58	(17735.46)
Share Application Money	-	(4440.00)
Share forfeited Account	-	4440.00
Cash Generated from Financial Activities	13286.84	(958.52)
Net Increase in Cash & Cash Equivalents	1058.43	6134.89
Opening Balance of Cash & Cash Equivalents	12398.95	6264.06
Closing Balance of Cash & Cash Equivalents	13457.38	12398.95

For and on behalf of the Board

K. L. RAMUKA
Chairman & Executive Director

B. C. AGRAWAL
Managing Director

MUMBAI : 5th August, 2011.

24th ANNUAL REPORT



SHREE HARI CHEMICALS EXPORT LIMITED

A/8, M.I.D.C. Indl. 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 24th Annual General Meeting of the Company to be held at A/8, M.I.D.C. Indl. Area, Mahad, Dist. Raigad (Maharashtra) on Saturday, 10th Day of September, 2011.

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. Indl. 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 24th Annual General Meeting of Shree Hari Chemicals Export Ltd. to be held at A/8, M.I.D.C., Mahad, Dist. Raigad, (Maharashtra), on Saturday, 10th September, 2011 at 2.00 p.m. and at any adjournment thereof.

Signed this _____ day of _____ 2011.

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