

## **SHREE HARI CHEMICALS EXPORT LIMITED**

### **BOARD OF DIRECTORS**

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

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

### **BANKERS**

#### **STATE BANK OF INDIA**

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

### **AUDITORS**

#### **KAILASH CHAND JAIN & CO.**

Chartered Accountants  
MUMBAI 400 020.

### **REGD. OFFICE & WORKS**

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

### **ADMINISTRATIVE OFFICE**

103/104, Unique Tower,  
Near Kamat Club,  
S. V. Road, Goregaon (W),  
MUMBAI - 400 062.

### **REGISTRAR & SHARE TRANSFER AGENTS**

#### **UNIVERSAL CAPITAL SECURITIES PVT. LTD.**

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

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## **SHREE HARI CHEMICALS EXPORT LTD.**

### **SHREE HARI CHEMICALS EXPORT LIMITED**

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

#### **NOTICE**

Notice is hereby given that the TWENTY- FIFTH Annual General Meeting of the members of **SHREE HARI CHEMICALS EXPORT LIMITED** be held at A/8, M.I.D.C. Industrial Area, Mahad, Dist. Raigad (Maharashtra) on September 29, 2012 at 2.00 p. m. to transact the following business:

#### **ORDINARY BUSINESS:**

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

#### **SPECIAL BUSINESS:**

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

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and 311 read with Schedule XIII and other applicable provisions of the Companies Act, 1956, including any Statutory modification or re-enactment thereof, for the time being in force and as approved by the Remuneration Committee, the Company in General Meeting hereby approves the payment of remuneration to Shri Kishori Lal Ramuka, Chairman & Executive Director of the company for the remaining period of his tenure with effect from 1st October, 2012 upto 30th September, 2014 and on the terms and conditions (including the remuneration to be paid in the event of loss or inadequacy of profits during the tenure of his appointment) as set out in the explanatory statement.

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

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### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.
2. THE INSTRUMENT APPOINTING A PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. The Register of Members and Share Transfer Books of the Company will remain closed from September 24, 2012 to September 29, 2012 (both days inclusive) for the purpose of Annual General Meeting.
4. Members are requested to notify promptly any change in their addresses to the Company's Registrar and Share Transfer Agents, Universal Capital Securities Pvt. Ltd., 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai – 400093, Share Transfer Agents of the Company quoting their Folio No.
5. Members are requested to note that pursuant to the provisions of Section 205C of the Companies Act, 1956 the dividend remaining unclaimed or unpaid for a period of seven years from the date they became due for payment shall be credited to the Investor Education and protection Fund set up by the Central Government. Members who have so far not claimed the dividend are requested to make claim with the Company as no claim shall lie against the fund or the Company in respect of the individual amounts once credited to the said funds.
6. Members are requested to bring their copy of Annual Report as extra copies will not be provided at the Annual General Meeting.

### **Registered Office:**

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

Dated: August 25, 2012

### **By the Order of the Board**

**B. C. Agrawal**  
Managing Director

## SHREE HARI CHEMICALS EXPORT LTD.

### ANNEXURE TO NOTICE

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

##### Item No. 5

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

- a) Salary: Rs. 2,00,000/- per month including other perquisites or as may be decided by the Board of Directors of the Company.
- b) Commission: Commission on Net Profits of the Company computed in the manner laid down in Section 349 of the Companies Act, 1956 as may be fixed by the Board subject to the ceiling limits laid down in Sections 198 and 309 of the Companies Act, 1956.

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

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

- a) Contribution towards Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- b) Gratuity payable at the rate not exceeding half a months salary for each completed year of service.
- c) Earned privilege leave at the rate of one month leave for every eleven months of service. The Chairman & Executive Director shall be entitled to encash leave at the end of his tenure as Chairman & Executive Director.
- d) Provision of Car and Telephone at the Residence of the Chairman & Executive Director shall not be treated as perquisites.

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

##### I. General Information:

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

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(4)	Financial performance based on given indicators	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
	Turnover	812609410	634024561	693598765	733780106	702976148
	Net profit (as computed under section 198)	55001424	(14374823)	16276397	16020815	(13036249)
	Net profit/ (Loss) as per profit and loss account	48041424	(22127168)	8522397	8142815	21196249
	Amount of Dividend paid	4500000	4446300	4446300	44463000	-
	Rate of Dividend declared	(10%)	(10%)	(10%)	(10%)	-
	Earning before interest, depreciation & taxes	103262424	4592246	54248592	62335998	15636366
	% of EBIDT to turnover	12.70%	0.72%	7.82%	8.50%	2.22%
(5)	Export performance and net foreign exchange collaborations	367876750	212119042	180854810	101420823	55726276
(6)	Foreign investments or collaborators, if any.	Nil	Nil	Nil	Nil	Nil

### II. Information about the appointee:

(1)	Background details	Name: Mr. Kishori Lal Ramuka Designation: Chairman & Executive Director Father's name: Shri Suwalal Ramuka Nationality: Indian Date of Birth: 07.04.1949 Qualifications: B. Com Experience: Over 40 years in textile chemical industry
(2)	Past remuneration	The gross remuneration paid to him in the year 2011-12 was Rs. 22,80,000/- per month.
(3)	Recognition or awards	Nil
(4)	Job profile and his suitability	Shri Kishori Lal Ramuka shall be responsible for the management of the whole of the affairs of the company and to do all acts and things, which, in the ordinary course of business, he considers necessary or proper or in the interest of the company. Considering the above and having regard to age, qualifications, ability and experience and looking to the business requirement the proposed remuneration is in the interest of the Company.
(5)	Remuneration proposed	Salary Rs. 2,00,000/- per month including all other perquisites.
(6)	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w. r. t. the country of his origin)	Compared to the remuneration with respect to the industry, size of the Company etc. the remuneration proposed to be paid to is very low.

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(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	The Chairman & Executive Director is a promoter director of the Company. He is concerned or interested as it relates to him.
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### III. Other information:

(1)	Reasons of loss or inadequate profits	Due to stoppage of manufacturing activity as per the directions of the Maharashtra Pollution Control Board, Company's turnover has been affected and resulted into loss.
(2)	Steps taken or proposed to be taken for improvement	The Matter is with the Hon'ble High Court, Bombay and the company has allowed to operate the plant for a period of three weeks under the observations of NEERI and the company is hopeful about the positive comeout.
(3)	Expected increase in productivity and profits in measurable terms.	With the curtailment in expenses and increase in the turnover the Company expects to make profit to the tune of approximately Rs. 300.00 lacs.

### IV. Disclosures:

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

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

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

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

### Registered Office:

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

Dated: 25th August, 2012

### By the Order of the Board

**B. C. Agrawal**  
Managing Director

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### SHREE HARI CHEMICALS EXPORT LIMITED

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

#### DIRECTORS' REPORT

To the Members,

The Directors have pleasure in presenting the Twenty - Fifth Annual Report together with the Statement of Accounts for the year ended March 31, 2012:

#### FINANCIAL RESULTS:

(Amount in Rupees)

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

#### OPERATIONS:

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

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

## **SHREE HARI CHEMICALS EXPORT LTD.**

### **EXPORT**

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

### **FIXED DEPOSIT**

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

### **DIRECTORS**

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

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

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

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) that the directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting record in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the directors have prepared the annual accounts on a going concern basis;

### **CORPORATE GOVERNANCE:**

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



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### **COMPLIANCE CERTIFICATE:**

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

### **PARTICULARS OF EMPLOYEES:**

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

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

As required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, statement showing particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the Annexure forming part of this report.

### **LISTING:**

The Equity Shares of the Company are listed at the BSE Limited. The company has paid the Annual Listing Fees to the BSE Limited for the year 2012-2013.

### **AUDITORS:**

M/s. Kailash Chand Jain & Co., Chartered Accountants, the Auditors of the company would retire at the ensuing Annual General Meeting and are eligible for reappointment.

You are requested to appoint the Auditors and fix their Remuneration.

For and on behalf of the Board

**KISHORI LAL RAMUKA**  
Chairman & Executive Director

Date: 25 August, 2012

## SHREE HARI CHEMICALS EXPORT LTD.

### ANNEXURE TO THE DIRECTORS' REPORT PARTICULARS UNDER SECTION 217 (1) (e) OF THE COMPANIES ACT, 1956

Disclosure of particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange earning and outgo as required under Companies (Disclosure of particulars in the report of Board of Directors) Rule 1988 and forming part of the report of the Board of Directors for the year ended 31st March 2012.

#### A) CONSERVATION OF ENERGY :

Total energy consumption and energy consumption per unit of production is given in the prescribed form as below:

##### FORM A

Form for disclosure of particulars with respect to conservation of energy :

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

#### B) FORM B

##### FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION

Company has in-house Research & Development unit. The R&D work is going on in the specified area of recycling of process waste, water, recovery of impurities of H-Acid and to convert them into useful products.

##### Technology Absorption, Adoption and Innovation

Efforts are made towards technology absorption, adoption and innovation for optimum utilisation of Naphthalene to recover high production and to improve the yield. The technology is adopted to meet customers specific requirements. Innovation are made whenever required keeping in view their application based on operating conditions.

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

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

Dated : 25th August, 2012

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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, 2012. 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 29.04.2011, 05.08.2011, 05.11.2011, 08.02.2012 and on 29.02.2012 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 6th Sep 2011 to 10th Sep 2011 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, 2011 was held on 10.09.2011 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 Director's 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 10th September, 2011 and deposited the amount of dividend in a separate Bank Account on 13th September, 2011, which is within five days from the date of declaration of such dividend.  
(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 15th October, 2011.  
(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.

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- (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 Company has not appointed any Managing Director/Whole time Director/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 2012 is within the borrowing limits of the company and necessary resolution as per section 293 (i) (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

Place : Mumbai  
Date : 25th August, 2012

Signature :  
Name of Company Secretary : Shalini Bhat

C. P. No. : 6994

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### 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) Rules, 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, 2012.

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 66 along with Compliance Certificate for the year ended 31.03.2011	383A	Financial year 2010-2011	04.10.2011	Yes	N.A
2.	Form 20B Annual Return made upto 10.09.2011	159	Annual General Meeting held on 10.09.2011	07.10.2011	Yes	N.A
3.	Form 23AC Xbrl & 23ACA Xbrl along with the Annual Report as on 31.03.2011	220	Adopted at the Annual General Meeting held on 10.09.2011	23.12.2011	Yes	N.A

For Shalini Hegde & Associates

Place : Mumbai  
Date : 25th August, 2012

Signature :  
Name of Company Secretary : Shalini Bhat

C. P. No. : 6994

## SHREE HARI CHEMICALS EXPORT LTD.

### ANNEXURE TO DIRECTOR'S 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:

The Dyes and Dye Intermediaries market is fragmented with around 950 manufacturers with the top 5 players accounting for only around 30% of the market. A high degree of consolidation is expected in this segment. The main drivers for consolidation are the stringent environmental norms and awareness among customers increasing the cost of operations for small-scale players. This industry is mainly located in Gujarat and Maharashtra. This year India has exported mainly to Pakistan IR, Indonesia, China P.RP, Saudi Arabia, USA, Turkey and Bangladesh.

The year under review experienced a global slowdown in economic growth, which had its impact in India too. The sale of Chemicals is decreased by 9.45%.

#### 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 relate to that segment.

#### OUTLOOK:

The Indian Dye and Dye Intermediaries market is expected to grow at a CAGR of 6.3% from 700,000 tonnes in FY'07 to 1,200,000 tonnes in FY'15 on account of strong growth in the end use segments. The main end use segments for these products are textiles, paper and leather industries which together account for 88% of the total demand.

The general outlook with respect to this industry in India is of caution under immense competitive pressure. However the intrinsic strength of your company has helped us to effectively overcome such pressure and the sale therefore should register a modest but definite growth in the years to come.

#### 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	2011-2012	2010-2011	% CHANGES
Total quantity of sales (MT)	<b>2929.883</b>	3291.481	(10.99 %)
Income from operations (Rs.)	<b>5,26,19,840</b>	9,91,26,322	(46.91 %)
Profit before Interest Depreciation and Tax (Rs.)	<b>1,56,36,366</b>	6,23,35,995	(74.91 %)
Interest Expenditure (Rs.)	<b>1,90,16,128</b>	2,47,31,578	(23.11 %)
Depreciation (Rs.)	<b>2,04,99,527</b>	2,31,07,622	(11.29 %)
Net Profit (Rs.)	<b>(2,11,96,249)</b>	81,42,815	(360.31 %)

#### HUMAN RESOURCES/INDUSTRIAL RELATIONS:

The Company presently has 85 number of employees. Your Company's Human Resource Policies are directed towards attaining, motivating, rewarding and retaining talent at all levels in the organization. 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 recognized as most valuable asset of the Company that play vital role in attaining success for the organization.

#### 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.

## 25th ANNUAL REPORT

### 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 dealings 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 Seven.

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	2	NIL	NIL
Shri Bankesh Chandra Agrawal	Managing Director	5	5	Yes	3	NIL	NIL
@Shri Ramu Raman Agarwal	Whole time Director	5	5	Yes	5	NIL	NIL
@Shri Kailash Chand Ramuka	Whole time Director	5	5	Yes	2	NIL	NIL
Shri Hanuman Prasad Ramuka	Whole time Director	5	5	Yes	Nil	NIL	NIL
Shri Santosh Kumar Sultania	**I & N.E.D.	5	4	Yes	Nil	NIL	NIL
\$Shri Virjanad Gupta	**I & N.E.D.	5	4	Yes	Nil	NIL	NIL
\$Shri Amar Kanodia	**I & N.E.D.	5	4	Yes	1	NIL	NIL
Shri Arvind Chirania	**I & N.E.D.	5	4	Yes	2	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	Yes	Nil	NIL	NIL

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

@ Shri Ramu Raman Agarwal and Shri Kailash Chand Ramuka, resigned as Directors with effect from 1st April, 2012.  
\$ Shri Virjanad Gupta and Shri Amar Kanodia, resigned as Directors with effect from 12th May, 2012.

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

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

## SHREE HARI CHEMICALS EXPORT LTD.

### B. Non – executive Directors Compensation:

None of the non-executive Director's is paid any remuneration other than sitting fee of Rs. 1500 /- for each 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.

### 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 2011-2012. The dates on which the said meetings were held are as follows:

29.04.2011, 05.08.2011, 5.11.2011, 08.02.2012 and 29.02.2012

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 Vinit Kedia	Shri Raj Kumar Dayma
Age	27	47
Qualification	ACS	HSC
Nature of Expertise	Accounts	Personnel
Name of other Companies in which holds Directorship	NIL	NIL
Names of other Companies in which holds Membership of committees of the Board	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.

Four meetings of the Committee were held during the year 2011-2012. The dates on which the meetings were held are as follows:

29.04.2011, 5.08.2011, 5.11.2011 and 8.02.2012

# Composition and category of Members is as follows:

Name of Director	Category	No. of Meetings	
		Held	Attended
Shri Arvind Chirania	Chairman	4	4
Shri Virjanad Gupta (ceased to be a member w.e.f. 12.05.2012)	Member	4	4
Shri Santosh Kumar Sultania	Member	4	4
Shri Vinit Kedia (appointed as a member w.e.f. 12.05.2012)	Member	N.A	N.A

The Chairman of the Audit Committee was present at the 24th Annual General Meeting held on 10.09.2011.

# Consequent to the resignation of Shri Virjanand Gupta as a member of the Audit Committee, Shri Vinit Kedia was appointed as member on 12.05.2012. The Chairman of the Committee is Shri Arvind Chirania

#### IV. SUBSIDIARY COMPANY

The company has no subsidiary company.

#### V. REMUNERATION COMMITTEE

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

Consequent to the resignation of Shri Virjanand Gupta as a member of the Remuneration Committee, Shri Vinit Kedia was appointed as member on 12.05.2012.

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 2011-2012.

**The details of remuneration to all Directors for the year ended March 31, 2012 are as under:**

Name of Director	Salary (Rs.)	Perquisites (Rs.)	Commission (Rs.)	Others (Rs.)	Sitting fees (Rs.)	Total
Shri Kishori Lal Ramuka	2280000					2280000
Shri Bankesh Chandra Agrawal	2280000					2280000
Shri Ramu Raman Agarwal	1200000					1200000
Shri Kailash Chand Ramuka	1200000					1200000
Shri Hanuman Prasad Ramuka	1164000	36000				1200000
Shri Santosh Kumar Sultania					10000	10000
Shri Virjanad Gupta					10000	10000
Shri Amar Kanodia					6000	6000
Shri Arvind Chirania					10000	10000
Shri Raj Kumar Dayma					6000	6000
Shri Vinit Kedia					6000	6000

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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.

The terms of appointment of Managing Director/Whole time Director will be terminated by either party by giving to other party not less than 90 days prior notice, in writing, without the necessity of showing any reason thereof. The terms may also be terminated by the company, at any time by giving three months salary and other emoluments in lieu of notice as aforesaid to the Managing Director/ Whole time Director.

### VI. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The shareholders'/Investors' Grievance Committee comprised solely of Independent & Non-Executive Directors viz: Shri Santosh Kumar Sultania, Shri Arvind Chirania and Shri Vinit Kedia. The Chairman of the Committee is Shri Arvind Chirania.

Consequent to the resignation of Shri Virjanand Gupta and Shri Amar Kanodia as members of the Shareholder / Investor's Grievance Committee, Shri Vinit Kedia and Shri Santosh Kumar Sultania were appointed as members on 12.05.2012.

Four meetings of the Committee were held during the year 2011-2012. The dates on which the meetings were held are as follows:

29.04.2011, 05.08.2011, 05.11.2011 and 08.02.2012

Composition and category of Members is as follows:

Name of Director	Category	No. of Meetings Attended	
		Held	Attended
Shri Virjanand Gupta (Ceased to be a Member w.e.f. 12.05.2012)	Chairman	4	4
Shri Arvind Chirania (Appointed as Chairman w.e.f. 12.05.2012)	Chairman	4	4
Shri Amar Kanodia (Ceased to be a Member w.e.f. 12.05.2012)	Member	4	4
Shri Vinit Kedia (appointed as Member w.e.f 12.05.2012)	Member	N.A	N.A
Shri Santosh Kumar Sultania (Appointed as Member w.e.f. 12.05.2012)	Member	N.A	N.A

The queries received from investors are being regularly attended to and are being resolved. The Committee also reviews these queries. Shri Hanuman Prasad Ramuka, 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 as and when required during the year 2011-12 .

The total number of complaints received and replied to the satisfaction of shareholders during the year under review, were 12. Outstanding complaints as on 31st March, 2012 were NIL. No requests for transfers were pending for approval as on 31st March, 2012.

### VII. GENERAL BODY MEETINGS

Location and time of last three Annual General Meetings:

Year	Venue	Day	Date	Time
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.
2010-2011	A/8, M.I.D.C. Industrial Area, Mahad, Dist. Raigad (Maharashtra)	Saturday	10.09.2011	02.00 p.m.

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The following are the Special Resolutions passed at the General Meeting held in the past three years.

Date of the Meeting	Summary
26.08.2009	<ul style="list-style-type: none"><li>• Re-appointment and Remuneration of Shri Kishori Lal Ramuka, Chairman &amp; Executive Director.</li><li>• Remuneration to Shri Bankesh Chandra Agrawal, Managing Director.</li></ul>
06.09.2010	<ul style="list-style-type: none"><li>• Re-appointment and remuneration of Shri Bankesh Chandra Agrawal, Managing Director.</li></ul>
10.09.2011	NIL

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, are set out in notes on accounts in the Annual Report. However, these transactions are not likely to have any conflict with the Company' 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.

Pursuant to clause 52 of the listing agreement with Stock Exchange, the company shall ensure the electronic filing of all compliances through Corporate Filing and Dissemination System (CFDS) within the time limit mentioned in the respective clause of the listing agreement.

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The Company's financial results are displayed on the Company's

Website: [www.shreeharichemicals.com](http://www.shreeharichemicals.com)

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

### XI. GENERAL SHAREHOLDER INFORMATION

- 1 Annual General Meeting**
  - **Date and Time** : September 29, 2012 at 2.00 p.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, September 24, 2012  
to Saturday, September 29, 2012  
(both days inclusive)
- 4 Dividend Payment Date** : Not Applicable
- 5 Listing on Stock Exchange** : BSE 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 BSE Limited.

High and Low prices of the Company's shares on BSE with corresponding BSE Sensex April 2011 to March 2012

Months	High		Low	
	Shree Hari Price (Rs.)	BSE Sensex	Shree Hari Price (Rs.)	BSE Sensex
April 2011	22.15	19,811.14	19.00	18,976.19
May 2011	24.75	19,253.87	16.50	17,786.13
June 2011	18.75	18,873.39	14.60	17,314.38
July 2011	17.00	19,131.70	15.00	18,131.86
August 2011	20.10	18,440.07	13.65	15,765.53
September 2011	18.90	17,211.80	15.55	1,5801.01
October 2011	17.40	17,908.13	14.20	15,745.43
November 2011	19.70	17,702.26	17.10	15,478.69
December 2011	19.90	17,003.71	18.60	15,135.86
January 2012	19.55	17,258.97	16.45	15,358.02
February 2012	17.40	18,523.78	15.00	17,061.55
March 2012	15.00	18,040.69	11.78	16,920.61

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**8. Registrar & Transfer Agents** : Universal Capital securities Private Limited,  
21, Shakil Niwas, Mahakali Caves Road,  
Andheri (East), Mumbai -400093

**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, 2012:**

Sr. No.	Range	No. of shareholders	% to total holders	No. of Shares held	% of Capital
1	1 to 500	5989	91.393	1027728	23.114
2	501 to 1,000	312	4.761	260579	5.861
3	1,001 to 2,000	109	1.663	162135	3.647
4	2,001 to 3,000	43	0.656	109529	2.463
5	3,001 to 4,000	18	0.275	63759	1.434
6	4,001 to 5,000	10	0.153	46298	1.041
7	5,001 to 10,000	21	0.32	168381	3.787
8	10,001 & above	51	0.778	2607891	58.653
	Total	6553	100	4446300	100

**11. Categories of Shareholders as on 31st March, 2012:**

Category	No. of shares held	% to total share capital
Promoters and persons acting in concert	1896895	42.66
Foreign holding (FIIs, OCBs and NRIs)	86662	1.95
Corporate Bodies	104278	2.35
Public	2354641	52.95
Clearing members	3824	0.09
Total	4446300	100

**12. Dematerialization of shares and Liquidity**

As on 31st March, 2012, 82.37% 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 Securities Private Limited  
Unit : Shree Hari Chemicals  
Export Limited  
21, Shakil Niwas, Mahakali Caves Road,  
Andheri (East), Mumbai 400 093  
Tel. :28257641/28366620  
Fax : 28207207

**Compliance Officer**

Shri H. P. Ramuka  
A/8, M.I.D.C. Industrial Area,  
Mahad, Dist. Raigad (Maharashtra)  
Tel. : 02145-233743  
Fax : 02145-232543  
e-mail: csshreehari@rediffmail.com

## SHREE HARI CHEMICALS EXPORT LTD.

### **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 August 25, 2012 to approve the audited annual accounts for the year ended 31st March 2012.

### **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, 2012.

For SHREE HARI CHEMICALS EXPORT LIMITED  
Kishori Lal Ramuka  
Chairman & Executive Director

Mumbai  
August 25, 2012

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To,  
The Members,  
Shree Hari Chemicals Export Ltd.

We have examined the compliance of condition of Corporate Governance by SHREE HARI CHEMICALS EXPORT LIMITED, for the year ended on 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of condition of Corporate Governance is the responsibility of 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 statement 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 condition 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 holder/investors grievance committee, no investor grievance is remaining unattended/pending for more than 30 days as on 31st March, 2012.

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

For KAILASHCAND JAIN & CO.  
Chartered Accountants  
Firm Reg. No. : 112318W

KIRAN AWASTHI  
Partner  
Member No. 100615

MUMBAI: August 25, 2012.

## 25th ANNUAL REPORT

### 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, 2012 and also the Statement of Profit & Loss, 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 have 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 Statement of Profit & Loss referred to in this report are in agreement with the Books of Account.
  - d) In our opinion, the Statement of Profit & Loss 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 MODVAT 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, 2012 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, 2012 and
    - ii In the case of Statement of Profit & Loss of the Loss 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 KAILAH CHAND JAIN & CO.**

Chartered Accountants  
Firm Reg. No. : 112318W

KIRAN AWASTHI  
Partner  
Member No. 100615

MUMBAI: August 25, 2012.

## SHREE HARI CHEMICALS EXPORT LTD.

### 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 31/03/2012)

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.
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, 2012 for a period of more than six months from the date they becoming payable.  
b) According to the information and explanations given to us there is a disputed amount of Income Tax of Rs. 14,28,737/- for A.Y. 1998-99 payable by the Company.
10. The company has no accumulated losses as at 31.03.12 and it has incurred cash losses of Rs. 37,79,762/- in the financial year ended on that date or in the immediately preceding financial year.



## 25th ANNUAL REPORT

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

KIRAN AWASTHI  
PARTNER  
Member No. 100615

MUMBAI: August 25, 2012.

## SHREE HARI CHEMICALS EXPORT LTD.

### BALANCE SHEET AS AT 31ST MARCH, 2012

Particulars	Note No.	(Rupees) As at	
		<u>31st March, 2012</u>	<u>31st March, 2011</u>
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	1	44,463,000	44,463,000
(b) Reserves and Surplus	2	<u>84,519,226</u>	<u>105,715,475</u>
		128,982,226	150,178,475
<b>(2) Non-Current Liabilities</b>			
(a) Deferred Tax Liabilities (Net)		<u>14,879,766</u>	<u>17,562,806</u>
		14,879,766	17,562,806
<b>(3) Current Liabilities</b>			
(a) Short-Term Borrowings	3	4,534,182	143,417,729
(b) Trade Payables	4	69,084,074	66,199,754
(c) Other Current Liabilities	5	32,991,040	52,067,055
(d) Short-Term Provisions	6	<u>3,900,000</u>	<u>9,101,949</u>
<b>TOTAL</b>		<b><u>254,371,288</u></b>	<b><u>438,527,768</u></b>
<b>II. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
<b>(a) Fixed Assets</b>			
(i) Tangible Assets	7	129,680,349	144,710,002
(ii) Capital work-in-progress	7	<u>-</u>	<u>474,294</u>
		129,680,349	145,184,296
(b) Non-Current Investments	8	3,292,640	3,292,640
(c) Long-Term Loans and Advances	9	<u>1,099,560</u>	<u>4,392,200</u>
		4,392,200	1,204,851
<b>(2) Current Assets</b>			
(a) Inventories	10	32,382,835	74,575,385
(b) Trade Receivables	11	48,057,118	151,626,250
(c) Cash and Cash Equivalents	12	10,782,694	15,558,380
(d) Short-Term Loans and Advances	13	28,476,866	44,819,408
(e) Other Current Assets	14	<u>599,226</u>	<u>120,298,739</u>
		120,298,739	2,266,558
<b>TOTAL</b>		<b><u>254,371,288</u></b>	<b><u>438,527,768</u></b>
Notes forming part of the financial statements	23		

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**

**KIRAN AWASTHI**  
Partner  
Member No. 100615

**K L RAMUKA**  
Chairman & Executive Director

**B.C.AGRAWAL**  
Managing Director

Place: Mumbai  
Dated: 25th August, 2012

**A. D. CHIRANIA**  
Director

**S. K. SULTANIA**  
Director

## 25th ANNUAL REPORT

### PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Particulars	Note No.	(Rupees) As at		(Rupees) As at	
		<u>31st March, 2012</u>		<u>31st March, 2011</u>	
<b><u>Continuing Operations</u></b>					
I	Revenue from Operations	15	702,976,148	731,613,081	
II.	Other Incomes	16	(914,138)	702,062,010	2,167,025
III.	Total Revenue (I + II)		<u>702,062,010</u>	<u>733,780,106</u>	
IV.	<b><u>Expenses:</u></b>				
	<b><u>Manufacturing Expenses</u></b>				
	Cost of Materials Consumed	17	466,191,673	474,089,117	
	Purchase of Stock-in-Trade	18	15,500,981	3,617,869	
	Changes in Inventory of Finished goods	19	12,303,642	106,196	
	Other Manufacturing Expenses	17	155,445,875	649,442,171	156,840,600
	<b><u>Administrative &amp; Selling Expenses</u></b>				
	Employee Benefit Expenses	20	13,726,329	12,415,519	
	Other Administrative and Selling Expenses	21	23,257,144	36,983,473	24,374,810
	Finance Costs	22	19,016,128	24,731,577	
	Depreciation and Amortization Expense	7	20,499,527	39,515,655	23,107,622
	Total Expenses		<u>725,941,299</u>	<u>719,283,310</u>	
V	Profit before Exceptional and Extraordinary Items and Tax (III - IV)		<u>(23,879,289)</u>	<u>14,496,796</u>	
VI.	Exceptional Items/ Extraordinary Items				
VII.	Profit before Extraordinary Items and Tax (V - VI)		(23,879,289)	14,496,796	
VIII.	Extra Ordinary Items	-			
IX.	Profit before Tax (VII - VIII)		(23,879,289)	14,496,796	
X.	Tax Expense:				
	(1) Current tax			2,900,000	
	(2) Deferred Tax Liability/ (Assets)		(2,683,040)	(2,683,040)	3,453,983
XI.	Profit/ (Loss) for the period from Continuing Operations (IX - X)		<u>(21,196,249)</u>	<u>8,142,813</u>	
XII.	Profit/ (Loss) for the Period		<u>(21,196,249)</u>	<u>8,142,813</u>	
XIII.	Earnings Per Equity Share				
	(1) Basic		<u>(4.77)</u>	<u>1.83</u>	
	(2) Diluted		<u>(4.77)</u>	<u>1.83</u>	

Notes forming part of the financial statements 23

**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**

**KIRAN AWASTHI**  
Partner  
Member No. 100615

**K L RAMUKA**  
Chairman & Executive Director

**B.C.AGRAWAL**  
Managing Director

Place: Mumbai  
Dated: 25th August, 2012

**A. D. CHIRANIA**  
Director

**S. K. SULTANIA**  
Director

## SHREE HARI CHEMICALS EXPORT LTD.

### Notes Forming Part of Accounts

Particulars	As at 31st March 2012 <u>Rupees</u>	As at 31st March 2011 <u>Rupees</u>
<b>NOTE - 1</b>		
<b>SHARE CAPITAL</b>		
<b>-Authorised</b>		
10,000,000 Equity Shares of Rs. 10/- each with voting rights [Previous Year : 10,000,000 Equity Shares of Rs.10/- each]	<u>100,000,000</u>	<u>100,000,000</u>
<b>-Issued, Subscribed and fully Paid up</b>		
4,446,300 Equity Shares of Rs.10/- each fully paid-up. with voting rights [Previous Year : 4,446,300 Equity Shares of Rs.10/- each] (Refer Note No.II.1 & 2 of scheduled 23)	44,463,000	44,463,000
<b>Total</b>	<u><u>44,463,000</u></u>	<u><u>44,463,000</u></u>
<b>NOTE - 2</b>		
<b>Reserve &amp; Surplus</b>		
<b><u>General Reserve</u></b>		
Opening Balance	7,793,472	7,793,472
Add: Additions during the Year	-	-
Closing Balance	<u><u>7,793,472</u></u>	<u><u>7,793,472</u></u>
<b><u>Share Forefiture</u></b>		
Opening Balance	4,708,500	4,708,500
Add: Additions during the Year	-	-
Closing Balance	<u><u>4,708,500</u></u>	<u><u>4,708,500</u></u>
<b><u>Profit and Loss Account</u></b>		
Opening Balance	93,213,503	90,272,639
Add / (Less) : Profit / (Loss) During The Year	(21,196,249)	8,142,813
Less: Proposed Dividend (Dividend proposed on 4,446,300 Equity Shares @ Rs.1/-each)	-	4,446,300
Less: Dividend Distribution Tax (CDT)	-	755,649
<b>Closing Balance</b>	<u><u>72,017,254</u></u>	<u><u>93,213,503</u></u>
<b>Total</b>	<u><u>84,519,226</u></u>	<u><u>105,715,475</u></u>

## 25th ANNUAL REPORT

### Notes Forming Part of Accounts

Particulars	As at 31st March 2012 <u>Rupees</u>	As at 31st March 2011 <u>Rupees</u>
<b>NOTE - 3</b>		
<b>Short-Term Borrowings</b>		
<b><u>Secured</u></b>		
<u>Loans Repayable On Demand from banks :</u>		
Working Capital Loans From State Bank of India (Refer Note No. II.5 of scheduled 23)	4,534,182	143,417,729
<b>Total</b>	<b><u>4,534,182</u></b>	<b><u>143,417,729</u></b>
<b>NOTE - 4</b>		
<b>Trade Payables</b>		
For Goods	69,084,074	66,199,754
<b>Total</b>	<b><u>69,084,074</u></b>	<b><u>66,199,754</u></b>
<b>NOTE - 5</b>		
<b>Other Current Liabilities</b>		
Current Maturities of Long-Term Debt (Repayable in Rs. 2,200,000 P.M instalment) (Refer Note No.II.4 of scheduled 23)	-	21,939,770
Advance From Customer	82,326	1,334,604
For Expenses	29,485,194	25,675,773
Statutory Dues	916,471	1,015,908
Unpaid Dividend	2,507,049	2,101,000
<b>Total</b>	<b><u>32,991,040</u></b>	<b><u>52,067,055</u></b>
<b>NOTE - 6</b>		
<b><u>Other Provisions:</u></b>		
Provision for Taxation	3,900,000	3,900,000
Dividend Payable	-	4,446,300
Corporate Dividend Tax	-	755,649
<b>Total</b>	<b><u>3,900,000</u></b>	<b><u>9,101,949</u></b>

**SHREE HARI CHEMICALS EXPORT LTD.**

**Depreciation as per Companies Act as on 31st March 2012**

**Note - 7**

Particulars	Gross block			Depreciation			Net Block	
	Opening Balance as on 01.04.11	Addition/ (Diposals)	Other Adjustments	Closing Balance as on 31.03.12	For the year	Deletions/ Transfers	Closing Balance as on 31.03.11	Closing Balance as on 31.03.12
<b>I Tangible Assets:</b>								
<b>I.1 Leashold Assets</b>								
(a) Leasehold Land	2,587,822	-	-	2,587,822	25,772	-	2,415,414	2,389,642
<b>I.2 Owned Assets</b>								
(a) Buildings	39,701,349	560,877	-	40,262,226	2,500,031	-	24,668,947	22,729,793
(b) Plant and Equipment	236,623,639	4,350,464	-	240,974,103	16,290,906	-	103,587,242	91,646,800
(c) Furniture and Fixtures	3,795,365	61,375	-	3,856,740	286,323	-	1,542,752	1,317,804
(d) Office equipment	5,109,954	337,088	-	5,447,042	387,082	-	2,509,779	2,459,785
(e) Computer	1,136,301	104,619	-	1,240,920	78,040	-	143,839	170,418
(f) Roads	2,450,643	55,451	-	2,506,094	100,317	-	1,951,953	1,907,087
(g) Electrical Installation	6,895,173	-	-	6,895,173	582,069	-	2,910,346	2,328,277
(h) Office Premises	6,410,508	-	-	6,410,508	248,987	-	4,979,730	4,730,743
	<b>304,710,754</b>	<b>5,469,874</b>	<b>-</b>	<b>310,180,628</b>	<b>20,499,527</b>	<b>-</b>	<b>144,710,002</b>	<b>129,680,349</b>
Work in Progress	474,294	-	474,294	-	-	-	474,294	-
<b>Previous year</b>	<b>291,895,100</b>	<b>12,834,849</b>	<b>19,176</b>	<b>304,729,930</b>	<b>23,107,622</b>	<b>1,231</b>	<b>154,982,774</b>	<b>144,710,002</b>

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### Notes Forming Part of Accounts

Particulars	As at 31st March 2012 <u>Rupees</u>	As at 31st March 2011 <u>Rupees</u>
<b>NOTE - 8</b>		
<b>Non-Current Investments</b>		
<b><u>Investment at Cost</u></b>		
<u>Investments (Quoted)</u>		
Investments in Equity shares of -		
300 shares of SIMCO Industries Ltd. at Rs.20/- Each	6,000	6,000
1,000 shares of Siddhartha Tubes Ltd. at Rs.25/- Each	25,450	25,450
300 shares of Bhageria Dye Chem Ltd. at Rs.16/- Each	4,800	4,800
<b>Total (A)</b>	<b>36250</b>	<b>36250</b>
<u>Investments (Unquoted)</u>		
Ramuka Capital Market Ltd.	300,000	300,000
CETP Co-Op. Society Ltd.	2,956,390	2,956,390
<b>Total (B)</b>	<b>3,256,390</b>	<b>3,256,390</b>
<b>Total (A + B)</b>	<b>3,292,640</b>	<b>3,292,640</b>
Aggregate amount of quoted investments (At cost)	36,250	36,250
Aggregate market value of listed and quoted investments as on 31st March,2012	15,585	14,855
Aggregate amount of unquoted investments	3,256,390	3,256,390
<b>NOTE - 9</b>		
<b>Long-Term Loans and Advances</b>		
<u>Unsecured Considered Good:</u>		
Capital Advances	210,500	331,031
Security Deposite with Govt. and Other	889,060	873,820
<b>Total</b>	<b>1,099,560</b>	<b>1,204,851</b>
<b>NOTE - 10</b>		
<b>Inventories</b>		
Raw Materials	13,330,021	42,435,019
Work-in-Progress	3,663,837	6,575,108
Finished Goods	635,585	19,072,426
Stock-in-Trade	10,141,224	846,491
Others	4,612,168	5,646,341
(Refer Note No.I.F of scheduled 23)		
<b>Total</b>	<b>32,382,835</b>	<b>74,575,385</b>

## SHREE HARI CHEMICALS EXPORT LTD.

### Notes Forming Part of Accounts

Particulars	As at 31st March 2012 <u>Rupees</u>	As at 31st March 2011 <u>Rupees</u>
<b>NOTE - 11</b>		
<b>Trade Receivable</b>		
[Unsecured]		
Debts outstanding for a period exceeding six months		
- Considered good	4,614,248	3,999,747
- Doubtful	17,792,620	17,792,620
	<u>22,406,868</u>	<u>21,792,367</u>
Other debts		
- Considered good (Refer Note No.II.12 of scheduled 23)	25,650,250	129,833,883
<b>Total</b>	<b><u>48,057,118</u></b>	<b><u>151,626,250</u></b>
<b>NOTE - 12</b>		
<b>Cash and Bank balances</b>		
- Cash and Cash Equivalents		
Cash on Hand	985,799	1,626,716
Balance with Banks		
- In Current Accounts	67,330	2,852,692
- In Deposit Accounts	6,767,857	7,466,141
Bank Guarantee Margin (Refer Note No.II.7 of scheduled 23)	454,659	1,511,831
In earmarked accounts		
- Unpaid Dividend Account with SBI A/c	2,507,049	2,101,000
<b>Total</b>	<b><u>10,782,694</u></b>	<b><u>15,558,380</u></b>
<b>NOTE - 13</b>		
<b>Short-Term Loans and Advances</b>		
Unsecured and Considered good		
Advances recoverable in cash or in kind or for value to be recd	4,619,583	5,881,345
Advances to suppliers	470,494	3,392,034
Advances to employees	408,630	1,429,536
Balances with government authorities	22,978,159	34,116,493
<b>Total</b>	<b><u>28,476,866</u></b>	<b><u>44,819,408</u></b>
<b>NOTE - 14</b>		
<b>Other Current Assets</b>		
Prepaid expenses	390,691	841,207
Interest accrued on deposits	208,535	790,145
DEPB purchase	-	10,537
Insurance claims receivable	-	624,669
<b>Total</b>	<b><u>599,226</u></b>	<b><u>2,266,558</u></b>



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### Notes Forming Part of Accounts

Particulars	As at 31st March 2012 <u>Rupees</u>	As at 31st March 2011 <u>Rupees</u>
<b>NOTE - 15</b>		
<b>Revenue From Operations</b>		
<b><u>Indigenous Sales</u></b>		
Manufactured Goods	683,509,314	716,353,044
Traded Goods (Refer Note No.II.9 of scheduled 23)	<u>13,427,296</u>	<u>4,124,009</u>
Other Operating Revenues	6,039,538	11,136,028
<b>Total</b>	<b><u>702,976,148</u></b>	<b><u>731,613,081</u></b>
<b>NOTE - 16</b>		
<b>Other Incomes</b>		
Interest from Banks	588,005	642,373
Foreign Exchange Rate Difference	(1,502,503)	1,524,292
Dividend	360	360
<b>Total</b>	<b><u>(914,138)</u></b>	<b><u>2,167,025</u></b>
<b>NOTE - 17</b>		
<b>Cost of goods sold</b>		
Stock at Commencement	42,435,019	19,301,917
Purchases	437,086,675	497,222,219
	479,521,694	516,524,136
Less: Closing Stock	<u>13,330,021</u>	<u>42,435,019</u>
<b>Material consumed</b>	<b><u>466,191,673</u></b>	<b><u>474,089,117</u></b>
(Refer Note No.II.10 of scheduled 23)		
Labour & Jobworks charges	36,555,457	35,792,825
Power, Fuel and Water charges	86,350,359	86,783,075
Consumables, Stores & Spares	9,227,349	13,281,851
Gypsum Handling Charges	10,089,831	11,828,030
Repairs & Maintenance of machinery	1,627,038	2,195,991
Packing Material	2,222,590	2,727,423
Miscellaneous expenses	<u>9,373,251</u>	<u>4,231,405</u>
	<b><u>155,445,875</u></b>	<b><u>156,840,600</u></b>
<b>Cost of Goods Sold</b>	<b><u>621,637,548</u></b>	<b><u>630,929,717</u></b>
<b>NOTE - 18</b>		
<b>Purchase of Traded Goods</b>		
Purchase of Traded Goods (Refer Note No.II.11 of scheduled 23)	15,500,981	3,617,869
<b>Total</b>	<b><u>15,500,981</u></b>	<b><u>3,617,869</u></b>

## SHREE HARI CHEMICALS EXPORT LTD.

### Notes Forming Part of Accounts

Particulars	As at 31st March 2012 <u>Rupees</u>	As at 31st March 2011 <u>Rupees</u>
<b>NOTE - 19</b>		
<b>Changes in Inventory of Finished goods, Work-in-Progress, and Stock-in-trade</b>		
<u>Inventories at the begning of year</u>		
Finished Goods	19,072,426	17,040,584
Work-in-Progress	6,575,108	8,713,146
	<b>25647534</b>	<b>25753729</b>
<u>Inventories at the end of year</u>		
Finished Goods	635,585	19,072,426
Work-in-Progress	3,663,837	6,575,108
Stock-in-Trade	9,044,470	-
	<b>13,343,892</b>	<b>25,647,534</b>
<b>Total</b>	<b>12,303,642</b>	<b>106,196</b>
<b>NOTE - 20</b>		
<b>Employee Benefit Expenses</b>		
Salary, bonus and allowances	12,663,416	11,447,205
Workmen & Staff welfare	304,472	311,062
Gratuity	656,387	556,578
PF Contribution	102,054	100,674
<b>Total</b>	<b>13,726,329</b>	<b>12,415,519</b>
<b>NOTE - 21</b>		
<b>Other Administrative and Selling Expenses</b>		
Travelling & Conveyance	2,664,314	2,493,210
Communication & Postage Expenses	547,859	585,888
Insurance	1,135,265	1,117,821
Rent, Rates & Taxes	721,159	699,528
Professional & Legal	1,606,951	1,220,593
<u>Repair &amp; Maintenance</u>		
- Buildings	911,833	1,725,060
- Others	1,116,702	1,367,127
Selling and Distribution	9,459,339	10,255,006
Auditors' Remuneration	200,000	200,000
Other Expenses	4,893,722	4,710,577
<b>Total</b>	<b>23,257,144</b>	<b>24,374,810</b>
<b>NOTE - 22</b>		
<b>Finance Cost</b>		
Interest Expense	17,250,419	21,576,558
Other Finance cost	1,765,709	3,155,019
<b>Total</b>	<b>19,016,128</b>	<b>24,731,577</b>

## 25th ANNUAL REPORT

### ACCOUNTING POLICIES AND NOTES TO ACCOUNT FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2012

#### NOTE - 23

#### (I) SIGNIFICANT ACCOUNTING POLICIES :

##### A. Company Overview

The company was established in 1987. The company is leading manufacturer of H-Acid. It has its manufacturing facility at Mahad, Raigad District of Maharashtra, India. Through Innovation, dedication & customer satisfaction, company had succeeded in developing customers worldwide.

##### B. Basis of Preparation of Financial Statements:-

The financial statements are prepared under the historical cost convention and comply in all material aspects with the applicable accounting principles in India and accounting standards notified under sub-section (3C) of section 211 of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956, as adopted consistently by the Company.

##### C. Use of Estimates:-

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialize.

##### D. Own Fixed Assets:-

Fixed Assets are stated at historical cost including any attributable cost including taxes & other duties, freight, installation & other direct or allocable expenses and related borrowing cost for bringing the respective assets to its working condition for its intended use, less accumulated depreciation.

All the direct costs, expenditure during the project construction period (net of income) are specifically attributable to construction/acquisition of fixed assets and advances against capital expenditure are shown as Capital Work in progress until the relevant assets are ready for its intended use.

##### E. Depreciation:-

Depreciation on Fixed Assets has been provided as per the Written Down Method (WDV) of depreciation at the rates and manner prescribed under Schedule XIV to the Companies Act, 1956.

##### F. Revenue Recognition:-

###### Sale of Goods :

Sales are recognized net of returns and discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers, sales exclude value added tax.

###### Other Income:

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable. Dividend income is recognized when the right to receive the payment is established by the balance sheet date.

##### G. Inventories :

Inventories are valued at the lower of cost (on Avg. Cost basis) and the net realizable value after providing for obsolescence and other losses, where considered necessary except for by-product, which is valued at estimated realizable value. Cost includes all charges in bringing the goods to the point of sale, including octroi and other levies, transit insurance, and receiving charges. Work-in-progress and finished goods include material cost, appropriate proportion of overheads and, where applicable, excise duty.

##### H. Foreign Currency Transactions:

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.

## SHREE HARI CHEMICALS EXPORT LTD.

Monetary items denominated in foreign currencies remaining unsettled at the year- end are restated at the exchange rate prevailing at end of the year.

### **I. Investment:**

Long-term investments are carried at cost less provision for diminution, other than temporary in the opinion of the management, in the value of such investments.

### **J. Impairment of Assets :**

Pursuant to Accounting Standard 28 "Impairment of Assets", The Company has a system to review the carrying values of assets / cash generating units at each Balance Sheet date. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

### **K. Employees Benefit:**

- a) The Company's contribution in respect of Provident Fund is charged to Profit & Loss account every year.
- b) The Company has taken group gratuity policy with the Life Insurance Corporation of India for the future payments of retiring gratuities. The amount paid with respect to that recognize in statement of Profit & Loss.

### **L. Borrowing cost:**

Borrowing Cost that is directly attributable to the acquisition or construction of qualifying assets is capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing cost is recognized as expenses in the period in which they are incurred.

### **M. Taxation:**

Taxation expenses comprise current tax and deferred tax charge or credit. Provision for income tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year.

Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date .Deferred Tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be adjusted.

### **N. Provisions, Contingent Liabilities and Contingent Assets:**

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

### **O. Insurance Claims :**

Insurance and other claims to the extent considered recoverable are accounted for in the year on the basis of claims based on the amount assessed by the surveyor. However, claims and refunds whose recovery cannot be ascertained with reasonable certainty are accounted for on acceptance/actual receipts basis.

### **P. Earning Per Share.**

The earning considered in ascertaining the company's EPS comprises the net profit for the period after tax attributed to equity shareholders. The number of shares used in computing basis EPS is the weighted average number of shares outstanding during the year.

## **II. NOTES TO THE ACCOUNTS:**

1. The future production of the company's Mahad unit will depend upon the final outcome of the judgement of the Hon'ble Bombay High Court on the Public Interest Litigation (PIL) Filled. As on the date of signing of the report the matter is still pending before Hon'ble Bombay High Court. In the opinion of the management the company is in position to comply with all the suggested terms & conditions that are further required by Maharashtra Pollution Control Board / Bombay High Court as set out in the judgement.

## 25th ANNUAL REPORT

2. Statement showing Reconciliation of the Number of Shares and the amount outstanding at the beginning and at the end of the reporting period :

Particulars	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
<b>Equity Share Capital-Fully paid up with voting Rights:</b>				
Opening Share Capital	4,446,300	44,463,000	4,446,300	44,463,000
Add : Issued during the year	-	-	-	-
Less: Bought back during the year	-	-	-	-
<b>Closing Share Capital</b>	<b>4,446,300</b>	<b>44,463,000</b>	<b>4,446,300</b>	<b>44,463,000</b>

3. Statement showing details of Shares held by each Shareholders holding more than 5% Share (In Nos.) :

Name of Shareholders	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares held	In % of Holding	No. of Shares held	In % of Holding
1. Om Pareek Investment Company Ltd.	465,700	10.47	465,700	10.47
	465,700	10.47	465,700	10.47

(Refer Note No. 1 "Share Capital")

4. Details of terms of re-payment for the Secured long-term borrowings and security provided in respect of the secured long-term borrowings:

- a. Term Loan From State Bank of India

- i. **Security** : The 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, A15/1, A15/2 at MIDC industrial area of MAHAD.
- ii. **Terms of Repayment:** Term Loan from bank are repayable in monthly installments of Rs. 2,200,000/-.
- iii. Term Loan was from State Bank of India which was outstanding at Rs. 21,939,770 as on 31.03.2011. The Company has repaid entire outstanding loan of Rs. 21,939,770 during financial year 2011-2012. As amount of Rs. 21,939,770 was repayable within 12 months from date of financial statement as on 31.03.2011 so, same is classified as other current liability. (Refer Note No. 7 "Other Current Liability")

5. Details of security provided in respect of the secured Short-term borrowings:

- a. Cash Credit From State Bank Of India of Rs. 4,534,182/-

- i. **Security** : The Working Capital loans from State Bank of India is Secured by way of hypothecation of company's entire stock of raw materials both imported as well as indigenous nous, stock in process, consumable stores, spares and packing material and finished products, as well as the personal guarantee given by the director of the company. (Refer Note No. 3 "Short Term Borrowings")

6. Details of inventory of work-in-progress (Refer Note No. 10 "Inventories")

S.No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
1.	Naphthalene	1,487,865	3,022,292
2.	Sulphuric Acid	225,898	441,959
3.	Oleum 65	440,894	749,790
4.	Caustic Soda Flakes	159,174	339,825
5.	Others	1,350,006	2,021,242
	<b>Total</b>	<b>3,663,837</b>	<b>6,575,108</b>

## SHREE HARI CHEMICALS EXPORT LTD.

7. Balances with banks include deposits amounting to Rs. 24,37,410 (As at 31 March, 2011 NIL ) and Bank Guarantee margin monies amounting to `Rs.17,080 (As at 31 March, 2011 ` Rs. 11,17,762) which have an maturity of more than 12 months.

8. The unpaid dividend outstanding as on 31st March, 2012 is as follows :

Year	Amount(In Rs.)
2006-07	524,662/-
2007-08	658,715/-
2008-09	489,039/-
2009-10	417,234/-
2010-11	417,399/-
<b>Total</b>	<b>2,507,049/-</b>

This amount is kept in separate account maintained by company with State bank Of india.  
(Refer Note-12 "Cash and Bank balances")

9. Sale of products comprises : (Refer Note No. 15 "Revenue from Operations")

S.No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
A.	Manufactured Goods		
i.	H-Acid	670,815,556	706,535,199
ii.	Gypsum and Globular Salt	7,460,408	9,817,845
iii.	Steam	--	375,509
iv.	Job Charges	5,233,350	-
	<b>Sub-Total (A)</b>	<b>683,509,314</b>	<b>716,728,553</b>
B.	Traded Goods		
i.	Naphthalene	12,415,000	3,748,500
ii.	Sulphuric Acid	201,664	-
iii.	Caustic Soda Flakes	778,820	-
iv.	Other	31,812	-
	<b>Sub-Total (B)</b>	<b>13,427,296</b>	<b>3,748,500</b>
	<b>Total (A+B)</b>	<b>696,936,610</b>	<b>720,477,053</b>

10. Details of cost of raw-material consumed : (Refer Note No. 17 "Cost of Goods sold")

S.No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
i.	Naphthalene	130,442,004	154,452,237
ii.	Sulphuric Acid	34,868,028	30,528,999
iii.	Oleum 65	40,495,434	42,347,275
iv.	Caustic Soda Flakes	126,099,695	100,600,583
v.	Soda Ash	23,899,569	34,850,809
vi.	Nitric Acid	24,085,869	26,790,458
vii.	Cast Iron Powder	43,436,347	40,256,660
viii.	Others	42,864,727	44,262,096
	<b>Total</b>	<b>466,191,673</b>	<b>474,089,117</b>

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11. Details of Purchase of Traded Goods : (Refer Note No. 18 "Purchase of Traded Goods")

S.No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
i.	Naphthalene	10,400,000	3,617,869
ii.	Sulphuric Acid	191,454	-
iii.	Soda Ash	4,114,189	-
iv.	Caustic Soda Flakes	763,869	-
v.	Other Items	31,469	-
	<b>Total</b>	<b>15,500,981</b>	<b>3,617,869</b>

12. Sundry debtors include Rs.17,792,620 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 administrator of the insolvency proceedings to lodge its claim if any. The company has lodged its claim on 17.02.2010 before the administrator. In view of the above the amount receivable from the debtor of Rs. 17,792,620 is doubtful in the nature.

13. The balance of sundry debtors, Creditors, Loans & advances are subject to their confirmation and reconciliation if any. Bank balance subject to cheques on hand realization.

14. Disclosure require u/s 22 of the Micro, Small Medium Enterprises Development Act, 2006 :

S.No.	Particulars	As at 31st March, 2012	As at 31st March, 2011
i.	Principal amount remaining unpaid to any supplier as at the end of the accounting year	4,725,308	7,352,078
ii.	Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	-	-
iii.	The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day		-
iv.	The amount of interest due and payable for the year	-	-
v.	The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
Vi`	The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	-	-

Due to Micro and Small Enterprises have been determined to the extend such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditor.

15. Segment Reporting :

As the Company's business activity falls within a single primary business segment "H-Acid Chemicals product" the disclosure requirement of Accounting Standard (AS) 17 "Segment Reporting" are not applicable.

## SHREE HARI CHEMICALS EXPORT LTD.

16. Auditor's Remuneration (Exclusive of service tax) :

	<u>2011-12</u>	<u>2010-11</u>
i. Audit fees	1,50,000	1,50,000
ii. For Taxation Matters	50,000	50,000
iii. In other capacity	-	-
<b>Total</b>	<u><b>2,00,000</b></u>	<u><b>2,00,000</b></u>

17. In the opinion of the Board, current assets, loans and advances have a value at least equal to the amounts at which they are stated in the Balance Sheet, if realized in ordinary course of business.

18 Related Party Disclosure

a. Associates: Shree Hari Finvest Pvt Ltd.

b. Key Managerial Persons

- i. Shri K.L.Ramuka
- ii. B C Agrawal
- iii. K C Ramuka
- iv. R R Agrawal
- v. H P Ramuka
- vi. Anup Ramuka
- vii. Manoj Agrawal

c. Related Party Transaction during the year :

Sr.	Particulars	2011-12	2010-11
1	Managerial remuneration	9,104,000	8,922,000

19. As per Accounting standard -22, issued by the Institute of Chartered Accountants of India, the Deferred Tax Liability of Rs.148.80 Lacs (Rs.175.62 Lacs) has been recognized in the Statement of Profit & Loss. The Deferred Tax Liability arises mainly due to the timing difference of depreciation claimed as per the books of account and the depreciation claimed under the Income tax Act, 1961. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are not recognized because there is no virtual certainty that there will be sufficient future taxable income available to realize such assets.

20. Earning Per Share :

As required by Statement of Accounting Standard (AS) – 20 “Earning Per Share”, reconciliation of basic and diluted number of Equity shares used in computing Earning Per Share is as follows:

Particulars	31/03/2012	31/03/2011
Net Profit/(Loss) After Tax (Rs.)	(21,196,249)	8,142,815
Weighted average Number of Shares outstanding	4,446,300	4,446,300
Diluted weighted average no.of shares outstanding	4,446,300	4,446,300
Nominal Value of Equity Share (in Rs.)	10/-	10/-
Basic Earning per Share	(4.77)	1.83
Diluted Earning per Share	(4.77)	1.83

21. Expenditure in Foreign Currency :

Particulars	<u>2011-12</u>	<u>2010-11</u>
Commission	88,756	-



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22. Value Of Import Calculated on CIF basis :

<b>Particulars</b>	<b><u>2011-12</u></b>	<b><u>2010-11</u></b>
Purchase of Traded Goods	10,400,000	-
Raw Materials	77,111,777	151,899,240
<b>Total</b>	<b>87,511,777</b>	<b>151,899,240</b>

23. Details of consumption of imported and indigenous items :

<b>Particulars</b>	<b><u>2011-12</u></b>	<b><u>2010-11</u></b>
Imported		
Raw Materials	117,992,476 (25.15%)	145,080,980 (30.70%)
Indigenous Raw Materials	351,110,467 (74.85%)	327,528,306 (69.30%)

24. Earning In Foreign Exchange :

<b>Particulars</b>	<b><u>2011-12</u></b>	<b><u>2010-11</u></b>
Export of Goods (FOB Basis)	55,726,276	101,420,823
Export of Goods through Merchant Exporters	41,080,633	54,312,349

25. There are no dues payable to the Investor Education and Protection Fund as at 31st March 2012.

26. Contingent Liability :

	<b><u>2011-12</u></b>	<b><u>2010-11</u></b>
Contingent liabilities and commitments (to the extent not provided for)		
(i) Show cause notices received by the Company from Custom/Excise Department not acknowledged as debt	5,506,343	5,657,638
(ii) Guarantees	4,295,815	4,741,592
(iii) Supply of Capital Goods	1,894,500	1,894,500
(iv) Demand against Mathadi Board	4,420,536	4,420,536
(v) Income Tax Demand for A.Y. 1998-99	1,428,737	1,428,737

27. The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, Pre-Revised Schedule-VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.

**As per our report of even date attached**

**For KAILASH CHAND JAIN & CO.**  
**Chartered Accountants**  
**FIRM REG. NO. 112318W**

**KIRAN AWASTHI**  
Partner  
Member No. 100615

Place: Mumbai  
Dated: 25th August, 2012

**For and on behalf of the Board**

**K L RAMUKA**  
Chairman & Executive Director

**A. D. CHIRANIA**  
Director

**B.C.AGRawal**  
Managing Director

**S. K. SULTANIA**  
Director

## SHREE HARI CHEMICALS EXPORT LTD.

### CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(RUPEES IN THOUSAND)

	<u>2011-2012</u>	<u>2010-2011</u>
<b>A. Cash Flow from Operating Activities</b>		
Net Profit After Tax and Before extra-ordinary items	(21,196)	8,143
<b>Adjustments for:</b>		
Depreciation	20,500	23,108
Financial Costs	19,016	24,732
Dividend Income	(0)	(0)
Interest Income	(588)	(642)
<b>Operating Profit before working capital changes</b>	<b>17,731</b>	<b>55,339</b>
<b>Adjustments for:-</b>		
Increase in Inventories	42,193	(21,559)
Increase in Sundry Debtors	103,569	(2,220)
Increase in Loan & Advances & other current assets	18,115	14,499
Increase/(Decrease) in Cash Credit	(138,884)	(30)
Changes in Current Liabilities (except provision for tax)	(2,137)	619
<b>Cash Generated from Operations</b>	<b>40,587</b>	<b>46,648</b>
Extra ordinary Item :	-	-
<b>Net Cash from Operating Activities</b>	<b>(A) 40,587</b>	<b>46,648</b>
<b>B. Cash Flow from Investing Activities</b>		
Capital Expenditure	(4,996)	(2,753)
Dividend received	0	0
Interest Received on Bank Deposits	588	642
<b>Net Cash used in Investing Activities</b>	<b>(B) (4,407)</b>	<b>(2,110)</b>
<b>C. Cash Flow from Financing Activities</b>		
Net Proceeds from Borrowings	(21,940)	(11,445)
Financing Charges paid	(19,016)	(24,732)
Payment of Dividend	-	(5,202)
<b>Net Cash Used from Financing Activities</b>	<b>(C) (40,956)</b>	<b>(41,378)</b>
<b>Net decrease in Cash and Cash Equivalents (A+B+C)</b>	<b>(4,776)</b>	<b>3,159</b>
Cash and Cash equivalents at the beginning of the year	15,558	12,399
Cash and Cash equivalents at the end of the year	10,783	15,558
<b>Net decrease in Cash and Cash Equivalents</b>	<b>(4,776)</b>	<b>3,159</b>

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**

**KIRAN AWASTHI**  
Partner  
Member No. 100615

**K L RAMUKA**  
Chairman & Executive Director

**B.C.AGRAWAL**  
Managing Director

Place: Mumbai  
Dated: 25th August, 2012

**A. D. CHIRANIA**  
Director

**S. K. SULTANIA**  
Director

## 25th 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 25th Annual General Meeting of the Company to be held at A/8, M.I.D.C. Indl. Area, Mahad, Dist. Raigad (Maharashtra) on Saturday, 29th Day of September, 2012.

**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 25th 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, 29th September, 2012 at 2.00 p.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2012.

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.

**25<sup>th</sup>**  
**Annual Report**  
**2011-2012**



**SHREE HARI CHEMICALS EXPORT LIMITED**



*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 (India)