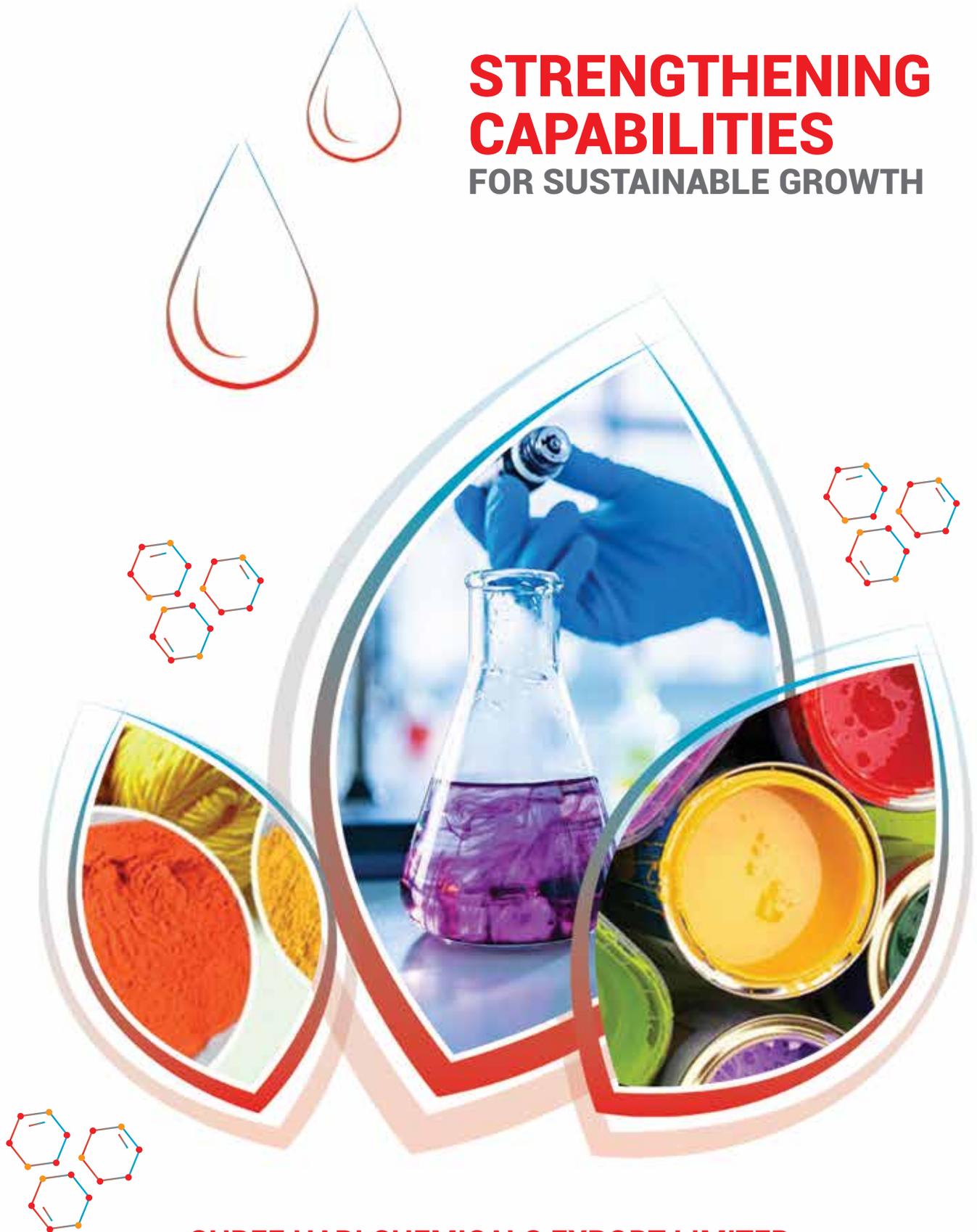




# STRENGTHENING CAPABILITIES

FOR SUSTAINABLE GROWTH



**SHREE HARI CHEMICALS EXPORT LIMITED**

*Manufacturer of Dyes and Dyes Intermediates*

# ACROSS THE PAGES



## CORPORATE OVERVIEW (01-10)

01	Theme Introduction
02	Company Introduction
04	Chairman's Message
06	Strong and Sustainable
08	Product Portfolio
09	Board of Directors
10	Corporate Information



## STATUTORY REPORTS (11-53)

11	Notice
21	Board's Report
36	Management Discussion & Analysis
39	Report on Corporate Governance
52	Auditor's Report on Corporate Governance



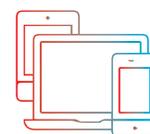
## FINANCIAL STATEMENTS (54-85)

54	Auditor's Report
61	Balance Sheet
62	Statement of Profit and Loss
63	Cashflow Statement
64	Significant Accounting Policies

## INVESTOR INFORMATION

CIN	L99999MH1987PLC044942
BSE Code	524336
Bloomberg Code	SRHC:IN
AGM Date	Friday, September 17, 2021
AGM Mode	Video Conferencing (VC)/Other Audio Visual Means (OAVM)

**DISCLAIMER:** This document contains statements about expected future events and financials of Shree Hari Chemicals Export Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.



Please find our online version at:

<http://www.shreeharichemicals.in/annualreports.aspx>

Simply scan the QR code below to view our Report



# STRENGTHENING CAPABILITIES FOR SUSTAINABLE GROWTH



At Shree Hari Chemicals Export Limited ('Shree Hari' or 'SHCEL' or 'the Company'), we believe in constant improvement and upgradation in strengthening our capacities and capabilities to give value-added products and add customised touch in a wide range of applications.

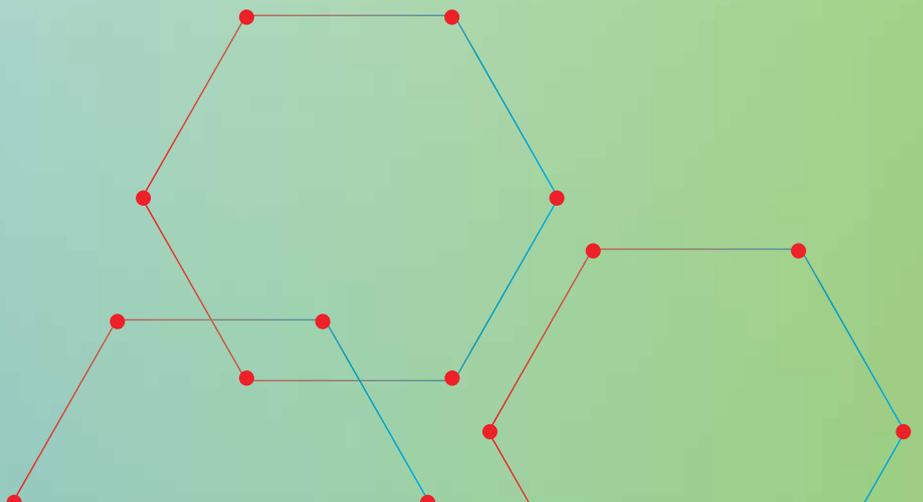
We are consistently expanding the scope of solutions we offer and adapting best practices in doing so.

We endeavour to excel our offerings through continuous R&D and technological advancement.

We strive to bring operational efficiency in our formulations and explore opportunities and applications of our products across industries in our zest to provide the best quality products and maintain customer loyalty.

We devise, deduce, develop and with dedication and determination derive best offerings in dyes intermediate for our customers while always standing strong on maintaining safe and clean ecological biodiversity.

We are strengthening our capabilities for a Sustainable Growth!





# AMONG THE ELITES IN DYES INTERMEDIATE

**SHREE HARI CHEMICALS EXPORT LIMITED IS ONE OF THE LEADING MANUFACTURERS AND EXPORTERS OF BEST QUALITY DYES INTERMEDIATE (H-ACID) IN INDIA.**

## WHAT WE DO

Our efforts are cumulatively directed into indigenously manufacturing and exporting and domestically supplying dyes intermediate. Backed by accomplished technological innovation and research we have emerged as a leading manufacturer of finest and best quality dyes intermediate imparting value added and enhanced use to end products. Our products are developed with keen eyesight for maximum customer satisfaction and environment protection. Our products are intermittently used in dyeing process and applied to fibres such as cotton, silk, wool, nylon and acrylic fibres.

## HOW WE DO

After thorough technological research and development, implicit use of knowledge, expertise and experience of qualified professionals, and operational excellence we derive entire formulation process of H-acid which is then manufactured at our ingeniously designed state-of-the-art manufacturing facility at Mahad, Raigad. SHCEL supplies high-grade and value-added dyes intermediate strictly adhering to international best practices. By continuously strengthening our capabilities and support of dedicated and passionate team we are focused on developing excellence in our products and offerings with a strategic customer-centric research and development.

**5**  
**WOMEN EMPLOYEES**

**6**  
**COUNTRIES  
PRODUCTS EXPORTED**

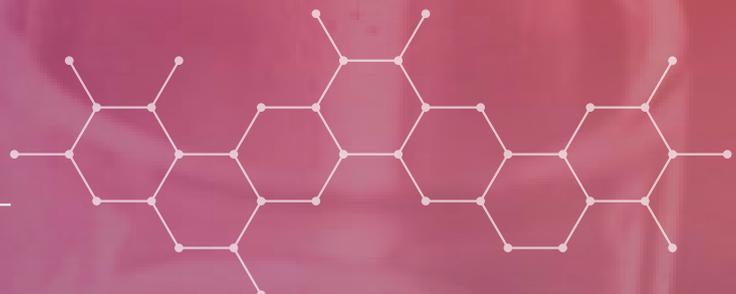
**78**  
**EMPLOYEES AS ON  
MARCH 2020-21**

**B2B**  
**BUSINESS MODEL**

**LEADING  
MANUFACTURERS  
OF H-ACID IN INDIA**

**WIDE GEOGRAPHICAL  
REACH  
IN INDIA DIRECTLY AND  
THROUGH AGENTS**

**270** TONNES  
**PRODUCTION CAPACITY AT OUR  
STATE-OF-THE-ART MANUFACTURING  
FACILITY AT MAHAD, RAIGAD**





## VISION

To become one of the largest manufacturers of Dye Intermediate in the World



## MISSION

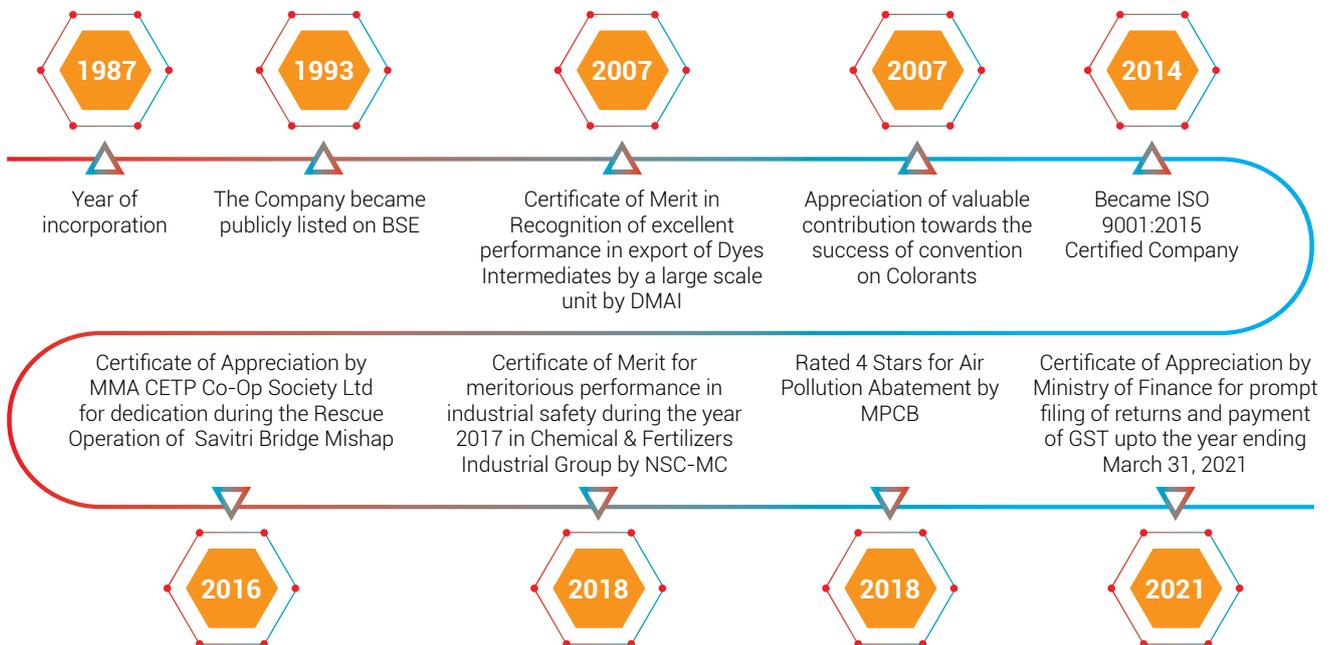
- To ensure sustainable growth
- To enhance shareholders value
- To provide quality and customised products
- To continue to invest in R&D and technology
- To contribute positively to the environment



## VALUE

- S**-Self Integrity
- H**-Hard work
- C**-Customer Satisfaction
- E**- Encourage Employees
- L**- Leadership

## HOW WE STARTED



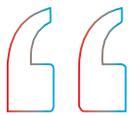
- **OUR EXPERIENCE OF OVER THREE DECADES**
- **CONTINUOUS IMPROVEMENT IN PRODUCTION CAPACITIES**
- **IMPECCABLE R&D AND TECHNOLOGICAL ADVANCEMENT**
- **VALUE ADDED PRODUCTS WITH CUSTOMER FOCUS AND QUALITY**

has invariably led the Company in achieving growth and efficacies of economies of scale, earned unmatched customer loyalty and induced sustainability across the organisation. This has added to the repute of the organisation.





## CHAIRMAN'S MESSAGE



**Our in-house technological advancement and process development capabilities will allow us to build a diversified product portfolio in dyes intermediate.**



**Dear Shareholders,**

Before beginning our message, we would like to sincerely thank all our stakeholders for their continued support through the last 30 years. We hope you and your dear ones are safe and wish you all good health going ahead.

It gives me a sense of sheer fulfilment and satisfaction to share that our Company continued playing on its strengths and posted a decent performance despite a challenging environment. We continued our journey as leading dyes intermediate manufacturers and kept focusing on strengthening our business capabilities and growing sustainably.

### PERFORMANCE SNAPSHOT

Our financial performance reflected the challenging market conditions. The revenue for the year was ₹ 5,616 Lakhs as compared to ₹ 5,710 Lakhs in FY 2019-20, EBITDA ₹ 285 Lakhs against ₹ 24 Lakhs in FY 2019-20 and PAT ₹ 84 Lakhs compared to a loss of ₹ 160 Lakhs in previous Financial Year.

### TECHNOLOGY AND INNOVATIONS

The excellence of our products and solutions in terms of quality and uses is an outcome of our constant R&D and innovation. It is a result of our determination and conviction that has allowed us to adapt quickly to the market needs. Besides, our in-house technology advancement and process development capabilities have allowed us to build a diversified product portfolio in dyes intermediate. Over the years, these products have been finding in various applications. Besides,

we have also consistently delivered need-based solutions to constantly cater to the varied client needs.

## MAKE IN INDIA: EYEING SUSTAINABLE GROWTH

The past year instrumented a change in business operations to be in sync with the unprecedented changes in attitude of people and society. We, at SHCEL, constantly strive to improve it with our sincere efforts. As we look ahead, we continue to see immense potential across our business sector. Healthy demand and a stabilised raw material environment should further enable us to gain traction and build momentum. The pandemic additionally led to China plus one strategy. Companies across the world are facing shortages, which is leading them to find an alternative. With the right prospects, cost advantage and suitable manufacturing conditions, India is becoming the most preferable and, above all, most desired location for outsourcing chemicals used for various applications across industries. Being a leading player in the organised space, we stand to immensely gain from the underlying opportunity. The overhaul in the consequent supply chain will give us immense opportunity to expand our export operations in times to come.

The world's exposure to Covid-19 has sparked a sense of adoption of sustainable means in business processes as health and well-being has taken a new priority in our lives. We ensured that all the health and safety protocols were followed at the plant level to keep our staff safe. On the business front, our business strategies, expansion plans, capacities and capabilities, sustainable mindset and strong innovation capability made us responsive to the need of the hour.

## OPTIMISATION AND SUSTAINABLE EXPANSION

In one of the key developments during the last quarter of FY 2020-21, we have initiated initial phase of installing 2 Mw solar power plant for our state-of-the-art Greenfield manufacturing facility at Mahad. At SHCEL, conserving energy and prudent utilisation of resources is of strategic importance. With solar plant installation the Company intends to bring down non-renewable energy consumption and at the same time bring down electricity cost in production.

We witnessed normalisation in demand and consumption sentiments towards the end of Q4 2020-21. The Company

saw increase in sales from Rs. 216 Lakhs in Q1 to Rs. 3,136 Lakhs in Q4 of FY 2020-21. We have witnessed a substantial ramp-up in utilisation levels from this facility in recent months, leading to healthy volumes. In addition, we are trying to enter newer categories, as we broaden our product portfolio to achieve economies of scale and market consolidation.

However, the second wave of COVID-19 has posed challenges yet again. But we believe, broader vaccination coverage and limited lockdowns will help restore normalcy sooner. We are confident of leading towards stronger and sustainable growth in the times to come.

## CUSTOMER-FOCUS, RESILIENCE AND AGILITY

Customer-centricity is what differentiates us. Despite the pandemic, our people worked relentlessly to serve our customers. Our products are formulated as per customer needs and we focus on customising and providing value added products to our customers. Our manufacturing units worked round the clock to meet the growing demands of the market. Commitment, competence and dedication of human capital play an essential role in scaling sustainable growth. When faced with challenges last year, our team's customer focus, resilience and agility helped us navigate the problems and emerge stronger. We thank our entire workforce for their tremendous support and standing firm in our common goal of strengthening our capabilities to grow sustainably.

Going ahead, we will continue directing our efforts towards tapping new customers and strengthening relationships with existing ones. We strive to expand our reach by strengthening our capabilities with focus on sustainable growth.

## NOTE OF THANKS

We believe healthy corporate governance practices form an essential and critical pillar for long term value creation. We reaffirm our commitment to sustainable growth and enhanced shared value for all. As we conclude, I would like to thank the Board for their guidance, our employees and their efforts, and all other stakeholders for their consistent assistance and encouragement in all our endeavours. We look forward to your continued faith as we scale heights of growth backed by confidence, commitment and conviction.

Warm Regards,

**Bankesh Chandra Agrawal**

Chairman and Managing Director



# STRONG AND SUSTAINABLE

## OUR STRENGTH COMES FROM

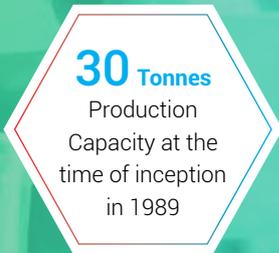


INDUSTRY LEADING  
PRODUCTION CAPACITIES.



COMMITMENT TO  
SUSTAINABILITY

## PRODUCTION CAPACITY BUILT-UP



**100%**

ZERO DISCHARGE OF  
HARMFUL CHEMICALS (ZDHC)

SOLAR-GENERATED  
ELECTRICITY  
FOR MAHAD, RAIGAD PLANT

**3**

BY-PRODUCTS SOLD  
TO CEMENT INDUSTRY



# STRENGTHENING STRATEGIES

## EARLY ENTRANTS IN DYES INTERMEDIATE:

We are one of the early organised players of dyes intermediate manufacturing with zero effluent discharge and eco-friendly processes that has made us globally acceptable and renowned and considerably enhanced our market share in the industry.

## DIVERSIFIED CUSTOMER BASE AND LOYALTY:

Our product offerings ensures excellence in use and functionality. Having been in the industry with over 3 decades of experience and expertise has earned reputation and undying customer loyalty. Our products are developed with utmost care to the environment and under best quality process.

## RESEARCH AND DEVELOPMENT AND TECHNOLOGICAL ADVANCEMENT:

Our R&D laboratories are equipped with technologically advanced equipment and is continuously upgraded and strictly adhered to internationally best practices.

## DIVERSIFIED PRODUCT APPLICATION:

Our consistent endeavour towards improvement and an unwavering focus on core competencies will enable us to develop an extensive range of intermediate and reactive dyes for a wide variety of applications.

## STRICT ADHERENCE TO REGULATORY PROTOCOLS:

Our manufacturing processes undergo strict quality and regular checks. Being vigilant towards environment concerns we adopt strict regulatory protocols throughout our value chain. There is zero discharge of harmful effluents and the waste products is disposed without having harmful effect.



# STRENGTHENING PRODUCT PORTFOLIO

Our drive to continuously improve our processes and practices with an urge to develop safe and sustainable products enable us to bring operational efficiency and develop and innovate products with wide applications across industry.

## H-ACID

We are the leading and the largest Indian manufacturer, exporter, importer and supplier of 1-Amino-8-Naphtol-3, 6 Disulfonic Acid, H Acid for use as dyestuffs

## ACID DYES

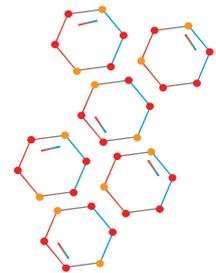
Acid dyes are applied to fibres such as silk, wool, nylon and modified acrylic fibres from neutral to acid dye baths. These are used both commercially and by the studio dyer to dye protein/animal fibres such as wool, silk, mohair, angora, alpaca and some nylons and synthetics.

## DIRECT DYES

Direct dyes are usually applied with the addition of electrolyte at or near the boil in the machines capable of running at atmospheric pressure. But in HTHP dyeing machines it is carried out at temperatures above the boil in case of pure as well as blended yarns.

## REACTIVE DYES

Reactive dyes are used for dyeing cellulose, protein and polyamide fibres. Textile materials dyed with reactive dyes have very good wash fastness with rating Reactive dye gives brighter shades and has moderate rubbing fastness.



# BOARD OF DIRECTORS

## Shri Bankesh Chandra Agrawal

*Chairman and Managing Director*

Shri Bankesh Chandra Agrawal is a promoter director of the Company. He is a Bachelor of Commerce and a qualified Cost and Management Accountant. He has over 43 years of experience in Yarn & Chemical Industry.

## Shri Sarthak Bankesh Agarwal

*Executive Whole time Director*

Shri Sarthak Agarwal is Bachelor of Commerce and a holder of M.B.A degree. He has over 7 years of experience in the Textile & Chemical Business

## Shri Nihit Agarwal

*Executive Whole time Director*

Shri Nihit Agarwal is a B.Tech from UDCT, Mumbai. He has over 4 years of experience in the Textile Business.

## Shri Sanjay Kashiprasad Kedia

*Whole time Director & CFO*

Shri Sanjay Kedia is Bachelor of Commerce and a Member of Institute of Chartered Accountants of India. He has over 22 years of experience in the Chemical Industry.

## Smt. Ekta Sumit Sultania

*Independent Director*

Smt. Ekta Sultania is Bachelor of Science. She is an Independent Woman Director of the Company since 2015. She has over 10 years of versatile experience in the Business.

## Shri Parag Dilip Agrawal

*Independent Director*

Shri Parag Agarwal is Bachelor of Engineering and a holder of Bachelor degree of International Gemological Institute. He has over 16 years of experience in the Business.

## Shri Vrijanand Ramprasad Gupta

*Independent Director*

Shri Vrijanand Gupta holds a Bachelors Degree in Commerce and is a Chartered Accountant. He has over 42 years of experience in various Industries.



# CORPORATE INFORMATION

## BOARD OF DIRECTORS

### **Shri Bankesh Chandra Agrawal**

*Chairman & Managing Director*

### **Shri Sarthak Bankesh Agarwal**

*Whole time Director*

### **Shri Nihit Agarwal**

*Whole time Director*

### **Shri Sanjay Kashiprasad Kedia**

*Whole time Director*

### **Smt. Ekta Sumit Sultania**

*Independent Director*

### **Shri Parag Dilip Agrawal**

*Independent Director*

### **Shri Vrijanand Gupta**

*Independent Director*

### **Shri Kishor Kharat**

*Independent Director*

(Appointed w.e.f 28.01.2021 & resigned w.e.f. 01.07.2021)

## BANKERS

### **STATE BANK OF INDIA**

Industrial Finance Branch

S. V. Road, Malad (West), Mumbai - 400064

## AUDITORS

### **G. D. SINGHVI & COMPANY**

*Chartered Accountants*

6-A/1, New Excelsior Cinema Bldg

Wallace Street, Fort

Mumbai 400 001

## REGISTERED OFFICE

A/8, MIDC, Mahad, Dist. Raigad

Maharashtra 402 309

CIN: L99999MH1987PLC044942

Tel: 02145-232177/233492 |

Email: [info@shreeharichemicals.in](mailto:info@shreeharichemicals.in)

Web: [www.shreeharichemicals.in](http://www.shreeharichemicals.in)

## REGISTRAR & TRANSFER AGENTS

M/s. Universal Capital Securities Private Limited

C-101, 247 Park, 1st Floor, LBS Road,

Gandhi Nagar, Vikhroli (West),

Mumbai - 400083

CIN: U74200MH1991PTC062536

Tel: 28257641/ 28366620 | Fax: 28207207

Email: <http://www.unisec.in>

## CORPORATE OFFICE

401/402, A Wing Oberoi Chambers,

OPP. SAB TV, New Link Road,

Andheri (West)

Mumbai-400053

**SHREE HARI CHEMICALS EXPORT LIMITED****Corporate Identification No. (CIN)** - L99999MH1987PLC044942**Registered Office:** A/8, MIDC, Mahad, Dist. Raigad-- 402309, Maharashtra**Tel:** 02145-232177/233492 **E-mail:** info@shreeharichemicals.in**Website:** www.shreeharichemicals.in**NOTICE**

Notice is hereby given that the **THIRTY FOURTH** Annual General Meeting of the members of **SHREE HARI CHEMICALS EXPORT LIMITED** will be held on Friday, September 17, 2021 at 01.00 p.m. through video conferencing ("VC") or other audio visual means ("OAVM") to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2021, together with the Reports of the Board of Directors and the Auditor's thereon.
2. To appoint a Director in place of Shri Sanjay Kedia (DIN: 08556924) who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

3. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company hereby ratifies the payment of remuneration of ₹ 25,000/- plus applicable taxes and reimbursement of travelling and out of pocket expenses payable to M/s. V.B. Modi & Associates, Cost Accountants, (ICWA Registration No. 004861) who have been appointed as Cost Auditors to conduct the audit of the cost records for the FY 2021-22."

**NOTES:**

1. In view of the outbreak of COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its General Circular dated May 5, 2020 read with General Circulars dated April 8, 2020, April 13, 2020 and January 13, 2021 (collectively referred to as 'MCA Circulars') permitted the holding of the Annual General Meeting ('AGM') through Video Conferencing ('VC') facility or Other Audio Visual Means ('OAVM'), without the physical presence of the Members at a common venue. Further, the Securities and Exchange Board of India ('SEBI') vide its Circulars dated May 12, 2020 and January 15, 2021 ('SEBI Circulars') has also granted certain relaxations. In compliance with the provisions of the Companies Act, 2013 ('Act'), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/OAVM on Friday, September 17, 2021 at 01.00 p.m.
2. Shri Kishor Kharat (DIN: 07266945) was appointed as an Additional Director and Independent Director of the Company with effect from January 28, 2021 to hold office till the date of ensuing annual general meeting. However he has resigned as Director and Independent director of the Company with effect from July 01, 2021. Hence the resolution seeking approval of the members for his appointment as mentioned in the Board's Report has not been incorporated in the notice of this AGM.
3. Pursuant to the General Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the Proxy Form and Attendance Slip are not annexed to this Notice.
4. The Members can join the AGM in the VC/OAVM mode 30 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.



5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
6. The Statement setting out material facts pursuant to section 102 of the Companies Act, 2013, which sets out details relating to item no. 3 of the Notice and Additional information pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings in respect of directors seeking appointment/ reappointment under item no 2 are annexed hereto.
7. In line with the MCA General Circular dated May 5, 2020, the Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 34<sup>th</sup> AGM has been uploaded on the website of the Company at [www.shreeharichemicals.in](http://www.shreeharichemicals.in) and may also be accessed on the websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com). The Notice is also available on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
8. Members are requested to notify immediately any change of particulars such as name, postal address, e- mail address, telephone/mobile numbers, PAN, registering of nomination, bank mandate details etc.:
  - (i) to their Depository Participants (DPs) in respect of their electronic share accounts, and
  - (ii) to the Company's Registrar & Share Transfer Agents, M/s. Universal Capital Securities Pvt. Ltd. ("UCSPL") at C-101, 247 Park, 1<sup>st</sup> Floor, LBS Road, Gandhi Nagar, Vikhroli (West), Mumbai – 400083, in respect of their physical share folios, if any, quoting their folio numbers.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, accordingly, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Company.
10. As per amended Regulation 40 of SEBI Listing Regulations securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and relogged transfers of securities. Further, SEBI vide its dated September 7, 2020 and December 2, 2020 fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
11. Members holding shares in physical mode and who have not updated their email addresses with the Company are requested to update their email addresses by writing to the Company or M/s. Universal Capital Securities Pvt. Ltd., Registrar and Share Transfer Agent (R & T Agent) at C-101, 247 Park, 1<sup>st</sup> Floor, LBS Road, Gandhi Nagar, Vikhroli (West), Mumbai –400083. Members holding shares in dematerialised mode are requested to register/update their email addresses with the relevant Depository Participants.
12. During the 34<sup>th</sup> AGM, Members may access the electronic copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, on the website of the Company at [www.shreeharichemicals.in](http://www.shreeharichemicals.in).
13. Pursuant to the provisions of the Act, the dividend remaining unclaimed/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 setup 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 individual amounts once credited to the said fund.
14. Pursuant to the provision of Section 124(6) of the Act, read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the IEPF Rules") and amendments thereto, shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to the demat account of the IEPF Authority except for shares in respect of which there is a specific order of Court, Tribunal or Statutory Authority restraining any transfer of the shares.

The Members/claimants whose shares, unclaimed dividend, etc. have been transferred to the Fund may claim the shares by making an application to IEPF Authority in Form IEPF-5 (available on [iepf.gov.in](http://iepf.gov.in)) along with requisite fee as decided by the Authority from time to time.

15. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

- i. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- ii. Members are encouraged to join the Meeting through Laptops for better experience.
- iii. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [info@shreeharichemicals.in](mailto:info@shreeharichemicals.in). The same will be replied by the company suitably.
- vi. Members who would like to express their views/ask questions as a speaker at the Meeting may pre-register themselves by sending a request from their registered email address mentioning their names, DP ID and Client ID/folio number, PAN and mobile number at [info@shreeharichemicals.in](mailto:info@shreeharichemicals.in) from Thursday, September 09, 2021 (9.00 a.m. IST) to Saturday, September 11, 2021 (5:00 p.m. IST). Those Members who have pre-registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- vii. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the 34<sup>th</sup> AGM through VC/OAVM facility.
- viii. Members who need assistance before or during the AGM, can contact NSDL on toll free no. 1800 1020 990 and 1800 22 44 30 or contact **Ms. Sarita Mote** on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**VOTING THROUGH ELECTRONIC MEANS:**

In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by Companies (Management and Administration) Rules, 2015, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the Secretarial Standards on General Meetings (SS2) issued by the Institute of Company Secretaries of India, the Company is pleased to provide members facility to exercise their right to vote at the 34<sup>th</sup> Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL).

**I. The instructions for members for voting electronically are as under:-**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the <b>"Beneficial Owner"</b> icon under <b>"Login"</b> which is available under <b>'IDeAS'</b> section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on <b>"Access to e-Voting"</b> under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select <b>"Register Online for IDeAS Portal"</b> or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App <b>"NSDL Speede"</b> facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center; margin-top: 20px;"> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; margin-top: 10px;">   </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to <b>Easi / Easiest</b> are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>

Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode .**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/ Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the



system will force you to change your password.

- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to M/s. Universal Capital Securities Pvt. Ltd., Registrar and Share Transfer Agent (R & T Agent) at [info@unisec.in](mailto:info@unisec.in) or Company at [info@shreeharichemicals.in](mailto:info@shreeharichemicals.in)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to (Company email id). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### **Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [cs@parikhassociates.com](mailto:cs@parikhassociates.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "**Forgot User Details/Password?**" or "**Physical User Reset Password?**" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or to Ms. Sarita More send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
  - I. If you are already registered with NSDL for e-voting then you can use your existing user ID and password/PIN for casting your vote.
  - II. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - III. The e-voting period commences on Tuesday, September 14, 2021 (10.00 a.m.) and ends on Thursday, September 16, 2021 at (5:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, September 10, 2021 may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
  - IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Friday, September 10, 2021. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, as well as voting at the meeting. The members who have not cast vote through remote e-voting shall be entitled to vote at the meeting.  
Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - V. Members will be provided with the facility for voting through electronic voting system during the video conferencing proceedings at the AGM and Members participating at the AGM, who have not already cast their vote on the resolutions by remote e-voting, will be eligible to exercise their right to vote on such resolutions during the proceedings of the AGM.
  - VI. The Members who have cast their votes through remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their votes again on such resolutions.
  - VII. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
  - VIII. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.
  - IX. Smt. Shalini Bhat (FCS No.: 6484) or failing her Shri Mohmmad P. FCS No. 10619) of M/s. Parikh & Associates, Practicing Company Secretaries, have been appointed as the Scrutinizer to scrutinize the e-voting process and the voting at the meeting in a fair and transparent manner.
  - X. The Scrutinizer shall, immediately after the conclusion of voting at the Annual General Meeting, unblock the votes cast through remote e-voting prior to the AGM and e-voting during the AGM and make not later than 48 hours of conclusion of the meeting, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to



the Chairman or a person authorized by him in writing, who shall countersign the same.

- XI. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website, [www.shreeharichemicals.in](http://www.shreeharichemicals.in) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the result is declared by the Chairman and the same shall be communicated to the BSE Limited where the shares of the Company are listed.

**By the Order of the Board**

**For BANKESH CHANDRA AGRAWAL  
Chairman & Managing Director  
DIN: 00121080**

**Registered Office:**

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

**CIN:** L99999MH1987PLC044942

**Tel:** 02145-232177/233492

**E-mail:** [info@shreeharichemicals.in](mailto:info@shreeharichemicals.in)

**Website:** [www.shreeharichemicals.in](http://www.shreeharichemicals.in)

Date: July 12, 2021

**ANNEXURE TO NOTICE****THE STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND THE INFORMATION REQUIRED AS PER REGULATIONS 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ON GENERAL MEETING.****Item No. 2**

Shri Sanjay Kedia (DIN:08556924), Whole-time Director of the Company in terms of Section 152(6) of the Act, retires by rotation at the ensuing Annual General Meeting and is eligible for reappointment.

His brief resume, the nature of his expertise in specific functional areas, names of companies in which he holds Directorship, Committee Memberships/ Chairmanships, his shareholding etc., are separately annexed hereto.

The Board commends the approval by the members for re-appointment of Director.

Except Shri Sanjay Kedia, none of the other Directors and Key Managerial Personnel of the Company and their respective relatives are concerned or interested, financially or otherwise, in the resolution.

**Item No. 3**

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. V.B. Modi & Associates, Cost Accountants (Firm Registration No. 004861) to conduct the audit of the cost records of the Company for the financial year ending March 31 2022. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

The Board commends the Ordinary Resolution set out at Item No. 3 for the approval of Members.

None of the Directors or Key Managerial Personnel or their relatives, is concerned or interested, in any way, in this Resolution.

**By the Order of the Board**

**For BANKESH CHANDRA AGRAWAL  
Chairman & Managing Director  
DIN: 00121080**

**Registered Office:**

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

**CIN:** L99999MH1987PLC044942

**Tel:** 02145-232177/233492

**E-mail:** [info@shreeharichemicals.in](mailto:info@shreeharichemicals.in)

**Website:** [www.shreeharichemicals.in](http://www.shreeharichemicals.in)

Date: July 12, 2021



**INFORMATION AS REQUIRED UNDER REGULATIONS 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015 AND SECRETARIAL STANDARDS ON GENERAL MEETINGS ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA WITH RESPECT TO GENERAL MEETINGS FOR ITEM NO. 2 OF THE**

**NOTICE**

<b>Particulars</b>	<b>Shri Sanjay Kedia</b>
Age	45 Years
Date of Appointment	08/11/2019
Qualification	B.Com, Chartered Accountant
Expertise/Experience in specific functional area	Over 22 years of experience in Financial Administration in Chemical Industry
Directorships in other companies	Nil
Memberships of Committees in companies (Includes only Audit & Stakeholders Relationship Committee)	Member of Stakeholders Relationship Committee of Shree Hari Chemicals Export Limited
No. of shares held in the Company	Nil
Relationship between Directors inter-se and the KMPs	There is no relationship between Directors inter-se and the KMPs
Number of Board meetings attended during 2020-21	7
Last Remuneration Drawn	₹ 3,10,000 per month including all perquisites.

## BOARD'S REPORT

To  
The Members,

### SHREE HARI CHEMICALS EXPORT LIMITED

The Directors have pleasure in presenting the Thirty-Fourth Annual Report together with the Audited Financial Statements of the Company for the financial year ended on March 31, 2021.

### FINANCIAL RESULTS:

The summary of financial performance of the Company for the year under review is given below:

(₹ in Lakhs)

Particulars	2020-2021	2019-2020
Revenue from Operations	5615.96	5710.03
Other Income	76.91	81.73
Profit/ (Loss) Before Depreciation & Tax	282.80	21.20
Less: Depreciation	159.66	214.65
<b>Profit/(Loss) Before Tax</b>	<b>123.14</b>	<b>(193.45)</b>
Less: Provision for Taxation		
Current Tax	-	-
Deferred Tax	38.65	(33.03)
Short/Excess provision of Income Tax	-	-
<b>Profit/(Loss) After Tax</b>	<b>84.49</b>	<b>(160.42)</b>
Other Comprehensive Income	1.28	(4.73)
<b>Total Comprehensive Income for the Year</b>	<b>85.77</b>	<b>(165.15)</b>

### OPERATIONS/ STATE OF COMPANY'S AFFAIRS

During the year under review, sales were ₹ 5615.96 Lakhs as against ₹ 5710.03 Lakhs during the corresponding previous year resulting in a profit of ₹ 85.77 Lakhs as against loss of ₹ 165.15 Lakhs for the previous year.

### TRANSFER TO GENERAL RESERVES

There was no transfer of amount to General Reserve.

### DIVIDEND

Your directors do not recommend any dividend on the equity shares of the Company for the FY 2020-21.

### IMPACT OF COVID-19

The outbreak of COVID-19 pandemic has affected the performance of the Company throughout the year.

The Operations of business of the Company were also affected due to the Lockdown announced by the Government of India to control the spread of Corona virus. The Company's Operations were affected earlier and now have been functional as per the Guidelines issued by Central and State Government from time to time.

The Company has taken all necessary steps to overcome the challenges and minimize the impact on the revenue of the Company.

### MATERIAL CHANGES AND COMMITMENTS AFTER THE END OF THE FINANCIAL YEAR

There have been no material changes and commitments, if any, affecting the financial position of the Company, which have occurred between the end of the FY dated March 31, 2021 and the date of the report.

### NUMBER OF MEETINGS OF BOARD OF DIRECTORS

7(Seven) meetings of the Board of Directors were held during the year. Details of the Meetings of the board are referred in the Corporate Governance Report, which forms part of this report.



## **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

### **Appointment and Cessation:**

Shri Sanjay Kedia (DIN:08556924), Director of the Company, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Shri Kishor Kharat (DIN: 07266945) was appointed as an Additional Director of the Company with effect from January 28, 2021. He holds office upto the date of ensuing AGM. He was also appointed as Independent Director of the Company for a period of five years with effect from January 28, 2021. The resolution seeking approval of the members for his appointment has been incorporated in the notice of the ensuing AGM.

Shri Bankesh Chandra Agrawal (DIN: 00121080) was appointed as Chairman & Managing Director of the Company for a period of three years with effect from November 11, 2020 subject to the approval by members at the general meeting. His appointment and remuneration was approved at the 33<sup>rd</sup> AGM of the Company held on December 30, 2020.

Shri Sarthak Agarwal (DIN: 03613314) and Shri Nihit Agarwal (DIN: 07586882) were appointed as Additional Directors of the Company with effect from October 29, 2020. They were also appointed as Whole Time Directors of the Company for a period of three years with effect from November 11, 2020 subject to the approval by members at the general meeting. Their appointment and remuneration was approved at the 33<sup>rd</sup> AGM of the Company held on December 30, 2020.

Shri Parag Agrawal (DIN: 07140561) was appointed as an Additional Director of the Company with effect from October 29, 2020. He was also appointed as Independent Director of the Company for a period of five years with effect from October 29, 2020, subject to the approval by members at the general meeting. His appointment was approved by the members at the 33<sup>rd</sup> AGM of the Company held on December 30, 2020.

The Board of Directors of the Company noted the resignation of Shri Anup Ramuka (Managing Director), Shri Arvind Chirania (Independent Director) and Shri Vinit Kedia (Independent Director) with effect from October 29, 2020. The Board of Directors places on record their sincere appreciation for the contributions made by Shri Anup Ramuka, Shri Arvind Chirania and Shri Vinit Kedia during their tenure in the Company.

### **Key Managerial Personnel ('KMP'):**

In terms of the provisions of Sections 2(51) and 203 of the Act, the following are the KMPs of the Company:

Shri Bankesh Chandra Agrawal, Chairman & Managing Director

Shri Sarthak Agarwal, Whole Time Director

Shri Nihit Agarwal, Whole Time Director

Shri Sanjay Kedia, Whole Time Director & CFO

Ms. Urvashi Pandya, Company Secretary & Compliance Officer

## **DECLARATIONS FROM INDEPENDENT DIRECTORS**

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 ("the Act") along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). There has been no change in the circumstances affecting their status as independent directors of the Company.

In terms of Regulation 25(8) of SEBI Listing Regulations, independent directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

In the opinion of the Board, the independent directors possess appropriate balance of skills, experience and knowledge, as required.

### AUDIT COMMITTEE

The details pertaining to composition of audit committee are included in the Corporate Governance Report, which forms part of this report.

### VIGIL MECHANISM

The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) Mechanism formulated by the Company provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Managing Director/ Chairman of the Audit Committee in exceptional cases. The policy is placed on website of the Company weblink: <http://www.shreeharichemicals.in/policies.aspx>

### POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND CRITERIA FOR INDEPENDENT DIRECTORS

The Remuneration Policy for directors and senior management and the Criteria for selection of candidates for appointment as directors, independent directors, senior management are placed on the website of the Company. The web link is <http://www.shreeharichemicals.in/policies.aspx>. There has been no change in the policies since the last fiscal year. We affirm that the remuneration paid to the directors is as per the terms laid out in the remuneration policy of the Company.

### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- (ii) they have selected such accounting policies and applied them consistently and made judgments 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 FY and of the profit of the Company for that period;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a going concern basis;
- (v) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### ADEQUACY OF INTERNAL FINANCIAL CONTROLS

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal and statutory auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the FY 2020-21.

The internal auditor also regularly reviews the adequacy of internal financial control system.

### DETAILS OF SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATES

The Company does not have any subsidiaries/ joint ventures/ associates.

### ANNUAL RETURN

Pursuant to the provisions of Section 134(3)(a) and Section 92 of the Act read with Rule 12 of the Companies (Management



and Administration) Rules, 2014 Annual Return of the Company as at March 31, 2021 is uploaded on the website of the Company at <http://www.shreeharichemicals.in/annualreturn.aspx>

### **STATUTORY AUDITORS**

As per the provisions of Section 139 of the Act read with the Companies (Audit and Auditors) Rules, 2014, M/s. G. D. Singhvi & Co., Chartered Accountants were appointed as Statutory Auditors of the Company for a period of five years from the conclusion of the Thirtieth AGM to the conclusion of the Thirty-Fifth AGM to be held in 2022, subject to ratification by shareholders at each AGM. However in terms of the Notification issued by the Ministry of Corporate Affairs dated May 7, 2018, the proviso requiring ratification of the Auditors appointment by the shareholders at each AGM has been omitted. Accordingly, the ratification of appointment of Statutory Auditors would not be required at the AGM.

The Statutory Auditors have confirmed that they are not disqualified to act as Auditors and are eligible to hold office as Statutory Auditors of the Company for the FY 2021-22.

### **COST AUDIT**

The maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013, is required by the Company and accordingly such accounts and records are made and maintained.

The Board of Directors have appointed M/s. V. B. Modi & Associates, Cost Accountants, as Cost Auditors for the FY 2021-22. In accordance with the requirement of the Central Government and pursuant to Section 148 of the Act, your Company carries out an annual audit of cost accounts of the Company.

### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 and other applicable provisions, if any, of the Companies Act, 2013, M/s. Parikh & Associates, Practicing Company Secretaries were appointed as the Secretarial Auditors for auditing the secretarial records of the Company for the FY 2020-2021.

The Secretarial Auditors' Report is annexed as **Annexure I**.

### **SECRETARIAL STANDARDS**

The Company has devised proper systems to ensure compliance with the provisions of all applicable secretarial standards issued by the Institute of Company Secretaries of India and that such systems are adequate and operating effectively.

### **AUDITORS' REPORT AND SECRETARIAL AUDITORS' REPORT**

The Statutory Auditors' report and Secretarial Auditor's report does not contain any qualifications, reservations or adverse remarks. The information provided by the Secretarial Auditor in their report is self explanatory. During the year under review, there were no instances of fraud reported by the auditors, under Section 143(12) of the Companies Act, 2013 to the Audit Committee or the Board of Directors.

### **CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION FOREIGN EXCHANGE EARNINGS AND OUTGO**

#### **1. Conservation of energy:**

##### **a. Steps taken / impact on conservation of energy:**

During the year, the Company continued to make efforts to prevent wasteful electrical consumption.

##### **b. Steps taken by the Company for utilising alternate sources of energy including waste generated:**

The Company has started setting up solar power plants as alternate and natural source of energy.

##### **c. The Capital invested on energy conservation equipment: NIL**

#### **2. Technology absorption :**

##### **a. Efforts, in brief, made towards technology absorption during the year under review are: NIL**

##### **b. Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.: Not Applicable**

- c. **In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished :** Not Applicable
- d. **Expenditure incurred on Research and Development:** NIL

**3. Foreign exchange earnings and Outgo :**

		(₹ in Lakhs)
<b>Foreign exchange earnings and outgo</b>		<b>2020-21</b>
a.	Foreign exchange earnings	31.39
b.	Foreign exchange outgo	Nil

**PARTICULARS OF EMPLOYEES**

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as **Annexure II**.

**DEPOSITS FROM PUBLIC**

The Company has not accepted any deposits from public during the year.

**SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORY/ JUDICIAL AUTHORITIES**

There are no significant or material orders passed by any regulator or judicial authorities that would impact the going concern status of the Company and its future operations.

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

The Company had not given any loans or guarantees or made investments pursuant to the provisions of Section 186 of the Companies Act, 2013 during the FY 2020-21.

**RISK MANAGEMENT POLICY**

The Board of Directors of the Company has framed a Risk Management Policy and is responsible for reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

**CORPORATE SOCIAL RESPONSIBILITY**

The brief outline of the corporate social responsibility (CSR) policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in Annexure III of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The policy is available on <http://www.shreeharichemicals.in/policies.aspx>

**RELATED PARTY TRANSACTIONS**

Particulars of transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Form AOC-2 and the same forms part of this report as Annexure IV.

**EVALUATION OF BOARD, ITS COMMITTEES AND INDIVIDUAL DIRECTORS**

An annual evaluation of the Board own performance, Board committees and individual directors was carried out pursuant to the provisions of the Act in the following manner:

Sr. No.	Performance evaluation of	Performance evaluation performed by	Criteria
1	Each Individual directors	Nomination and Remuneration Committee	Attendance, Contribution to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and guidance provided, key performance aspects in case of executive directors etc.
2	Independent directors	Entire Board of Directors excluding the director who is being evaluated	Attendance, Contribution to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution, and guidance provided etc.



Sr. No.	Performance evaluation of	Performance evaluation performed by	Criteria
3	Board, its committees and individual directors	All directors	Board composition and structure; effectiveness of Board processes, information and functioning, performance of specific duties and obligations, timely flow of information etc. The assessment of committees based on the terms of reference of the committees

### **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has complied with provisions relating to the constitution of Internal Complaints Committee and has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

The Company has not received any complaint of sexual harassment during the FY 2020-21.

### **LISTING FEES**

The Company has paid the listing fees to BSE Limited for the FY 2021-2022.

### **INSIDER TRADING REGULATIONS AND CODE OF DISCLOSURE**

The Board of Directors has adopted the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulation, 2015 and is available on our website. The web link is <http://www.shreeharichemicals.in/policies.aspx>

### **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS**

As per SEBI Listing Regulations, the Corporate Governance Report with Auditor's Certificate thereon and the Management Discussion and Analysis Report, forms part of this Annual Report.

### **ACKNOWLEDGEMENT**

Your Directors take this opportunity to thank the employees, customers, vendors, investors of the Company and the communities in which the Company operates, for their unstinted co-operation and valuable support extended during the year. Your Directors also thank the Government of India, Government of various States in India and government departments / agencies concerned for their co-operation.

**For and on behalf of the Board**

**Place: Mumbai**  
**Date: May 31, 2021**

**BANKESH CHANDRA AGRAWAL**  
**Chairman & Managing Director**  
**DIN: 00121080**

## ANNEXURE I

### FORM No. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

(Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

The Members,

**Shree Hari Chemicals Export Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Shree Hari Chemicals Export Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information to the extent provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management and considering the relaxations granted by the Ministry of Corporate Affairs and the Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we hereby report that in our opinion, the Company has during the audit period covering the FY ended on March 31, 2021, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the FY ended on March 31, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Securities And Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments from time to time;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time: (Not applicable to the Company during the audit period)
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and



- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not applicable to the Company during the audit period)
- vi) Other laws specifically applicable to the Company namely
- 1) Factories Act, 1948
  - 2) Water (Prevention and control of pollution) Act, 1974
  - 3) The Air (Prevention and Control of Pollution) Act, 1981
  - 4) Hazardous Waste (Management, Handling & Transboundary movement) Rules, 2008
  - 5) Public Liability Act, 1991

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
- (ii) The Listing Agreements entered into by the Company with BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above.

We report that the Company has paid the fine of ₹ 11,800/- to BSE Limited in respect of delayed Compliance of Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended September, 2020.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

**Decisions at the Board Meetings were taken unanimously.**

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period no events occurred which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.

**For Parikh & Associates  
Company Secretaries**

**Place: Mumbai**

**Date: May 31, 2021**

**Sd/-  
J. U. Poojari  
Partner**

**FCS No: 8102 CP No: 8187**

**UDIN: F008102C000398855**

*This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.*

## Annexure A

To,  
The Members

**Shree Hari Chemicals Export Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates  
Company Secretaries**

**Place: Mumbai**

**Date: May 31, 2021**

**Sd/-**

**J. U. Poojari**

**Partner**

**FCS No: 8102 CP No: 8187**

**UDIN: F008102C000398855**

## ANNEXURE II

**ANNEXURE II**  
**Information pursuant to Section 197(12) of the Companies Act 2013**  
**[Read with Rule 5(1) of the Companies (Appointment and Remuneration of**  
**Managerial Personnel) Rules 2014]**

- (i) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year:

Name of the Directors		% increase/decrease in remuneration in the financial year
<b>@Non –Executive Independent Directors</b>		
Shri Virjanand Gupta	N.A	-
Smt. Ekta Sultania	N.A	-
Shri Parag Agrawal (Appointed wef 29.10.2020)	N.A	-
Shri Kishor Kharat (Appointed wef 28.01.2021)	N.A	-
Shri Arvind Chirania (Resigned wef 29.10.2020)	N.A	-
Shri Vinit Kedia (Resigned wef 29.10.2020)	N.A	-
<b>Executive Directors /KMP</b>		
Shri Bankesh Chandra Agrawal (Appointed as Managing Director wef 11.11.2020)	24.41:01	7.33%
Shri Sarthak Agarwal (Appointed as Whole Time Director w.e.f 11.11.2020)	6.41:01	-
Shri Nihit Agarwal (Appointed as Whole Time Director w.e.f 11.11.2020)	6.41:01	-
Shri Anup Ramuka (Resigned w.e.f 29.10.2020)	11.80:01	-
Shri Sanjay Kedia (Whole Time Director & CFO)	10.21:01	-
Ms. Urvashi Pandya – Company Secretary	0.9:01	-

@None of the Non-executive Directors were paid any remuneration during the year except sitting fees

- (ii) The percentage increase in the median remuneration of employees in the FY 2020-21 compared to 2019-20: None
- (iii) The number of permanent employees on the rolls of Company as on 31.03.2021: 78 Employees
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: During the year there has been no exceptional increase in managerial remuneration.
- (v) Remuneration is as per the remuneration policy of the Company.
- (vi) During the year there were no employees who were in receipt of remuneration in the aggregate of rupees One Crores two Lakhs for the year or rupees Eight Lakhs fifty thousand per month if employed for part of the year.
- (vii) The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a separate annexure forming part of this report. Further the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Compliance Officer.

**For and on behalf of the Board**

**Place: Mumbai**  
**Date: May 31, 2021**

**BANKESH CHANDRA AGRAWAL**  
**Chairman & Managing Director**  
**DIN: 00121080**

## ANNEXURE III

### ANNEXURE – III

#### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

**1. A brief outline of the Company's CSR of the Company:**

Shree Hari Chemicals Export Limited (SHCEL) intends to make a positive difference to society and contribute its share towards the social cause of betterment of society and area in which Company operates. SHCEL recognizes that its business activities have wide impact on the societies in which it operates and therefore an effective practice is required giving due consideration to the interests of its stakeholders including shareholders customers employees suppliers business partners local communities and other organizations. The Company endeavors to make CSR a key business process for sustainable development.

Our CSR initiatives focus on promoting education preventive health care and sanitation environmental sustainability and measures for benefits of villagers in rural areas of Raigad District. These projects are in accordance with Schedule VII of the Companies Act 2013.

**2. Composition of the CSR Committee:**

Sl. No.	Name of the Director	Designation/Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Sarthak Agarwal (Chairman)	Whole- Time Director (Executive Director)	1	1
2	Shri Bankesh Chandra Agrawal (Member)	Managing Director (Executive Director)	1	1
3	Smt. Ekta Sumit Sultania (Member)	Independent Director (Non-Executive Director)	1	1

**3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

Composition of the CSR committee:

<http://www.shreeharichemicals.in/committeesofboardofdirectors.aspx>

CSR Policy: <http://www.shreeharichemicals.in/policies.aspx>

CSR projects approved by the board: Not Applicable

**4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable:** Not Applicable

**5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Sl. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
		Nil	

**6. Average net Profit/ (Loss) of the Company as per section 135(5): ₹ (491.72) Lakhs**



7. (a) Two percent of average net Profit/ (Loss) of the Company as per section 135(5) : ₹ (63.90) Lakhs  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil  
 (c) Amount required to be set off for the financial year, if any : Nil  
 (d) Total CSR obligation for the financial year (7a+7b-7c) : Nil

8. (a) CSR amount spent or unspent for the financial year.

(₹ in Lakhs)

Total Amount Spent for the Financial Year. (in ₹) (₹ In lakhs)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
22.29*	NIL	-	-	NIL	-

\* The unspent amount relating to previous financial years spent during the year 2020-21

- (b) Details of CSR amount spent against ongoing projects for the financial year.

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes / No)	State	District	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation Direct (Yes /No)	Name	Mode of Implementation Through Implementing Agency CSR registration number.
NIL												

- (c) Details of CSR amount spent against other than ongoing projects for the financial year.

(₹ in Lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local Area (Yes / No)	State	District	Amount spent in the current financial Year (in ₹)	Mode of Implementation Direct (Yes /No)	Name	Mode of Implementation Through Implementing Agency CSR registration number
1	Maharaja Agrasen Palace	Health & Education	Yes	Maharashtra	Pune	22.29*	No	Agarwal Global Foundation	CSR00001190
	TOTAL					22.29			

\* The unspent amount relating to previous financial years spent during the year 2020-21

(d) **Amount spent in Administrative Overheads:** Nil

(e) **Amount spent on Impact Assessment, if applicable:** Nil

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e) :** ₹ 22.29 Lakhs\*

\* The unspent amount relating to previous financial years spent during the year 2020-21

(g) **Excess amount for set off, if any:** Nil

Sl. No.	Particular	Amount (₹ In Lakh)
(i)	Two percent of average net profit of the Company	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

9. (a) **Details of Unspent CSR amount for the preceding three financial years:**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ In Lakh)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
NIL							

(b) **Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):** None

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project Completed /Ongoing
	-	-	-	-	-	-	-	-

10. **In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):** Not Applicable

(a) Date of creation or acquisition of the capital asset(s): Nil

(b) Amount of CSR spent for creation or acquisition of capital asset: Nil

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: Not Applicable

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. **Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5):**  
Not Applicable

**BANKESH CHANDRA AGRAWAL**  
Chairman & Managing Director

**SARTHAK AGARWAL**  
Chairman CSR Committee



## ANNEXURE IV

### ANNEXURE IV

#### FORM NO. AOC.2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances if any:	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
Shri Amit Ramuka Brother of Shri Anup Ramuka (Managing Director)	Employment	Continuous	Monthly Salary of ₹ 2.00 Lakhs (During the period from 01.04.2020 to 07.10.2020 ₹ 12.45 Lakhs)	Shri Amit Ramuka is a Master of Business Administration (MBA) and his knowledge and services would be beneficial to the company	14.03.2014	N.A	N.A
Shri Sarthak Agarwal son of Shri Bankesh Chandra Agrawal (Chairman & Executive Director)	Employment	Continuous	Monthly Salary of ₹ 2.00 Lakhs (During the period from 01.04.2020 to 28.10.2020 ₹ 14.00 Lakhs)	Shri Sarthak Agarwal is a Master of Business Administration (MBA) and his knowledge and services would be beneficial to the company	14.03.2014	N.A	N.A
Smt. Geeta Ramuka Mother of Shri Anup Ramuka (Managing Director)	Employment	Continuous	Monthly Salary of ₹ 2.00 Lakhs (During the period from 01.04.2020 to 07.10.2020 ₹ 12.45 Lakhs)	Smt. Geeta Ramuka is a Bachelor of Commerce (B.Com) and her knowledge and services would be beneficial to the company	31.01.2019	N.A	N.A

Smt. Shalini Kedia wife of Shri Sanjay Kedia (Whole Time Director & CFO)	Employment	Continuous	Monthly Salary of ₹ 1.43 Lakhs (During the FY 2020-21 ₹ 17.20 Lakhs)	Smt. Shalini Kedia is a Bachelor of Arts (B. A.) and her knowledge and services would be beneficial to the company	08.11.2019	N.A	N.A
Smt. Priyamvada Agarwal Wife of Shri Sarthak Agarwal (Whole Time Director)	Employment	Continuous	Monthly Salary of ₹ 2.00 Lakhs (During the period from 16.11.2020 to 31.03.2021 ₹ 9.00 Lakhs)	Smt. Priyamvada Agarwal is a Chartered Accountant and her knowledge and services would be beneficial to the company	11.11.2020	N.A	N.A

**2. Details of material contracts or arrangements or transactions at arm's length basis: NIL**

**For and on behalf of the Board**

**Place: Mumbai**  
**Date: May 31, 2021**

**BANKESH CHANDRA AGRAWAL**  
**Chairman & Managing Director**  
**DIN: 00121080**

# MANAGEMENT DISCUSSION & ANALYSIS

## Indian Economic Overview

The outbreak of Covid-19 pandemic severely weighed down the growth prospects of the Indian economy. The Indian economy contracted by 7.3% in FY 2020-21 as Covid-19 ravaged the economy. (Source : Financial Express). Due to the implementation of some of the harshest lockdowns amongst all countries, a 23.9% contraction in GDP during Q1 of FY 2020-21 was anticipatory (Source: <https://www.worldbank.org/en/country/india/overview>). Since the gradual uplifting of the lockdowns, the industrial and commercial activities have not only reached pre-pandemic levels, but also has surpassed previous year levels as well across some parameters.

The Economic Survey FY 2020-21, presented by the Union Minister for Finance and Corporate Affairs, highlighted a V-shaped economic recovery for India, due to the mega vaccination drives, robust recoveries in the services sector, alongside significant growth in consumer spending and investments. The economic recovery is also expected to be boosted by the resurgence in power demand, rail freight, GST collection, steel consumption, etc.

As per the International Monetary Fund (IMF), India is set to become the fastest-growing economy in the next two years. A positive outlook coupled with the gradual scaling down of the lockdowns, along with an astute support for the Aatmanirbhar Bharat Mission has placed the economy firmly on the path of recovery. IMF further expects India's GDP to grow 12.5% in FY 2021-22 and a projected increase by 6.9% in FY 2022-23. (Source: <https://www.imf.org/en/Publications/WEO/Issues/2021/03/23/world-economic-outlook-april-2021>)

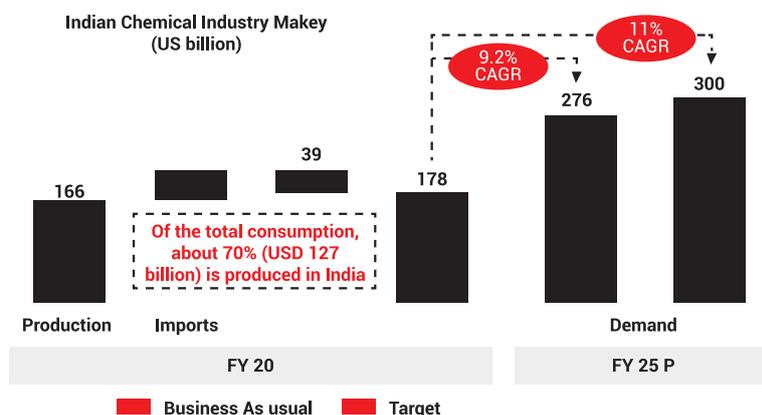
## Chemical Industry

Amidst the rapidly evolving global landscape of the chemical industry, western countries are losing manufacturing

competitiveness due to high energy prices, labour cost, and currency appreciation. Until recently, China was one of the beneficiaries of this shift. However, in the aftermath of the pandemic, the world is demonstrating anti-China sentiments, as can be seen through the China Plus One movement, trade bans, border clashes, and banning of Chinese mobile apps. This trend is expected to continue in the future, and is likely to pave the way for India to become the world's manufacturing hub. India is better positioned as compared to other Asian nations, on account of surplus availability of labour, suitable manufacturing conditions, low wage costs, abundance of raw materials, strong domestic market, a stable political environment, and positive outlook towards reducing emissions.

India's chemical manufacturing industry employs 2 million people, and has a weightage of 7.87% in the Index of Industrial Production (IIP). The industry is a key pillar of the Indian economy, contributing 1.4% to the National Gross Value Added (GVA) and 8.8% to the manufacturing GVA. Further, the industry contributes to 2.1% of total Foreign Direct Inflows Equity Inflows, and 11.3% of India's exports. (Source: <https://www.indiachem.in/pdf/presentations21.pdf>)

Despite manufacturing halts and labour restrictions, the IIP for chemical manufacturing has recovered to pre-COVID levels. The industry is expected to grow at a CAGR of 9.2% from FY 2020-21 to FY 2024-25, driven by demographic dividends, low per capita consumption, an increasing export demand and enabling Government initiatives such as Make in India, Aatmanirbhar Bharat Abhiyan and the Production-Linked Incentive (PLI) Scheme. (Source: <https://www.pwc.in/assets/pdfs/publications/2021/india-a-global-manufacturing-hub-for-chemicals-and-petrochemicals.pdf>)



(Source: <https://www.indiachem.in/pdf/presentations21.pdf>)

## Opportunities

### Anti-China Sentiment

In recent years, the disruption in production of several chemical industries in the Chinese markets, owing to strict environmental norms, has boosted the outlook for Indian companies. Increased environmental compliance costs, rising manpower wages, and reduced state support, have improved the cost competitiveness of Indian manufacturers. The momentum of shift from China is likely to accelerate in the backdrop of the COVID-19 pandemic, and is expected to benefit the Company, going forward.

### Government Initiatives

Strong government-backed initiatives and policy support are providing impetus to the manufacturing sector and setting a platform for strong growth. The various schemes launched shall indirectly benefit the industry and the Company in the long run.

### Threats

#### Rising Competition

The dyestuff industry is highly fragmented, competitive and cyclical. The Government has allowed 100% FDI in chemical

sector, which is encouraging stiff competition from foreign multinationals, and is exerting price pressure on domestic companies.

### Company Overview

Incorporated in the year 1987, Shree Hari Chemicals Export Limited ('SHCEL' or 'The Company'), is engaged in the business of manufacturing of H-acid and dye intermediates which finds applications in the manufacturing of dyestuffs (various dyestuffs). Since inception, the Promoters have been actively involved in business and management of the overall activities of the Company. SHCEL has an 8-10% domestic market share for its products.

### Financial Performance

In spite of COVID Situation/lockdown, the company is able to achieve the revenue of ₹ 56.92 Crores as against revenue for previous year of ₹ 57.92 Crores.

EBITDA stood at ₹ 2.84 Crores as against ₹ 0.23 Crores in FY 2019-20. The PAT was recorded at ₹ 0.85 Crores in FY 2020-21, as compared to loss of ₹ 1.60 Crores in FY 2019-20. EPS witnessed an increase to ₹ 1.93, as compared to ₹ (-3.71) in FY 2019-20.

(₹ in Crores)

Particulars	2020-21	2019-20
Revenue	56.92	57.91
R&D Expenses	-	-
Earnings Before Interest, Tax and Depreciation & Amortisation	2.84	0.23
Profit Before Tax	1.23	-1.93
Profit for the Year	0.85	-1.65
Total Assets	59.61	56.79
EPS (in ₹)	1.93	-3.71

(₹ in Crores)

Name of Metric	FY 2020-21	FY 2019-20	% Change increase (decrease)	Explanation in case change is 25% or more, as compared to the previous year
Inventory Turnover	4.11	4.23	(2.83)	-
Current Ratio	2.69	2.10	28.09	Retained Earnings
Debt Equity Ratio	No Debt	No Debt	-	-
Debtors' Turnover	2.32	2.73	(15.01)	-
Operating Profit Margin	0.05%	(0.01%)	600	Curbed Expenses
Net Profit Margin	1.52%	(2.89%)	152.59	Curbed Expenses
Return on Net Worth	2.32%	(4.58%)	150.65	Curbed Expenses
Interest Coverage Ratio	-	-	-	-

### Key Risks and Mitigation Strategies

The objective of our risk management activities is to recognise, assess and manage risks early on, and to implement appropriate measures to mitigate them. Risk management at SHCEL is a continuous process of analysing and managing all the risks posed to the business. Many risks are affecting the smooth functioning of the Company's operations.



(₹ in Crores)

Risk	Impact	Mitigation
<b>Competition risk</b>	A rise in competition could negatively impact our market share, margin profile, and return on capital employed	Being the preferred supplier and reliable partner, our long-standing customer relationships help us mitigate this risk
<b>Foreign currency exchange rate risk</b>	None	We mitigate this risk by way of our robust foreign exchange hedge mechanism and systems, such as forward contracts, futures contracts, options, and swaps.
<b>Raw material price risk</b>	The prices of H Acid have been very volatile during past two years owing to external factors	Our pricing power, and ability to pass on increased RM costs with a time lag, helps us mitigate this risk
<b>Labor disputes risk</b>	Industrial disputes may lead to industrial action, which may impact our ability to meet clients' demand	We maintain an open and positive relationship with all the employees, subcontractors, workers, etc.; thereby mitigating this risk
<b>Quality risk</b>	A decline in product quality could hamper customer relationships, further impacting revenue.	The Company has a stringent quality-control system in place and complies with all required external standards
<b>Environmental Risk</b>	At a point in time, we had to temporarily shut down our Mahad plant due to MPCB orders	Our zero liquid discharge, multiplicative evaporators, and 100% compliance with environmental requirements and laws will help us mitigate this risk, going ahead

### Human Resources

Human Resources has always been a key focus area for SHCEL, whom we consider as one of the key stakeholders. It is our firm belief that nurturing and strengthening the human resources will definitely add value to them and even organization as a whole. Therefore, the HR function plays a critical role in creating a thriving organisational structure through various initiatives, incentives and learning & development programmes. We regularly revisit our policies and practices to ensure that we comply with the values of the Company and benchmark ourselves against the peers within the industry.

### Internal Control Systems and its adequacy

The Company follows Internal Control Systems which are covering all business aspects to provide reasonable assurance that all assets are safeguarded, transactions are authorized, recorded and reported properly, as per applicable statutes. The Company generally adheres to rules, policy, statutes and laws ensuring that statutory compliances are thoroughly followed. The Company's Audit Committee reviews and takes suitable actions for any deviation, observation or recommendation suggested by the Internal Auditor, who is an independent auditor mandated to conduct internal audit. The Company also adheres to environment

protection laws. The employees of the Company follow the Code of Conduct devised for conducting the business of the Company.

### Outlook

At SCHEL, we have already commenced working on setting-up of a solar plant. The same are expected to give us great cost savings. The initiative is in line with an aim of making this an integrated Company, through horizontal expansions and vertically integrate into different intermediates as well. We also have plans in place to backward integrate through raw material production over the next 3 to 5 years to achieve complete integration. Overall, the future growth prospects for the Company are very bright.

### Cautionary Statement

Certain statements made in this Report relating to the Company's outlook, estimates, predictions etc. may constitute 'forward-looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such estimates, whether express or implied. Several factors that could make a difference to Company's operations include climatic conditions and economic conditions affecting demand and supply, changes in Government regulation tax regimes, natural calamities, etc. over which the Company does not have any direct control.

## REPORT ON CORPORATE GOVERNANCE

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (herein after referred to as Listing Regulations), given below is a report on the Corporate Governance in the Company:

### 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

i. The Board of Directors comprises of three Promoter Directors (Chairman & Managing Director and two Whole-time Directors), one Whole-time Director and four Non-Executive Independent Directors including one woman director. The Executive Chairman & Managing Director and the Whole-time Directors conduct the day to day management of the Company subject to the supervision and control of the Board of Directors.

ii. None of the Directors on the board hold directorships in more than ten public companies. Further none of them is a member of more than ten committees or Chairman of more than five committees across all the public companies in which he or she is a Director. Necessary disclosure regarding Committee positions in other public companies and Directorship in Listed Entities as on March 31, 2021 have been made by the Directors. Shri Bankesh Chandra Agrawal, Shri Sarthak Agarwal and Shri Nihit Agarwal are related to each other.

None of the Directors hold office in more than 20 companies and in more than 10 public companies as prescribed under Section 165(1) of the Act. No Director holds Directorships in more than 7 listed companies. Further, none of the Non-Executive Directors serve as Independent Director in more than 7 listed companies as required under the Listing Regulations. The Managing Director & CEO does not serve as an Independent Director in any listed company.

iii. Independent Directors are non-executive directors as defined under Regulation 16(1) (b) of the SEBI Listing Regulations and Section 149(6) of the Companies Act, 2013. All the Independent Directors comply with the requirements mentioned under Regulation 16(1) (b) of SEBI listing Regulations and Section 149 of the Companies Act, 2013 ("the Act").

iv. The Company held Seven (7) Board Meetings during FY 2020-21. The dates on which the said meetings were held are as follows:

July 23, 2020, September 14, 2020, October 20, 2020, October 29, 2020, November 11, 2020, January 28, 2021 and February 11, 2021 .

v. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the last annual general meeting and number of Directorships and Committee Chairmanships/Memberships held by them in other listed companies and public companies as on March 31, 2021 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act, Chairmanships/Memberships of Board Committees shall include Audit Committee and Stakeholders' Relationship Committee alone.

Name of Director	Category	Number of meetings during the financial year 2020-2021		Attendance at the last AGM	Number of Directorships in other Public Companies	No. of Committees positions held in other public companies		Directorship in other Listed Entity and Category of Directorship
		Held	Attended			Member	Chairman	
*Shri Bankesh Chandra Agrawal	Chairman & Managing Director	7	7	Yes	2	None	None	None
**Shri Anup Ramuka	Managing Director	7	3	NA	1	None	None	None
Shri Sanjay Kedia	Whole-Time Director	7	7	NA	None	None	None	None
***Shri Sarthak Agarwal	Whole-Time Director	7	4	Yes	2	None	None	None
***Shri Nihit Agarwal	Whole-Time Director	7	4	Yes	2	None	None	None
Shri Vrijanand Gupta	**I & N.E.D.	7	7	Yes	None	None	None	None
@Shri Arvind Chirania	**I & N.E.D.	7	4	Yes	None	None	None	None
@Shri Vinit Kedia	**I & N.E.D.	7	4	No	None	None	None	None
Smt. Ekta Sultania	**I & N.E.D.	7	7	No	None	None	None	None
# Shri Parag Agrawal	**I & N.E.D.	7	4	No	None	None	None	None
## Shri Kishor Kharat	**I & N.E.D.	7	1	No	None	None	None	None

\* Shri Bankesh Chandra Agrawal was appointed as Chairman & Managing Director with effect from November 11, 2020.

\*\* Shri Anup Ramuka resigned with effect from October 29, 2020 upon resignation due to personal reasons.

\*\*\*Shri Sarthak Agarwal and Shri Nihit Agarwal were appointed as Additional Directors with effect from October 29, 2020 and Whole Time Directors with effect from November 11, 2020.

@ Shri Arvind Chirania and Shri Vinit Kedia resigned with effect from October 29, 2020 upon resignation due to personal reasons.

# Shri Parag Agrawal was appointed as an Additional Director and Independent Director effect from October 29, 2020.

## Shri Kishor Kharat was appointed as an Additional Director and Independent Director effect from January 28, 2021.

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

- vi. During the year 2020-2021, information as mentioned in Schedule II Part A of SEBI Listing Regulations, has been placed before the Board for its consideration.

- vii. The terms and conditions of appointment of Independent Directors are disclosed on the website of the Company. (weblink: <http://www.shreeharichemicals.in/policies.aspx>).
- viii. During the year, one meeting of the Independent Directors was held on February 11, 2021.
- ix. The Board periodically reviews the compliance reports of all laws applicable to the company.
- x. None of the Non-executive directors of the company hold any equity shares in the company.
- xi. Familiarisation Programme: Kindly refer to the Company's website for details of the familiarisation programme for Independent Directors in respect of their roles, rights, responsibilities in the Company, nature of the industry in which Company operates, business model of the Company and related matters. (weblink: <http://www.shreeharichemicals.in/policies.aspx>).
- xii. The Board has identified the following skills/ expertise/ competencies fundamental for the effective functioning of the Company available with the Board:

Board Service and Governance	Service on a public company board to develop insights about maintaining board and management accountability, protecting shareholder interests, and observing appropriate governance practices.
Strategy and strategic planning	Ability to think strategically, to identify and critically assess strategic opportunities and threats and develop effective strategies in the context of objectives of the Company.

The Core skills / expertise / competencies possessed by the Directors of the company, with respect to the company's operational affairs, are stated as hereunder:

Name of Directors	Details of skills/competencies
Shri Bankesh Chandra Agrawal	Financial Management, Strategy Planning
Shri Sarthak Agarwal	Human Resources Management and Development Acumen
Shri Nihit Agarwal	General Management and Business Operations
Shri Sanjay Kedia	Financial Administration and Public Policy / Governmental Regulations
Smt. Ekta Sultania	Product Planning and Development
Shri Virjanand Gupta	Corporate Governance and Business Development
Shri Parag Agrawal	Strategy Planning and Risk Management
Shri Kishor Kharat	Financial Administration and Business Development

- xiii. The details in respect of director to be appointed/re-appointed as per Regulations 36(3) of the SEBI Listing Regulations and the Secretarial Standards on General Meetings shall be provided alongwith the notice calling the Annual General Meeting.
- xiv. Details of the equity shares held by the Directors as on March 31, 2021 are given below:

Name	Category	Number of equity Shares
Shri Bankesh Chandra Agrawal	Non Independent, Executive	61,200
Shri Sarthak Agarwal	Non Independent, Executive	3,000
Shri Nihit Agarwal	Non Independent, Executive	3,000

- xv. The Company has not issued any convertible instruments.
- xvi. The Company confirms that in the opinion of the board, the independent directors fulfil the conditions specified in these regulations and are independent of the management.
- xvii. Detailed reasons for the resignation of an independent director who resigns before the expiry of his /her tenure along with a confirmation by such director that there are no other material reasons other than those provided.

During the financial year under report, Shri Arvind Chirania and Shri Vinit Kedia, Independent Directors have resigned from the Board of Directors of the Company due to their personal reasons. They have informed to the Company that there are no other material reasons for their resignation as Independent Directors other than above reasons provided in their resignation letter.



### III. AUDIT COMMITTEE

#### a) Brief description of terms of reference:

Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act. The terms of reference to Audit Committee, inter-alia, covers all the matters specified under Section 177 of the Act and also all the matters listed under Part C of Schedule II of SEBI Listing Regulations as amended from time to time such as oversight of the Company's financial reporting process; recommending the appointment/reappointment, remuneration and terms of appointment of statutory auditors; review and monitor the Auditors independence and performance and effectiveness of audit process; approval of transactions with related parties; sanctioning of loans and investments; evaluation of internal financial control and risk management system; reviewing with the management annual financial statements and Auditors report thereon; quarterly financial statements and other matters as covered under role of Audit Committee in Schedule II of SEBI Listing Regulations. 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 / Company's subsidiaries as well as seek outside legal and professional advice. The Audit committee reviews all the information that is required to be mandatorily reviewed by it under the corporate governance.

#### b) Composition, name of members and chairperson:

The Audit Committee consists of three Independent Non-Executive Directors and one Non Independent, Executive Director.

They have vast experience and knowledge of corporate affairs and financial management and possess strong accounting and financial management expertise.

In view of resignation of Shri Arvind Chirania and Shri Vinit Kedia, the Committee was reconstituted, presently the Audit Committee comprises of Smt. Ekta Sumit Sultania, Shri Vrijanand Gupta, Shri Bankesh Chandra Agrawal and Shri Parag Agrawal. Smt. Ekta Sumit Sultania is a Chairperson of the Committee.

#### c) Audit Committee meetings and the attendance during the FY 2020-2021:

The Audit Committee met Four (4) times during the year. The dates on which the Audit Committee Meetings were held are as follows:

July 23, 2020, September 14, 2020, November 11, 2020 and February 11, 2021.

The details of Meetings attended by the Directors during the year 2020-2021 are given below:

Name of Director	No. of meetings held	No. of meetings attended
*Smt. Ekta Sumit Sultania	4	2
Shri Vrijanand Gupta	4	4
*Shri Bankesh Chandra Agrawal	4	2
*Shri Parag Agrawal	4	2
#Shri Arvind Chirania	4	2
#Shri Vinit Kedia	4	2

\* Appointed as Member of the Committee w.e.f. 29.10.2020

# Resigned w.e.f. 29.10.2020

The Chairperson of the Committee was present at the Annual General Meeting of the Company held on December 30, 2020.

The Meetings of the Audit Committee are also attended by the Chairman and Managing Director, Chief Financial Officer, the Statutory Auditors and the Internal Auditors. The Company Secretary acts as secretary to the committee

**IV. NOMINATION AND REMUNERATION COMMITTEE****a) Brief description of terms of reference:**

- i. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- ii. formulation of criteria for evaluation of performance of independent directors and the board of directors;
- iii. devising a policy on diversity of board of directors;
- iv. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal; and
- v. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- vi. to recommend to the board, all remuneration, in whatever form, payable to senior management.

**b) Composition, name of members and chairperson:**

In view of resignation of Shri Arvind Chirania and Shri Vinit Kedia, the Committee was reconstituted, presently the Nomination and Remuneration Committee comprises of Smt. Ekta Sumit Sultania (Chairperson of the Committee), Shri Vrijanand Gupta and Shri Parag Agrawal, all independent directors to function in the manner and to deal with the matters specified in the Part D of Schedule II of SEBI Listing Regulations and also to review the overall compensation structure and policies of the Company to attract, motivate and retain employees.

**The Nomination and Remuneration Committee has adopted the following policies which are displayed on the website of the Company:**

**i. Formulation of the criteria relating to the remuneration of the directors, key managerial personnel and other employees**

(weblink: <http://www.shreeharichemicals.in/policies.aspx>);

**ii. Devising a policy on Board diversity**

(weblink: <http://www.shreeharichemicals.in/policies.aspx>);

**iii. Identifying persons who are qualified to become directors and persons who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal**

(weblink: <http://www.shreeharichemicals.in/policies.aspx>).

**c) Meeting and attendance during the FY 2020-2021:**

The Committee met five (5) times during the FY 2020-2021. The dates on which the Nomination and Remuneration Committee Meetings were held are as follows:

July 23, 2020, October 29, 2020, November 11, 2020, January 28, 2021 and February 11, 2021.

The attendance of each member of the Nomination and Remuneration Committee in the committee meetings is given below:

Name of Director	No. of meetings held	No. of meetings attended
*Smt. Ekta Sumit Sultania	5	3
Shri Vrijanand Gupta	5	5
*Shri Parag Agrawal	5	3
#Shri Arvind Chirania	5	2
#Shri Vinit Kedia	5	2

\* Appointed as Member of the Committee w.e.f. 29.10.2020

# Resigned w.e.f. 29.10.2020

**d) Performance evaluation criteria for independent directors:**

Performance criteria for evaluation of Independent Directors and the Board is displayed on the Company's weblink: <http://www.shreeharichemicals.in/policies.aspx>

**V. Details of Remuneration and sitting fees paid to Directors during the year:**

(₹ in lakhs)

Name of Director	Salary	Perquisites	Commission	Others	Sitting fees	Total
Shri Bankesh Chandra Agrawal	88.87	-	-	-	-	88.87
*Shri Anup Ramuka	42.95	-	-	-	-	42.95
Shri Sanjay Kedia	37.20	-	-	-	-	37.20
**Shri Sarthak Agarwal	23.33	-	-	-	-	23.33
**Shri Nihit Agarwal	23.33	-	-	-	-	23.33
Shri Vrijanand Gupta	-	-	-	-	0.31	0.31
*Shri Arvind Chirania	-	-	-	-	0.18	0.18
*Shri Vinit Kedia	-	-	-	-	0.18	0.18
Smt. Ekta Sultania	-	-	-	-	0.25	0.25
#Shri Parag Agrawal	-	-	-	-	0.16	0.16
@Shri Kishor Kharat	-	-	-	-	0.03	0.03

\* Shri Anup Ramuka, Shri Arvind Chirania and Shri Vinit Kedia resigned with effect from October 29, 2020.

\*\* Appointed as an Additional Director with effect from October 29, 2020 and Whole Time Director with effect from November 11, 2020.

#Appointed with effect from October 29, 2020.

@ Appointed with effect from January 28, 2021.

- Details of fixed component and performance linked incentives, along with the performance criteria are given in the table above.
- Services of the Chairman & Managing Director and Whole time Directors may be terminated by either party, giving the other party three months' notice or the Company paying three months' salary in lieu thereof. There is no separate provision for payment of severance fees.
- The Company has not issued any stock options or other convertible instruments.
- The Non-Executive Directors are paid remuneration by way of sitting fees only. They are paid sitting fees for each Board and Audit Committee Meetings attended by them. The Non-Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company.

**VI. STAKEHOLDERS RELATIONSHIP COMMITTEE**
**a) Composition, name of members and chairperson:**

In view of resignation of Shri Arvind Chirania and Shri Vinit Kedia, the Committee was reconstituted, presently the Committee functions under the Chairmanship of Smt. Ekta Sumit Sultania, the Non-Executive Independent Director. Shri Vrijanand Gupta and Shri Sanjay Kedia are the other members of this committee.

**b) Brief description of terms of reference:**

The terms of reference of the Stakeholders Relationship Committee includes the following:

- consider and resolve the grievances of security holders of the Company including redressal of investor complaints such as transfer or credit of securities, non-receipt of dividend/notice/annual reports, transfer/transmission of shares, issue of new/duplicate certificates, general meetings etc., and all other securities-holders related matters;
- authorize any person to take such actions as necessary or deemed fit by the Committee for any matter;
- review of measures taken for effective exercise of voting rights by shareholders;
- review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;

- vi. look into various aspects of interest of shareholders and other security holders;
- vii. such other matters as may be required to be carried out by the Stakeholders' Relationship Committee pursuant to amendments under any law, from time to time.
- viii. to look into transfer, issue of duplicate share certificate, sub-division and consolidation of share certificates and to ensure expeditious share transfer process.

**c) Meeting and attendance during the FY 2020-2021:**

There were 6 (Six) meetings of this committee during the FY 2020-2021. The dates on which the said meetings were held are as follows:

July 23, 2020, September 14, 2020, November 11, 2020, February 11, 2021, February 23, 2021 and March 05, 2021.

The details of Meetings attended by the Directors during the year 2020-2021 are given below:

Name of Director	No. of meetings held	No. of meetings attended
*Smt. Ekta Sumit Sultania	6	4
Shri Vrijanand Gupta	6	6
*Shri Sanjay Kedia	6	4
#Shri Arvind Chirania	6	2
#Shri Vinit Kedia	6	2

\* Appointed as Member of the Committee w.e.f. 29.10.2020

# Resigned w.e.f. 29.10.2020

The Chairperson of the Committee was present at the Annual General Meeting of the Company held on December 30 2020.

Ms. Urvasi Pandya, Company Secretary is the Compliance Officer of the Company.

No complaint was received during the year under review. There was no outstanding complaint as on March 31, 2021.

## VII. OTHER COMMITTEES

**a) SHARE TRANSFER COMMITTEE**

This Committee was integrated with Stakeholders Relationship Committee with effect from October 29, 2020.

This Committee functioned under the Chairmanship of Shri Arvind Chirania, the Non-Executive Independent Director. Shri Virjanand Gupta and Shri Vinit Kedia were the other members of this committee.

The Share Transfer Committee was constituted specifically to look into transfer, issue of duplicate share certificate, sub-division and consolidation of share certificates and to ensure expeditious share transfer process.

There was no meeting of Share Transfer Committee held during the period.

**b) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE):**

In compliance with the provisions of Section 135 of the Act the Company has in place a Corporate Social Responsibility Committee (CSR Committee) which was constituted on May 29, 2014.

In view of resignation of Shri Arvind Chirania and Shri Vinit Kedia, the Committee was reconstituted, presently the Committee comprising of Shri Sarthak Agarwal, the Executive Non- Independent Director (Chairman of the Committee). Shri Bankesh Chandra Agrawal and Smt. Ekta Sultania are the other members of this committee.

**The CSR Committee of the Board is responsible for:**

- i) Formulating and recommending to the Board a Corporate Social Responsibility Policy which shall indicate the CSR activities to be undertaken by the Company;
- ii) Recommending the amount of expenditure to be incurred on the CSR activities; and
- iii) Monitoring the CSR Policy of the Company from time to time.

The CSR Committee met once on February 11, 2021 during the financial year 2020-2021.



The attendance of each member of the Corporate Social Responsibility Committee in the committee meetings is given below:

Name of Director	No. of meetings held	No. of meetings attended
* Shri Sarthak Agarwal	1	1
* Shri Bankesh Chandra Agrawal	1	1
*Smt. Ekta Sumit Sultania	1	1

\* Appointed as Member of the Committee w.e.f. 29.10.2020.

### VIII. GENERAL BODY MEETINGS

#### Details of the location and time of the last three Annual General Meetings:

Year	Venue	Day, Date	Time	Special Resolutions Passed
2017-2018	A/8, M.I.D.C. Industrial Area, Mahad, Dist. Raigad (Maharashtra)	Friday 21.09.2018	01.00 p.m.	<ul style="list-style-type: none"><li>Re-appointment of Shri Hanuman Prasad Ramuka(DIN 02440114) as Whole-time Director of the Company for a period of three years with effect from April 30, 2018.</li></ul>
2018-2019	A/8, M.I.D.C. Industrial Area, Mahad, Dist. Raigad (Maharashtra)	Monday 26.08.2019	01.00 p.m.	<ul style="list-style-type: none"><li>Approval for payment of remuneration to Shri Rajesh Saini (DIN 06516455) Whole time Director of the Company for a period from March 01, 2019 to August 07, 2019</li><li>Re-appointment of Shri Bankesh Chandra Agrawal (DIN:00121080) as Whole-time Director designated as Chairman &amp; Executive Director of the Company for a period of three years with effect from July 01, 2019.</li><li>Re-appointment of Shri Anup Ramuka (DIN: 00755748) as Managing Director of the Company for a period of three years with effect from July 01, 2019.</li><li>Re-appointment of Shri Virjanand Gupta (DIN: 00042271) as an Independent Director for a period of Five years with effect from September 05, 2019.</li></ul>
				<ul style="list-style-type: none"><li>Re-appointment of Shri Arvind Chirania (DIN: 00044845) as an Independent Director for a period of Five years with effect from September 05, 2019.</li><li>Re-appointment of Shri Vinit Kedia (DIN: 02462683) as an Independent Director for a period of Five years with effect from September 05, 2019.</li><li>Re-appointment of Smt. Ekta Sultania (DIN: 07134485) as an Independent Director for a period of Five years with effect from March 26, 2020.</li></ul>
2019-2020	Video Conferencing (VC)/Other Audio Video Visual Means (OAVM)	Wednesday 30.12.2020	11.30 a.m.	<ul style="list-style-type: none"><li>Appointment of Shri Sanjay Kedia (DIN: 08556924) as Whole Time Director of the company and payment of remuneration for a period of three years with effect from November 08, 2019</li><li>Appointment of Shri Bankesh Chandra Agrawal (DIN: 00121080) as the Chairman &amp; Managing Director of the company and payment of remuneration for a period of three years with effect from November 11, 2020</li><li>Appointment of Shri Sarthak Agarwal (DIN: 03613314) as whole time director of the company and payment of remuneration for a period of three years with effect from November 11, 2020</li><li>Appointment of Shri Nihit Agarwal (DIN: 07586882) as whole time director of the company and payment of remuneration for a period of three years with effect from November 11, 2020</li></ul>

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

#### IX. MEANS OF COMMUNICATION

The quarterly, half-yearly and annual results are regularly submitted to the Stock Exchange in accordance with the Listing Regulations and are published in newspapers like, Business Standard (English) and Mumbai Lakshadweep (Marathi). These are not sent individually to the shareholders.

The quarterly and annual financial results, shareholding patterns etc. are displayed and available on Company's website: [www.shreeharichemicals.in](http://www.shreeharichemicals.in).

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

#### X. GENERAL SHAREHOLDER INFORMATION:

##### 1. Annual General Meeting

- Date and Time : Friday, September 17, 2021 at 01:00 p.m.
- Venue : In accordance with the General Circular issued by the MCA on May 5 2020 read with General Circular dated April 8, 2020, April 13, 2020 and January 13, 2021, the AGM will be held through VC/OAVM

##### 2. Financial Year : April 1, 2020 to March 31, 2021

##### 3. Dividend Payment Date : Not Applicable

##### 4. Listing on Stock Exchange : BSE Limited Floor 25, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.

The Company has paid the Listing Fees to the Stock exchange on time.

##### 5. (a) Stock Code – Physical : 524336 at BSE (b) ISIN Number in NSDL and CDSL : ISIN No. INE065E01017

##### 6. Corporate Identity Number (CIN) of the Company : L99999MH1987PLC044942

##### 7. Market Price Data and performance in comparison to BSE Sensex (Broad-based indices):

Table below gives the monthly highs and lows of the Company's shares on the BSE Limited (BSE) and performance in comparison to BSE Sensex.

High and Low prices of the Company's shares on BSE with corresponding BSE Sensex April 2020 to March 2021				
Months	High		Low	
	Price	BSE Sensex	Price	BSE Sensex
April 2020	24.50	33,887.25	20.00	27,500.79
May 2020	22.55	32,845.48	15.00	29,968.45
June 2020	25.50	35,706.55	17.30	32,348.10
July 2020	29.95	38,617.03	20.50	34,927.20
August 2020	44.95	40,010.17	31.35	36,911.23
September 2020	37.30	39,359.51	28.45	36,495.98
October 2020	33.05	41,048.05	24.60	38,410.20
November 2020	25.30	44,825.37	21.40	39,334.92
December 2020	41.15	47,896.97	25.30	44,118.10
January 2021	40.05	50,184.01	32.25	46,160.46
February 2021	67.40	52,516.76	32.05	46,433.65
March 2021	74.25	51,821.84	60.75	48,236.35

#### 8. Registrar & Transfer Agents:

Universal Capital Securities Private Limited, C- 101, 247 Park, LBS Road, Vikhroli (West), Mumbai-400083

#### 9. Share Transfer System:

Effective April 1, 2019, requests for effecting the transfer of listed securities were required to be processed only in dematerialised form with a Depository. The Company had stopped accepting any fresh transfer requests for securities held in physical form with effect from the said date. In order to address the issue of transfer requests filed prior to April 1, 2019 but rejected due to deficiency in documents, etc., the Company accepted transfer requests up to March 31, 2021 in accordance with SEBI Circular dated September 7, 2020. After March 31, 2021, the Company has stopped accepting any transfer requests.

Dematerialisation of holdings will, inter alia, curb fraud in physical transfer of securities by unscrupulous entities and improve ease, convenience and safety of transactions for investors.

In view of aforesaid, Members holding shares in the physical form are therefore requested to convert their holdings to dematerialized mode.

#### 10. Distribution of shareholding as on March 31, 2021:

Sr. No.	Range	No. of shareholders	% to total holders	No. of Shares held	% of Capital
1	<b>1 to 500</b>	<b>4144</b>	<b>88.36</b>	<b>676186</b>	<b>15.21</b>
2	501 to 1,000	267	5.69	211715	4.76
3	1,001 to 2,000	117	2.5	173463	3.90
4	2,001 to 3,000	41	0.87	106215	2.39
5	3,001 to 4,000	25	0.53	88058	1.98
6	4,001 to 5,000	15	0.32	66001	1.48
7	5,001 to 10,000	33	0.71	232344	5.23
8	10,001 & above	48	1.02	2892318	65.05
	<b>Total</b>		<b>100.00</b>	<b>4446300</b>	<b>100.00</b>

#### 11. Categories of Shareholders as on March 31, 2021:

Category	No. of shares held	% to total share capital
Promoters and persons acting in concert	<b>2184836</b>	<b>49.14</b>
Foreign holding (FIIs, OCBs and NRIs)	66457	1.49
Bodies Corporate	78219	1.76
Public	1846065	41.52
Clearing members	1323	0.03
IEPF	269400	6.06
<b>Total</b>	<b>4446300</b>	<b>100.00</b>

#### 12. Dematerialization of shares and Liquidity

As on March 31, 2021, 92.53 % of the paid up share capital has been dematerialized. The shares of the Company are frequently traded.

#### 13. The Company has not issued any GDRs /ADRs/Warrants or any convertible instruments.

#### 14. Commodity price risk or foreign exchange risk and hedging activities

The Company is not materially exposed to commodity price risk. The Company also does not carry out any commodity hedging activities.

#### 15. Plant Locations

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

#### 16. Address for Correspondence

Registrar and Share Transfer Agents :	Compliance Officer
Universal Capital Securities Private Limited Unit : Shree Hari Chemicals Export Limited	Ms. Urvashi Pandya 401/402, A –Wing Oberoi Chambers, Opp. Sab TV, New Link Road, Andheri (West), Mumbai - 400053
C- 101, 247 Park, LBS Road, Vikhroli West,Mumbai-400083	Tel. : 022-49634834
Tel. :022-28257641/ 28207203-05 Fax : 28207207 E-mail: info@unisec.in	E-mail: info@shreeharichemicals.in

## XI. OTHER DISCLOSURES

### a) Disclosures on materially significant related party transactions that may have potential conflict with the interest of the Company at large

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company (Weblink: <http://www.shreeharichemicals.in/policies.aspx>). There were no materially significant related party transactions during the year that may have potential conflict with the interest of the Company.

Disclosures from directors and senior management staff have been obtained to the effect that they have not entered into any material, financial and commercial transactions where they have personal interest that may have potential conflict with the interest of the Company at large.

Transactions with the related parties are disclosed in the notes to the accounts forming part of this Annual Report.

### b) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange(s) or the board or any other statutory authorities on any matter related to capital market during the last 3 financial years except:

There was a delay in submission of disclosures of related party transactions under Regulation 23(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the half year ended September, 2020 to BSE Ltd and for which the Company has paid the fine of ₹11,800/- as levied by BSE Ltd. No other penalties or strictures were imposed on the Company by these authorities.

### c) Details of establishment of vigil mechanism, whistle blower policy and affirmation that no personnel has been denied access to the audit committee

There is a Whistle Blower Policy in the Company and that no personnel have been denied access to the Chairman of the Audit Committee. The policy provides for adequate safeguards against victimization of persons who use vigil mechanism. The Whistle Blowing Policy is posted on the website of the Company (weblink: <http://www.shreeharichemicals.in/policies.aspx>).

### d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements

The Company has complied with all the mandatory requirements of corporate governance under SEBI Listing Regulations.

### e) The Company does not have any subsidiaries; hence the policy for material subsidiaries is not applicable to the company.

### f) Web link where policy on dealing with related party transactions is disclosed

The Board has approved a policy for related party transactions which has been uploaded on the website of the Company (Weblink: <http://www.shreeharichemicals.in/policies.aspx>)

### g) Accounting Treatment in preparation of Financial Statements

The Financial Statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 and other relevant provisions of the Act.

### h) Details of utilisation of funds raised through preferential allotment or qualified institutions placement.

The Company has not raised any funds through Preferential Allotment or Qualified Institutional Placement.

**i) Acceptance of recommendation of all Committees**

In terms of the Listing Regulations, there have been no instances during the year when recommendations of any of the Committees were not accepted by the Board.

**j) Credit Rating:** The Company has not obtained any credit rating during the year.

**k) A certificate has been received from Parikh and Associates, Practising Company Secretaries, that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority.**

**l) M/s G. D. Singhvi, Chartered Accountants (Firm Registration No. 11028W) have been appointed as the Statutory Auditors of the Company. The Audit Fees of ₹ 2.00 Lakhs per annum was paid to Statutory Auditors during the year under review.**

**m) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.**

Number of complaints filed during the financial year	NIL
Number of complaints disposed of during the financial year	NIL
Number of complaints pending as on end of the financial year	NIL

**n) The CEO/CFO compliance certification under Part B of Schedule II of SEBI Listing Regulations forms part of this Annual Report.**

**XII. ADOPTION OF DISCRETIONARY REQUIREMENTS AS PER SCHEDULE II PART E OF THE SEBI LISTING REGULATIONS**

The Company has moved towards a regime of financial statements with unmodified audit opinion.

The internal auditor of the Company reports directly to the audit committee.

**XIII. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 have been made in this corporate governance report.**

**XIV. Part E of Schedule V of Listing Regulations mandates to obtain a certificate either from the Auditors or Practising Company Secretaries regarding compliance of conditions of Corporate Governance and annex the certificate with the Annual Report, which is sent annually to all the shareholders. The Company has obtained a certificate from its Statutory Auditors to this effect and the same is given as an annexure to this Report.**

**XV. In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, details of equity shares in suspense account are as follows:**

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1, 2020	1441	269400
Shareholders who approached the Company for transfer of shares from suspense account during the year	-	-
Shareholders to whom shares were transferred from the suspense account during the year	-	-
Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act	-	-
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2021	1441	269400

The voting rights on the shares outstanding in the suspense account as on March 31, 2021 shall remain frozen till the rightful owner of such shares claims the shares.

**XVI. CODE OF CONDUCT**

The Code of Conduct has been formulated for the Board Members and Senior Management Personnel. The code incorporates the duties of independent directors as laid down in the Act. The said code of conduct is posted on

Company's website [www.shreeharichemicals.in](http://www.shreeharichemicals.in). All the Board Members and Senior Management Personnel have affirmed compliance with the applicable Code of Conduct. A declaration to this effect, signed by Shri Bankesh Chandra Agrawal, Chairman & Managing Director forms part of this report.

#### **XVII.CEO CERTIFICATION**

To,

The Members of

**Shree Hari Chemicals Export Limited**

It is hereby certified and confirmed in accordance with SEBI Listing Regulations that the Board members and the Senior Management personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the financial year ended 31<sup>st</sup> March, 2021.

**For Shree Hari Chemicals Export Limited**

**Sd/-**

**BANKESH CHANDRA AGRAWAL**

**Chairman & Managing Director**

**DIN: 00121080**

**Date: May 31, 2021**

**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members Of  
**Shree Hari Chemicals Export Limited**

We have examined the compliance of the conditions of Corporate Governance by **SHREE HARI CHEMICALS EXPORT LIMITED** ('the Company') for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

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

**For M/S. G.D.SINGHVI & CO.  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION NO. 110287W**

**Sd/-  
(S.G. SINGHVI)  
(PARTNER)  
(MEMBERSHIP NO. 041170)**

**PLACE: MUMBAI  
DATE: MAY 31, 2021  
UDIN: 21041170AAAEB6180**

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

**SHREE HARI CHEMICALS EXPORT LIMITED**

A/8 MIDC Mahad Dist - Raigad Maharashtra

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SHREE HARI CHEMICALS EXPORT LIMITED** having **CIN L99999MH1987PLC044942** and having registered office at A/8 MIDC Mahad Dist - Raigad Maharashtra (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company *
1.	Shri. Bankesh Chandra Agrawal	00121080	01/03/2010
2.	Shri. Sanjay Kashiprasad Kedia	08556924	08/11/2019
3.	Shri. Sarthak Bankesh Agarwal	03613314	29/10/2020
4.	Shri. Vrijanand Late Ramprasad Gupta	00042271	13/11/2013
5.	Smt. Ekta Sumit Sultania	07134485	26/03/2015
6.	Shri. Parag Dilip Agrawal	07140561	29/10/2020
7.	Shri. Kishor Piraji Kharat	07266945	28/01/2021
8.	Shri. Nihit Agarwal	07586882	29/10/2020

\*the date of appointment is as per the MCA Portal.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates**  
**Practising Company Secretaries**

Sd/-

**J. U. Poojari**

**FCS No: 8102 CP No: 8187**

**Mumbai, May 31, 2021**

**UDIN: F008102C000398932**



## INDEPENDENT AUDITOR'S REPORT

To the Members of **Shree Hari Chemicals Export Limited**

### Report on Ind AS Financial Statements

#### Opinion

We have audited the accompanying Ind AS financial statements of **Shree Hari Chemicals Exports Ltd.** (the "Company"), which comprise of the Balance Sheet as at March 31 2021, the Statement of Profit and Loss, the Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under the Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA's") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### Key Audit Matters

##### 1. Inventory Valuation

H-acid and chemical based inventory forms a significant part of the Company's inventory of which prices are fluctuating in nature and also depends on prices, decisions and conditions of other countries.

Inventories are valued at lower of cost and net realisable value except raw materials, work-in-progress & stores..

#### Auditor's response

Our audit procedures over inventory valuation included the following:

- Testing the design, implementation and operating effectiveness of key internal financial controls, including controls over valuation of inventory.
- Testing on a sample basis the accuracy of cost for inventory by verifying the actual purchase cost. Testing the net realizable value by comparing actual cost with most recent selling price.

#### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated

(When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance)

#### Responsibility of Management for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, profit/loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 4 of the Companies (Ind AS) Rules, 2015. This responsibility also includes maintenance of adequate

accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)

(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has internal financial controls with reference to Financial Statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or



regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on other Legal and Regulatory Requirements**

As required by 'the Companies (Auditor's Report) Order, 2016' ("the order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of Companies Act, 2013, we give in the Annexure– A, a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

#### **As required by section 143(3) of the Act, we report that:**

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes 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 those books;
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the Basis of written representations received from the Directors as on March 31, 2021 and taken on record

by the Board of Directors, none of the directors is disqualified as on March 31, 2021, from being appointed as a Directors in terms of section 164(2) of the Act;

- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in Annexure "B".
- g) With respect to the other matters to be included in the Auditor's Report and to our best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements in Note No. 30.15
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For M/s. G. D. Singhvi & Company**  
**Chartered Accountants**  
**FRN: 110287W**

**Sd/-**  
**S. G. Singhvi**  
**Partner**  
**M. No. 041170**  
**UDIN: 21041170AAAAEA3980**

**Date: May 31, 2021**  
**Place: Mumbai**

## ANNEXURE-A

### ANNEXURE-A TO THE INDEPENDENT AUDITOR'S REPORT

#### "ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE COMPANY ON THE IND AS FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021, WE REPORT THAT:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets;
- (b) The Company has regular programme of physical verification of its fixed assets. As per information and explanation given to us no material discrepancies were noticed on such verification.
- (c) The title deeds of Immovable properties are held in the name of the Shree Hari Chemicals Export Limited.
- (ii) According to information and explanation provided by the management, physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on such verification which in our opinion is reasonable having regards to size of the Company and nature of its assets.
- (iii) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act. Therefore, this clause is not applicable to the company
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- (v) The Company has not accepted any deposits, hence the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of Cost records under Section 148 (1) of the Act, relating to the manufacturing activities and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) According to the information and explanation given to us and records as produced and examined by us, in our opinion, the Company is generally regular in depositing undisputed applicable statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, Goods & Service Tax, cess and any other statutory dues applicable to it, with the appropriate authorities.
- According to the information and explanations given to us, no disputed amounts payable in respect of provident fund, income tax, duty of customs, Goods & Service Tax, cess and other material statutory dues as applicable were in arrears as at 31<sup>st</sup> March, 2021 for the period of more than six months from date they became payable.
- (b) According to the information and explanations given to us, the details of statutory dues of income tax, sales tax, service tax or custom duty, excise duty or value added tax, which have not been deposited on account of appeal are given as under.

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which it pertains	Forum in which Dispute is Pending
Central Excise Act, 1944	Excise	2,18,539	2005-06	Assistant Commissioner of Central Excise
Customs Act, 1962	Excise	7,40,817	2004-05	Assistant Commissioner of Customs
Central Excise Act, 1944	Excise	3,08,147	2010-11	Assistant Commissioner of Central Excise



- (viii) According to the records of the company examined by us, and information and explanations given to us the company has not defaulted in repayment of dues to any Financial Institution as at the balance sheet date.
- (ix) The company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- (x) According to information and explanations given to us there were no frauds on the Company by its officers or employees noticed or reported by the management for the year under review.
- (xi) The Company has paid or provided any managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V of the Companies Act.
- (xii) According to the information and explanations given to us the Company is not a Nidhi Company hence clause 3(xii) of the order is not applicable.
- (xiii) According to the explanations and information given to us, all the transactions of the related parties at the Company, for the year under review are in compliance with Section 177 and 188 of the Companies Act, 2013 and the details of the same have been disclosed in the Ind AS financial statements as required by the applicable Indian accounting standards
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year under review hence clause 3(xiv) of the order is not applicable.
- (xv) According to the information and explanation given to us the Company has not entered into any non cash transaction with directors or persons connected with him as per provisions of Section 192 of the Companies Act, 2013.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence clause 3(xvi) of the order is not applicable.

**For M/s. G. D. Singhvi & Company**  
**Chartered Accountants**  
**FRN: 110287W**

**Sd/-**  
**S. G. Singhvi**  
**Partner**  
**M. No. 041170**  
**UDIN: 21041170AAAAEA3980**

**Date: May 31, 2021**  
**Place: Mumbai.**

## ANNEXURE – B

### ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON FINANCIAL STATEMENTS OF SHREE HARI CHEMICALS EXPORT LIMITED

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **SHREE HARI CHEMICALS EXPORT LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company, has in all other material respects has, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31,- 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M/s. G. D. Singhvi & Company**  
**Chartered Accountants**  
**FRN: 110287W**

**Sd/-**  
**S. G. Singhvi**  
**Partner**  
**M. No. 041170**  
**UDIN: 21041170AAAAEA3980**  
**Date: May 31, 2021**  
**Place: Mumbai**

**STANDALONE BALANCE SHEET**

As at March 31, 2021

(In ₹)

Particulars	Note No.	As at March 31, 2021	As at 31 March 2020
<b>I. ASSETS</b>			
<b>(1) Non-Current Assets</b>			
Property, Plant & Equipment	2	7,92,85,825	9,57,08,874
Capital work-in-progress		24,51,709	-
Financial Assets			
Investments	3	62,98,503	67,66,179
Loans & Advances	4	28,85,950	4,85,950
Other Financial Assets	5	3,25,32,303	-
Deferred Tax Assets (Net)	6	3,48,11,977	3,87,21,948
		<b>15,82,66,267</b>	<b>14,16,82,951</b>
<b>(2) Current Assets</b>			
Inventories	7	7,36,43,366	7,48,75,170
Financial Assets			
Trade Receivables	8	24,17,51,322	20,90,34,089
Cash and Cash Equivalents	9	1,20,39,806	2,37,74,253
Bank balance other than included in cash and cash equivalents above	10	7,21,15,974	9,27,71,808
Loans & Advances	11	1,44,27,935	35,34,791
Investments	12	50,60,754	-
Other Financial Assets	13	20,74,199	16,34,784
Current Tax Assets	14	1,55,87,257	1,93,04,366
Other Current Assets	15	12,12,811	13,26,285
		<b>43,79,13,424</b>	<b>42,62,55,546</b>
<b>TOTAL</b>		<b>59,61,79,691</b>	<b>56,79,38,497</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) EQUITY</b>			
Equity Share Capital	16	4,44,63,000	4,44,63,000
Other Equity	17	32,40,85,844	31,55,08,411
		<b>36,85,48,844</b>	<b>35,99,71,411</b>
<b>(2) LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Provisions	18	62,18,000	50,66,000
Financial Liabilities			
Loans & Advances	19	5,00,000	-
		<b>67,18,000</b>	<b>50,66,000</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Trade Payables	20		
Dues to micro and small enterprise		2,80,99,786	2,06,79,467
Others		13,61,19,214	13,02,31,259
Other Financial Liabilities	21	5,45,80,933	5,01,62,874
Other Current Liabilities	22	21,12,914	18,27,486
		<b>22,09,12,847</b>	<b>20,29,01,086</b>
<b>TOTAL</b>		<b>59,61,79,691</b>	<b>56,79,38,497</b>
Significant Accounting Policies	1		
The accompanying notes form an integral part of the financial statements			

As per our report of even date attached

**For M/s. G. D. Singhvi & Company**

Chartered Accountants

Firm Regn. 110287W

**S. G. Singhvi**

Partner

Mem. No. 041170

Place : Mumbai

Dated : May 31, 2021

For and on behalf of the Board

**B. C. Agrawal**

Chairman &amp; Managing Director

[DIN : 00121080]

**S. K. Kedia**

Whole Time Director &amp; Chief Financial Officer

[DIN No. 08556924]

**Sarthak Agarwal**

Whole Time Director

[DIN : 03613314]

**Urvashi Pandya**

Company Secretary



## STATEMENT OF PROFIT AND LOSS

For the Year Ended March 31, 2021

(In ₹)

Particulars	Note No.	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
I Revenue from Operations	23	56,15,96,643	57,10,03,338
II. Other Incomes	24	76,91,663	81,73,954
<b>III. Total Revenue (I + II)</b>		<b>56,92,88,306</b>	<b>57,91,77,292</b>
<b>IV. Expenses:</b>			
Cost of Material Consumed	25	30,27,41,336	31,72,27,510
Changes in Inventories	26	2,74,463	(62,61,716)
Employee Benefit Expenses	27	9,47,85,295	9,36,90,213
Finance Costs	28	2,03,412	2,43,969
Depreciation and Amortization Expense	2	1,59,65,685	2,14,65,234
Other Expenses	29	14,30,03,712	17,21,57,283
<b>Total Expenses</b>		<b>55,69,73,902</b>	<b>59,85,22,493</b>
V. Profit before Exceptional and Extraordinary Items and Tax (III - IV)		<b>1,23,14,404</b>	<b>(1,93,45,202)</b>
VI. Exceptional Items/ Extraordinary Items		-	-
<b>VII. Profit before Tax (V - VI)</b>		<b>1,23,14,404</b>	<b>(1,93,45,202)</b>
<b>VIII Tax Expense:</b>			
(1) Current Tax		-	-
(2) Deferred Tax Liability/ (Assets)	6	38,64,991	(33,03,399)
(3) Short/excess provision of Income Tax			
<b>Total Tax Expense</b>		<b>38,64,991</b>	<b>(33,03,399)</b>
<b>IX Profit for the Year (VII-VIII)</b>		<b>84,49,413</b>	<b>(1,60,41,803)</b>
<b>X Other Comprehensive Income</b>			
<b>a</b> Items that will not be reclassified to profit or loss			
i) Remeasurement of the defined benefit plans		1,73,000	(6,40,000)
ii) Income tax relating to items that will not be reclassified to profit or loss		(44,980)	1,66,400
<b>Total other Comprehensive Income</b>		<b>1,28,020</b>	<b>(4,73,600)</b>
<b>XI Total Comprehensive Income for the year (IX-X)</b>		<b>85,77,433</b>	<b>(1,65,15,403)</b>
<b>XI Earnings Per Equity Share</b>	30.9		
(1) Basic		1.93	(3.71)
(2) Diluted		1.93	(3.71)
The accompanying notes form an integral part of the financial statements			

As per our report of even date attached  
**For M/s. G. D. Singhvi & Company**  
Chartered Accountants  
Firm Regn. 110287W

**S. G. Singhvi**  
Partner  
Mem. No. 041170  
Place : Mumbai  
Dated : May 31, 2021

For and on behalf of the Board

**B. C. Agrawal**  
Chairman & Managing Director  
[DIN : 00121080]

**S. K. Kedia**  
Whole Time Director &  
Chief Financial Officer  
[DIN No. 08556924]

**Sarthak Agarwal**  
Whole Time Director  
[DIN : 03613314]

**Urvashi Pandya**  
Company Secretary

**STATEMENT OF CASH FLOW**

For the Year Ended March 31, 2021

(In ₹)

Particulars	For the Year Ended March 31, 2021	For the Year Ended March 31, 2020
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit before Tax</b>	1,23,14,404	(1,93,45,202)
<b>Adjustment for :</b>		
Depreciation ( Net )	1,59,65,685	2,14,65,234
Gratuity (other than OCI)	13,25,000	9,98,000
Interest Received	(67,66,625)	(70,36,607)
Dividend	(3,650)	(2,050)
Revaluation of Investment	4,54,294	(7,34,918)
Gain on Sale of SBI Mutual Fund	(47,372)	-
	<b>2,32,41,735</b>	<b>(46,55,543)</b>
<b>Changes in Working Capital :</b>		
Increase / (Decrease) in Trade Payable	1,33,08,274	10,82,44,504
Increase / (Decrease) Current Liabilities including Financial Liabilities	47,03,487	1,58,56,008
(Increase) / Decrease in Balance with bank other than Cash & Cash Equivalents	(1,18,76,469)	4,49,20,092
(Increase) / Decrease in Inventories	12,31,804	(1,01,73,916)
(Increase) / Decrease in Sundry Receivables	(3,27,17,233)	(15,94,66,952)
Decrease/ (Increase) in Loans & Other Current Assets	(75,01,977)	61,06,702
<b>Cash flow from operating activities before extraordinary items</b>	<b>(96,10,378)</b>	<b>8,30,895</b>
Taxes Paid (Net)	-	-
<b>Cash Generated from Operating Activities</b>	<b>(96,10,378)</b>	<b>8,30,895</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale / (Purchase of Fixed Assets)	(19,94,344)	-
Interest Received	67,66,625	70,36,607
Purchase of Mutual Fund (net)	(50,00,000)	-
Dividend Received	3,650	2,050
Long Term Loan & Advances	(19,00,000)	18,08,148
<b>Cash Generated from Investment Activities</b>	<b>(21,24,069)</b>	<b>88,46,805</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Interest Expenses	-	-
Dividend Paid	-	-
<b>Cash Outflow from Financial Activities</b>	<b>-</b>	<b>-</b>
Net Increase in Cash & Cash Equivalents	(1,17,34,447)	96,77,700
Opening Balance of Cash & Cash Equivalents	2,37,74,253	1,40,96,553
Closing Balance of Cash & Cash Equivalents	<b>1,20,39,806</b>	<b>2,37,74,253</b>

As per our report of even date attached  
**For M/s. G. D. Singhvi & Company**  
 Chartered Accountants  
 Firm Regn. 110287W

**S. G. Singhvi**  
 Partner  
 Mem. No. 041170

Place : Mumbai  
 Dated : May 31, 2021

For and on behalf of the Board

**B. C. Agrawal**  
 Chairman & Managing Director  
 [DIN : 00121080]

**S. K. Kedia**  
 Whole Time Director &  
 Chief Financial Officer  
 [DIN No. 08556924]

**Sarthak Agarwal**  
 Whole Time Director  
 [DIN : 03613314]

**Urvashi Pandya**  
 Company Secretary

# NOTES TO STANDALONE FINANCIAL STATEMENTS

For the Year Ended March 31, 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES:

### Company Overview

Shree Hari Chemicals Export Limited (the Company) is a Public Limited Company domiciled in India and is listed on the Bombay Stock Exchange (BSE). The Company was incorporated 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.

#### a) Basis of Preparation of Financial Statements:

These financial statements have been prepared in compliance with Indian Accounting Standards (Ind-AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, on the accrual basis.

#### b) Use of Estimates:

The preparation of Financial Statements in accordance with Ind - AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the Balance Sheet and Statement of Profit and Loss. The actual amounts realized may differ from these estimates. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Differences between the actual results and estimates are recognized in the period in which the results are known / materialized and, if material, their effects are disclosed in the notes to the Financial Statements.

#### Estimates and Assumptions are required in particular for:

- i. Determination of the estimated useful life of tangible assets and the assessment as to which components of the cost may be capitalized. Useful life of tangible assets is based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful life is different from that prescribed in Schedule II, it is based on technical advice, taking into account the nature of the asset,

estimated usage and operating conditions of the asset, past history of replacement and maintenance support. Assumptions also need to be made, when the Company assesses, whether an asset may be capitalized and which components of the cost of the asset may be capitalized.

#### ii. Recognition and measurement of defined benefit obligations:

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

#### iii. Recognition of deferred tax assets:

A Deferred tax asset is recognized for all the deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized. The management assumes that taxable profits will be available while recognizing deferred tax assets

#### iv. Discounting of financial liabilities:

All financial liabilities are required to be measured at fair value on initial recognition. In case of financial liabilities, which are required to be subsequently measured at amortized cost, interest is accrued using the effective interest method.

#### c) Property, Plant and Equipments:

- i. The Company has measured all of its plant and Equipments and freehold land at fair value at the date of transition to Ind - AS. The Company has elected these value as deemed cost at the transition date. All other property, plant and equipments have been carried at value in accordance with the previous GAAP.

- ii. Property, plant and equipments are stated at cost net of cenvat / value added tax less accumulated depreciation and impairment loss, if any.

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.

**d) Depreciation:**

Depreciation on Fixed Assets has been provided as per the Written Down Value (WDV) of depreciation based on the useful life of the assets prescribed under Schedule II to the Companies Act, 2013 with exception of Effluent Treatment Plant which is depreciated over 8 years.

**e) Revenue Recognition:**

**Sale of Goods:**

Revenue from sales of goods is recognized when all the significant risks and rewards of ownership in the goods are transferred to the buyer as per contract, the Company retains no effective control of the goods transferred to a degree usually associated with ownership and no significant uncertainty exist regarding the amount of consideration that will be derived from the sale of goods. Sales are recognized net of Trade Discount, Value Added Tax, CST, Excise Duty and GST.

**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 on the Balance Sheet date.

Income from export incentive such as duty drawback is recognized on accrual basis.

**f) Fair Value Measurement:**

Fair value is the price that would be received to sell an asset or settle a liability in an ordinary transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumption that market participants would use when pricing an asset or liability acting in their best economic interest. The Company used valuation techniques, which were appropriate in circumstances and for which sufficient data were available considering the expected loss/ profit in case of financial assets or liabilities.

**g) Inventories:**

Inventories including raw materials, work-in-progress and stores are valued at cost and that of finished goods 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 net realizable value . Cost includes all charges in bringing the goods to the point of sale, including tax (non-refundable), levies, transit insurance, and receiving charges. Work-in-progress and finished goods include material cost, appropriate proportion of overhead.

**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.

Monetary items denominated in foreign currencies remaining unsettled at the year- end are restated at the exchange rate prevailing at end of the year. Non-monetary foreign currency items are carried at cost. Any income or expense on account of exchange difference either on settlement or on restatement is recognized in the Statement of Profit and Loss.

**i) Financial Instruments:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets:**

**i. Classification:**

The Company classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flows characteristics of the financial asset.

**ii. Initial recognition and measurement:**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**iii. Financial Assets measured at amortized cost:**

Financial assets are measured at amortised

cost when asset is held within a business model, whose objective is to hold assets for collecting contractual cash flows and contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest. Such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. The losses arising from impairment are recognised in the Statement of profit and loss. This category generally applies to trade and other receivables.

**iv. Financial Assets measured at fair value through other comprehensive income (FVTOCI):**

Financial assets under this category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income.

**v. Financial Assets measured at fair value through profit or loss (FVTPL):**

Financial assets under this category are measured initially as well as at each reporting date at fair value with all changes recognised in profit or loss.

**vi. Investment in Equity Instruments:**

Equity instruments which are held for trading are classified as at FVTPL. All other equity instruments are classified as FVTOCI. Fair value changes on the instrument, excluding dividends, are recognised in the other comprehensive income. There is no recycling of the amounts from other comprehensive income to profit or loss.

**vii. De-recognition of Financial Assets:**

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**viii. Impairment of Financial Assets:**

In accordance with Ind - AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments and trade receivables.

**Financial Liabilities:**

**i. Classification:**

The Company classifies all financial liabilities

as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

**ii. Initial recognition and measurement:**

All financial liabilities are recognised initially at fair value, in the case of loans, borrowings and payables, net of directly attributable transaction costs. Financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

**iii. Subsequent measurement:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading, if they are incurred for the purpose of repurchasing in the near term.

**iv. Loans and Borrowings:**

Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through EIR amortisation process.

**v. De-recognition of Financial Liabilities:**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss

**j) 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.

**k) Defined Benefit Plans:**

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates in India. Further details about gratuity obligations are given in Note No. 30.15.

**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) Provision for Current Tax and Deferred Tax:**

Income Tax expenses comprises of current tax and deferred tax charge or credit. It is recognized in statement of profit and loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

**i. Current Tax**

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognized amounts; and
- intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously

**ii. Deferred tax**

Deferred tax is recognized for the future tax consequences of deductible temporary

differences between the carrying values of assets and liabilities and their respective tax bases at the reporting date, using the tax rates and laws that are enacted or substantively enacted as on reporting date. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses and credits can be utilized. Deferred tax relating to items recognized in other comprehensive income and directly in equity is recognized in correlation to the underlying transaction.

Deferred tax assets and liabilities are offset only if:

- entity has a legally enforceable right to set off current tax assets against current tax liabilities;
- deferred tax assets and the deferred tax liabilities relate to the income taxes levied by the same taxation authority.

**n) Provision for Doubtful Debts and Loans and Advances:**

Provision is made in the accounts for doubtful debts, loans and advances in cases where the management considers the debts, loans and advances to be doubtful of recovery.

**o) 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.

**p) Earnings Per Share:**

Basic Earnings Per Share is calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**2. PROPERTY, PLANT & EQUIPMENT**

(in ₹)

	Leasehold land	Plant & Machinery	Buildings	Motor Car	Furniture & Fixture	Computers	Office Equipment	Roads	Electrical Installation	Office Premises	Total
<b>Gross block</b>											
<b>As at March 31, 2019</b>	27,67,522	35,22,85,238	5,77,33,462	1,44,06,358	35,28,582	12,37,272	34,11,323	25,06,094	1,10,23,625	85,82,736	45,74,82,212
Additions	-	-	-	-	-	-	-	-	-	-	-
Sale/ Transfer	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	27,67,522	35,22,85,238	5,77,33,462	1,44,06,358	35,28,582	12,37,272	34,11,323	25,06,094	1,10,23,625	85,82,736	45,74,82,212
Additions	-	-	-	-	2,00,835	59,322	21,797	-	-	-	2,81,954
Sale/ Transfer	-	-	-	75,10,000	-	-	-	-	-	-	75,10,000
<b>As at March 31, 2021</b>	27,67,522	35,22,85,238	5,77,33,462	68,96,358	37,29,417	12,96,594	34,33,120	25,06,094	1,10,23,625	85,82,736	45,02,54,166
<b>Accumulated depreciation</b>											
<b>As at March 31, 2019</b>	14,93,632	27,05,75,757	3,40,12,412	1,17,43,709	32,04,983	11,62,607	29,76,104	23,28,717	88,12,992	39,97,191	34,03,08,104
Depreciation for the year	2,80,256	1,66,26,943	22,50,530	9,40,573	69,709	42,843	1,09,940	33,093	5,86,909	5,24,438	2,14,65,234
Sale/ Transfer	-	-	-	-	-	-	-	-	-	-	-
<b>As at March 31, 2020</b>	17,73,888	28,72,02,700	3,62,62,942	1,26,84,282	32,74,692	12,05,450	30,86,044	23,61,810	93,99,901	45,21,629	36,17,73,338
Depreciation for the year	2,12,256	1,22,95,908	20,27,415	4,49,673	35,596	4,722	67,982	21,868	3,81,041	4,69,222	1,59,65,685
Transfer	-	-	-	67,70,682	-	-	-	-	-	-	67,70,682
<b>As at March 31, 2021</b>	19,86,145	29,94,98,608	3,82,90,357	63,63,273	33,10,288	12,10,172	31,54,026	23,83,678	97,80,942	49,90,852	37,09,68,341
As at March 31, 2021	7,81,377	5,27,86,630	1,94,43,105	5,33,085	4,19,129	86,422	2,79,094	1,22,416	12,42,683	35,91,884	7,92,85,825
As at March 31, 2020	9,93,634	6,50,82,538	2,14,70,520	17,22,076	2,53,890	31,822	3,25,279	1,44,284	16,23,724	40,61,107	9,57,08,874
As at March 31, 2019	2,73,890	8,17,09,481	2,37,21,050	26,62,649	3,23,599	74,665	4,35,219	1,77,377	22,10,633	45,85,545	11,71,74,108

**3. FINANCIAL ASSETS**

Particulars	(Amt. In ₹)	
	As at March 31, 2021	As at March 31, 2020
<b>INVESTMENT</b>		
<b>Carried at Fair Value through P&amp;L</b>		
<b>a. Quoted Investments</b>		
Equity Shares		
SIMCO Industries Ltd	-	-
Siddhartha Tubes Ltd	-	-
Bhageria Industries Ltd.	1,89,300	90,780
Bodal Chemicals Ltd	9,010	4,240
Kiri Industries Ltd	41,630	27,285
Meghmani Organics Ltd	11,660	3,750
Shree Pushkar Chemicals & Fertilizers Ltd	13,700	7,355
	<b>2,65,300</b>	<b>1,33,410</b>
<b>b. Unquoted Investments</b>		
CETP Co-Op. Society Ltd.	60,33,203	66,32,769
<b>Total</b>	<b>62,98,503</b>	<b>67,66,179</b>

**4. FINANCE ASSETS**

Particulars	(Amt. In ₹)	
	As at March 31, 2021	As at March 31, 2020
<b>LOANS</b>		
<b>Unsecured Considered Good:</b>		
<b>Security Deposit with Govt. and Other</b>	28,85,950	4,85,950
[Refer note 4.1]		
<b>Total</b>	<b>28,85,950</b>	<b>4,85,950</b>

**Note 4.1**

These Deposits are not expected to be received/matured within 12 months and hence are classified as long term

**5. FINANCE ASSETS**

Particulars	(Amt. In ₹)	
	As at March 31, 2021	As at March 31, 2020
<b>BALANCE WITH BANK</b>		
<b>Carried at Amortized Cost</b>		
Deposits with original maturity more than 12 months	3,25,32,303	-
<b>Total</b>	<b>3,25,32,303</b>	<b>-</b>

**6. DEFERRED TAX ASSETS**

Particulars	(Amt. In ₹)	
	As at March 31, 2021	As at March 31, 2020
<b>Tax effect of items constituting Deferred Tax Liability</b>		
On Revaluation of Investments	8,44,389	9,62,505
On difference between book balance and tax balance of fixed assets	40,64,596	52,85,547
<b>Total</b>	<b>49,08,985</b>	<b>62,48,052</b>
<b>Tax effect of items constituting Deferred Tax Asset</b>		
Provision for Gratuity	(16,16,680)	(13,17,160)
Carry forward Losses	(3,81,04,283)	(4,36,52,840)
<b>Total</b>	<b>(3,97,20,963)</b>	<b>(4,49,70,000)</b>
<b>Net deferred tax (liability) / asset</b>	<b>3,48,11,977</b>	<b>3,87,21,948</b>

Refer Note 30.20 for Movement in Deferred Tax Liability/ Assets

**7. CURRENT ASSETS**

Particulars	(Amt. In ₹)	
	As at March 31, 2021	As at March 31, 2020
<b>Inventories</b>		
Raw Materials	2,03,85,345	2,40,61,009
Work-in-Progress	80,83,551	96,61,562
Finished Goods	3,24,85,534	3,36,89,486
Gypsum	35,20,000	10,12,500
Others	91,68,935	64,50,613
<b>Total</b>	<b>7,36,43,366</b>	<b>7,48,75,170</b>

**8. FINANCIAL ASSETS**

Particulars	(Amt. In ₹)	
	As at March 31, 2021	As at March 31, 2020
<b>TRADE RECEIVABLE</b>		
<b>Carried at Amortized Cost</b>		
<b>(Unsecured)</b>		
Debts outstanding for a period exceeding six months		
- Considered good	20,35,817	3,61,977
- Doubtful	-	-
Other debts		
- Considered good	23,97,15,505	20,86,72,112
- Doubtful	-	-
<b>Total</b>	<b>24,17,51,322</b>	<b>20,90,34,089</b>

**9. FINANCIAL ASSETS**

Particulars	(Amt. In ₹)	
	As at March 31, 2021	As at March 31, 2020
<b>CASH &amp; CASH EQUIVALENTS</b>		
<b>Carried at Amortized Cost</b>		
Cash in Hand	43,06,786	72,32,297
Balance with Banks		
-In Current Accounts	77,33,020	1,65,41,956
<b>Total</b>	<b>1,20,39,806</b>	<b>2,37,74,253</b>

**10. FINANCIAL ASSETS**

Particulars	(Amt. In ₹)	
	As at March 31, 2021	As at March 31, 2020
<b>BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS</b>		
<b>Carried at Amortized Cost</b>		
Deposits with original maturity for more than 3 months but less than 12 months	6,95,20,325	9,01,75,609
In earmarked accounts		
-Unpaid Dividend Account	25,95,649	25,96,199
<b>(Refer Note No.30.2)</b>		
<b>Total</b>	<b>7,21,15,974</b>	<b>9,27,71,808</b>

**11. FINANCIAL ASSETS**

Particulars	(Amt. In ₹)	
	As at March 31, 2021	As at March 31, 2020
<b>LOANS &amp; ADVANCES</b>		
<b>Carried at Amortized Cost</b>		
Unsecured and Considered good		
Advances recoverable in cash or in kind	22,98,227	13,20,505
Advances to suppliers	1,02,26,179	-
Advances to employees	13,64,729	22,14,286
Advance against capital work	5,38,800	-
<b>Total</b>	<b>1,44,27,935</b>	<b>35,34,791</b>

**12. FINANCIAL ASSETS**

Particulars	(Amt. In ₹)	
	As at March 31, 2021	As at March 31, 2020
<b>INVESTMENT</b>		
<b>Carried at Fair Value through P&amp;L</b>		
SBI Mutual Fund	50,60,754	-
<b>Total</b>	<b>50,60,754</b>	<b>-</b>

**13. FINANCIAL ASSETS**

(Amt. In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>OTHER FINANCIAL ASSETS</b>		
<b>Carried at Amortized Cost</b>		
Interest accrued on deposits	20,74,199	16,34,784
<b>Total</b>	<b>20,74,199</b>	<b>16,34,784</b>

**14. FINANCIAL ASSETS**

(Amt. In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>CURRENT TAX ASSETS</b>		
Balances with government authorities	1,55,87,257	1,93,04,366
<b>Total</b>	<b>1,55,87,257</b>	<b>1,93,04,366</b>

**15. OTHER CURRENT ASSETS**

(Amt. In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Prepaid Expenses	12,12,811	13,26,285
<b>Total</b>	<b>12,12,811</b>	<b>13,26,285</b>

**16. EQUITY**

(Amt. In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>EQUITY SHARE CAPITAL</b>		
<b>-Authorised</b>		
10,000,000 Equity Shares of a) ₹ 10/- each with voting rights [Previous Year : 10,000,000 Equity Shares of a) ₹ 10/- each]	10,00,00,000	10,00,00,000
<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 ₹ 10/- each] (Refer Note No.30.1)	4,44,63,000	4,44,63,000
<b>Total</b>	<b>4,44,63,000</b>	<b>4,44,63,000</b>

**17. OTHER EQUITY**

(Amt. In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>General Reserve</b>		
Opening Balance	2,37,93,472	2,37,93,472
Add: Additions during the Year	-	-

(Amt. In ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
Closing Balance	2,37,93,472	2,37,93,472
<b>Share Forfeiture</b>		
Opening Balance	47,08,500	47,08,500
Add: Additions during the Year	-	-
Closing Balance	47,08,500	47,08,500
<b>Profit and Loss Account</b>		
Opening Balance	28,70,06,439	30,35,21,843
Add: Profit During The Year	85,77,433	(1,65,15,404)
Less: Proposed Dividend	-	-
Less: Dividend Distribution Tax (DDT)	-	-
Closing Balance	29,55,83,872	28,70,06,439
<b>Closing Balance</b>	<b>32,40,85,844</b>	<b>31,55,08,411</b>

**18. NON CURRENT LIABILITIES**

(Amt. In ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
<b>PROVISIONS</b>		
Group Gratuity	62,18,000	50,66,000
<b>Total</b>	<b>62,18,000</b>	<b>50,66,000</b>

**19. FINANCIAL LIABILITIES**

(Amt. In ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
<b>LOANS &amp; ADVANCES</b>		
<b>Carried at Amortized Cost</b>		
Security Deposit	5,00,000	-
<b>Total</b>	<b>5,00,000</b>	-

**20. FINANCIAL LIABILITIES**

(Amt. In ₹)		
Particulars	As at March 31, 2021	As at March 31, 2020
<b>TRADE PAYABLE</b>		
<b>Carried at Amortized Cost</b>		
Dues to the Micro, Small & Medium Enterprises (Refer note 30.6)	2,80,99,786	2,06,79,467
Others	13,61,19,214	13,02,31,259
<b>Total</b>	<b>16,42,19,000</b>	<b>15,09,10,726</b>

**21. FINANCIAL LIABILITIES**

(Amt. In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>OTHER FINANCIAL LIABILITIES</b>		
<b>Carried at Amortized Cost</b>		
Advance From Customer	3,51,907	73,145
Unpaid Dividend	25,95,649	25,96,199
Sundry Creditor for Expenses	3,12,93,416	1,96,60,454
Outstanding Expenses	2,03,39,961	2,78,33,076
<b>Total</b>	<b>5,45,80,933</b>	<b>5,01,62,874</b>

**22. OTHER CURRENT LIABILITIES**

(Amt. In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
<b>Statutory Dues payable</b>	21,12,914	18,27,486
<b>Total</b>	<b>21,12,914</b>	<b>18,27,486</b>

**23. REVENUE FROM OPERATIONS**

(Amt. In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Sale of Manufactured Goods (Refer Note No.30.3)	56,07,97,507	57,06,23,081
Other Operating Revenues	7,99,136	3,80,257
<b>Total</b>	<b>56,15,96,643</b>	<b>57,10,03,338</b>

**24. OTHER INCOMES**

(Amt. In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Interest Income	67,66,625	70,36,607
Dividend	3,650	2,050
Insurance Claim Received	7,48,306	-
Sundry Balance W/back	14,709	4,00,378
Rent Received	1,11,000	-
Gain on Sale of investment	47,372	-
Revaluation of Investment	-	7,34,918
<b>Total</b>	<b>76,91,663</b>	<b>81,73,954</b>

**25. COST OF GOODS SOLD**

(Amt. In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Stock at Commencement	2,40,61,009	2,07,92,055
Add : Purchases	29,91,77,137	32,05,49,588

(Amt. In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
	<b>32,32,38,146</b>	<b>34,13,41,643</b>
Less: Closing Stock	2,03,85,345	2,40,61,009
Less : Goods removed as such	1,11,465	53,124
<b>Total</b>	<b>30,27,41,336</b>	<b>31,72,27,510</b>

## 26. CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS, AND STOCK-IN-TRADE. (OF MANUFACTURING GOODS)

(Amt. In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Inventories at the beginning of year		
Finished Goods	3,36,89,486	2,94,41,840
Work-in-Progress	96,61,562	79,09,992
Gypsum (By Product)	10,12,500	7,50,000
	<b>4,43,63,548</b>	<b>3,81,01,832</b>
Inventories at the end of year		
Finished Goods	3,24,85,534	3,36,89,486
Work-in-Progress	80,83,551	96,61,562
Gypsum (By Product)	35,20,000	10,12,500
	<b>4,40,89,085</b>	<b>4,43,63,548</b>
<b>Total</b>	<b>2,74,463</b>	<b>(62,61,716)</b>

## 27. EMPLOYEE BENEFIT EXPENSES

(Amt. In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
Salary, bonus and allowances	9,09,69,065	9,01,39,288
Workmen & Staff welfare	8,80,993	8,96,979
Gratuity	13,25,000	9,98,000
PF Contribution	16,10,237	16,55,946
<b>Total</b>	<b>9,47,85,295</b>	<b>9,36,90,213</b>

## 28. FINANCE COST

(Amt. In ₹)

Particulars	As at March 31, 2021	As at March 31, 2020
LC charges	51,941	6,564
Other Finance cost	1,51,471	2,37,405
<b>Total</b>	<b>2,03,412</b>	<b>2,43,969</b>

**29. OTHER EXPENSES**

Particulars	(Amt. In ₹)	
	As at March 31, 2021	As at March 31, 2020
Manufacturing expenses	11,69,67,208	14,27,47,407
Travelling & Conveyance	17,79,697	15,75,120
Communication & Postage Expenses	3,64,463	3,82,443
Insurance	28,72,538	26,22,387
Rent, Rates & Taxes	21,62,241	25,13,610
Professional & Legal	43,64,137	16,94,361
Repair & Maintenance		
- Buildings	29,15,827	26,82,782
- Others	12,14,151	14,92,526
Selling and Distribution	44,92,444	72,99,231
Auditors' Remuneration	2,50,000	2,50,000
Revaluation of Investment as per IndAS	4,54,294	-
Exchange Rate Difference	3,630	-
Corporate Social Responsibility	22,29,400	60,00,000
Other Expenses	29,33,682	28,97,416
<b>Total</b>	<b>14,30,03,712</b>	<b>17,21,57,283</b>

**30. NOTES FORMING PART OF FINANCIAL STATEMENTS****30.1: Equity Shares:**

The Company has one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed, if any, by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**i. 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 March 31, 2021		As at March 31, 2020	
	No. of Shares	(Amount In ₹)	No. of Shares	(Amount In ₹)
<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>

## ii. Statement showing details of Shares held by each Shareholder holding more than 5% Share (In Nos.)

Name of Shareholders	As at March 31, 2021		As at March 31, 2020	
	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
2. Anup Ramuka	-	-	231,345	5.20
3. Suman Agarwal	301,417	6.78	117,429	2.64
4. Gayatri Devi Agarwal	290,326	6.53	44,142	0.99
5. Kanta Agarwal	319,156	7.18	71,920	1.62
<b>TOTAL</b>	<b>1,376,599</b>	<b>30.96</b>	<b>930,536</b>	<b>20.92</b>

(Refer Note No. 16 "Equity Share Capital")

## 30.2 The unpaid dividend outstanding as on March 31 2021 is as follows:

Year	(Amt. in ₹)
2013-14	4,89,342/-
2014-15	1,162,358/-
2015-16	464,032/-
2016-17	479,917/-
<b>Total</b>	<b>25,95,649/-</b>

This amount is kept in separate account maintained by company with State Bank of India.

(Refer Note- 9 "Bank Balance other than Cash and Cash Equivalents")

## 30.3 Sale of products comprises :(Refer Note No. 23 "Revenue from Operations")

		(Amt. In ₹)	
Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
A.	Manufactured Goods		
i.	H-Acid	55,88,47,007	56,22,48,213
ii.	Gypsum and Globular Salt	19,50,500	83,74,868
	<b>Total</b>	<b>56,07,97,507</b>	<b>57,06,23,081</b>

## 30.4 Details of cost of raw-material consumed: (Refer Note No. 25 "Cost of Material Consumed")

		(Amt. In ₹)	
Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
i.	Naphthalene	73,679,475	7,03,40,543
ii.	Sulphuric Acid	25,275,167	2,56,73,560
iii.	Oleum 65	31,000,873	3,09,43,961
iv.	Caustic Soda Flakes	60,564,735	9,22,31,276
v.	Soda Ash	13,385,852	1,53,98,262
vi.	Nitric Acid	25,467,907	1,84,13,408

(Amt. In ₹)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
vii.	Cast Iron Powder	41,190,810	3,75,65,438
viii.	Lime stone Powder	13,673,343	1,45,74,741
ix.	Others	18,503,174	1,20,86,321
	<b>Total</b>	<b>302,741,336</b>	<b>31,72,27,510</b>

### 30.5 Segment Reporting :

As the Company's business activity falls within a single primary business segment "H-Acid Chemicals product" the disclosure requirement of Indian Accounting Standard (Ind AS) 108 "Operating Segment" are not applicable

### 30.6 Disclosures require u/s 22 of the Micro, Small Medium Enterprises Development Act, 2006:

(Amt. In ₹)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
i.	Principal amount remaining unpaid to any supplier as at the end of the accounting year	2,80,99,786	2,06,79,467
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 extent such parties have been identified on the basis of information collected by the management. This has been relied upon by the auditor.

Amount payable to Micro and Small Enterprises outstanding for more than 90 days is ₹ 17,163.

### 30.7 Auditor's Remuneration (Exclusive of taxes):

(Amt. In ₹)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
i.	Statutory Audit	200,000	200,000
ii.	Tax Audit	50,000	50,000
iii.	In other capacity	-	-
	<b>Total</b>	<b>250,000</b>	<b>250,000</b>

### 30.8 Related Party Disclosure:

#### a. Enterprise in which KMP have significant influence:

- i. Shree Hari Finvest Pvt. Ltd.
- ii. Ompareek Investment Company Ltd.

**b. Key Management Personnel**

- i. Shri B. C. Agrawal
- ii. Shri Anup Ramuka (Resigned w.e.f. 29/10/2020)
- iii. Shri Sarthak Agrawal (Appointed w.e.f. 29/10/2020)
- iv. Shri Nihit Agarwal (Appointed w.e.f. 29/10/2020)
- v. Shri Sanjay Kedia
- vi. Shri Vrijanand Gupta
- vii. Shri Arvind Chirania (Resigned w.e.f. 29/10/2020)
- viii. Smt. Ekta Sultania
- ix. Shri Vinit Kedia (Resigned w.e.f. 29/10/2020)
- x. Shri Parag Agrawal (Appointed w.e.f. 29/10/2020)
- xi. Shri Kishor Kharat (Appointed w.e.f. 28/01/2021)
- xii. Urvashi Pandya

**c. Relatives of KMP**

- i. Shri Amit Ramuka (upto 07/10/2020)
- ii. Smt. Geeta Ramuka (upto 07/10/2020)
- iii. Shri Sarthak Agarwal (upto 28/10/2020)
- iv. Smt. Shalini Kedia
- v. Smt. Priyamvada Agarwal (w.e.f. 16/11/2020)

**Related Party Transaction during the year:**

				(Amt. In ₹)
Sr. No.	Particulars	Managerial Remuneration	Salary	Sitting Fees
<b>I. Key Managerial Personnel</b>				
i.	Shri. B. C. Agrawal	88,86,667 (82,80,000)	-	-
ii.	Shri. Anup Ramuka	42,95,806 (82,80,000)	-	-
iii.	Shri Sarthak Agarwal	23,33,333 (Nil)	-	-
iv.	Shri Nihit Agarwal	23,33,333 (Nil)	-	-
v.	Shri Sanjay Kedia	37,20,000 (14,77,667)	-	-
vi.	Shri R.K. Saini	- (1,72,667)	-	-
vii.	Shri S.K. Kedia	-	(22,42,333)	-
viii.	Ms. Urvashi Pandya	-	3,30,000 (3,30,000)	-



(Amt. In ₹)				
Sr. No.	Particulars	Managerial Remuneration	Salary	Sitting Fees
ix.	Shri. Vrijanand Gupta	-	-	31,000 (20,000)
x.	Shri. Arvind Chirania	-	-	18,000 (20,000)
xi.	Smt. Ekta Sultania	-	-	25,000 (12,000)
xii.	Shri. Vinit Kedia	-	-	18,000 (20,000)
xiii.	Shri Parag Agrawal			16,000 (Nil)
xiv.	Shri Kishor Kharat			3,000 (Nil)
<b>II.</b>	<b>Relatives Of KMP</b>			
i.	Shri. Amit Ramuka	-	12,45,161 (24,00,000)	-
ii.	Smt Geeta Ramuka	-	12,45,161 (24,00,000)	-
iii.	Shri Sarthak Agarwal	-	14,00,000 (24,00,000)	-
iv.	Smt. Shalini Kedia	-	17,19,996 (8,59,998)	-
v.	Smt. Priyamvada Agarwal	-	9,00,000 (Nil)	-
	<b>TOTAL</b>	<b>2,15,69,139</b> <b>(1,82,10,334)</b>	<b>68,40,318</b> <b>(1,06,32,331)</b>	<b>1,11,000</b> <b>(72,000)</b>

\*The amount in brackets represents previous year 2019-20 figures.

### 30.9 Earnings Per Share:

As required by Statement of Indian Accounting Standard (Ind AS) – 33 "Earning per Share", reconciliation of basic and diluted number of Equity shares used in computing Earnings Per Share is as follows:

Particulars	(Amt. In ₹)	
	As at March 31, 2021	As at March 31, 2020
Net Profit/ (Loss) After Tax (In `)	8,577,433	(1,65,15,404)
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 `)	10/-	10/-
Basic Earnings per Share	1.93	(3.71)
Diluted Earnings per Share	1.93	(3.71)

**30.10 Earning in Foreign Exchange:**

Particulars	(Amt. In ₹)	
	As at March 31, 2021	As at March 31, 2020
Export of Goods (FOB Basis)	-	-
Export of Goods through Merchant Exporter	31,395,060	-
<b>Total</b>	<b>31,395,060</b>	<b>-</b>

**30.11 Expenditure in Foreign Currency (other than import):**

Particulars	(Amt. In ₹)	
	As at March 31, 2021	As at March 31, 2020
Commission	-	-
Professional Charges	-	-

**30.12 Value Of Import Calculated on CIF basis :**

Particulars	(Amt. In ₹)	
	As at March 31, 2021	As at March 31, 2020
Purchase of Traded Goods	-	-
Raw Materials	-	55,88,837
<b>Total</b>	<b>-</b>	<b>55,88,837</b>

**30.13 Details of consumption of imported and indigenous items:**

Particulars	(Amt. In ₹)	
	As at March 31, 2021	As at March 31, 2020
<b>Imported</b>		
Raw Materials	-	-
	-	55,88,837
	-	(1.76 %)
<b>Indigenous</b>		
Raw Materials	30,27,41,336	31,16,38,673
	(100%)	(98.24%)

**30.14 EMPLOYEE BENEFITS:**

Disclosures pursuant to Indian Accounting Standard - 19 "Employee Benefits":

	(₹ In Lakhs)	
	Period Ended March 31, 2021	Period Ended March 31, 2020
<b>A. Change in the present value of the defined benefit obligation</b>		
Opening defined benefit obligation	90.08	97.46
Interest Cost	5.50	6.92
Current service Cost	10.15	10.20
Benefits Paid	-	(26.95)
Actuarial (gain)/losses on obligation	(1.44)	6.38
Effect of Curtailment	-	(3.93)
Closing defined obligation	104.29	90.08



		(₹ In Lakhs)	
		Period Ended March 31, 2021	Period Ended March 31, 2020
<b>B.</b>	<b>Change in the fair value of plan asset</b>		
	Opening fair value of plan assets	39.42	63.18
	Adjustment of Interest not credited in the Previous Year	-	-
	Expected return on plan assets	2.40	3.21
	Contributions by employer	-	-
	Benefits paid	-	(26.95)
	Actuarial gains/ (losses)	0.29	(0.02)
	Closing fair value of plan assets	42.11	39.42
<b>C.</b>	<b>Actual return on plan assets:</b>		
	Expected return on plan assets	2.40	3.21
	Actuarial gain / [loss] on plan assets	0.29	(0.02)
	Actual return on plan asset	2.69	3.19
<b>D.</b>	<b>Amount recognized in the balance sheet:</b>		
	Fair value of plan Assets at the end of the year	42.11	39.42
	Present Value of Benefit obligation as at the end of the Period	104.29	90.08
	Funded/Unfunded Status	-	-
	Assets/(Liability) recognized in the Balance Sheet	(62.18)	(50.66)
<b>E.</b>	<b>(Income)/ Expenses recognized in the Profit &amp; Loss Account Statement</b>		
	Current service cost	10.15	10.20
	Interest cost on benefit obligation	5.50	6.92
	(Expected Return on Plan Assets)	(2.40)	(3.21)
	Net actuarial (gain)/ loss in the period	(1.73)	6.40
	Effect of Curtailment	-	(3.93)
	Plan Amendments	-	-
	Prior Year Charge	-	-
	Net Benefit or expenses	11.52	16.38
<b>F.</b>	<b>Principal actuarial assumptions as at Balance Sheet Date:</b>		
	Discount rate	5.8%	6.1%
	Expected rate of return on the plan assets	6.1%	7.1%
	Annual increase in salary cost	10.00%	10.00%
<b>G.</b>	<b>The categories of plan assets as a % of total plan assets are Insurance Company</b>	100.00%	100.00%

### 30.15 Contingent Liability:

		(Amt. In ₹)	
Contingent liabilities and commitments (to the extent not provided for)		As at March 31, 2021	As at March 31, 2020
(i)	Guarantees	54,31,043	54,31,043
(ii)	Demand against Mathadi Board	4,420,536	4,420,536
(iii)	Show Cause Notice received by the company from custom/excise department not acknowledge as debt	1,267,503	1,267,503

**Note. 30.16 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The company's financial liabilities comprise trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade receivables, loans, security deposits, cash and cash equivalents and other financial assets that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks based on approved policies. The Company seeks to minimise the effects of these risks by using derivative financial instruments to hedge risk exposures. The Company does not enter into or trade financial instruments, including derivative financial instruments, for a speculative purposes. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below:

**(a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. The financial instruments affected by market risk are investments and foreign currency transactions and exposures.

**Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency). The company is of the view that they dont have any major foreign currency exposure and no hedging is been done.

**Commodity Price Risk**

The Company is affected by the price volatility of certain commodities. Its operating activities require the on-going purchase or continuous supply of chemicals. Therefore the Company monitors its purchases closely to optimise the price.

**(b) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including loans, security deposits, deposits with banks and other financial instruments.

**Trade Receivables**

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for major clients.

**Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's management. Investments of surplus funds are made only with approved authorities. Credit limits of all authorities are reviewed by the Management on regular basis.

**c) Liquidity Risk**

The Company continuously monitors its risk of a shortage of funds. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, Letter of Credit and working capital limits.

**Note. 30.17 CAPITAL MANAGEMENT**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The funding requirement is met through a mixture of equity, internal accruals and short term borrowings. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

### Note 30.18 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:-

	Note	Carrying Value		Fair Value	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
<b>FINANCIAL ASSETS</b>					
<b>Measured at fair value through profit and loss</b>					
Investment in equity instruments (quoted)	3	1,07,845	1,07,845	2,65,300	1,33,410
Investment in mutual funds (quoted)	12	50,47,371	-	50,60,755	-
Investment in equity instruments (unquoted)	3	29,56,390	29,56,390	60,33,203	66,32,769
<b>Measured at amortised cost</b>					
Security deposits	4	28,85,950	4,85,950	28,85,950	4,85,950

The management assessed that the fair value of cash and cash equivalents, other bank balances, trade receivables, trade payables, other payables and other financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

**Security deposits** - The above deposits are given to government authorities and others where refundable time period is not defined/ not available. Therefore the carrying value and the fair value is considered same.

### Note. 30.19 Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

#### Specific valuation techniques used to value financial instruments include:

- (i) the use of quoted market prices or dealer quotes for similar instruments
- (ii) the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

**Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2021**

	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>					
<b>Financial assets at FVTPL</b>					
Investments in equity instruments (quoted)	March 31, 2021	<b>2,65,300</b>	2,65,300		
Investments in equity instruments (unquoted)	March 31, 2021	<b>60,33,203</b>			60,33,203
<b>Financial asset measured at amortised cost</b>					
Security Deposits	March 31, 2021	<b>28,85,950</b>			28,85,950

There have been no transfers among level 1 and level 2 during the year.

**Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020**

	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>					
<b>Financial assets at FVTPL</b>					
Investments in equity instruments (quoted)	March 31, 2020	<b>1,33,410</b>	1,33,410		
Investments in equity instruments (unquoted)	March 31, 2020	<b>66,32,769</b>			66,32,769
<b>Financial asset measured at amortised cost</b>					
Security Deposits	March 31, 2020	<b>4,85,950</b>			4,85,950

There have been no transfers among level 1 and level 2 during the year.

**Note No. 30.20 Movement in Deferred tax Liability/ (Assets)**

Particulars	PPE-Depreciation	Change in Fair Value of Investment	Gratuity	Losses	Total
<b>As at April 1 2019</b>	<b>71,18,478</b>	<b>7,71,427</b>	<b>(8,91,280)</b>	<b>(4,22,50,774)</b>	<b>(3,52,52,149)</b>
Charged/ (Credited)					
- To Profit & Loss	(18,32,931)	1,91,079	(2,59,480)	(14,02,067)	(33,03,399)
- To Other Comprehensive Income			(1,66,400)		(1,66,400)
<b>As at March 31, 2020</b>	<b>52,85,547</b>	<b>9,62,506</b>	<b>(13,17,160)</b>	<b>(4,36,52,841)</b>	<b>(3,87,21,948)</b>
Charged/ (Credited)					
- To Profit & Loss	(12,20,951)	<b>(1,18,116)</b>	(3,44,500)	55,48,557	38,64,991
- To Other Comprehensive Income			44,980		44,980
<b>As at March 31, 2021</b>	<b>40,64,596</b>	<b>8,44,390</b>	<b>(16,16,680)</b>	<b>(3,81,04,284)</b>	<b>(3,48,11,977)</b>

**Note No. 30.21 Re-Grouped Previous Year Balances**

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached

**For M/s. G. D. Singhvi & Company**

Chartered Accountants

Firm Regn. 110287W

**S. G. Singhvi**

Partner

041170

Place : Mumbai

Dated : May 31, 2021

For and on behalf of the Board

**B. C. Agrawal**

Chairman & Managing Director

[DIN : 00121080]

**S. K. Kedia**

Chief Financial Officer

Whole Time Director &

Chief Financial Officer

[DIN No. 08556924]

**Sarthak Agarwal**

Whole Time Director

[DIN : 03613314]

**Urvashi Pandya**

Company Secretary











**SHREE HARI CHEMICALS EXPORT LIMITED**  
*Manufacturer of Dyes and Dyes Intermediates*

***Registered Office***

Shree Hari Chemicals Export Limited  
A/8, MIDC, Mahad, Dist Raigad  
Maharashtra-402 309

**Corporate Office**

401/402, A- Wing, Oberoi Chambers  
Opp. SAB TV, New Link Road,  
Andheri (West), Mumbai-400 053