

33rd
Annual Report
2019-2020



SHREE HARI CHEMICALS EXPORT LTD.

SHREE HARI CHEMICALS EXPORT LTD.

SHREE HARI CHEMICALS EXPORT LIMITED

BOARD OF DIRECTORS

| | |
|-----------------------------|--|
| Shri B.C. Agarwal | Chairman & Managing Director (w.e.f 11.11.2020) |
| Shri Anup Ramuka | Managing Director (upto 29.10.2020) |
| Shri Sanjay Kedia | Whole-time Director (w.e.f 08.11.2019) |
| Shri Sarthak Agarwal | Whole-time Director (w.e.f 11.11.2020) |
| Shri Nihit Agarwal | Whole-time Director (w.e.f 11.11.2020) |
| Smt Ekta Sultania | Independent Director |
| Shri V.N. Gupta | Independent Director |
| Shri A.D. Chirania | Independent Director (upto 29.10.2020) |
| Shri V. P. Kedia | Independent Director (upto 29.10.2020) |
| Shri Parag Agrawal | Independent Director (w.e.f 29.10.2020) |

BANKERS

STATE BANK OF INDIA

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

AUDITORS

G. D. SINGHVI & COMPANY

Chartered Accountants
MUMBAI - 400001.

REGD. OFFICE & WORKS

CIN - L99999MH1987PLC044942
A/8, M.I.D.C. Indl. Area,
MAHAD, Dist. Raigad
(Maharashtra) 402309.
Tel.: 02145-232177
E-mail: info@shreeharichemicals.in

ADMINISTRATIVE OFFICE

103/104, Unique Tower,
Near Kamat Club,
S. V. Road, Goregaon (W),
MUMBAI - 400062.
Tel.: 022-28787081
E-mail: info@shreeharichemicals.in

REGISTRAR & SHARE TRANSFER AGENTS

UNIVERSAL CAPITAL SECURITIES PVT. LTD.

C 101, 247 Park, LBS Road,
Vikhroli West, Mumbai - 400 083.
Tel Nos.: (022) 28207203-05, 49186178-79
E-mail: info@unisec.in

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SHREE HARI CHEMICALS EXPORT LIMITED

Corporate Identification No. (CIN) - L99999MH1987PLC044942

Registered Office: A/8, MIDC, Mahad, Dist. Raigad - 402 309, Maharashtra

Tel: 02145-232177/233492 E-mail: info@shreeharichemicals.in

Website: www.shreeharichemicals.in

NOTICE

Notice is hereby given that the **THIRTY THIRD** Annual General Meeting of the members of **SHREE HARI CHEMICALS EXPORT LIMITED** will be held on Wednesday, December 30, 2020 at 11.30 a.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, 2020, together with the Reports of the Board of Directors and the Auditor's thereon.
2. To appoint a Director in place of Shri Bankesh Chandra Agarwal (DIN 00121080) 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 the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Sanjay Kedia (DIN: 08556924), appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company with effect from November 08, 2019 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

4. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Sarthak Agarwal (DIN: 03613314), appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company with effect from October 29, 2020 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

5. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Nihit Agarwal (DIN: 07586882), appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company with effect from October 29, 2020 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company."

6. To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

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“RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Parag Agrawal (DIN: 07140561), appointed as an Additional Director of the Company pursuant to the provisions of Section 161 of the Companies Act, 2013 and the Articles of Association of the Company with effect from October 29, 2020 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member, pursuant to the provisions of Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of sections 149, 152, Schedule IV and other applicable provisions of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, Shri Parag Agrawal (DIN: 07140561), a Non-Executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years from October 29, 2020 to October 28, 2025.”

7. To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Sections 196, 197, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 as amended from time to time and as approved by the Nomination and Remuneration Committee, the consent of the Company be and is hereby accorded to the appointment of Shri Sanjay Kedia (DIN: 08556924) as Whole time Director of the Company for a period of three years with effect from November 08, 2019 upon the terms and conditions as set out in the explanatory statement and with liberty to the Board of Directors/Nomination and Remuneration Committee to alter, vary and modify the terms and conditions of the said appointment in such manner as may be agreed to between the Board and Shri Sanjay Kedia.

FURTHER RESOLVED THAT in the event of any statutory amendment or relaxation by the Central Government to Schedule V of the Companies Act, 2013 or any amendment in the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 from time to time, the Board/Nomination and Remuneration Committee be and is hereby authorised to vary or increase the remuneration including the perquisites within such prescribed limits or ceiling to give effect to such modification, relaxation or variation without any further reference to the Company.

FURTHER RESOLVED THAT the Board be and is hereby authorised to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this Resolution”.

8. To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder and SEBI (Listing Obligations and Disclosures Requirement)(Amendment) Regulations, 2018 notified by SEBI by way of Notification No. SEBI/ LAD-NRO/GN/ 2018/ 10 dated May 9, 2018, (including any statutory modification (s) or re-enactment (s) thereof for the time being in force) and subject to other consents required, if any, approval of the Company be and is hereby accorded to Shri Bankesh Chandra Agarwal (DIN: 00121080) as the Chairman & Managing Director of the Company and payment of remuneration to him for a period of 3 (three) years with effect from November 11, 2020 on the terms and conditions as approved by the Nomination and Remuneration Committee and as set out in the explanatory statement annexed to the Notice convening this Meeting with liberty to the Board of Directors/ Nomination and Remuneration Committee to alter and vary the terms and conditions of Chairman & Managing Director and/or remuneration as it may deem fit and as may be acceptable to Shri Bankesh Chandra Agarwal.

RESOLVED FURTHER THAT in the event of any statutory amendment or relaxation by the Central Government to Schedule V of the Companies Act, 2013 or any amendment in the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 from time to time, the Board/Nomination and Remuneration Committee be and is hereby authorised to vary or increase the remuneration including the perquisites within such prescribed limits or ceiling to give effect to such modification, relaxation or

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variation without any further reference to the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this Resolution.”

9. To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder and SEBI (Listing Obligations and Disclosures Requirement)(Amendment) Regulations, 2018 notified by SEBI by way of Notification No. SEBI/ LAD-NRO/GN/ 2018/ 10 dated May 9, 2018, (including any statutory modification (s) or re-enactment (s) thereof for the time being in force) and subject to other consents required, if any, approval of the Company be and is hereby accorded to the appointment of Shri Sarthak Agarwal (DIN: 03613314) as Whole time Director of the Company and payment of remuneration to him for a period of 3 (three) years with effect from November 11, 2020 on the terms and conditions as approved by the Nomination and Remuneration Committee and as set out in the explanatory statement annexed to the Notice convening this Meeting with liberty to the Board of Directors/ Nomination and Remuneration Committee to alter and vary the terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be acceptable to Shri Sarthak Agarwal.

FURTHER RESOLVED THAT in the event of any statutory amendment or relaxation by the Central Government to Schedule V of the Companies Act, 2013 or any amendment in the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 from time to time, the Board/Nomination and Remuneration Committee be and is hereby authorised to vary or increase the remuneration including the perquisites within such prescribed limits or ceiling to give effect to such modification, relaxation or variation without any further reference to the Company.

FURTHER RESOLVED THAT the Board be and is hereby authorised to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this Resolution”.

10. To consider and if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder and SEBI (Listing Obligations and Disclosures Requirement)(Amendment) Regulations, 2018 notified by SEBI by way of Notification No. SEBI/ LAD-NRO/GN/ 2018/ 10 dated May 9, 2018, (including any statutory modification (s) or re-enactment (s) thereof for the time being in force) and subject to other consents required, if any, approval of the Company be and is hereby accorded to the appointment of Shri Nihit Agarwal (DIN: 07586882), as Whole time Director of the Company and payment of remuneration to him for a period of 3 (three) years with effect from November 11, 2020 on the terms and conditions as approved by the Nomination and Remuneration Committee and as set out in the explanatory statement annexed to the Notice convening this Meeting with liberty to the Board of Directors/ Nomination and Remuneration Committee to alter and vary the terms and conditions of the said appointment and/ or remuneration as it may deem fit and as may be acceptable to Shri Nihit Agarwal.

FURTHER RESOLVED THAT in the event of any statutory amendment or relaxation by the Central Government to Schedule V of the Companies Act, 2013 or any amendment in the SEBI (Listing Obligations and Disclosures Requirement) Regulations, 2015 from time to time, the Board/Nomination and Remuneration Committee be and is hereby authorised to vary or increase the remuneration including the perquisites within such prescribed limits or ceiling to give effect to such modification, relaxation or variation without any further reference to the Company.

FURTHER RESOLVED THAT the Board be and is hereby authorised to do all such acts, matters, deeds and things and to take such steps as expedient or desirable to give effect to this Resolution”.

11. 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 Rs. 25,000/- plus applicable taxes and reimbursement of travelling and out of pocket expenses payable to M/s. B.F. Modi & Associates, Cost Accountants, (ICWA Registration

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No. 6955) who have been appointed as Cost Auditors to conduct the audit of the cost records for the financial year 2020-21”

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 and April 13, 2020 (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. 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, the AGM of the Company is being held through VC/OAVM on Wednesday, December 30, 2020 at 11.30 a.m.**
2. 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.
3. 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.
4. The Statement setting out material facts pursuant to section 102 of the Companies Act, 2013, which sets out details relating to item nos. 3 to 11 of the Notice, and Additional information pursuant to Regulation 26(4) and 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 to 6 are annexed hereto.
5. In line with the MCA General Circular dated May 5, 2020, the Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/Depositories. The Notice convening the 33rd AGM has been uploaded on the website of the Company at www.shreeharichemicals.in and may also be accessed on the websites of the Stock Exchanges i.e. BSE Limited at www.bseindia.com. The Notice is also available on the website of NSDL at www.evoting.nsdl.com.
6. 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, 1st Floor, LBS Road,Gandhi Nagar, Vikhroli (West), Mumbai – 400083, in respect of their physical share folios, if any, quoting their folio numbers.
7. 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.
8. SEBI, vide its Circular No. SEBI/LAD-NRO/ GN/2018/24 dated June 8, 2018, amended Regulation 40 of SEBI Listing Regulations pursuant to which after March 31, 2019 transfer of securities could not be processed unless the securities are held in the dematerialized form with a depository.

Members holding shares in physical form are requested to dematerialize their holdings at the earliest as it will not be possible to transfer shares held in physical mode as per extension of the deadline announced by SEBI.
9. 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, 1st Floor, LBS Road, Gandhi Nagar, Vikhroli (West), Mumbai –400083. Members holding shares in

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dematerialised mode are requested to register/update their email addresses with the relevant Depository Participants.

10. During the 33rd 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.
11. 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.
12. 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) along with requisite fee as decided by the Authority from time to time.

13. 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 AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of the Company will be displayed. On clicking this link, the Member will be able to view the webcast of the AGM proceedings. 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
- ii. Members may join the Meeting through Laptops, tablets and iPads for better experience.
- iii. Further, Members will be required to 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 Laptops 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. 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 shreeharichem@gmail.com from Sunday, December 27, 2020 (9.00 a.m. IST) to Tuesday, December 29, 2020 (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.
- vi. Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the 33rd AGM through VC/OAVM facility.
- vii. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800-222-990 or contact Ms. Pallavi Mhatre, Manager – NSDL at pallavid@nsdl.co.in/ 022-24994545.

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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 33rd 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:-

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 are mentioned below:

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 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password 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. Your password details 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'

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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, your 'initial password' is communicated to you on your postal address.
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.nsdl.com.
 - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.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 mentioning your demat account number/folio number, your PAN, your name and your registered address.
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.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

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 with a copy marked to 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 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 or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in

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- II. 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.
- III. 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).
- IV. The e-voting period commences on Sunday, December 27, 2020, (10.00 a.m.) and ends on Tuesday, December 29, 2020 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 December 23, 2020 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.
- V. 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 December 23, 2020. 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. 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.

- VI. 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.
- VII. 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.
- VIII. Smt. Shalini Bhat (FCS No.: 6484) or failing her Shri Mohammad 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.
- IX. 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.
- X. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website, www.shreeharichemicals.in and on the website of NSDL 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

**Sd/-
BANKESH CHANDRA AGARWAL
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
Website: www.shreeharichemicals.in

Date: November 11, 2020

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 26(4) AND 36(3) OF SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENT) REGULATION, 2015 AND SECRETARIAL STANDARDS ON GENERAL MEETING.

Item No. 3

The Board of Directors of the Company (the “Board”) at its Meeting held on November 08, 2019, on the recommendations of the Nomination and Remuneration Committee, has appointed Shri Sanjay Kedia (DIN: 08556924) as an Additional Director with effect from November 08, 2019. By virtue of Section 161 of the Companies Act, 2013, Shri Sanjay Kedia shall hold office upto the date of this Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director.

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 recommends this Ordinary Resolution as set out at item No. 3 of the Notice for approval by the members.

Shri Sanjay Kedia is interested in the said resolution as it relates to his own appointment. None of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the Resolution at item No. 3 of the Notice.

Item No. 4

The Board of Directors of the Company (the “Board”) at its Meeting held on October 29, 2020, on the recommendations of the Nomination and Remuneration Committee, has appointed Shri Sarthak Agarwal (DIN: 03613314) as an Additional Director with effect from October 29, 2020. By virtue of Section 161 of the Companies Act, 2013, Shri Sarthak Agarwal shall hold office upto the date of this Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director.

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 recommends this Ordinary Resolution as set out at item No. 4 of the Notice for approval by the members.

Shri Sarthak Agarwal is interested in the said resolution as it relates to his own appointment.

Shri Bankesh Chandra Agarwal, Chairman and Managing Director of the Company being relative is interested in the said resolution. None of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the Resolution at item No. 4 of the Notice.

Item No. 5

The Board of Directors of the Company (the “Board”) at its Meeting held on October 29, 2020, on the recommendations of the Nomination and Remuneration Committee, has appointed Shri Nihit Agarwal (DIN: 07586882) as an Additional Director with effect from October 29, 2020. By virtue of Section 161 of the Companies Act, 2013, Shri Nihit Agarwal shall hold office upto the date of this Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director.

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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 recommends this Ordinary Resolution as set out at item No. 5 of the Notice for approval by the members.

Shri Nihit Agarwal is interested in the said resolution as it relates to his own appointment. None of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the Resolution at item No. 5 of the Notice.

Item No. 6

The Board of Directors of the Company (the “Board”) at its Meeting held on October 29, 2020, on the recommendations of the Nomination and Remuneration Committee, has appointed Shri Parag Agrawal (DIN: 07140561) as an Additional Director and Independent Director with effect from October 29, 2020. By virtue of Section 161 of the Companies Act, 2013, Shri Parag Agrawal shall hold office upto the date of this Annual General Meeting. The Company has received a notice under Section 160 of the Companies Act, 2013, proposing his candidature for the office of Director.

The Board, based on the recommendation of Nomination and Remuneration Committee, considers that given his background, experience of Shri Parag Agrawal would be beneficial to the Company and it is advisable to avail his services as Independent Director. The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties. In the opinion of the Board, he fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during the normal business hours on any working day (except Saturday).

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.

Shri Parag Agrawal is concerned or interested in the said resolution as it relates to his appointment. None of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the Resolution at item No. 6 of the Notice.

Information as required under Regulations 26(4) and 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India with respect to General Meetings for item nos. 2 to 6 of the Notice.

| Particulars | Shri Bankesh Chandra Agarwal | Shri Sarthak Agarwal | Shri Nihit Agarwal | Shri Sanjay Kedia | Shri Parag Agrawal |
|----------------------------|-------------------------------------|-----------------------------|---------------------------|--------------------------|---------------------------|
| Age | 69 Years | 29 Years | 27 Years | 44 Years | 38 Years |
| Date of Appointment | Since 1987 | 29.10.2020 | 29.10.2020 | 08.11.2019 | 29.10.2020 |

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| | | | | | |
|---|---|--|--|---|---|
| Qualification | B.Com, AICWA | B.Com, MBA | B. Tech | B.Com, Chartered Accountant | B.Engg and a holder of a Bachelor degree in Gemology from International Gemological Institute |
| Expertise/Ex- perience in specific func- tional area | Over 44 years in Sales & Fi- nancial Admin- istration in Yarn & Chemical In- dustry | Over 7 years of experience in Textile & Chemical Indus- try. | Over 4 years of experience in Textile & Chemical Indus- try. | Over 22 years of experience in Financial Administration in Chemical Industry | Over 16 years of experience in the Business of E-Commerce. |
| Directorships in other com- panies | 1. Shree Hari Finvest Limited 2. Shubhlaxmi Dyetex Private Limited 3. Ompareek Investment Company Limited | 1. Raviqu Infrastructure Private Limited 2. ABR Entrepreneur Services Private Limited 3. Ompareek Investment Company Limited 4. Shree Hari Finvest Limited | 1. Raviqu Infrastructure Private Limited 2. ABR Entrepreneur Services Private Limited 3. Ompareek Investment Company Limited 4. Shree Hari Finvest Limited | Nil | 1. Fiona Solitaires Private Limited |
| Memberships of Committees in other com- panies (In- cludes only Audit & Stakeholders Relationship Committee) | Nil | Nil | Nil | Nil | Nil |
| No. of shares held in the Company | He holds 61,200 Equity shares | Nil | Nil | Nil | Nil |

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| | | | | | |
|---|--|---|--|--|--|
| Relationship between Directors inter-se and the KMPs | There is no relationship between Directors inter-se and the KMPs except Shri Sarthak Agarwal, Whole Time Director is son | There is no relationship between Directors inter-se and the KMPs except Shri Bankesh C h a n d r a Agarwal, Chairman & Managing Director is father. | There is no relationship between Directors inter-se and the KMPs | There is no 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 2019-2020 | 4 | N.A | N.A | 2 | N.A |
| Last Remuneration drawn | Rs. 82.80 lakhs for the financial year 2019-2020 | Rs. 24.00 lakhs for the financial year 2019-2020 | - | Rs. 37.20 lakhs for the financial year 2019-2020 | - |

Item No. 7

The Board at its Meeting held on November 08, 2019 approved the appointment of Shri Sanjay Kedia as Whole Time Director of the Company on the recommendations of the Nomination and Remuneration Committee for a period of three years with effect from November 08, 2019. The terms of his appointment and the payment of remuneration are as follows:

- a) Salary: Upto a maximum of Rs. 4,00,000/-per month as may be decided by the Board of Directors of the Company from time to time.
- b) Commission: Commission on net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013 as may be fixed by the Board subject to the ceiling limits laid down in Section 197 and read with Schedule V of the Companies Act, 2013.
- c) The Whole Time Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein above:
 - i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.
 - ii. Gratuity payable at the rate not exceeding half a month's Salary for each completed year of service.
 - iii. Earned privilege leave at the rate of one month's leave for every eleven months of service. He shall be entitled to encash leave at the end of his tenure as Whole Time Director.
 - iv. Provision for Car and Telephone at the residence of the Whole Time Director and Mobile Phones for the purpose of business of the Company shall not be treated as perquisites.

A Statement showing the additional information required to be given alongwith a Notice calling General Meeting as required under section II, Part II of the Schedule V to the Companies Act, 2013 is annexed.

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The Board commends the approval from the members by way of Special Resolution for the appointment of Whole Time Director and payment of remuneration to him.

Shri Sanjay Kedia is interested in the said resolution as it relates to his appointment as Whole time Director and payment of remuneration to him. None of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the Resolution at item No. 7 of the Notice.

Item No. 8

The Board of Directors of the Company (the "Board") at its Meeting held on November 11, 2020 approved the appointment of Shri Bankesh Chandra Agrawal as Chairman & Managing Director of the Company for a period of three years with effect from November 11, 2020, on the recommendations of the Nomination and Remuneration Committee. Shri Bankesh Chandra Agrawal will be crossing the age of 70 years during the currency of his tenure and is required to be approved by a Special Resolution by the members of the Company. The terms of the remuneration are as follows:

- a) Salary: Consolidated remuneration of Rs. 11,00,000/- (Rupees Eleven Lakhs) per month.
- b) Commission: Commission on net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013 as may be fixed by the Board subject to the ceiling limits laid down in Section 197 and read with Schedule V of the Companies Act, 2013.
- c) The Chairman & Managing Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein above:
 - i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.
 - ii. Gratuity payable at the rate not exceeding half a month's Salary for each completed year of service.
 - iii. Earned privilege leave at the rate of one month's leave for every eleven months of service. He shall be entitled to encash leave at the end of his tenure as Chairman & Managing Director.
 - iv. Provision for Car and Telephone at the residence of the Chairman & Managing Director and Mobile Phones for the purpose of business of the Company shall not be treated as perquisites.

The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) (Amendment) Regulation, 2018 to be made effective from April 1, 2019 issued by SEBI vide its Notification No. SEBI/LAD-NRO/ GN/2018/10 dated May 9, 2018 requires the listed entities to avail approval of shareholders by way of Special Resolution for payment of annual remuneration to Promoter Executive Director which exceeds Rs. 5 crores or 2.5 per cent of the net profits of the listed entity, whichever is higher; or where there is more than one such Director, the aggregate annual remuneration to such Directors exceeds 5 per cent of the net profits of the listed entity.

Accordingly, the necessary special resolution for appointment of Shri Bankesh Chandra Agrawal as Chairman & Managing Director and payment of remuneration to him is set out at item no. 8 of the Notice.

A Statement showing the additional information required to be given alongwith a Notice calling General Meeting as required under section II, Part II of the Schedule V to the Companies Act, 2013 is annexed.

Shri Bankesh Chandra Agrawal is interested in the said resolution as it relates to his appointment as Chairman and Managing Director and payment of remuneration to him. Shri Sarthak Agarwal, Whole time Director, being relative is also interested in the said resolution. None of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the Resolution at item No. 8 of the Notice.

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Item No. 9

The Board at its Meeting held on November 11, 2020 approved the appointment of Shri Sarthak Agarwal as Whole Time Director of the Company on the recommendations of the Nomination and Remuneration Committee for a period of three years with effect from November 11, 2020 who was in the employment of the company. The terms of his appointment and the payment of remuneration are as follows:

- a) Salary: Consolidated remuneration of Rs. 7,00,000/-(Rupees Seven Lakhs) per month.
- b) Commission: Commission on net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013 as may be fixed by the Board subject to the ceiling limits laid down in Section 197 and read with Schedule V of the Companies Act, 2013.
- c) The Whole Time Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein above:
 - i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.
 - ii. Gratuity payable at the rate not exceeding half a month's Salary for each completed year of service.
 - iii. Earned privilege leave at the rate of one month's leave for every eleven months of service. He shall be entitled to encash leave at the end of his tenure as Whole Time Director.
 - iv. Provision for Car and Telephone at the residence of the Whole Time Director and Mobile Phones for the purpose of business of the Company shall not be treated as perquisites.

The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) (Amendment) Regulation, 2018 to be made effective from April 1, 2019 issued by SEBI vide its Notification No. SEBI/LAD-NRO/ GN/2018/10 dated May 9, 2018 requires the listed entities to avail approval of shareholders by way of Special Resolution for payment of annual remuneration to Promoter Executive Director which exceeds Rs. 5 crores or 2.5 per cent of the net profits of the listed entity, whichever is higher; or where there is more than one such Director, the aggregate annual remuneration to such Directors exceeds 5 per cent of the net profits of the listed entity.

Accordingly, the necessary special resolution for appointment of Shri Sarthak Agarwal as Whole time Director and payment of remuneration to him is set out at item no. 9 of the Notice.

A Statement showing the additional information required to be given alongwith a Notice calling General Meeting as required under section II, Part II of the Schedule V to the Companies Act, 2013 is annexed.

Shri Sarthak Agarwal is interested in the said resolution as it relates to his appointment as Whole time Director and payment of remuneration to him. Shri Bankesh Chandra Agarwal, Chairman and Managing Director, being relative is also interested in the said resolution. None of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the Resolution at item No. 9 of the Notice.

Item No. 10

The Board at its Meeting held on November 11, 2020 approved the appointment of Shri Nihit Agarwal as Whole Time Director of the Company on the recommendations of the Nomination and Remuneration Committee for a period of three years with effect from November 11, 2020. The terms of his appointment and the payment of remuneration are as follows:

- a) Salary: Consolidated remuneration of Rs. 7,00,000 /- (Rupees Seven Lakhs) per month.

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- b) Commission: Commission on net profits of the Company computed in the manner laid down in Section 198 of the Companies Act, 2013 as may be fixed by the Board subject to the ceiling limits laid down in Section 197 and read with Schedule V of the Companies Act, 2013.
- c) The Whole Time Director shall also be entitled to the following perquisites which shall not be included in the computation of the ceiling on remuneration specified herein above:
 - i. Contribution to Provident Fund, Superannuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income tax Act, 1961.
 - ii. Gratuity payable at the rate not exceeding half a month's Salary for each completed year of service.
 - iii. Earned privilege leave at the rate of one month's leave for every eleven months of service. He shall be entitled to encash leave at the end of his tenure as Whole Time Director.
 - iv. Provision for Car and Telephone at the residence of the Whole Time Director and Mobile Phones for the purpose of business of the Company shall not be treated as perquisites.

The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirement) (Amendment) Regulation, 2018 to be made effective from April 1, 2019 issued by SEBI vide its Notification No. SEBI/LAD-NRO/ GN/2018/10 dated May 9, 2018 requires the listed entities to avail approval of shareholders by way of Special Resolution for payment of annual remuneration to Promoter Executive Director which exceeds Rs. 5 crores or 2.5 per cent of the net profits of the listed entity, whichever is higher; or where there is more than one such Director, the aggregate annual remuneration to such Directors exceeds 5 per cent of the net profits of the listed entity.

Accordingly, the necessary special resolution for appointment of Shri Nihit Agarwal as Whole time Director and payment of remuneration to him is set out at item no. 10 of the Notice.

A Statement showing the additional information required to be given alongwith a Notice calling General Meeting as required under section II, Part II of the Schedule V to the Companies Act, 2013 is annexed.

Shri Nihit Agarwal is interested in the said resolution as it relates to his appointment as Whole time Director and payment of remuneration to him. None of the other Directors or Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the Resolution at item No. 10 of the Notice.

Item No. 11

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. B.F. Modi & Associates, Cost Accountants (Firm Registration No. 6955), to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2021. 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. 11 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.

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ADDITIONAL INFORMATION AS REQUIRED UNDER PART II OF SECTION II OF SCHEDULE V OF THE COMPANIES ACT, 2013 FOR ITEM NOS. 7 TO 10 OF THE NOTICE.

I. GENERAL INFORMATION

| | | | | |
|-----|--|---|---------------|---------------|
| (1) | Nature of Industry | Chemical Industry | | |
| (2) | Date or expected date of commencement of commercial production | The Company has been in business Since 1987 | | |
| (3) | In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus. | Not Applicable | | |
| (4) | Financial Performance (Rs. In Lakhs) | 2017-18 (Rs.) | 2018-19 (Rs.) | 2019-20 (Rs.) |
| | Turnover | 5463.73 | 5052.12 | 5710.03 |
| | Net profit (as computed under section 198) | (1202.86) | (421.42) | (193.45) |
| | Net profit/ (Loss) as per profit and loss account | (873.48) | (364.69) | (165.15) |
| | Amount of Dividend paid | - | - | - |
| | Rate of Dividend declared | - | - | - |
| | Earnings before interest, depreciation & taxes | (827.02) | (126.03) | 23.63 |
| | % of EBIDTA to turnover | (15.14) | (2.49) | 0.41 |
| | Export performance and net foreign exchange collaborations | 698.33 | 722.86 | - |
| (5) | Foreign investments or collaborators, if any. | NIL | | |

II. INFORMATION ABOUT THE APPOINTEE

| | SHRI BANKESH CHANDRA AGARWAL | SHRI SARTHAK AGARWAL | SHRI NIHIT AGARWAL | SHRI SANJAY KEDIA |
|------------------------|--|---|---|---|
| (1) Background details | <p>Designation: Chairman & Managing Director</p> <p>Father's name: Shri Babulal Agarwal</p> <p>Nationality: Indian</p> <p>Date of Birth: 29.10.1951</p> <p>Qualifications: B.Com, AICWA.</p> <p>Experience: Over 44 years in Yarn & Chemical Industry.</p> | <p>Designation: Whole time Director</p> <p>Father's name: Shri Bankesh Chandra Agarwal</p> <p>Nationality: Indian</p> <p>Date of Birth: 11.12.1991</p> <p>Qualifications: B.Com, MBA.</p> <p>Experience: Over 7 years of experience in Textile & Chemical Industry.</p> | <p>Designation: Whole time Director</p> <p>Father's name: Shri Ajay Agarwal</p> <p>Nationality: Indian</p> <p>Date of Birth: 21.08.1993</p> <p>Qualifications: B.Tech</p> <p>Experience: Over 4 years of experience in Textile & Chemical Business.</p> | <p>Designation: Whole time Director</p> <p>Father's name: Shri Kashiprasad Kedia</p> <p>Nationality: Indian</p> <p>Date of Birth: 10.10.1975</p> <p>Qualifications: B.Com, CA.</p> <p>Experience: Over 22 years of experience in Financial Administration in Chemical Industry.</p> |

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| | | | | |
|--|---|---|---|---|
| (2) Past remuneration | Rs. 82.80 lakhs for the financial year 2019-2020 | Rs. 24 lakhs for the financial year 2019-2020 | - | Rs. 37.2 lakhs for the financial year 2019-2020 |
| (3) Recognition or awards | Order of merit from ICME | N.A. | N.A. | N.A. |
| (4) Job profile and his suitability | The Chairman & Managing Director shall be responsible for day to day over all affairs of the Company. | The Whole-Time Director shall be responsible for Management of Marketing activities. | The Whole-Time Director shall be responsible for Management of Plants and R & D activities. | The Whole-Time Director shall be responsible for Management of Finance activities. |
| | Considering the above and having regard to age, qualifications, ability and experience and looking to the business requirement the proposed remuneration is in the interest of the Company. | Considering the above and having regard to age, qualifications, ability and experience and looking to the business requirement the proposed remuneration is in the interest of the Company. | Considering the above and having regard to age, qualifications, ability and experience and looking to the business requirement the proposed remuneration is in the interest of the Company. | Considering the above and having regard to age, qualifications, ability and experience and looking to the business requirement the proposed remuneration is in the interest of the Company. |
| (5) Remuneration proposed | Upto Rs. 11,00,000/- per month including all other perquisites. | Upto Rs. 7,00,000/- per month including all other perquisites. | Upto Rs. 7,00,000/- Lakhs per month including all other perquisites. | Upto Rs. 4,00,000 per month including all other perquisites. |
| (6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w. r. t. the country of his origin) | Compared to the remuneration with respect to the industry, size of the Company etc. the remuneration proposed to be paid to is very low | Compared to the remuneration with respect to the industry, size of the Company etc. the remuneration proposed to be paid to is very low | Compared to the remuneration with respect to the industry, size of the Company etc. the remuneration proposed to be paid to is very low | Compared to the remuneration with respect to the industry, size of the Company etc. the remuneration proposed to be paid to is very low |

SHREE HARI CHEMICALS EXPORT LTD.

| | | | | |
|--|--|---|---|--|
| (7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any. | The Chairman & Managing Director has no other pecuniary relationship with the Company or with the managerial personnel except Shri Sarthak Agarwal, Whole Time Director is son and Shri Nihit Agarwal, Whole Time Director is brother's son and the remuneration being paid to him as Chairman & Managing Director of the Company. | The Whole time Director has no other pecuniary relationship with the Company or with the managerial personnel except Shri Bankesh Chandra Agarwal, Chairman & Managing Director is father and the remuneration being paid to him as Whole time Director of the Company. | The Whole time Director has no other pecuniary relationship with the Company or with the managerial personnel except Shri Bankesh Chandra Agarwal, Chairman & Managing Director is father's brother and the remuneration being paid to him as Whole time Director of the Company. | The Whole time Director has no other pecuniary relationship with the Company or with the managerial personnel except the remuneration being paid to him as Whole time Director of the Company. |
|--|--|---|---|--|

III. OTHER INFORMATION

| | |
|--|--|
| (1) Reasons of loss or inadequate profits | Market Conditions |
| (2) Steps taken or proposed to be taken for improvement | Substantial marketing efforts and upgradation in technology is likely to increase the profitability of the Company. |
| (3) Expected increase in productivity and profits in measurable terms. | With the curtailment in expenses and increase in the turnover the Company expects to make profit to the tune of approximately Rs. 2.25 Crores. |

Services of the Chairman and Executive Director, Managing Director and Whole time Director 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.

IV. DISCLOSURES

Details such as remuneration, service contract, notice period etc. of the Directors have been disclosed in the Corporate Governance Report. The Company has not granted any stock options to its Directors.

By the Order of the Board

Sd/-
BANKESH CHANDRA AGARWAL
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
 Website: www.shreeharichemicals.in

Date: November 11, 2020

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BOARD'S REPORT

**To
The Members,
SHREE HARI CHEMICALS EXPORT LIMITED**

The Directors have pleasure in presenting the Thirty-Third Annual Report together with the Audited Financial Statements of the Company for the financial year ended on March 31, 2020.

FINANCIAL RESULTS:

The summary of financial performance of the Company for the year under review is given below:
(Rs. in Lakhs)

| Particulars | 2019-2020 | 2018-2019 |
|--|-----------|-----------|
| Revenue from Operations | 5710.03 | 5052.13 |
| Other Income | 81.73 | 147.59 |
| Profit/ (Loss) Before Depreciation & Tax | 21.20 | (133.98) |
| Less: Depreciation | 214.65 | 287.44 |
| Profit/(Loss) Before Tax | (193.45) | (421.42) |
| Less: Provision for Taxation | | |
| Current Tax | - | - |
| Deferred Tax | (33.03) | (64.35) |
| Short/excess provision of Income Tax | - | 0.15 |
| Profit/(Loss) After Tax | (160.42) | (357.23) |
| Other Comprehensive Income | (4.73) | (7.47) |
| Total Comprehensive Income for the Year | (165.15) | (364.70) |

OPERATIONS/ STATE OF COMPANY'S AFFAIRS

During the year under review, sales were Rs. 5710.03 Lakhs as against Rs. 5052.13 Lakhs during the corresponding previous year resulting in a Loss of Rs. 165.15 Lakhs as against loss of Rs. 364.70 Lakhs for the previous year. Export earnings were Rs. NIL as against Rs. 722.86 Lakhs during the corresponding previous year.

TRANSFER TO GENERAL RESERVES

There was no transfer of amount to General Reserve.

DIVIDEND

In view of the loss, your directors do not recommend any dividend on the equity shares of the Company for the financial year 2019-2020.

IMPACT OF COVID-19

Towards the end of the financial year, the World Health Organisation (WHO) declared Covid-19 a pandemic and the outbreak, which infected millions, has resulted in deaths of a significant number of people globally. COVID-19 is seen having an unprecedented impact on people and economies worldwide.

The Company is taking all necessary measures in terms of mitigating the impact of the challenges being faced in the business. The Company is working towards being resilient in order to sail through the current situation.

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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 financial year dated 31st March, 2020 and the date of the report.

NUMBER OF MEETINGS OF BOARD OF DIRECTORS

4(Four) 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 Bankesh Chandra Agarwal, Director of the Company, retires at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Shri Sanjay Kedia was appointed as an Additional Director of the Company with effect from November 08, 2019. He holds office upto the date of ensuing AGM. He was also appointed as Whole Time Director of the Company for a period of three years with effect from November 08, 2019. The resolution seeking approval of the members for his appointment and remuneration has been incorporated in the notice of the ensuing AGM.

The Board of Directors of the Company noted the resignation of Shri Rajesh Saini, Whole Time Director with effect from August 08, 2019. The Board of Directors places on record their sincere appreciation for the contributions made by Shri Rajesh Saini during his tenure as Whole time Director of 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 Agarwal, Chairman & Executive Director
Shri Anup Ramuka, Managing 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 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:// shreeharichemicals.in/policies.aspx](http://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://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 financial year and of the loss 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 financial year 2019-20.

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.

INDIAN ACCOUNTING STANDARD (IND AS)

As notified by the Ministry of Corporate Affairs, the Company adopted Indian Accounting Standards ('Ind AS') with effect from April 01, 2017.

EXTRACT OF ANNUAL RETURN

As provided under sub Section (3) of Section 92 of the Act, a copy of the annual return has been placed on the website of the company. The same is available on <http://www.shreeharichemicals.in/annualreturn.aspx>

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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 financial year 2020-21.

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. B. F. Modi & Associates, Cost Accountants, as Cost Auditors for the financial year 2020- 2021.

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, Practising Company Secretaries were appointed as the Secretarial Auditors for auditing the secretarial records of the Company for the financial year 2019-2020.

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. 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 is in the process of assessing the feasibility of alternative source of energy i.e. Solar Power.

c. The Capital invested on energy conservation equipment: NIL

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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 :

(Rs. in Lakhs)

| | Foreign exchange earnings and outgo | 2019-20 |
|----|--|----------------|
| a. | Foreign exchange earnings | NIL |
| b. | Foreign exchange outgo | 55.89 |

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 financial year 2019-20.

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://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:

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| 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. |
| 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 financial year 2019-20.

LISTING FEES

The Company has paid the listing fees to BSE Limited for the financial year 2020-2021.

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://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

The Directors thank the Company's employees, customers, vendors and investors for their continuous support.

The Directors also thank the Government of India, Governments of various states in India, and concerned Government departments and agencies for their co-operation.

The Directors appreciate and value the contribution made by every member of the Shree Hari family.

For and on behalf of the Board

Place: Mumbai
Date: September 14, 2020

Sd/-
BANKESH CHANDRA AGARWAL
Chairman & Executive Director
DIN: 00121080

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ANNEXURE I

FORM No. MR.3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

(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 financial year ended on 31st March, 2020, 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 financial year ended on 31st March, 2020 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)

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- (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 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: 14.09.2020**

**Sd/-
J. U. Poojari
Partner
FCS No: 8102 CP No: 8187
UDIN: F008102B000709660**

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.

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‘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: 14.09.2020**

**Sd/-
J. U. Poojari
Partner
FCS No: 8102 CP No: 8187
UDIN: F008102B000709660**

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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 |
|---|---------|--|
| @Non –Executive Independent Directors | | |
| Shri Virjanand Gupta | N.A | - |
| Shri Arvind Chirania | N.A | - |
| Shri Vinit Kedia | N.A | - |
| Smt. Ekta Sultania | N.A | - |
| Executive Directors /KMP | | |
| Shri Bankesh Chandra Agarwal | 31:01 | - |
| Shri Anup Ramuka | 31:01 | - |
| * Shri Rajesh Saini | 0.66:01 | - |
| **Shri Sanjay Kedia | 5.61:01 | - |
| Shri Sanjay Kedia – Chief Financial Officer | - | - |
| Ms. Urvashi Pandya – Company Secretary | - | - |

* Resigned with effect from August 08, 2019

** Appointed with effect from November 08, 2019

@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 financial year 2019-20 compared to 2018-19:** None
- (iii) **The number of permanent employees on the rolls of Company as on 31.03.2020:** 86 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.**

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- (vi) **During the year there were no employees who were in receipt of remuneration in the aggregate of rupees One Crore two lakhs for the year or rupees Eight lakhs fifty thousand per month if employed for part of the year.**

Information as per Rule 5(2) and (3) of the (Companies Appointment and Remuneration of Managerial Persons) 2014 are forming part of the Directors' Report for the year ended 31st March, 2020.

- A. Top Ten employees in terms of remuneration drawn during the year including those employed throughout the year and in receipt of remuneration aggregating not less than Rs.1,02,00,000/- for the year ended 31stMarch 2020.**

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.

- B. Employed for part of the year and in receipt of remuneration aggregating not less than Rs. 8,50,000/- per month: NIL**

For and on behalf of the Board

**Place: Mumbai
Date: September 14, 2020**

**Sd/-
BANKESH CHANDRA AGARWAL
Chairman & Executive Director
DIN: 00121080**

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ANNEXURE – III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

- 1. A brief outline of the Company’s CSR policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

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 Maharashtra State. These projects are in accordance with Schedule VII of the Companies Act 2013.

The CSR Policy was approved by the Board of Directors at its Meeting held on 29th May 2014 and has been uploaded on the Company’s website. The web link is <http://shreeharichemicals.in/policies.aspx>.

- 2. Composition of the CSR Committee:** CSR Committee comprises of the following Directors:

Shri Arvind Chirania- Chairman
Shri Virjanand Gupta - Member
Shri Vinit Kedia- Member

- 3. Average Net Profit/ (Loss) of the company for last three financial years for the purpose of computation of CSR: Rs. (598.85) Lakhs**

- 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):**

| | (Rs. In lakhs) |
|--------------------------|----------------|
| Carry forward budget | 81.84 |
| CSR Budget for 2020-2021 | Nil |
| Total | 81.84 |

- 5. Details of CSR spent during the financial year:**

- (a) Total amount to be spent as on the date of the financial year: Rs. 81.84 Lakhs
- (b) Amount unspent: Rs. 21.84 Lakhs

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(c) Manner in which the amount spent during the financial year is detailed below:

(Rs. In lakhs)

| Sr. No. | CSR Project or activity identified | Sector in which the project is covered | Projects or programmes 1) Local area or other 2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs.wise | Amount spent on the projects or programs Sub.heads (1) Direct expenditure thereon projects or programs (2) other heads | Cumulative expenditure up to the reporting period | Amount spent Direct or through implementing agency* |
|---------|------------------------------------|--|---|---|--|---|---|
| 1 | Promoting Health/ Education | Health & Education | Lonavala Dist. Pune, Maharashtra | 60.00 | 60.00 | 60.00 | Agarwal Global Foundation |

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof the company shall provide the reasons for not spending the amount in its Board report:

There is an unspent amount of Rs. 21.84 Lakhs in the Company's CSR spending relating to the previous years, due to financial constraint the Company could not spend the same.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the company:

The implementation and monitoring of CSR Policy is in compliance with CSR Objectives and policy of the Company.

Sd/-

ANUP RAMUKA
Managing Director

Sd/-

ARVIND CHIRANIA
Chairman CSR Committee

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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 arms 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 |
|---|---|---|---|---|----------------------------------|---------------------------------|---|
| Smt. Geeta Ramuka Mother of Shri Anup Ramuka (Managing Director) | Employment | Continuous | Monthly Salary of Rs. 2.00 Lakhs from December 2018 (During the FY 2019-20 Rs. 24.00 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 |
| Shri Amit Ramuka brother of Shri Anup Ramuka (Managing Director) | Employment | Continuous | Monthly Salary of Rs. 2.00 Lakhs (During the FY 2019-20 Rs. 24.00 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 Agarwal (Chairman & Executive Director) | Employment | Continuous | Monthly Salary of Rs. 2.00 Lakhs (During the FY 2019-20 Rs. 24.00 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 |

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| 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 |
|---|---|---|---|--|----------------------------------|---------------------------------|---|
| Smt. Shalini Kedia wife of Shri Sanjay Kedia (CFO) | Employment | Continuous | Monthly Salary of Rs. 1.433 Lakhs plus other benefits (During the FY 2019-20 Rs. 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 |

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: September 14, 2020

Sd/-
BANKESH CHANDRA AGARWAL
Chairman & Executive Director
DIN: 00121080

SHREE HARI CHEMICALS EXPORT LTD.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A. INDUSTRY STRUCTURE AND DEVELOPMENT

India's chemical story is one of outperformance and promise. A consistent value creator, the chemical industry remains an attractive hub of opportunities, even in an environment of global uncertainty. Worldwide trends affecting the global chemical industry could lead to near-term opportunities for chemical companies in India.

Chemicals industry in India is highly diversified. It covers more than 80,000 commercial products and is the mainstay of industrial and agricultural development of the country, it also provides building blocks for several downstream industries, such as textiles, papers, paints, varnishes, soaps, detergents, pharmaceuticals, etc. India's proximity to the Middle East, the world's source of petrochemicals feedstock, makes for economies of scale.

India is a strong global dye supplier, accounting for approximately 16% of the world production of dyestuff and dye intermediates. The Indian chemicals industry is projected to reach \$304 bn by 2025. Indian ranks 14th in export and 8th in import of chemicals (Excluding Pharmaceuticals products) globally. Demand of chemical products is expected to grow at approximately 9% p.a. over the next 5 year.

B. OPPORTUNITY & THREATS

The growing global reach of the chemicals industry is making its value chain increasingly susceptible to sways in the international business environment.

Many reports examines the complex value chain in chemicals, which stretches across various chemicals and elements and extends across borders. Individual components in the chemicals sector include inorganics, oil & gas, petrochemicals, polymers and specialty chemicals, each of which has its own unique value chain.

While these individual chains are navigating distinct challenges, a number of factors are impacting the global chemicals sector as a whole. Some of the opportunities are Enhanced need for value-added products, and Increase Export in Developing Markets while some of the challenges faced are Shortage of raw materials, Comfort in Affordable Import and Complicated Regulatory problems and high tax rates.

C. SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE

Since the company operates mainly in single product which is DYE Intermediate - H-Acid (1-Amino, 8-Naphthol, 3-6 Disulphonic acid), therefore the financial performance is related to that product.

D. OUTLOOK

With stringent performance norms to be adhered to and a growing demand for Dyestuffs worldwide, this industry is bound to grow with thrusts in Textile, Leather, Plastics and various other industries. Additionally, changing customer preferences, boom and expansion of infrastructure in certain parts of the world creates new market opportunities for the dye industry.

The dyes and pigments market is estimated to grow at a CAGR of 5.1% to nearly \$63.3 billion by 2022. The global Dyes and Organic Pigments market is anticipated to rise at a considerable rate, between CY 2020-25, despite the challenges faced due to COVID-19. Africa and Asia-Pacific are expected to be the fastest growing regions in this market

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E. RISKS & CONCERNS

The unexpected pandemic has brought unprecedented disruption and slowdown in economy. Also, the industry also faces several challenges on the environmental front, stringent norms fixed by the regulators, Volatility in prices of raw material especially transportation cost can adversely affect the business operations and can thin out margin of the Company, Irregular supply of the raw materials may affect the working of the company. The pandemic Covid-19 could result in severe cash flow challenges, damaging the working capital, resulting in business disruption.

F. INTERNAL CONTROL SYSTEMS AND THEIR 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 follows the Code of Conduct devised for conducting the business of the Company.

G. FINANCIAL PERFORMANCE

(Rs. In lakhs)

| Particulars | 2019-2020 | 2018-2019 | % Changes |
|------------------------------|-----------|-----------|-----------|
| Total quantity of sales (MT) | 1441.930 | 1131.101 | 27.48 |
| Total Revenue | 5710.03 | 5052.13 | 13.02 |
| EBIDTA | 23.63 | (126.02) | 118.75 |
| Interest Expenditure | 2.43 | 7.94 | (69.39) |
| Depreciation | 214.65 | 287.44 | (25.32) |
| Net Profit | (165.15) | (364.70) | 54.71 |

H. HUMAN RESOURCES / INDUSTRIAL RELATIONS

Our Employees are fundamental and most valuable assets of the Company. The Company has encouraging working environments that motivate our employee at all level. The company has undertaken various initiatives and implemented policies which are drawn up to engage our employees, especially the younger generation and ensure a healthy balance between business needs and individual aspirations. To motivate, incentivize and reward employees, your Company has instituted employee stock options plan. The Company presently has 86 employees.

SHREE HARI CHEMICALS EXPORT LTD.

I. DETAILS OF SIGNIFICANT CHANGES IN KEY FINANCIAL RATIOS

There were significant changes in the following ratios as compared to the immediately previous financial year:

| Sr.No. | Particulars | 2019-2020 | 2018-2019 |
|--------|--------------------------------|-----------|-----------|
| i | Debtors Turnover | 2.73 | 10.19 |
| ii | Inventory Turnover | 4.23 | 4.25 |
| iii | Interest Coverage Ratio | - | - |
| iv | Current Ratio | 2.10 | 3.78 |
| v | Debt Equity Ratio | No Debt | No Debt |
| vi | Operating / Profit Margin (%): | (0.01%) | (0.01%) |
| vii | Net Profit Margin (%) | (2.89%) | (7.22%) |

J. DETAILS OF ANY CHANGE IN RETURN ON NET WORTH

During the year under review the Net Worth of the Company was Rs. 3599.71 Lakhs as against Rs. 3764.86 Lakhs corresponding to previous year. The loss in the current year was Rs. 165.15 Lakhs as against loss of Rs. 364.70 Lakhs in the previous year.

The Return/(loss) on Net Worth was (4.58%) in the current year and was (9.68%) in the previous year.

The Return/(loss) on Net Worth has now been changed by 52.68 % due to curtail of expenses.

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.

SHREE HARI CHEMICALS EXPORT LIMITED

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 two Promoter Directors (Chairman & Executive Director and Managing Director), one Whole-time Director and four Non-Executive Independent Directors including one woman director. The Executive Chairman, Managing Director and the Whole-time Director 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, 2020 have been made by the Directors. None of the Directors 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 Four (4) Board Meetings during FY 2019-20 and the gap between two Meetings did not exceed 120 days. The dates on which the said meetings were held are as follows:

May 17, 2019, August 08, 2019, November 08, 2019 and on February 14, 2020.

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, 2020 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.

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| Name of Director | Category | Number of meetings during the financial year 2019-20 | | 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 Agarwal | Chairman & Executive Director | 4 | 4 | Yes | 1 | None | None | None |
| Shri Anup Ramuka | Managing Director | 4 | 4 | Yes | 1 | None | None | None |
| *Shri Rajesh Saini | Whole- Time Director | 4 | 1 | NA | None | None | None | None |
| **Shri Sanjay Kedia | Whole- Time Director | 4 | 1 | NA | None | None | None | None |
| Shri Virjanand Gupta | **I & N.E.D. | 4 | 4 | No | None | None | None | None |
| Shri Arvind Chirania | **I & N.E.D. | 4 | 4 | Yes | None | None | None | None |
| Shri Vinit Kedia | **I & N.E.D. | 4 | 4 | No | None | None | None | None |
| Smt. Ekta Sultania | **I & N.E.D. | 4 | 4 | No | None | None | None | None |

* Shri Rajesh Saini resigned with effect from August 08, 2019 upon resignation due to personal reasons.

** Shri Sanjay Kedia was appointed as Additional Director and Whole Time Director with effect from November 08, 2019.

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

- vi. During the year 2019-2020, 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>).
- vii. During the year, the meeting of the Independent Directors could not be held due to nationwide lockdown imposed by the Ministry of Home Affairs in India to contain the outbreak of COVID-19 pandemic..
- viii. The Board periodically reviews the compliance reports of all laws applicable to the company.
- viii. None of the Non-executive directors of the company hold any equity shares in the company.
- ix. **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>).

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- x. 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 Agarwal | Financial Management, Strategy and Strategic Planning |
| Shri Anup Ramuka | General Management and Business Operations and Human Resources Management and Development Acumen |
| Shri Sanjay Kedia | Financial Administration and Public Policy / Governmental Regulations |
| Smt. Ekta Sultania | Product Planning and Development |
| Shri Arvind Chirania | Strategy Planning and Risk Management |
| Shri Virjanand Gupta | Corporate Governance and Business Development |
| Shri Vinit Kedia | Accounting / Finance / Legal |

- xi. The details in respect of director to be appointed/re-appointed as per Regulations 26(4) and 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.

- xii. Details of the equity shares held by the Directors as on March 31, 2020 are given below:

| Name | Category | Number of equity Shares |
|------------------------------|----------------------------|-------------------------|
| Shri Bankesh Chandra Agarwal | Non Independent, Executive | 61,200 |
| Shri Anup Ramuka | Non Independent, Executive | 2,31,345 |

- xiii. The Company has not issued any convertible instruments.

- xiv. 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.

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

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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.

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

The Audit Committee comprises of Shri Arvind Chirania, Shri Virjanand Gupta and Shri Vinit Kedia. Shri Arvind Chirania is a Chairman of the Committee.

c) Audit Committee meetings and the attendance during the financial year 2019-2020:

The Audit Committee met Four (4) times during the year and gap between two meetings did not exceed 120 days. The dates on which the Audit Committee Meetings were held are as follows:

May 17, 2019, August 08, 2019, November 08, 2019 and on February 14, 2020.

The details of Meetings attended by the Directors during the year 2019-2020 are given below:

| Name of Director | No. of meetings held | No. of meetings attended |
|-------------------------|-----------------------------|---------------------------------|
| Shri Arvind Chirania | 4 | 4 |
| Shri Virjanand Gupta | 4 | 4 |
| Shri Vinit Kedia | 4 | 4 |

The Chairman of the Committee was present at the Annual General Meeting of the Company held on August 29, 2019.

The Meetings of the Audit Committee are also attended by the Chairman and Executive Director, 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;

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- 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:

The Company has a Nomination and Remuneration Committee of the Board which currently comprises of Shri Arvind Chirania (Chairman of the Committee), Shri Virjanand Gupta and Shri Vinit Kedia, 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 financial year 2019-2020:

The Committee met two (2) times during the Financial Year 2019-2020. The dates on which the Nomination and Remuneration Committee Meetings were held are as follows:

May 17, 2019 and November 08, 2019.

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 |
|-------------------------|-----------------------------|---------------------------------|
| Shri Arvind Chirania | 2 | 2 |
| Shri Vinit Kedia | 2 | 2 |
| Shri Virjanand Gupta | 2 | 2 |

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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:

(Rs. In Lakhs)

| Name of Director | Salary | Perquisites | Commission | Others | Sitting fees | Total |
|------------------------------|--------|-------------|------------|--------|--------------|-------|
| Shri Bankesh Chandra Agarwal | 82.80 | - | - | - | - | 82.80 |
| Shri Anup Ramuka | 82.80 | - | - | - | - | 82.80 |
| *Shri Rajesh Saini | 1.72 | - | - | - | - | 1.72 |
| **Shri Sanjay Kedia | 14.78 | - | - | - | - | 14.78 |
| Shri Virjanand Gupta | - | - | - | - | 0.20 | 0.20 |
| Shri Arvind Chirania | - | - | - | - | 0.20 | 0.20 |
| Shri Vinit Kedia | - | - | - | - | 0.20 | 0.20 |
| Smt. Ekta Sultania | - | - | - | - | 0.12 | 0.12 |

* Resigned with effect from August 08, 2019.

** Appointed with effect from effect from November 08, 2019.

- Details of fixed component and performance linked incentives, along with the performance criteria are given in the table above.
- Services of the Chairman and Executive Director, Managing Director and Whole time Director 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:

This Committee functions under the Chairmanship of Shri Arvind Chirania, the Non-Executive Independent Director. Shri Virjanand Gupta and Shri Vinit 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:

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- i. 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;
- ii. authorize any person to take such actions as necessary or deemed fit by the Committee for any matter;
- iii. review of measures taken for effective exercise of voting rights by shareholders;
- iv. review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- v. 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.

c) Meeting and attendance during the financial year 2019-2020:

There were 4 (Four) meetings of this committee during the financial year 2019-2020. The dates on which the said meetings were held are as follows:

May 17, 2019, August 08, 2019, November 08, 2019 and on February 14, 2020.

The attendance of each member of the Stakeholders Relationship Committee in the committee meetings is given below:

| Name of Director | No. of meetings held | No. of meetings attended |
|----------------------|----------------------|--------------------------|
| Shri Arvind Chirania | 4 | 4 |
| Shri Vinit Kedia | 4 | 4 |
| Shri Virjanand Gupta | 4 | 4 |

The Chairman of the Committee was present at the Annual General Meeting of the Company held on August 29, 2019.

Ms. Urvashi 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, 2020.

VII. OTHER COMMITTEES

a) SHARE TRANSFER COMMITTEE:

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

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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.

The Share Transfer Committee of the Board of Directors met 12(Twelve) times during the year on April 05, 2019, April 12, 2019, April 19, 2019, April 25, 2019, May 03, 2019, May 15, 2019, May 30, 2019, June 06, 2019, June 13, 2019, June 21, 2019, June 27, 2019 and on February 17, 2020.

The composition of the Share Transfer Committee and the details of the Meetings attended by the members during the year are given below:

| Name of Director | No. of meetings held | No. of meetings attended |
|-------------------------|-----------------------------|---------------------------------|
| Shri Arvind Chirania | 12 | 12 |
| Shri Vinit Kedia | 12 | 12 |
| Shri Virjanand Gupta | 12 | 12 |

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.

As per Section 135 of the Act, the Company has constituted a Corporate Social Responsibility (CSR) Committee of the Board of Directors comprising of Shri Arvind Chirania, the Non-Executive Independent Director (Chairman of the Committee). Shri Virjanand Gupta and Shri Vinit Kedia are the other members of this committee.

The CSR Committee of the Board will be 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 14, 2020 during the financial year 2019-2020.

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 Arvind Chirania | 1 | 1 |
| Shri Vinit Kedia | 1 | 1 |
| Shri Virjanand Gupta | 1 | 1 |

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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 |
|-----------|--|----------------------|------------|--|
| 2016-2017 | A/8, M.I.D.C. Industrial Area, Mahad, Dist. Raigad (Maharashtra) | Monday 04.09.2017 | 01.00 p.m. | No Special resolution was passed at the meeting. |
| 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"> • 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 30th April, 2018. |
| 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"> • 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 • Re-appointment of Shri Bankesh Chandra Agarwal (DIN:00121080) as Whole-time Director designated as Chairman & Executive Director of the Company for a period of three years with effect from July 01, 2019. • 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. • Re-appointment of Shri Virjanand Gupta (DIN: 00042271) as an Independent Director for a period of Five years with effect from September 05, 2019. • Re-appointment of Shri Arvind Chirania (DIN: 00044845) as an Independent Director for a period of Five years with effect from September 05, 2019. • Re-appointment of Shri Vinit Kedia (DIN: 02462683) as an Independent Director for a period of Five years with effect from September 05, 2019. • Re-appointment of Smt. Ekta Sultania (DIN: 07134485) as an Independent Director for a period of Five years with effect from March 26, 2020. |

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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.

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

X. GENERAL SHAREHOLDER INFORMATION:

1. Annual General Meeting

- Date and Time

: Wednesday, December 30, 2020 at 11.30 a.m.

- Venue

: through two-way Video Conferencing (VC)/Other Audio Visual Means (OAVM)

2. Financial Year

: 1st April, 2019 to 31st March, 2020

3. Date of Book Closure

: Thursday, December 24, 2020 to
Wednesday, December 30, 2020 (both days inclusive)

4. Dividend Payment Date

: Not Applicable

5. 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.

6. (a) Stock Code – Physical

: 524336 at BSE

(b) ISIN Number in NSDL and CDSL : ISIN No. INE065E01017

7. Corporate Identity Number (CIN) of the Company: **L99999MH1987PLC044942**

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8. 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 2019 to March 2020 | | | | |
|--|--------------|-------------------|--------------|-------------------|
| Months | High | | Low | |
| | Price | BSE Sensex | Price | BSE Sensex |
| April 2019 | 36.90 | 39487.45 | 30.05 | 38460.25 |
| May 2019 | 34.65 | 40124.96 | 24.05 | 36956.1 |
| June 2019 | 25.10 | 40312.07 | 18.55 | 38870.96 |
| July 2019 | 22.95 | 40032.41 | 18.70 | 37128.26 |
| August 2019 | 21.05 | 37807.55 | 17.90 | 36102.35 |
| September 2019 | 22.20 | 39441.12 | 19.10 | 35987.8 |
| October 2019 | 19.90 | 40392.22 | 16.50 | 37415.83 |
| November 2019 | 18.45 | 41163.79 | 14.45 | 40014.23 |
| December 2019 | 14.35 | 41809.96 | 10.83 | 40135.37 |
| January 2020 | 28.38 | 42273.87 | 15.03 | 40476.55 |
| February 2020 | 28.65 | 41709.3 | 22.00 | 38219.97 |
| March 2020 | 29.50 | 39083.17 | 24.50 | 25638.9 |

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

10. Share Transfer System:

Pursuant to the amendment in the Listing Regulations effective from April 01, 2019, except in the case of transmission or transposition of securities, requests for effecting transfers of securities shall not be processed unless the securities are held in dematerialized form with a depository. Members holding shares in the physical form are therefore requested to convert their holdings to dematerialized mode.

In order to expedite the process of transfer of shares in relation to the above, the Board of Directors have delegated the powers to have Transfer Committee who consider and approves transfers.

11. Distribution of shareholding as on 31st March, 2020:

| Sr. No. | Range | No. of shareholders | % to total holders | No. of Shares held | % of Capital |
|----------------|-----------------|----------------------------|---------------------------|---------------------------|---------------------|
| 1 | 1 to 500 | 4191 | 87.92 | 688321 | 15.48 |
| 2 | 501 to 1,000 | 288 | 6.04 | 228739 | 5.14 |
| 3 | 1,001 to 2,000 | 132 | 2.77 | 192079 | 4.32 |
| 4 | 2,001 to 3,000 | 39 | 0.82 | 98298 | 2.21 |
| 5 | 3,001 to 4,000 | 25 | 0.52 | 89071 | 2.00 |
| 6 | 4,001 to 5,000 | 14 | 0.29 | 62076 | 1.40 |
| 7 | 5,001 to 10,000 | 28 | 0.59 | 196997 | 4.43 |
| 8 | 10,001 & above | 50 | 1.05 | 2890719 | 65.02 |
| | Total | 4767 | 100.00 | 4446300 | 100.00 |

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12. Categories of Shareholders as on 31st March, 2020:

| Category | No. of shares held | % to total share capital |
|---|--------------------|--------------------------|
| Promoters and persons acting in concert | 2142334 | 48.18 |
| Foreign holding (FIIs, OCBs and NRIs) | 76982 | 1.73 |
| Bodies Corporate | 80908 | 1.82 |
| Public | 1876675 | 42.21 |
| Clearing members | 1 | 0.00 |
| IEPF | 2,69,400 | 6.06 |
| Total | 4446300 | 100.00 |

13. Dematerialization of shares and Liquidity

As on March 31, 2020, 92.50 % of the paid up share capital has been dematerialized. The shares of the Company are frequently traded.

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

15. 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.

16. Plant Locations

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

17. Address for Correspondence

| Registrar and Share Transfer Agents : | Compliance Officer |
|---|--|
| Universal Capital Securities Private Limited Unit : Shree Hari Chemicals Export Limited 21, Shakil Niwas, Mahakali Caves Road, Andheri (East), Mumbai 400 093 Tel. :28257641/28366620 Fax : 28207207 | Ms. Urvashi Pandya A/8, M.I.D.C. Industrial Area, Mahad, Dist. Raigad (Maharashtra) Tel. : 28787081/2/3 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.

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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, structures 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: None

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 Rs. 2.00 Lakhs 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.

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| | |
|--|-----|
| 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 Practicing 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, 2019 | 1441 | 269400 |
| Shareholders who approached the Company for transfer of shares from suspense account during the year | None | Nil |
| Shareholders to whom shares were transferred from the suspense account during the year | None | Nil |
| Shareholders whose shares are transferred to the demat account of the IEPF Authority as per Section 124 of the Act | None | Nil |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2020 | 1441 | 269400 |

The voting rights on the shares outstanding in the suspense account as on March 31, 2020 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. 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 Anup Ramuka, 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 31st March, 2020.

For SHREE HARI CHEMICALS EXPORT LIMITED

Date: July 23, 2020

**Sd/-
ANUP RAMUKA
Managing Director
DIN: 00755748**

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AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Shree Hari Chemicals Export Ltd.

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, 2020, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and 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, 2020.

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 & Company
Chartered Accountants
FRN: 110287W

Sd/-
S.G. Singhvi
Partner
M. No. : 041170
ICAI UDIN: 20041170AAAAB19690

Date: 23rd July, 2020
Place: Mumbai

INDEPENDENT AUDITOR'S REPORT

To
**The Members of
Shree Hari Chemicals Export Ltd.**

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, 2020, 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, 2020, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Opinion

We conducted our audit of the standalone 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 Standalone 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 standalone 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 standalone 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 Reponse

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.

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Information Other than the Standalone 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 Standalone 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 standalone 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:

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- 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 standalone 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.

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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 31st March, 2020 and taken on record by the Board of Directors , none of the directors is disqualified as on 31st March, 2020, from being appointed as a Directors in terms of section164(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. 29.16.
 - 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: 20041170AAAAB19690

Date: 23rd July, 2020
Place: Mumbai.

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, 2020, 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) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under Sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate.
- (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 31st March, 2020 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.

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| 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: 20041170AAAAB19690

Date: 23rd July, 2020
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, 2020 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

SHREE HARI CHEMICALS EXPORT LTD.

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, 2020, 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: 20041170AAAAB19690

Date: 23rd July, 2020
Place: Mumbai

33rd ANNUAL REPORT (2019-2020)

BALANCE SHEET AS AT 31st MARCH, 2020

| Particulars | NOTE NO. | (In ₹) As at 31st March, 2020 | (In ₹) As at 31st March, 2019 |
|---|-------------|-------------------------------------|-------------------------------------|
| I. ASSETS | | | |
| (1) Non-Current Assets | | | |
| Property, Plant & Equipment | 2 | 95,708,874 | 117,174,108 |
| Capital work-in-progress | | - | - |
| Financial Assets | | | |
| Investments | 3 | 6,766,179 | 6,031,261 |
| Loans & Advances | 4 | 485,950 | 2,294,098 |
| Deferred Tax Assets (Net) | 5 | 38,721,948 | 35,252,149 |
| | | 141,682,951 | 160,751,616 |
| (2) Current Assets | | | |
| Inventories | 6 | 74,875,170 | 64,701,257 |
| Financial Assets | | | |
| Trade Receivables | 7 | 209,034,089 | 49,567,138 |
| Cash and Cash Equivalents | 8 | 23,774,253 | 14,096,553 |
| Bank balance other than included in cash and cash equivalents above | 9 | 92,771,808 | 137,691,900 |
| Loans & Advances | 10 | 3,534,791 | 3,326,866 |
| Other Financial Assets | 11 | 1,634,784 | 2,900,938 |
| Current Tax Assets | 12 | 19,304,366 | 24,200,759 |
| Other Current Assets | 13 | 1,326,285 | 1,478,364 |
| | | 426,255,546 | 297,963,775 |
| TOTAL | | 567,938,497 | 458,715,391 |
| II EQUITY AND LIABILITIES | | | |
| (1) EQUITY | | | |
| Equity Share Capital | 14 | 44,463,000 | 44,463,000 |
| Other Equity | 15 | 315,508,411 | 332,023,815 |
| | | 359,971,411 | 376,486,815 |
| (2) LIABILITIES | | | |
| Non-Current Liabilities | | | |
| Provisions | 16 | 5,066,000 | 3,428,000 |
| | | 5,066,000 | 3,428,000 |
| Current Liabilities | | | |
| Financial Liabilities | | | |
| Trade Payables | 18 | 20,679,467 | 5,262,166 |
| Dues to micro and small enterprise | | 130,231,259 | 37,404,056 |
| Others | | 50,162,874 | 34,675,417 |
| Other Financial Liabilities | 19 | 1,827,486 | 1,458,936 |
| Other Current Liabilities | 20 | 202,901,086 | 78,800,575 |
| | | 202,901,086 | 78,800,575 |
| TOTAL | | 567,938,497 | 458,715,391 |
| 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

For and on behalf of the Board

Chartered Accountants
Firm Regn. 110287W

S. G. Singhvi
Partner
Mem. No. 041170

B. C. AGARWAL
Chairman & Executive Director
[DIN : 00121080]

ANUP RAMUKA
Managing Director
[DIN : 00755748]

Place: Mumbai
Dated: 23rd July, 2020

S.K.KEDIA
Whole Time Director & Chief Financial Officer
[DIN : 08556924]

URVASHI PANDYA
Company Secretary

SHREE HARI CHEMICALS EXPORT LTD.

PROFIT & LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

| Particulars | NOTE NO. | (In ₹) | (In ₹) |
|--|----------|-------------------------------------|-------------------------------------|
| | | For the Year Ended 31st March, 2020 | For the Year Ended 31st March, 2019 |
| I Revenue from Operations | 21 | 571,003,338 | 505,212,854 |
| II. Other Incomes | 22 | 8,173,953 | 14,759,202 |
| III. Total Revenue (I + II) | | 579,177,291 | 519,972,056 |
| IV. Expenses: | | | |
| Cost of Material Consumed | 23 | 317,227,510 | 275,504,552 |
| Changes in Inventory of stock in hand | 25 | (6,261,716) | 16,979,159 |
| Employee Benefit Expenses | 26 | 93,690,213 | 93,003,377 |
| Finance Costs | 27 | 243,969 | 794,903 |
| Depreciation and Amortization Expense | 2 | 21,465,234 | 28,744,258 |
| Other Expenses | 28 | 172,157,283 | 147,087,898 |
| Total Expenses | | 598,522,494 | 562,114,146 |
| V. Profit before Exceptional and Extraordinary Items and Tax (III - IV) | | (19,345,203) | (42,142,090) |
| VI. Exceptional Items/ Extraordinary Items | | - | - |
| VII. Profit before Tax (V - VI) | | (19,345,203) | (42,142,090) |
| VIII Tax Expense: | | | |
| Current Tax | | - | - |
| Deferred Tax Liability/ (Assets) | 5 | (3,303,399) | (6,434,942) |
| Short/excess provision of Income Tax | | - | 15,380 |
| Total Tax Expense | | (3,303,399) | (6,419,562) |
| IX Profit for the Year (VII-VIII) | | (16,041,804) | (35,722,528) |
| X Other Comprehensive Income | | | |
| a Items that will not be reclassified to profit or loss | | | |
| i) Remeasurement of the defined benefit plans | | (640,000) | (1,010,000) |
| ii) Income tax relating to items that will not be reclassified to profit or loss | | 166,400 | 262,600 |
| Total other Comprehensive Income | | (473,600) | (747,400) |
| XI Total Comprehensive Income for the year (IX-X) | | (16,515,404) | (36,469,928) |
| XI Earnings Per Equity Share | 29.10 | | |
| (1) Basic | | (3.71) | (8.20) |
| (2) Diluted | | (3.71) | (8.20) |

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: 23rd July, 2020

For and on behalf of the Board

B. C. AGARWAL

Chairman & Executive Director

[DIN : 00121080]

S.K.KEDIA

Whole Time Director & Chief Financial Officer

[DIN :08556924]

ANUP RAMUKA

Managing Director

[DIN : 00755748]

URVASHI PANDYA

Company Secretary

33rd ANNUAL REPORT (2019-2020)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

| Particulars | (In ₹) For the Year Ended 31st March, 2020 | (In ₹) For the Year Ended 31st March, 2019 |
|---|--|--|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net Profit before Tax | (19,345,203) | (42,142,090) |
| Adjustment for : | | |
| Depreciation (Net) | 21,465,234 | 28,744,258 |
| Gratuity (other than OCI) | 998,000 | 1,002,000 |
| Interest Received | (7,036,607) | (9,579,111) |
| Dividend | (2,050) | (5,730) |
| Revaluation of Investment | (734,918) | 104,442 |
| Gain on Sale of Investment | - | (285,000) |
| | (4,655,543) | (22,161,231) |
| Changes in Working Capital : | | |
| Increase / (Decrease) in Trade Payable | 108,244,504 | (60,220,972) |
| Increase / (Decrease) Current Liabilities including Financial Liabilities | 15,856,008 | (5,048,712) |
| (Increase) / Decrease in Balance with bank other than Cash & Cash Equivalents | 44,920,092 | (37,081,281) |
| (Increase) / Decrease in Inventories | (10,173,913) | 18,483,721 |
| (Increase) / Decrease in Sundry Receivables | (159,466,952) | 37,112,242 |
| (Increase) / Decrease in Loans & Other Current Assets | 6,106,702 | 14,540,962 |
| Cash flow from operating activities before extraordinary items | 830,897 | (54,375,271) |
| Taxes Paid (Net) | - | - |
| Cash Generated from Operating Activities | 830,897 | (54,375,273) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Sale / (Purchase of Fixed Assets) | - | - |
| Interest Received | 7,036,607 | 9,579,111 |
| Sale of Investment | - | 585,000 |
| Dividend Received | 2,050 | 5,730 |
| Long Term Loan & Advances | 1,808,148 | 4,685,852 |
| Cash Generated from Investment Activities | 8,846,805 | 14,855,693 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Interest Expenses | - | - |
| Dividend Paid | - | - |
| Cash Outflow from Financial Activities | - | - |
| Net Increase in Cash & Cash Equivalents | 9,677,702 | (39,519,580) |
| Opening Balance of Cash & Cash Equivalents | 14,096,553 | 53,616,134 |
| Closing Balance of Cash & Cash Equivalents | 23,774,255 | 14,096,553 |

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: 23rd July, 2020

For and on behalf of the Board

B. C. AGARWAL
Chairman & Executive Director
[DIN : 00121080]

S.K.KEDIA
Whole Time Director & Chief Financial Officer
[DIN : 08556924]

ANUP RAMUKA
Managing Director
[DIN : 00755748]

URVASHI PANDYA
Company Secretary

SHREE HARI CHEMICALS EXPORT LTD.

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.

SHREE HARI CHEMICALS EXPORT LTD.

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. 29.15.

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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.

Notes to financial statements for the year ended March 31, 2020

2. Property, Plant & Equipment

(In ₹)

| | Leasehold Land | Plant & Machinery | Buildings | Motor Car | Furniture & Fixture | Computers | Office Equipment | Roads | Electrical Installation | Office Premises | Total |
|---------------------------------|------------------|--------------------|-------------------|-------------------|---------------------|------------------|------------------|------------------|-------------------------|------------------|--------------------|
| Gross block | | | | | | | | | | | |
| As at April 1, 2018 | 2,767,522 | 352,285,238 | 57,733,462 | 14,406,358 | 3,528,582 | 1,237,272 | 3,411,323 | 2,506,094 | 11,023,625 | 8,582,736 | 457,482,212 |
| Additions | - | - | - | - | - | - | - | - | - | - | - |
| Sale/ Transfer | - | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2019 | 2,767,522 | 352,285,238 | 57,733,462 | 14,406,358 | 3,528,582 | 1,237,272 | 3,411,323 | 2,506,094 | 11,023,625 | 8,582,736 | 457,482,212 |
| Additions | - | - | - | - | - | - | - | - | - | - | - |
| Sale/ Transfer | - | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2020 | 2,767,522 | 352,285,238 | 57,733,462 | 14,406,358 | 3,528,582 | 1,237,272 | 3,411,323 | 2,506,094 | 11,023,625 | 8,582,736 | 457,482,212 |
| Accumulated depreciation | | | | | | | | | | | |
| As at April 1, 2018 | 993,945 | 248,079,506 | 31,525,266 | 10,289,400 | 3,107,876 | 1,082,263 | 2,796,218 | 2,278,639 | 7,999,783 | 3,410,950 | 311,563,846 |
| Depreciation for the year | 499,687 | 22,496,251 | 2,487,146 | 1,454,309 | 97,107 | 80,344 | 179,886 | 50,078 | 813,209 | 586,241 | 28,744,258 |
| Sale/ Transfer | - | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2019 | 1,493,632 | 270,575,757 | 34,012,412 | 11,743,709 | 3,204,983 | 1,162,607 | 2,976,104 | 2,328,717 | 8,812,992 | 3,997,191 | 340,308,104 |
| Depreciation for the year | 280,256 | 16,626,943 | 2,250,530 | 940,573 | 69,709 | 42,843 | 109,940 | 33,093 | 586,909 | 524,438 | 21,465,234 |
| Sale/ Transfer | - | - | - | - | - | - | - | - | - | - | - |
| As at March 31, 2020 | 1,773,888 | 287,202,700 | 36,262,942 | 12,684,282 | 3,274,692 | 1,205,450 | 3,086,044 | 2,361,810 | 9,399,901 | 4,521,629 | 361,773,338 |
| As at March 31, 2020 | 993,634 | 65,082,538 | 21,470,520 | 1,722,076 | 253,890 | 31,822 | 325,279 | 144,284 | 1,623,724 | 4,061,107 | 95,708,874 |
| As at March 31, 2019 | 1,273,890 | 81,709,481 | 23,721,050 | 2,662,649 | 323,599 | 74,665 | 435,219 | 177,377 | 2,210,633 | 4,585,545 | 117,174,108 |
| As at March 31, 2018 | 1,773,577 | 104,205,732 | 26,208,196 | 4,116,958 | 420,706 | 155,009 | 615,105 | 227,455 | 3,023,842 | 5,171,786 | 145,918,366 |

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

| Particulars | As at 31st March, 2020 (₹) | As at 31st March, 2019 (₹) |
|-------------|----------------------------------|----------------------------------|
|-------------|----------------------------------|----------------------------------|

Note - 3

FINANCIAL ASSETS

INVESTMENT

Carried at Fair Value through P&L

a. Quoted Investments

Equity Shares

| | | |
|--|----------------|----------------|
| Bhageria Industries Ltd. | 90,780 | 164,730 |
| Bodal Chemicals Ltd. | 4,240 | 12,675 |
| Kiri Industries Ltd. | 27,285 | 49,630 |
| Meghmani Organics Ltd. | 3,750 | 6,130 |
| Shree Pushkar Chemicals & Fertilizers Ltd. | 7,355 | 16,455 |
| | 133,410 | 249,620 |

b. Unquoted Investments

| | | |
|--------------------------|------------------|------------------|
| CETP Co-Op. Society Ltd. | 6,632,769 | 5,781,641 |
| | 6,632,769 | 5,781,641 |
| Total | 6,766,179 | 6,031,261 |

Note - 4

FINANCIAL ASSETS

LOANS

Unsecured Considered Good:

| | | |
|---|----------------|------------------|
| Security Deposit with Govt. and Other [Refer note 4.1] | 485,950 | 2,294,098 |
| | 485,950 | 2,294,098 |
| Total | 485,950 | 2,294,098 |

Note 4.1

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

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

| Particulars | As at 31st March, 2020 (₹) | As at 31st March, 2019 (₹) |
|---|----------------------------------|----------------------------------|
| Note - 5 | | |
| DEFERRED TAX ASSETS | | |
| <u>Tax effect of items constituting Deferred Tax Liability</u> | | |
| On Revaluation of Investments | 962,505 | 771,427 |
| On difference between book balance and tax balance of fixed assets | 5,285,547 | 7,118,478 |
| Total | 6,248,053 | 7,889,905 |
| <u>Tax effect of items constituting Deferred Tax Asset</u> | | |
| Provision for Gratuity | (1,317,160) | (891,280) |
| Carry forward Losses | (43,652,840) | (42,250,774) |
| Total | (44,970,000) | (43,142,054) |
| Net deferred tax (liability) / asset | 38,721,948 | 35,252,149 |

Refer Note 29.21 for Movement in Deferred Tax Liability/ Assets

Note - 6 **CURRENT ASSETS**

Inventories

| | | |
|------------------|-------------------|-------------------|
| Raw Materials | 24,061,009 | 20,792,055 |
| Work-in-Progress | 9,661,562 | 7,909,992 |
| Finished Goods | 33,689,486 | 29,441,840 |
| Gypsum | 1,012,500 | 750,000 |
| Others | 6,450,613 | 5,807,370 |
| Total | 74,875,170 | 64,701,257 |

Note - 7 **FINANCIAL ASSETS** **TRADE RECEIVABLE** **Carried at Amortized Cost** **(Unsecured)**

| | | |
|---|--------------------|-------------------|
| Debts outstanding for a period exceeding six months | | |
| - Considered good | 361,977 | 410,370 |
| - Doubtful | - | - |
| Other debts | | |
| - Considered good | 208,672,112 | 49,156,768 |
| - Doubtful | - | - |
| Total | 209,034,089 | 49,567,138 |

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

| Particulars | As at 31st March, 2020 (₹) | As at 31st March, 2019 (₹) |
|-------------|----------------------------------|----------------------------------|
|-------------|----------------------------------|----------------------------------|

Note - 8

FINANCIAL ASSETS

CASH & CASH EQUIVALENTS

Carried at Amortized Cost

| | | |
|-----------------------|--------------------------|--------------------------|
| Cash in Hand | 7,232,297 | 5,844,011 |
| Balance with Banks | | |
| - In Current Accounts | 16,541,956 | 8,252,542 |
| Total | <u>23,774,253</u> | <u>14,096,553</u> |

Note - 9

FINANCIAL ASSETS

BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS

Carried at Amortized Cost

| | | |
|---|--------------------------|---------------------------|
| Deposits with original maturity for more than 3 months but less than 12 months | 90,175,609 | 135,095,701 |
| In earmarked accounts | | |
| - Unpaid Dividend Account (Refer Note No.29.2) | 2,596,199 | 2,596,199 |
| Total | <u>92,771,808</u> | <u>137,691,900</u> |

Note - 10

FINANCIAL ASSETS

LOANS & ADVANCES

Carried at Amortized Cost

(Unsecured and Considered good)

| | | |
|---|-------------------------|-------------------------|
| Advances recoverable in cash or in kind | 1,320,505 | 809,724 |
| Advances to suppliers | - | 23,621 |
| Advances to employees | 2,214,286 | 2,493,521 |
| Total | <u>3,534,791</u> | <u>3,326,866</u> |

Note - 11

FINANCIAL ASSETS

OTHER FINANCIAL ASSETS

Carried at Amortized Cost

| | | |
|------------------------------|-------------------------|-------------------------|
| Interest accrued on deposits | 1,634,784 | 2,900,938 |
| Total | <u>1,634,784</u> | <u>2,900,938</u> |

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

| Particulars | As at 31st March, 2020 (₹) | As at 31st March, 2019 (₹) |
|---|----------------------------------|----------------------------------|
| Note - 12 | | |
| CURRENT TAX ASSETS | | |
| Balances with government authorities | 19,304,366 | 24,200,759 |
| Total | <u>19,304,366</u> | <u>24,200,759</u> |
| Note - 13 | | |
| OTHER CURRENT ASSETS | | |
| Prepaid Expenses | 1,326,285 | 1,478,364 |
| Total | <u>1,326,285</u> | <u>1,478,364</u> |
| Note - 14 | | |
| EQUITY | | |
| EQUITY SHARE CAPITAL | | |
| - Authorised | | |
| 10,000,000 Equity Shares of Rs. 10/- each with voting rights | 100,000,000 | 100,000,000 |
| [Previous Year : 10,000,000 Equity Shares of Rs.10/- each] | | |
| - Issued, Subscribed and fully Paid up | | |
| 4,446,300 Equity Shares of Rs.10/- each fully paid-up. with voting rights | 44,463,000 | 44,463,000 |
| [Previous Year : 4,446,300 Equity Shares of Rs.10/- each] (Refer Note No.29.1) | | |
| Total | <u>44,463,000</u> | <u>44,463,000</u> |
| Note - 15 | | |
| OTHER EQUITY | | |
| <u>General Reserve</u> | | |
| Opening Balance | 23,793,472 | 23,793,472 |
| Add: Additions during the Year | - | - |
| Closing Balance | <u>23,793,472</u> | <u>23,793,472</u> |
| <u>Share Forfeiture</u> | | |
| Opening Balance | 4,708,500 | 4,708,500 |
| Add: Additions during the Year | - | - |
| Closing Balance | <u>4,708,500</u> | <u>4,708,500</u> |
| <u>Profit and Loss Account</u> | | |
| Opening Balance | 303,521,843 | 339,991,771 |
| Add: Profit During The Year | (16,515,404) | (36,469,928) |
| Less: Proposed Dividend | - | - |
| Less: Dividend Distribution Tax (DDT) | - | - |
| Closing Balance | <u>287,006,439</u> | <u>303,521,843</u> |
| Closing Balance | <u>315,508,411</u> | <u>332,023,815</u> |

SHREE HARI CHEMICALS EXPORT LTD.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

| Particulars | As at 31st March, 2020 (₹) | As at 31st March, 2019 (₹) |
|-------------|----------------------------------|----------------------------------|
|-------------|----------------------------------|----------------------------------|

Note - 16

NON CURRENT LIABILITES PROVISIONS

| | | |
|----------------|-------------------------|-------------------------|
| Group Gratuity | 5,066,000 | 3,428,000 |
| Total | <u>5,066,000</u> | <u>3,428,000</u> |

Note - 17

SHORT TERM BORROWINGS SECURED

Loans repayable on demand from banks
Working Capital loan from SBI

| | | |
|--------------|-----------------|-----------------|
| | - | - |
| Total | <u>-</u> | <u>-</u> |

Note - 18

FINANCIAL LIABILITIES TRADE PAYABLE

Carried at Amortized Cost

| | | |
|--|---------------------------|--------------------------|
| Dues to the Micro, Small & Medium Enterprises (Refer note 29.6) | 20,679,467 | 5,262,166 |
| Others | 130,231,259 | 37,404,056 |
| Total | <u>150,910,726</u> | <u>42,666,222</u> |

Note - 19

FINANCIAL LIABILITIES OTHER FINANCIAL LIABILITIES

Carried at Amortized Cost

| | | |
|------------------------------|--------------------------|--------------------------|
| Advance From Customer | 73,145 | 930,284 |
| Unpaid Dividend | 2,596,199 | 2,596,199 |
| Sundry Creditor for Expenses | 19,660,454 | 11,121,978 |
| Outstanding Expenses | 27,833,076 | 20,026,956 |
| Total | <u>50,162,874</u> | <u>34,675,417</u> |

Note - 20

OTHER CURRENT LIABILITIES

| | | |
|------------------------|-------------------------|-------------------------|
| Statutory Dues payable | 1,827,486 | 1,458,936 |
| Total | <u>1,827,486</u> | <u>1,458,936</u> |

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

| Particulars | For the Year Ended 31st March, 2020 (₹) | For the Year Ended 31st March, 2019 (₹) |
|--|---|---|
| Note - 21 | | |
| REVENUE FROM OPERATIONS | | |
| Sale of Manufactured Goods (Refer Note No.29.3) | 570,623,081 | 502,846,775 |
| Other Operating Revenues | 380,257 | 2,366,079 |
| Total | <u>571,003,338</u> | <u>505,212,854</u> |
| Note - 22 | | |
| OTHER INCOMES | | |
| Interest Income | 7,036,607 | 9,579,111 |
| Foreign Exchange Rate Difference | - | 4,889,361 |
| Dividend | 2,050 | 5,730 |
| Long Term Capital Gain on sale of investment | - | 285,000 |
| Written of Bad Debts W/back | 301,761 | - |
| Sundry Balance W/off | 98,617 | - |
| Revaluation of Investment | 734,918 | - |
| Total | <u>8,173,953</u> | <u>14,759,202</u> |
| Note - 23 | | |
| COST OF GOODS SOLD | | |
| Stock at Commencement | 20,792,055 | 22,677,270 |
| Add : Purchases | 320,549,588 | 274,005,797 |
| | <u>341,341,643</u> | <u>296,683,067</u> |
| Less: Closing Stock | 24,061,009 | 20,792,055 |
| Less : Goods removed as such | 53,124 | 386,460 |
| MATERIAL CONSUMED | <u>317,227,510</u> | <u>275,504,552</u> |

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NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2020

| Particulars | For the Year Ended 31st March, 2020 (₹) | For the Year Ended 31st March, 2019 (₹) |
|---|---|---|
| Note - 25 | | |
| CHANGES IN INVENTORY OF FINISHED GOODS, WORK-IN-PROGRESS, AND STOCK-IN-TRADE. (OF MANUFACTURING GOODS) | | |
| Inventories at the beginning of year | | |
| Finished Goods | 29,441,840 | 43,906,778 |
| Work-in-Progress | 7,909,992 | 9,174,213 |
| Gypsum (By Product) | 750,000 | 2,000,000 |
| | <u>38,101,832</u> | <u>55,080,991</u> |
| <u>Inventories at the end of year</u> | | |
| Finished Goods | 33,689,486 | 29,441,840 |
| Work-in-Progress | 9,661,562 | 7,909,992 |
| Gypsum (By Product) | 1,012,500 | 750,000 |
| | <u>44,363,548</u> | <u>38,101,832</u> |
| Total | <u>(6,261,716)</u> | <u>16,979,159</u> |
| Note - 26 | | |
| EMPLOYEE BENEFIT EXPENSES | | |
| Salary, bonus and allowances | 90,139,288 | 89,576,743 |
| Workmen & Staff welfare | 896,979 | 1,110,449 |
| Gratuity | 998,000 | 1,042,291 |
| PF Contribution | 1,655,946 | 1,273,894 |
| Total | <u>93,690,213</u> | <u>93,003,377</u> |
| Note - 27 | | |
| FINANCE COST | | |
| Interest Expense | 6,564 | - |
| Other Finance cost | 237,405 | 794,903 |
| Total | <u>243,969</u> | <u>794,903</u> |
| Note - 28 | | |
| OTHER EXPENSES | | |
| Manufacturing expenses | 142,747,407 | 114,103,920 |
| Travelling & Conveyance | 1,575,120 | 2,418,222 |
| Communication & Postage Expenses | 382,443 | 538,799 |
| Insurance | 2,622,387 | 1,902,595 |
| Rent, Rates & Taxes | 2,513,610 | 906,572 |
| Professional & Legal | 1,694,361 | 1,532,126 |
| REPAIR & MAINTENANCE | | |
| - Buildings | 2,682,782 | 2,794,046 |
| - Others | 1,492,526 | 855,373 |
| Selling and Distribution | 7,299,231 | 18,086,951 |
| Auditors' Remuneration | 250,000 | 250,000 |
| Revaluation of Investment as per Ind AS | - | 104,442 |
| Corporate Social Responsibility | 6,000,000 | 14,580 |
| Other Expenses | 2,897,416 | 3,580,272 |
| Total | <u>172,157,283</u> | <u>147,087,898</u> |

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29. NOTES FORMING PART OF ACCOUNTS:

29.1 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 31st March, 2020 | | As at 31st March, 2019 | |
|--|------------------------|-------------------|------------------------|-------------------|
| | No. of Shares | (Amount In ₹) | No. of Shares | (Amount In ₹) |
| Equity Share Capital-Fully paid up with voting Rights: | | | | |
| 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 | - | - | - | - |
| Closing Share Capital | 4,446,300 | 44,463,000 | 4,446,300 | 44,463,000 |

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

| Name of Shareholders | As at 31st March, 2020 | | As at 31st March, 2019 | |
|--------------------------------------|------------------------|-----------------|------------------------|-----------------|
| | 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 | 5.2 | 231,345 | 5.2 |
| | 697,045 | 15.67 | 697,045 | 15.67 |

(Refer Note No. 14 “Equity Share Capital”)

29.2 The unpaid dividend outstanding as on 31st March, 2020 is as follows:

| Year | (Amt. in ₹) |
|--------------|--------------------|
| 2013-14 | 4,89,442/- |
| 2014-15 | 1,162,608/- |
| 2015-16 | 464,132/- |
| 2016-17 | 480,017/- |
| Total | 25,96,199/- |

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”)

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29.3 Sale of products comprises : (Refer Note No. 21 “Revenue from Operations”)

(Amt. In ₹)

| Sr. No. | Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---------|--------------------------|------------------------|------------------------|
| A. | Manufactured Goods | | |
| i. | H-Acid | 56,22,48,213 | 49,83,15,853 |
| ii. | Gypsum and Globular Salt | 83,74,868 | 45,30,922 |
| | Total | 57,06,23,081 | 50,28,46,775 |

29.4 Details of cost of raw-material consumed : (Refer Note No. 23 “Cost of Material Consumed”)

(Amt. In ₹)

| Sr. No. | Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---------|---------------------|------------------------|------------------------|
| i. | Naphthalene | 7,03,40,543 | 6,64,18,946 |
| ii. | Sulphuric Acid | 2,56,73,560 | 2,22,27,423 |
| iii. | Oleum 65 | 3,09,43,961 | 3,22,14,211 |
| iv. | Caustic Soda Flakes | 9,22,31,276 | 7,13,74,642 |
| v. | Soda Ash | 1,53,98,262 | 1,31,85,035 |
| vi. | Nitric Acid | 1,84,13,408 | 1,59,85,534 |
| vii. | Cast Iron Powder | 3,75,65,438 | 2,50,46,940 |
| viii. | Lime stone Powder | 1,45,74,741 | 1,04,15,980 |
| ix. | Others | 1,20,86,321 | 1,86,35,841 |
| | Total | 31,72,27,510 | 27,55,04,552 |

29.5 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

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

(Amt. In ₹)

| Sr. No. | Particulars | As at 31st March, 2020 | As at 31st March, 2019 |
|---------|---|------------------------|------------------------|
| i. | Principal amount remaining unpaid to any supplier as at the end of the accounting year | 2,06,79,467 | 52,62,166 |
| 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 | - | - |

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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 Nil.

29.7 Auditor's Remuneration (Exclusive of taxes):

| | (Amt. In ₹) | |
|------------------------|-----------------------|-----------------------|
| | <u>2019-20</u> | <u>2018-19</u> |
| i. Statutory Audit | 200,000 | 200,000 |
| ii. Tax Audit | 50,000 | 50,000 |
| iii. In other capacity | - | - |
| Total | <u><u>250,000</u></u> | <u><u>250,000</u></u> |

29.9 Related Party Disclosure:

a. Enterprise in which KMP have significant influence:

- i. Shree Hari Finvest Ltd.

b. Key Management Personnel

- i. B. C. Agrawal
- ii. Anup Ramuka
- iii. R.K. Saini
- iv. Virjanand Gupta
- v. Arvind Chirania
- vi. Ekta Sultania
- vii. Vinit Kedia
- viii. S. K. Kedia
- ix. Urvashi Pandya

c. Relatives of KMP

- i. Smt. Geeta Ramuka
- ii. Amit Ramuka
- iii. Sarthak Agrawal
- iv. Smt. Shalini Kedia

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Related Party Transaction during the year:

(Amt. In ₹)

| | Particulars | Managerial Remuneration | Salary | Sitting Fees |
|-------------|---------------------------------|--|--|----------------------------------|
| I. | Key Managerial Personnel | | | |
| i. | Shri. B. C. Agarwal | 82,80,000 (82,80,000) | - | - |
| ii. | Shri. Anup Ramuka | 82,80,000 (82,80,000) | | |
| iii. | Shri. Sanjay Kedia | 14,77,667 (-) | - | - |
| iv | Shri R.K.Saini | 1,72,667 (1,72,667) | | |
| iv. | Shri. S. K. Kedia | | 22,42,333 (29,40,000) | - |
| v. | Ms. Urvashi Pandya | - | 3,30,000 (3,30,000) | - |
| II. | Directors | | | |
| i. | Shri. Virjanand Gupta | - | - | 20,000 (23,000) |
| ii. | Shri. Arvind Chirania | - | - | 20,000 (23,000) |
| iii. | Smt. Ekta Sultania | - | - | 12,000 (15,000) |
| iv. | Shri. Vinit Kedia | - | - | 20,000 (23,000) |
| III. | Relatives Of Directors | | | |
| i. | Smt Geeta Ramuka | | 24,00,000 (8,00,000) | |
| ii. | Shri. Amit Ramuka | - | 24,00,000 (24,00,000) | - |
| iii. | Shri. Sarthak Agarwal | - | 24,00,000 (24,00,000) | - |
| iv | Smt. Shalini Kedia | | 8,59,998 (-) | |
| | TOTAL | 1,82,10,334 (1,67,32,667) | 1,06,32,331 (88,70,000) | 72,000 (84,000) |

*The amount in brackets represents previous year 2018-19 figures.

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29.10 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:

(Amt in ₹)

| Particulars | 31/03/2020 | 31/03/2019 |
|--|---------------|---------------|
| Net Profit/ (Loss) After Tax (In ₹) | (1,65,15,404) | (3,64,69,928) |
| 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 | (3.71) | (8.20) |
| Diluted Earnings per Share | (3.71) | (8.20) |

29.11 Earning in Foreign Exchange:

(Amt in ₹)

| Particulars | 2019-20 | 2018-19 |
|---|----------|--------------------|
| Export of Goods (FOB Basis) | - | 5,86,92,074 |
| Export of Goods through Merchant Exporter | - | 1,35,94,763 |
| Total | - | 7,22,86,837 |

29.12 Expenditure in Foreign Currency:

(Amt in ₹)

| Particulars | 2019-20 | 2018-19 |
|----------------------|---------|-----------|
| Commission | - | 15,33,224 |
| Professional Charges | - | - |

29.13 Value Of Import Calculated on CIF basis :

(Amt in ₹)

| Particulars | 2019-20 | 2018-19 |
|--------------------------|------------------|------------------|
| Purchase of Traded Goods | - | - |
| Raw Materials | 55,88,837 | 39,44,928 |
| Total | 55,88,837 | 39,44,928 |

29.14 Details of consumption of imported and indigenous items:

(Amt in ₹)

| Particulars | 2019-20 | 2018-19 |
|-------------------|--------------------------|--------------------------|
| Imported | | |
| Raw Materials | 55,88,837 (1.76 %) | 39,44,928 (1.43%) |
| Indigenous | | |
| Raw Materials | 31,16,38,673 (98.24%) | 27,15,59,624 (98.57%) |

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29.15 EMPLOYEE BENEFITS:

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

| | Period Ended 31/03/2020 (₹ in Lakhs) | Period Ended 31/03/2019 (₹ in Lakhs) |
|---|--|--|
| A. Change in the present value of the defined benefit obligation | | |
| Opening defined benefit obligation | 97.46 | 73.01 |
| Interest Cost | 6.92 | 5.40 |
| Current service Cost | 10.20 | 9.37 |
| Benefits Paid | (26.95) | (3.84) |
| Actuarial (gain)/losses on obligation | 6.38 | 13.52 |
| Effect of Curtailment | (3.93) | - |
| Closing defined obligation | 90.08 | 97.46 |
| B. Change in the fair value of plan asset | | |
| Opening fair value of plan assets | 63.18 | 58.85 |
| Adjustment of Interest not credited in the Previous Year | - | - |
| Expected return on plan assets | 3.21 | 4.36 |
| Contributions by employer | - | 4.23 |
| Benefits paid | (26.95) | (3.84) |
| Actuarial gains/ (losses) | (0.02) | (0.42) |
| Closing fair value of plan assets | 39.42 | 63.18 |
| C. Actual return on plan assets: | | |
| Expected return on plan assets | 3.21 | 4.36 |
| Actuarial gain / [loss] on plan assets | (0.02) | (0.42) |
| Actual return on plan asset | 3.19 | 3.94 |
| D. Amount recognized in the balance sheet: | | |
| Fair value of plan Assets at the end of the year | 39.42 | 63.18 |
| Present Value of Benefit obligation as at the end of the Period | 90.08 | 97.46 |
| Funded/Unfunded Status | - | - |
| Assets/(Liability) recognized in the Balance Sheet | (50.66) | (34.28) |
| E. (Income)/ Expenses recognized in the Profit & Loss Account Statement | | |
| Current service cost | 10.20 | 9.37 |
| Interest cost on benefit obligation | 6.92 | 5.40 |
| (Expected Return on Plan Assets) | (3.21) | (4.36) |
| Net actuarial (gain)/ loss in the period | 6.40 | 13.94 |
| Plan Amendments | - | - |
| Prior Year Charge | - | - |
| Net Benefit or expenses | 20.31 | 24.35 |
| F. Principal actuarial assumptions as at Balance Sheet Date: | | |
| Discount rate | 6.1% | 7.1% |
| Expected rate of return on the plan assets | 7.1% | 7.3% |
| Annual increase in salary cost | 10.00% | 10.00% |
| G. The categories of plan assets as a % of total plan assets are Insurance Company | | |
| | 100.00% | 100.00% |

29.16 Contingent Liability:

(Amt in ₹)

| Contingent liabilities and commitments (to the extent not provided for) | 2019-20 | 2018-19 |
|---|-----------|-----------|
| (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 |
| (iv) Income Tax Demand (Without adjustment of refund) | - | 7,51,377 |
| (v) Sales Tax Demand | - | 3,01,906 |

Note. 29.17 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 curency 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

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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. 29.18 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 29.19 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, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| FINANCIAL ASSETS | | | | | |
| Measured at fair value through profit and loss | | | | | |
| Investment in equity instruments (quoted) | 3 | 107,845 | 107,845 | 133,410 | 249,620 |
| Investment in equity instruments (unquoted) | 3 | 2,956,390 | 2,956,390 | 6,632,769 | 5,781,641 |
| Measured at amortised cost | | | | | |
| Security deposits | 4 | 485,950 | 2,294,098 | 485,950 | 2,294,098 |

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.

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

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

Note. 29.20 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, 2020

| | Date of valuation | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|-------------------|-----------|---|---|---|
| Financial assets | | | | | |
| Financial assets at FVTPL | | | | | |
| Investments in equity instruments (quoted) | March 31, 2020 | 133,410 | 133,410 | | |
| Investments in equity instruments (unquoted) | March 31, 2020 | 6,632,769 | | | 6,632,769 |
| Financial asset measured at amortised cost | | | | | |
| Security Deposits | March 31, 2020 | 485,950 | | | 485,950 |

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

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Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019

| | Date of valuation | Total | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
|---|-------------------|-----------|---|---|---|
| Financial assets | | | | | |
| Financial assets at FVTPL | | | | | |
| Investments in equity instruments (quoted) | March 31, 2019 | 249,620 | 249,620 | | |
| Investments in equity instruments (unquoted) | March 31, 2019 | 5,781,641 | | | 5,781,641 |
| Financial asset measured at amortised cost | | | | | |
| Security Deposits | March 31, 2019 | 2,294,098 | | | 2,294,098 |

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

Note No. 29.21 Movement in Deferred tax Liability/ (Assets)

| Particulars | PPE-Depreciation | Change in Fair Value of Investment | Gratuity | Losses | Total |
|-----------------------------|------------------|------------------------------------|--------------------|---------------------|---------------------|
| As at April 1, 2018 | 16,127,290 | 949,084 | (437,544) | (45,193,438) | (28,554,608) |
| Charged/ (Credited) | | | | | |
| - To Profit & Loss | (9,008,812) | (177,657) | (191,136) | 2,942,664 | (6,434,941) |
| - To Other | | | | | |
| Comprehensive Income | | | (262,600) | | (262,600) |
| As at March 31, 2019 | 7,118,478 | 771,427 | (891,280) | (42,250,774) | (35,252,149) |
| Charged/ (Credited) | | | | | |
| - To Profit & Loss | (1,832,931) | 191,079 | (259,480) | (1,402,067) | (3,303,399) |
| - To Other | | | | | |
| Comprehensive Income | | | (166,400) | | (166,400) |
| As at March 31, 2020 | 5,285,547 | 962,506 | (1,317,160) | (43,652,841) | (38,721,948) |

Note No. 29.22 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
Mem. No. 041170

Place: Mumbai
Dated: 23rd July, 2020

For and on behalf of the Board

B. C. AGARWAL
Chairman & Executive Director
[DIN : 00121080]

S.K.KEDIA
Whole Time Director & Chief Financial Officer
[DIN : 08556924]

ANUP RAMUKA
Managing Director
[DIN : 00755748]

URVASHI PANDYA
Company Secretary



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