
34TH ANNUAL REPORT

2014 - 2015

Sponge Iron

Real Estate

Ship Breaking

Investment

Trading



HARIYANA
SHIP BREAKERS LTD

ISO Certified

ISO = 14001:2004 / OHSAS = 18001: 2007

HARIYANA SHIPBREAKERS LIMITED

(CIN: L61100MH1981PLC024774)

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Mr. Shantisarup Reniwal (DIN 00040355)	Managing Director
Mr. Rakesh Reniwal (DIN 00029332)	Executive Director
Mrs. Unnati Reniwal (DIN 00041306) (Appointed w.e.f. 02.06.2014)	Executive Director
Mrs. Lalitadevi Reniwal (DIN 00385265) (Resigned w.e.f. 02.06.2014)	Executive Director
Mr. Manohar Wagh (DIN 02622648)	Independent & Non Executive Director
Mr. Pradeep Bhatia (DIN 02903984)	Independent & Non Executive Director
Mr. Tejasbhai Thakker (DIN 03017277)	Independent & Non Executive Director

KEY MANAGERIAL PERSONNEL:

*Mr. Shantisarup Reniwal	Managing Director
*Ms. Disha Shah	Company Secretary
*Mr. Rajeev Reniwal	Chief Financial Officer
*Appointed w.e.f. 30.03.2015	

STATUTORY AUDITORS:

M/s. P. D. Goplani & Associates

BRANCH AUDITORS:

M/s. Lahoti Navneet & Co.

INTERNAL AUDITOR:

Mr. Amol Shah

BANKERS:

Punjab National Bank

REGISTERED OFFICE:

156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai- 400021.

E-Mail: contact@hariyanagroup.com

Web Site: - www.hariyanagroup.com

BRANCH OFFICE:

· Hariyana House, 2165/A-2, 2nd Floor, Sanskar Mandal Chowk, Bhavnagar – 364 002.

· 206 Barton Centre, M.G. Road, Bangalore – 560 001.

SHIP BREAKING YARD:

Plot No.14, Ship Breaking Yard, Alang, District Bhavnagar.

SPONGE IRON PLANT:

Survey No. 12, 14, 15, Shanthigrama (Hubli), Kanchanhally Village, Hassan – 573201, Karnataka.

REGISTRAR & SHARE TRANSFER AGENTS:

Sharex Dynamic (India) Pvt. Ltd.

Unit-1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (E), Mumbai – 400 072.

Tel: 2851 5606/ 2851 5644 Fax: 2851 2885

E-mail:- sharexindia@vsnl.com

Website:- www.sharexindia.com

Go Green Today

As a responsible corporate citizen, the Company welcomes and supports the 'Green Initiative' taken by the Ministry of Corporate Affairs, enabling the Company to effect electronic delivery of documents. The above initiative will go a long way in conserving paper which is a natural resource as also result in substantial savings on printing and posting of Annual Reports and other documents of your Company sent to shareholders. Members are requested to support this green initiative by updating their email address with the respective Depository Participants, in case of electronic shareholding; or registering their email addresses with the Company's Registrar and Transfer Agents, in case of physical shareholding. Join this cause and make the world a cleaner, greener and healthier place to live.

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Annual General Meeting

Date : Wednesday, 30th September, 2015

Time : 09:00 a.m.

Venue : 156 Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai 400021

NOTICE

Notice is hereby given that the **34th Annual General Meeting** of the Shareholders of **Hariyana Ship Breakers Limited** (CIN : L61100MH1981PLC024774) will be held on Wednesday, 30th September 2015, at 9.00 a.m. at 156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai- 400021 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial statements for the financial year ended 31st March 2015 and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mrs. Unnati Reniwal (DIN: 00041306), who retires by rotation and being eligible, offers herself for re-appointment.
3. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. P. D. Goplani & Associates, Chartered Accountants, Mumbai having ICAI Firm Registration No. 118023W, be and are hereby appointed as Statutory Auditors of the Company for the Company’s financial year, 2015-16, to hold office from the conclusion of 34th Annual General Meeting until the conclusion of 35th Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbusement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.”

4. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 143(8) and other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Board of Directors of the Company be and are hereby authorised to appoint Branch Auditors, M/s. Lahoti Navneet & Co., Mumbai, having ICAI Firm Registration No. 116870W, to audit the accounts in respect of the Company’s branches and to fix their terms and conditions of appointment and remuneration, as may be agreed upon by the Board of Directors, plus service tax and such other tax(es), as may be applicable, and reimbursement of all out-of-pocket expenses in connection with the audit of the accounts of the branches/offices outside India for the year ending March 31, 2016.”

SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 148(3) and such other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014, as amended from time to time, the remuneration of Rs.40,000/- (Rupees Forty Thousand only) plus re-imbusement of out-of pocket expenses incurred in connection with the audit, as recommended by the Audit Committee and approved by the Board payable to M/s. Kewlani & Associates, Cost Accountants (Firm Registration No. 101593) as Cost Auditors to conduct audit of cost records made and maintained by the Company pertaining to “Steel Products” as prescribed under the Companies

HARIYANA SHIP BREAKERS LIMITED

(Cost Records and Audit) Rules, 2014 as amended from time to time, for financial year commencing on 1st April 2015 and ending on 31st March 2016, be and is hereby ratified and confirmed.”

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

“**RESOLVED THAT** in accordance with the resolution passed in the previous Annual General Meeting held on 28th September 2012 and pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014, approval of the Company be and is hereby accorded to ratify the re-appointment of Mr. Shantisarup Reniwal (DIN:00040355) as Managing Director of the Company for a period of five years with effect from 28.09.2012, on the terms and conditions as passed at the Annual General Meeting dated 28.09.2012, with liberty to the Board to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Shantisarup Reniwal, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification or re-enactment thereof.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profit during the term of Mr. Shantisarup Reniwal acting as Managing Director, remuneration payable to him, if any, shall be paid as per the monetary ceiling prescribed under Schedule V to the Companies Act, 2013 or as may be amended from time to time.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

“**RESOLVED THAT** in supersession of the earlier resolution and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, read with the Rules framed thereunder, as may be amended from time to time, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set part for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs.1250 Crore (Rupees One Thousand Two Hundred Fifty Crore only).

RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to arrange or settle the terms and conditions on which all such monies, are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

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

“**RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions, if any of the Companies Act, 2013, read with the Rules framed thereunder, as may be amended from time to time, consent of the Members of the Company be and is hereby accorded to amend the Articles of Association of the Company by adopting Table F of Schedule I of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient to give effect to this resolution.”

On behalf of the Board of Directors
For **HARIYANA SHIP BREAKERS LIMITED,**

Sd/-

Shantisarup Reniwal
Managing Director
(DIN 00040355)

Registered Office:
156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai- 400021.

Date: 25th August 2015
Place: Mumbai

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE EFFECTIVE SHOULD BE LODGED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 24th September 2015 to Wednesday, 30th September 2015 (both days inclusive).
4. Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
5. Electronic copy of the 34th Annual Report 2014-15, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For the members who have not registered their email address, physical copies of the Notice of the 34th Annual Report 2014-15, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the physical mode.
6. Members are requested to :-
 - i. Write to the Company at least 7 days before the date of the meeting, in case they desire any information as regards the Audited Accounts for the financial year ended 31st March 2015, so as to enable the Company to keep the information ready.
 - ii. Bring their copy of the Annual Report, Attendance slip and their photo identity proof at the Annual General Meeting.
 - iii. Intimate to the Registrar & Transfer Agent (R&TA) of the Company immediately, about any change in their address, where the shares are held in electronic form, such change is to be informed to the Depository Participant (DP) and not to the Company/ R&TA
 - iv. Quote Registered Folio no. or DP ID/Client ID no. in all their correspondence.
 - v. Approach the R&TA of the Company for consolidation of folios.
 - vi. Avail Nomination facility by filing in form SH-13 in accordance with Section 72 of the Companies Act, 2013 and forward the same to the R&TA, if not done. (Applicable for those holding shares in physical form).

- vii. Send all share transfer lodgments (physical mode)/ correspondence to the R&TA of the Company, Sharex Dynamic (India) P Ltd. Unit-1, Luthra Industrial Premises, Andheri – Kurla Road, Safed Pool, Andheri (East), Mumbai – 400 072 upto the date of book closure.
7. Corporate Members are requested to forward a certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
8. The Company has listed its shares on the BSE Limited. The listing fees till date have been paid.
9. All the documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11:00 a.m. to 3:00 p.m. on all working days except Sundays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.
10.
 - i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide its members the facility to exercise their right to vote on resolutions proposed to be considered at the 34th Annual General Meeting, by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
 - ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by e-voting shall be able to exercise their right at the meeting through Ballot Paper.
 - iii. The members who have cast their vote by e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
 - iv. The e-voting period commences on Sunday, 27th September 2015 (9:00 am) and ends on Tuesday, 29th September 2015 (5:00 pm). During this period, Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, 23rd September 2015, may cast their vote by e-voting. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, Member shall not be allowed to change it subsequently.

The process and manner for remote e-voting are as under:

A. For Members receiving e-mail on their registered email ids from NSDL:

- a. Open the attached PDF file “e-Voting.pdf” giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your “User ID” and “Password” for e-voting. Please note that the password is an initial password.
- b. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
- c. Click on “Shareholder - Login”.
- d. Put User ID and password as initial password noted in step (1) above and Click Login.
- e. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

HARIYANA SHIP BREAKERS LIMITED

- f. Home page of “e-Voting” opens. Click on e-Voting: Active Voting Cycles.
- g. Select “EVEN” of HARIYANA SHIP BREAKERS LIMITED.
- h. Members can cast their vote online from 9.00 am on Sunday, 27th September 2015 till 5.00 p. m. on Tuesday, 29th September 2015.
- i. E-Voting shall not be allowed beyond 5.00 pm on Tuesday, 29th September 2015.
- j. Now you are ready for “e-Voting” as “Cast Vote” page opens.
- k. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm”, when prompted. Kindly note that vote once casted cannot be modified.
- l. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail scrutinizerdilip@gmail.com with a copy marked to evoting@nsdl.co.in.

B. For Members whose e-mail address is not registered:

- a. Initial password is provided separately in the Annual Report posted for the AGM:

EVEN (e-voting Event Number)	USER ID	PASSWORD/PIN
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- b. Please follow all steps from Sl. No. 10(A)(b) to Sl. No. 10(A)(k) above, to cast vote.
- c. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- d. If you are already registered with NSDL for remote e-voting, you can use your existing user ID and password/PIN for casting your vote.
- e. 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).
- f. Voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, 23th September 2015.
- g. 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, 23th September 2015, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or [Issuer/RTA](http://www.evoting.nsdl.com). However, if you are already registered with NSDL for remote e-voting, 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 or contact NSDL at the following toll free no.: 1800-222-990.
- h. A member may participate in the AGM even after exercising his right to vote through e-voting but shall not be allowed to vote again at the AGM.
- i. 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 AGM through ballot paper.

11. The Company has appointed Mr. Dilip Bharadiya, Practising Company Secretary FCS 7956 and CP 6740 as the Scrutinizer to count the votes casted in favour or against the resolutions proposed from item No. 1 to 8 of the Notice for point No. 9 as mentioned hereinabove and to comply with the provisions of Section 108 of the Companies Act, 2013.
12. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
13. The Scrutinizer shall, after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through ballot paper in the presence of at least two witnesses, not in the employment of the Company, and shall make, not later than three days of the conclusion of the AGM, 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 and declare the result of the voting forthwith.
14. The Results declared, along with the report of the Scrutinizer, shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
15. Members can access the Annual Report 2014-15 of the Company circulated to them on the website of the Company or on the Stock Exchange, www.bseindia.com
16. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
17. The Securities and Exchange Board of India ("SEBI") has mandated submission of PAN by every participant in the Securities Market. Members holding shares in electronic form are requested to submit PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.

On behalf of the Board of Directors

For **HARIYANA SHIP BREAKERS LIMITED,**

Sd/-

Shantisarup Reniwal

Managing Director
(DIN 00040355)

Registered Office:

156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai- 400021.

Date: 25th August 2015

Place: Mumbai

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013

Item No.5

Based on the recommendation of the Audit Committee, the Board at its meeting held on 30th June 2015, approved the appointment and remuneration of M/s. Kewlani & Associates, Cost Accountants (Firm Registration No.101593) to conduct audit of cost records made and maintained by the Company pertaining to "Steel Products" prescribed under the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, for the financial year commencing on 1st April 2015 and ending on 31st March 2016, at a remuneration of Rs.40,000/- (Rupees Forty Thousand only) plus reimbursement of out-of pocket expenses incurred in connection with the audit

In accordance with the provisions of Section 148 of the Act read along with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 made thereunder, ratification for the remuneration payable to the Cost Auditors to audit the cost records of the Company for the financial year ending 31st March 2016 by way of an Ordinary Resolution is being sought from the Members as set out at Item No.5 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.5 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.5 of the Notice.

Item No.6

Mr. Shantisarup Reniwal was appointed as Managing Director of the Company for a period of five years w.e.f. on 28.09.2012 on the terms and conditions as passed in the Annual General Meeting dated 28.09.2012.

Ratification of the same is required to be taken from the members. The Board recommends the Special Resolution at item no. 6 of the notice for approval of the members.

Mr. Shantisarup Reniwal and his relatives shall be deemed to be concerned or interested in the resolution. No other Directors, Key Managerial Personnel except Mr. Rajeev Reniwal, CFO, or their relatives are concerned or interested , financially or otherwise, in the aforesaid resolution.

Item No.7

The Shareholders had authorized the Board of Directors at the Annual General Meeting of the Company to borrow from time to time a sum not exceeding Rs.500 Crore (Rupees Five Hundred Crore only), on such terms and conditions as it may deem fit under Section 180 (1) (c) of the Companies Act, 2013. To meet the additional requirement of funds in the near future, it was considered essential to borrow monies from diverse sources for various business activities/initiatives undertaken by the Company, consequent to which the amount borrowed and outstanding could exceed the present limit of Rs.500 Crore (Rupees Five Hundred Crore only).

The Board, accordingly, recommends to revise the limit to the extent of Rs.1250 Crore (Rupees One Thousand Two Hundred Fifty Crore only) under 180(1)(c) of the Companies Act, 2013 as set out in the Resolution for approval of the Members.

The Board recommends the Special Resolution set forth in Item No. 7 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution except to the extent of their shareholding, if any, in the Company.

Item No.8

During the year various amendments were introduced by the regulators. In this connection, the Board deems it fit to substitute the existing Articles of Association of the Company by way of adopting complete set of new Table F of Schedule I of the Companies Act, 2013.

For giving effect to the aforesaid Members approval is required under the provisions of the Companies Act, 2013. Hence, the Board recommends the Special Resolution set forth in Item No. 8 of the Notice for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company including their relatives are interested or concerned in the resolution except to the extent of their shareholding, if any, in the Company.

On behalf of the Board of Directors

For **HARIYANA SHIP BREAKERS LIMITED,**

Sd/-

Shantisarup Reniwal

Managing Director

(DIN 00040355)

Registered Office:

156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai- 400021.

Date: 25th August 2015

Place: Mumbai

HARIYANA SHIP BREAKERS LIMITED

Details of Director seeking re-appointment as required under Clause 49 of the Listing Agreement is as follows:

Name	Mrs. Unnati Reniwal
DIN	00041306
Date of Birth	06/04/1979
Qualification	B.A.
Nature of Expertise	Business
Experience	10 years
Name of other Public Companies in which holds Directorship	NIL
Name of other Companies in Committees of which holds Membership/ Chairmanship	NIL
Shareholding in Hariyana Ship Breakers Limited	400000 Equity Shares (6.49%)

DIRECTORS' REPORT

**[(Disclosure under Section 134(3) of the Companies Act, 2013)
{Read With Companies (Accounts) Rules, 2014}]**

Dear Shareholders,

Your Directors are presenting the 34th Annual Report of your Company and the Audited Financial Statements for the financial year ended 31st March 2015]

Financial Results :

(Rs in Lacs)

Particulars	For the year ended 31.03.2015	For the year ended 31.03.2014
Total Revenue	2,69,72,71,885	5,00,82,94,889
Total Expenses	2,55,37,66,294	4,85,28,20,929
Profit / (Loss) before tax	14,35,05,590	15,54,73,960
Less: Tax Expense	1,87,49,837	2,55,46,509
Less: Deferred Tax	(1,66,76,894)	(19,84,006)
Profit / (Loss) after tax	14,14,32,647	13,19,11,457

HIGHLIGHTS OF THE COMPANY'S PERFORMANCE:

During the year under review, the revenue of the Company fell to Rs. 2,69,72,71,885/-. Also, the expenses of the Company had reduced by 47.38%. However, the net profit of the Company increased by Rs.95,21,190/- i.e. 7.22%.

The company has not been able to increase its sales turnover during the year due to various factors like fluctuations in the exchange rate of US Dollar vis-à-vis Indian Rupee and steep decrease in prices of Iron and steel products and volatile market conditions. However, the company has been able to improve the net profit of the company for the financial year 2014-15 due to its cautious approach. The management is of the view that, in the coming years the Ship Breaking industry as well as Iron and Steel sector will be stable and with expected boost in the economy the requirement of Iron and Steel will increase which will help the company to move towards its sustained path of growth.

DIVIDEND:

To consolidate the future position of the Company and support the fund requirements, your Board of Directors regret their inability to recommend any dividend for the year.

RESERVES:

The whole profit after tax has been transferred to Profit & Loss surplus. There is no amount that has been proposed to be carried to any other reserves.

LOANS, GUARANTEE & INVESTMENTS:

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

DEPOSITS:

HARIYANA SHIP BREAKERS LIMITED

The Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, or under Chapter V of the Act.

RELATED PARTY TRANSACTIONS:

The particulars of every contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013, in prescribed Form No. AOC -2, is appended as **Annexure 1** to the Board's Report.

INTERNAL FINANCIAL CONTROLS:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations.

DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A) Changes in Directors and Key Managerial Personnel (KMP)

Appointment and Resignation of Directors:

During the year under review, in accordance with the provisions of the Companies Act, 2013, Mrs. Unnati Reniwal was appointed as an Additional Director w.e.f. 2nd June 2014 and was appointed as a Director at the Annual General Meeting of the Company held on 30th September 2014. Further, Mrs. Lalitadevi resigned from the Directorship of the Company w.e.f. 2nd June 2014. The Board of the Company is duly constituted.

Mrs. Unnati Reniwal (DIN: 00041306), who is liable to retirement by rotation at the ensuing Annual General Meeting and being eligible, seek reappointment pursuant to Section 152 of the Companies Act, 2013.

Appointment and Resignation of KMP:

The Board of Directors at its meeting held on 30th March 2015 appointed Mr. Rajeev Reniwal as Chief Financial Officer (CFO) and Ms. Disha Shah as a Company Secretary of the Company.

Further, Mr. Shantisarup Reniwal, Managaing Director, was designated as a KMP.

B) Declaration by an Independent Director(s) and re-appointment, if any

All the Independent Directors have provided the declaration of Independence, as required pursuant to Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of independence as provided in sub-section (6).

PERFORMANCE EVALUATION OF THE BOARD:

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration and other Committees. The same is found to be satisfactory.

At a separate meeting of Independent Directors, performance of non-independent directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors. The same was discussed at the Board Meeting that followed the meeting of the Independent Directors, at which the performance of the Board, its committees and individual Directors was also discussed.

BOARD MEETINGS:

During the year under review, the Board met 18 (Eighteen) times. Details of this are covered under Corporate Governance section.

EXTRACT OF ANNUAL RETURN:

In accordance with Section 134(3)(a) and as provided under sub-section (3) of Section 92 of the Companies Act, 2013 an extract of the annual return in prescribed form MGT – 9 is appended as **Annexure 2** to the Board's Report.

CORPORATE GOVERNANCE:

A separate section on Corporate Governance forming part of the Directors' Report and a Certificate from the Company Auditors is included in the Annual Report. **Annexure – 3** is attached herewith.

AUDITORS:

M/s. P. D. Goplani & Associates, Chartered Accountants, Mumbai, having ICAI Firm Registration No. 118023W being eligible offer themselves for re-appointment. If re-appointed, it will be within the purview of Sections 139 and 142 of the Companies Act, 2013. Members are requested to appoint the auditors and to fix their remuneration.

AUDITOR'S REPORT AND OBSERVATION:

The Auditors in their report dated May 29, 2015 have opined that provision for gratuity and long term employee benefits as per AS-15 has not been made. In this connection, the Board would like to clarify that the Company has no employee in continuous service of 5 years or more. Hence, the provisions pertaining to Gratuity are not applicable to the Company.

Apart from this the report is self-explanatory.

SECRETARIAL AUDIT, REPORT AND OBSERVATION:

The Board of Directors have appointed Mr. Dilip Bharadiya, Proprietor of M/s. Dilip Bharadiya & Associates, Practising Company Secretaries, Mumbai, to conduct Secretarial Audit for the financial year 2014-15, as required under Section 204 of the Companies Act, 2013 and the rules framed thereunder. The Secretarial Audit Report for the financial year 2014-15 forms part of the Directors' Report as **Annexure 4**.

The Auditor has raised observations pertaining to delay in filing of forms in time. The management of the Company has assured that the Company will take adequate steps to streamline work and adhere with time guidelines provided under various acts, statutes, regulations.

MATERIAL CHANGES AND COMMITMENTS:

No material changes have taken place affecting the financial position of the Company from the date of closure of financial year till the date of signing of this report.

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 had been followed along with proper explanation relating to material departures;

HARIYANA SHIP BREAKERS LIMITED

- (ii) the Directors had 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 profit and loss of the Company for that period;
- iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis;
- (v) the Directors, further state that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information as required under Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014 with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo is given below:

A. Conservation of energy:

(i) the steps taken or impact on conservation of energy;

The Company recognized the importance of energy conservation in decreasing the deleterious effects of global warming and climate change. The company has implemented various initiatives for the conservation of energy and all efforts are made to minimize energy costs. Company is engaged in Ship Breaking, manufacturing of Sponge Iron and Steel, trading in metal scrap, coals, graphite electrodes & other industrial inouts. No significant power consumption is required in ship breaking industry as major portion in production process consist of non mechanical processes. However, industrial gases are used in ship dismantling activities and the company has taken various measures to control the consumption of fuel and energy. Moreover, in its Steel & Power Unit, the Company has taken various measures to control the consumption of fuel and energy.

(ii) the steps taken by the Company for utilising alternate sources of energy;

Company is engaged in Ship Breaking and trading in metal scrap, coals, graphite electrodes & other industrial inouts. No significant power consumption is required in ship breaking industry as major portion in production process consist of non mechanical processes. However, industrial gases are used in ship dismantling activities. The Company has taken various measures to control the consumption of fuel and energy.

(iii) the capital investment on energy conservation equipments;

The Company is taking adequate steps to conserve energy though no such capital investment has been made.

B. Technology absorption:

The Company's operations do not require significant absorption of technology.

C. Foreign exchange earnings and Outgo:

Particulars	Current Year		Previous Year	
	In Rs.	In USD	In Rs.	In USD
Foreign Exchange Earnings	0	0	0	0
Foreign Exchange Outgo	2,06,88,25,015	33265360	96,60,46,660	15868640.12

CORPORATE RESPONSIBILITY STATEMENT (CSR):

The Company is looking out for avenues to undertake CSR activity.

AUDIT COMMITTEE:

The Audit Committee was reconstituted in accordance with the provisions of Companies Act, 2013. The details pertaining to Audit Committee and its composition are included in the Corporate Governance Report, which forms part of this report.

NOMINATION AND REMUNERATION COMMITTEE:

The Company has constituted a Nomination and Remuneration Committee pursuant to Section 178(1) of the Companies Act, 2013 and has defined the policy on Director's appointment and payment of remuneration including criteria for determining qualifications, positive attributes, and independence of a Director. The Committee shall function in accordance with the terms and reference of the policy. Policy of the Company is enclosed herewith as **Annexure 5**.

VIGIL MECHANISM:

The Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The policy of vigil mechanism is available on the Company's website.

STAKEHOLDER'S RELATIONSHIP COMMITTEE:

The details pertaining to composition of the Committee is included in the Corporate Governance Report, which forms part of this report. The role of the Committee is explained in detail in the Corporate Governance Report enclosed herewith.

PERFORMANCE OF EMPLOYEES:

A) 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 given below:

- a. Details of the ratio of the remuneration of each director to the median employee's remuneration and other details as required pursuant to Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

The Company has not paid any remuneration to the Directors of the Company and hence the information is not furnished.

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- b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year:**

No remuneration is paid to any Director of the Company. Further, appointment of Chief Financial Officer, Company Secretary was done at the Board Meeting held on 30th March 2015 which is for part year and hence the information pertaining to percentage increase in remuneration cannot be provided.

- c. The percentage increase in the median remuneration of employees in the financial year:**

The Company has not paid any remuneration to the Directors of the Company and hence the information cannot be furnished.

- d. The number of permanent employees on the rolls of Company: 14**

- e. The explanation on the relationship between average increase in remuneration and Company performance:**

There is no increase in the remuneration of Employees. Hence, information cannot be furnished.

- f. Comparison of the remuneration of the key managerial personnel against the performance of the Company:**

Appointment of key managerial personnel was done on 30th March 2015. Since this information is for part of the year, the same is not comparable.

- g. Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	March 31, 2015	March 31, 2014	% Change
Market Capitalisation	239883346	244200013	-1.77%
Price Earnings Ratio	1.70	1.85	-8.11%

- h. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:**

During the financial year under review, the Company has not come out with any public offer.

- i. 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:**

There is no increase in salaries of employees other than the managerial personnel in the last financial year. Company Secretary (Managerial Personnel) is for part year hence comparison cannot be made.

- j. Comparison of each remuneration of the key managerial personnel against the performance of the Company:**

Appointment of key managerial personnel was done on 30th March 2015. Since, this information is for part of the year, the same is not comparable.

k. The key parameters for any variable component of remuneration availed by the directors:

No remuneration is paid to any Director of the Company.

l. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Directors during the year.

Not applicable

m. Affirmation that the remuneration is as per the remuneration policy of the Company:

Remuneration paid to Key Managerial Personnel is as per the remuneration policy of the Company.

B) Details of the every employee of the Company as required pursuant to 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The Company has no such employee drawing remuneration more than mentioned under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:

The Company does not have Subsidiary/Joint Ventures/Associate Companies.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis Report for the financial year under review as stipulated in Clause 49 of the Listing Agreement entered into with the Stock Exchanges is provided in **Annexure - 6**.

COST AUDIT:

As per Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. The Board of Directors of the Company has approved the appointment of Mr. Sonu Sobhraj Kewlani, Partnership firm M/s Kewlani & Associates, having Registration No.101593 as the cost auditors of the Company to conduct cost audits pertaining to relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time for the year ending March 31, 2016, at a remuneration of Rs.40000/- p.a. and have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the past several years under the provisions of the erstwhile Companies Act, 1956.

RISK MANAGEMENT:

The Board of the Company has formed a Risk Management Committee on 30th March 2015 to frame, implement and monitor the risk management plan for the Company. The Committee 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. Policy to manage risk is also placed on the website of the Company. During the year, risk analysis and assessment was conducted and the details of the same are covered in the Management Discussion and Analysis Report of the Company.

FAMILIARIZATION PROGRAMME:

As per Clause 49 of the Listing Agreement entered into with the stock exchange, Corporate Governance Report with Auditors' Certificate thereon and Management Discussion and Analysis

HARIYANA SHIP BREAKERS LIMITED

are attached, which form part of this report. Details of the Familiarization Programme of the Independent Directors are available on the website of the Company.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:

Your Directors state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

DETAILS OF VARIOUS PLANTS:

Ship Breaking and Iron & Steel

During the financial year 2014-15, ship breaking unit at Alang Ship Breaking Yard and Trading Unit have not been able to perform well during the year due to various factors like fluctuations in the exchange rate of US Dollar vis-à-vis Indian Rupee and steep decrease in prices of Iron and steel products and volatile market conditions. The management is of the view that, in the coming years the ship breaking industry will be stable and with expected boost in the economy the requirement of iron and steel will increase which will help the company to move towards its sustained path of growth.

Trading unit of the company has not been able to sustain its performance in terms of sales as compared with the preceding financial year due to volatile market conditions and heavy foreign exchange fluctuations; however, it is hoped that the trading unit will show an increase in terms of sales and profits in the coming years.

Steel and Power unit has been shut down during the year under review due to issues of uninterrupted availability of raw materials, local mining issues, rupee volatility and other similar factors at Hassan, Karnataka.

With the changed circumstances, the company is hopeful that in the coming period the company will continue its ship breaking activities and take it to the level of extended growth and will contribute more to the overall growth of the business of the company. The trading in Ferrous and Non Ferrous Metals, Scrap, Coal etc activities of the company are contributing considerably to the profitability of the company. Moreover, the investment division of the company is also doing well. Your directors see a very positive and bright future prospects ahead for the company looking to the prevailing upward trend in the Iron and Steel sector in India and internationally.

Industrial Gases:

The company is into a partnership in M/s. Hariyana Air Products (with 60% share.) for the manufacture and supply of Industrial Oxygen Gas. During the year the oxygen plant at Bhavnagar, Gujarat has not been able to perform well and the company has earned loss from the said partnership firm of Rs. 27.00 Lacs as against loss of Rs. 27.17 Lacs last year. The reason for the loss is volatile market conditions and a competitive market with liquid oxygen suppliers. However, with proximity to Alang Ship Breaking Yard and huge captive consumption requirements of group companies, the company expects good long term benefits from the said partnership venture.

Real Estate & Construction:

The Company is also taking interest into real estate business. For which has been into Partnership in the name of "White Field Projects" (with 40% share) for construction & selling of residential apartments. The construction work of the Project is fully completed and all of the flats have been sold. The company's share of loss from the firm during the year under report is Rs. 0.42 Lacs.

The Company has also been into Partnership and formed a Partnership Firm “Goyal Hariyana Construction” formally known as “Orchid Woods Projects” (with 50% share) for construction & selling of residential apartments. Presently the firm has two projects at Bangalore, Karnataka. The firm has acquired land at Kothanur Village, KrishnarajapuraHobli, Bangalore, East Taluk and at Chokkanahalli Village, YelahankaHobli, Bangalore, East Taluk with the an object of constructing 2 & 3 BHK Apartments. Likely date of completion of the project at Kothanur Village, KrishnarajapuraHobli, Bangalore, East Taluk is October, 2015. The company has started the construction at Chokkanahalli Village, YelahankaHobli, Bangalore, North Taluk on February, 2014 and expected to complete the project by May, 2016. The company’s share of profit from the firm is Rs. 572.88 Lacs for the year ended 2015.

The Company has also been into partnership (with 33.33% share) M/s. “Swastik Developers” for construction of building. The firm has acquired 66 Acres of land in Goa. The project is expected to commence soon.

The company has also been into partnership in M/s. “White Mountain” (with 25% share). Presently the firm is having one project at Thindlu, Indrasanahalli & Singrahalli Village, KundanaHobli, Devanahalli Taluk. The firm has acquired 44 acres and 20 Guntas of land with the object of developing 386 plots of various sizes. Likely date of completion of the project is December 2015. The company’s share of profit from the firm is Rs. 560.29 Lacs for the year ended 2015.

The company has also been into partnership in M/s. “Orchid Lakeview Developers” (with 33.33% share). The firm is having the project at Bellandur Village, VarthurHobli, Bangalore, East Taluk with an object of construction 2 & 3 BHK apartments consisting 336 flats. Likely date of completion of the project is December, 2015.

The company has also entered into partnership and formed a partnership firm “Goyal Hariyana Realty” (with 50% share). The firm has acquired land at Kannur Village, Bangalore, with the object of construction of Villas. The firm has already purchased Land and seeking NOC from concern departments. The firm has started construction in November, 2014 and expected to complete the projects on July, 2016.

The company has also entered into partnership and formed a partnership firm “Shree Balaji Associates” (with 5% share). The firm is engaged in the business of trading in iron and steel. The company’s share of profit from the firm is Rs. 3.46 Lacs for the year ended 2015.

ACKNOWLEDGEMENT:

Your Directors wish to place on record their appreciation for the co-operation extended by all the employees, Bankers, Financial Institutions, various State and Central Government authorities and stakeholders.

For and on behalf of the Board of Directors

Hariyana Ship Breakers Limited,

Sd/-

Shantisarup Reniwal
Managing Director
(DIN 00040355)

Sd/-

Rakesh Reniwal
Director
(DIN 00029332)

Place: Mumbai

Date: 25th August 2015

(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 transaction under third proviso thereto

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

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Mr. Rajeev Reniwal Son of Mr. Shantisarup Reniwal (MD of the Company)
b)	Nature of contracts/arrangements/ transaction	Appointment as Chief Finance Officer (CFO) of the Company
c)	Duration of the contracts/arrangements/ transaction	N.A.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	He shall be paid no remuneration for the services rendered by him to the Company
e)	Justification for entering into such contracts or arrangements or transactions'	Being one of the Promoters of the Company and son the MD of the Company, he willing agreed to become a part of the Company as CFO without drawing any remuneration.
f)	Date of approval by the Board	30 th March 2015
g)	Amount paid as advances, if any	N.A.
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A.

2. Details of material contracts or arrangements or transactions at Arm's length basis.

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

For and on behalf of the Board of Directors

Hariyana Ship Breakers Limited,

Sd/-

Shantisarup Reniwal
Managing Director
(DIN 00040355)

Sd/-

Rakesh Reniwal
Director
(DIN 00029332)

Place: Mumbai

Date: 25th August 2015

EXTRACT OF ANNUAL RETURN

Annexure 2

As on financial year ended 31.03.2015

Pursuant to Section 92(3) of the Companies act, 2013 read with
[The Companies (Management and Administration) Rules, 2014] FORM NO. MGT-9

A-CIN:REGISTRATION AND OTHER DETAILS:	L61100MH1981PLC024774
Registration Date:	24774
Name of the Company:	Hariyana Ship Breakers Limited
Category / Sub-Category of the Company	Company Limited by Shares
Address of the Registered office and contact details:	156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021.
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex Dynamic (India) Pvt. Ltd.Unit-1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (E), Mumbai – 400 072.T Tel: 2851 5606/ 2851 5644 Fax: 2851 2885 E-mail: sharexindia@vsnl.com

B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service% to total turnover of the company	% to total turnover of the company
a.	Trading in ferrous and non ferrous metals, coils and Coals	N.A.	40.41%
b.	Dismantling / Breaking of old and used ships	35117	59.54%
c.	Manufacturing of Sponge Iron	27120	0.05%

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN Associate	Holding/Subsidiary/ held	% of shares
a	NIL			

HARIYANA SHIP BREAKERS LIMITED

D. SHARE HOLDING PATTERN

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2014				No. of Shares held at the end of the year 31/03/2015				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTER'S									
(a). Individual	4529814	0	4529814	73.456	4529814	0	4529814	73.456	0
(b). Central Govt.	0	0	0	0	0	0	0	0	0
(c). State Govt(s).	0	0	0	0	0	0	0	0	0
(d). Bodies Corpp.	0	0	0	0	0	0	0	0	0
(e). FIINS / BANKS.	0	0	0	0	0	0	0	0	0
(f). Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	4529814	0	4529814	73.456	4529814	0	4529814	73.456	0
(2). FOREIGN									
(a). Individual NRI / For Ind	0	0	0	0	0	0	0	0	0
(b). Other Individual	0	0	0	0	0	0	0	0	0
(c). Bodies Corporates	0	0	0	0	0	0	0	0	0
(d). Banks / FI	0	0	0	0	0	0	0	0	0
(e). Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(f). Any Other Specify	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	4529814	0	4529814	73.456	4529814	0	4529814	73.456	0.00
B)(1). PUBLIC SHAREHOLDING									
(a). Mutual Funds	0	0	0	0	0	0	0	0	0
(b). Banks / FI	0	0	0	0	0	0	0	0	0
(c). Central Govt.	0	0	0	0	0	0	0	0	0
(d). State Govt.	0	0	0	0	0	0	0	0	0
(e). Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f). Insurance Companies	0	0	0	0	0	0	0	0	0
(g). FIs	0	0	0	0	0	0	0	0	0
(h). Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i). Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	0	0	0	0	0	0	0	0	0
2. Non-Institutions									
(a). BODIES CORP.									
(i). Indian	415414	2200	417614	6.772	438077	2200	440277	7.14	0.368
(ii). Overseas	0	0	0	0	0	0	0	0	0
(b). Individuals	0	0	0	0	0	0	0	0	0
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	754774	75700	830474	13.467	676732	74900	751632	12.189	-1.278
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	375452	0	375452	6.088	434094	0	434094	7.039	0.951
(c). Other (specify)	0	0	0	0	0	0	0	0	0
Non Resident Indians	9424	0	9424	0.153	9330	0	9330	0.151	-0.002
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	3889	0	3889	0.063	1520	0	1520	0.025	-0.038
Trusts	0	0	0	0	0	0	0	0	0
Foreign Boodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	1558953	77900	1636853	26.543	1559753	77100	1636853	26.544	0.001
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1558953	77900	1636853	26.543	1559753	77100	1636853	26.544	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.000	0	0	0	0.000	0.00
Grand Total(A+B+C)	6088767	77900	6166667	100.00	6089567	77100	6166667	100.00	0.00

(ii) Shareholding of Promoters

Sl No.	Shareholder'sName	Shareholding at the beginning of the year01/04/2014			Share holding at the end of theYear31/03/2015			% change in share holding during the year
		No. of shares	% of total shares of the company	%of Shares Pledged/ encumbered to total shares	No. of shares	% of total shares of the company	%of Shares Pledged/ encumbered to total shares	
1	RAKESH SHANTISARUP RENIWAL	858230	13.917	0	858230	13.917	0	0
2	SHANTISARUP RENIWAL & SONS . HUF	625178	10.138	0	625178	10.138	0	0
3	SANJEEV S. RENIWAL	438267	7.107	0	438267	7.107	0	0
4	SWEETY R. RENIWAL	51150	0.829	0	51150	0.829	0	0
5	SHALINI S. RENIWAL	123100	1.996	0	123100	1.996	0	0
6	LALITADEVI S RENIWAL	414800	6.726	0	414800	6.726	0	0
7	SHANTISARUP R. RENIWAL	80080	1.299	0	80080	1.299	0	0
8	RAJEEV S. RENIWAL	1539009	24.957	0	1539009	24.957	0	0
9	UNNATI R. RENIWAL	400000	6.486	0	400000	6.486	0	0

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl No.	Shareholder'sName	Shareholding at the beginning of the year01/04/2014			Share holding at the end of theYear31/03/2015			% of total share holding during the year
		No. of shares at the beginning Shares of the (01-04-2014)/ end of the year (31-03-2015)	% of total shares company	Date	Increasing/ Decreasing in shareholding	Reason	No. of Shares	
	No change							

HARIYANA SHIP BREAKERS LIMITED

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	Name	No. of Shares at the beginning (01-04-2014) / end of the year (31-03-2015)	% of total Shares of the company	Date	Increasing/Decreasing in shareholding	Reason	No. of Shares	% of total Shares of the company]
1	BLACKSTONE PROPERTIES PVT. LTD.	86333	1.4	4/1/2014				
	-Closing Balance			3/31/2015			86333	1.4
2	WEED INVESTMENT & FINANCE PVT. LTD.	294120	4.77	4/1/2014				
	-Closing Balance			3/31/2015			294120	4.77
3	MAHENDRA GIRDHARILAL	46631	0.756	4/1/2014				
	-Closing Balance			3/31/2015			46631	0.756
4	Visharji Ravji Vora			3/31/2015			11714	0.19
	-Closing Balance			3/31/2015				
5	JAGDISH CHANDER BANSAL HUF	145288	2.356	4/1/2014				
	-Closing Balance			3/31/2015			145288	2.356
6	PRASHANT VIJAY JOG	36333	0.589	4/1/2014				
	-Closing Balance			3/31/2015			36333	0.589
7	SANJAY DOSI	36500	0.592	4/1/2014				
	-Closing Balance			3/31/2015			36500	0.592
8	SANGEETHA S	46560	0.755	4/1/2014				
				7/11/2014	9280	Transfer	55840	0.906
				7/18/2014	7610	Transfer	63450	1.029
				8/1/2014	2127	Transfer	65577	1.063
				8/8/2014	478	Transfer	66055	1.071
				8/15/2014	3023	Transfer	69078	1.12
				8/22/2014	900	Transfer	69978	1.135
				9/12/2014	5747	Transfer	75725	1.228
				9/30/2014	3275	Transfer	79000	1.281
				10/17/2014	2417	Transfer	81417	1.32
				10/24/2014	151	Transfer	81568	1.323
				10/31/2014	1820	Transfer	83388	1.352
				11/7/2014	1102	Transfer	84490	1.37
				11/14/2014	3590	Transfer	88080	1.428
				11/21/2014	522	Transfer	88602	1.437
				11/28/2014	688	Transfer	89290	1.448
				12/31/2014	2398	Transfer	91688	1.487
				1/2/2015	450	Transfer	92138	1.494
				1/9/2015	820	Transfer	92958	1.507
				1/16/2015	2502	Transfer	95460	1.548
				1/23/2015	1620	Transfer	97080	1.574
				1/30/2015	2903	Transfer	99983	1.621
				2/6/2015	410	Transfer	100393	1.628
				2/13/2015	240	Transfer	100633	1.632
				2/20/2015	2757	Transfer	103390	1.677
	-Closing Balance			3/31/2015			103390	1.677
9	SEETHA KUMARI	3422	0.055	4/1/2014				
				5/30/2014	9814	Transfer	13236	0.215
				6/6/2014	469	Transfer	13705	0.222
				7/18/2014	2389	Transfer	16094	0.261
				9/5/2014	240	Transfer	16334	0.265
				9/12/2014	1196	Transfer	17530	0.284
				11/7/2014	400	Transfer	17930	0.291
				11/14/2014	1530	Transfer	19460	0.316
				11/21/2014	7874	Transfer	27334	0.443
				11/28/2014	1080	Transfer	28414	0.461
				12/5/2014	4300	Transfer	32714	0.53
	-Closing Balance			3/31/2015			32714	0.53
10	BABAN MOTIRAM MITKARI	11424	0.185	4/1/2014				
	-Closing Balance			3/31/2015			11424	0.185

(v) Shareholding of Directors and Key Managerial Personnel:

		Shareholding at the beginning of the year 01/04/2014		Cumulative Shareholding during the year 31/03/2015	
sr .no		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	1753110	28.430	1753110	28.430
2	At the end of the year	1753110	28.430	1753110	28.430

V. INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness				
Indebtedness at the beginning of the financial year				
i) Principal Amount	2008824915	103,170,727	0	2111995642
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	2008824915	103,170,727	0	2111995642
Change in Indebtedness during the financial year	0	0.000	0	0
• Addition	0	0	0	0
• Reduction	-886349550	-43,483,651	0	-929833201
Net Change	-886349550	-43,483,651	0	-929833201
Indebtedness at the end of the financial year				
i) Principal Amount	1122475365	59687076.000	0	1182162441
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	1122475365	59687076.000	0	1182162441

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VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl.no	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		M D - Shantiswarup Reniwal	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.00	0.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0.00	0.00
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00
2	Stock Option	0.00	0.00
3	Sweat Equity	0.00	0.00
4.	Commission		
	- as % of profit	0.00	0.00
	- others, specify...	0.00	0.00
5	Others, please specify	0.00	0.00
	Total (A)	0.00	0.00
	Ceiling as per the Act	5% of the net profits of the Company	

B. Remuneration to other directors:

Sl.no	Particulars of Remuneration	Name of Director/Manager	Total Amount
1	Independent Directors •Fee for attending board / committee meetings	0.00	0.00
	• Commission	0.00	0.00
	• Others, please specify	0.00	0.00
	Total (1)	0.00	0.00
2.	Other Non-Executive Directors •Fee for attending board / committee meetings	0.00	0.00
	• Commission	0.00	0.00
	• Others, please specify	0.00	0.00
	Total (2)	0.00	0.00
	Total (B)=(1+2)	0.00	0.00
	Total Managerial Remuneration	0.00	0.00
	Overall Ceiling as per the Act	Not applicable as no remuneration is paid	

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

	Particulars of Remuneration	Key Managerial Personnel		
		CFO*	Company Secretary	Total
1	Gross salary(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	40000	40000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission- as % of profit- others, specify...	0	0	0
	Others, please specify	0	0	0
	Total	0	40000	4000

* Appointed w.e.f 31st March 2015.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: N.A.

Type	Section of the Companies Act	BriefDescription	Details ofPenalty / Punishment/ Compounding fees imposed	Authority[RD / NCLT/ COURT]	Authority[RD / NCLT/ COURT]
Penalty Punishment Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty Punishment Compounding					

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance philosophy stems from our belief that corporate governance is an integral element in improving efficiency and enhancing investor confidence.

The Company believes in adopting and carrying out best practices in the area of Corporate Governance and follows the principle of full transparency and accountability by providing information on various issues concerning the Company's business and financial performance to its stakeholders. It is firmly believed that good governance practices would ensure efficient conduct of the affairs of the Company and help the Company. Towards this, the Company has taken following steps to strengthen its belief by ensuring

- Adequate disclosure and effective decision making to achieve corporate objectives;
- Transparency in business transactions;
- Statutory and legal compliances;
- Protection of shareholders interest;
- Commitment to values and ethical conduct of Business

The Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Clause 49 of the Listing Agreements with the Stock Exchange.

During the year under review, the Board continued its pursuit by adopting and monitoring of corporate strategies, prudent business plans, major risks and ensuring that the Company pursues policies and procedures to satisfy its social, legal and ethical responsibilities.

Also, the Company undertakes to take an audit of its secretarial records and documents to ensure timely compliance with applicable laws to the Company.

BOARD OF DIRECTORS:**Composition of Board of Directors**

The Board consists of Six (6) Directors of which 3 (Three) are Executive Directors (50%) and 3 (Three) Non- Independent Directors (50%) having vast experience in the core business activity of the Company. The Chairman of the Board is an Executive Director & Promoter of the Company. The composition of the Board of the Company is in accordance with the provisions of Clause 49 of the Listing Agreement.

Independent Directors are non-executive Directors as defined under Clause 49(II)(B)(1) of the Listing Agreements entered into with the Stock Exchanges. The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under clause 49 of the Listing Agreement and Section 149 of the Act.

The details of the Familiarisation Programme of the Independent Directors with the Company in respect of their roles, responsibilities, rights, and related matters is put up on the website of the Company (www.hariyanagroup.com).

Membership, Attendance & Other Directorships:

The names and categories of the Directors on the board, their attendance at board meetings held during the year and the number of Directorships and Committee chairmanships / memberships held by them in other Companies as on March 31, 2015 are given herein below.

Name of Directors	Category of Directorship	*No. of other Directorship		## No. of Committee Memberships	
		Public	Private	Public	Private
Mr. Shantisarup Reniwal DIN: 00040355	Promoter, Chairman & Managing Director	Nil	9	Nil	Nil
Mrs. Lalitadevi Reniwal DIN: 00385265 (Resigned w.e.f. 02.06.2014)	Promoter & Executive Director	Nil	Nil	Nil	Nil
Mrs. Unnati Reniwal DIN: 00041306 (Appointed w.e.f. 02.06.2014)	Promoter & Executive Director	Nil	8	Nil	Nil
Mr. Rakesh Reniwal DIN: 00029332	Promoter & Executive Director	Nil	8	Nil	Nil
Mr. Manohar Wagh DIN: 02622648	Independent & Non – Executive Director	Nil	Nil	Nil	Nil
Mr. Pradeep Bhatia DIN: 02903984	Independent & Non – Executive Director	Nil	Nil	Nil	Nil
Mr. Tejas Thakker DIN: 03017277	Independent & Non – Executive Director	Nil	Nil	Nil	Nil

* Other Directorships do not include Directorships of Section 8 Companies and of companies incorporated outside India.

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges,

Chairmanships / Memberships of Board committees shall include only Audit Committee and Stakeholders' Relationship Committee.

Since, the Directors are not acting as a Member of any Committee across the Company, hence the question of Chairmanship in other Committee does not arise.

There are no nominees or Institutional Directors in the Company. None of the Directors have pecuniary or Business relationship with the Company other than as mentioned in the elsewhere in the Annual Report. No Director of the Company is either member in more than 10 Committees and/ or Chairman of more than 5 Committees across all Companies in which he is Director.

Board Meetings

The Meetings of the Board of Directors are scheduled well in advance and generally held at the Company's Registered Office in Mumbai. The Board meets at least once a quarter to review the quarterly performance and the financial results.

During the year, 18 (Eighteen) Board Meetings were held on 04/04/2014, 09/05/2014, 13/05/2014, 30/05/2014, 12/06/2014, 08/08/2014, 13/08/2014, 23/08/2014, 18/09/2014, 10/10/14, 03/11/2014, 13/11/2014,

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22/12/2014, 15/01/2015, 05/02/2015, 12/02/2015, 30/03/2015 and 31/03/2015. The time gap between the two meetings did not exceed one hundred twenty days. Necessary quorum was present for all the meetings. All the information required to be furnished to the Board were made available to them along with detailed Agenda notes.

Sr. No	Name of the Director	Relationship with other Directors	No. of Board Meetings		Attended Last AGM
			Held	Attended	
1.	Mr. Shanti Sarup Reniwal DIN: 00040355	Husband of Smt. Lalitadevi Reniwal, Father of Mr. Rakesh Reniwal	18	18	Yes
2.	Mrs. Unnati Reniwal DIN: 00041306(<i>Appointed w.e.f. 02.06.2014</i>)	Wife of Mr. Rakesh Reniwal	10	3	No
3.	Mrs. Lalitadevi Reniwal DIN: 00041306 <i>Appointed w.e.f. 02.06.2014</i>)	Wife of Mr. Shantisarup Reniwal & Mother of Mr. Rakesh Reniwal	4	NIL	No
4.	Mr. Rakesh Reniwal DIN: 00029332	Son of Mr. Shanti Sarup Reniwal and Smt. Lalitadevi Reniwal	18	18	Yes
5.	Mr. Manohar Wagh DIN: 02622648	# #	18	2	Yes
6.	Mr. Pradeep Bhatia DIN: 02903984	# #	18	2	No
7.	Mr. Tejas Thakker DIN: 03017277	# #	14	2	No

There is no relationship among any of the Directors.

The Board has granted leave of absence to the Directors who were absent at the respective Board Meeting(s) at their request.

Separate Board Meeting of Independent Directors was held to review the performance of Executive Directors and the Board as a whole.

Code of Conduct:

The Board has formulated a Code of Conduct for the Board Members and Senior Management of the Company. All Board Members and Senior Management Personnel as on 31st March 2015 have affirmed their compliance with the code and the declaration to this effect given by the Chairman is annexed hereto in the Corporate Governance Report.

AUDIT COMMITTEE

The audit committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement entered into with the stock exchange read with Section 177 of the Act. All the members of Audit Committee possess expert knowledge in the field of accounts, audit and finance.

Terms of reference of the Audit Committee:

The terms of reference of the Audit Committee is in accordance with the provisions contained in Section 177 and other provisions of the Companies Act 2013, and the Rules made thereunder and Clause 49 of the Listing Agreement, as amended from time to time and which inter alia include the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees;
- Approval of payment to Statutory Auditors for any other services rendered by them;
- Reviewing, with the Management, the annual financial statements and auditors' report before submission to the Board for approval, with particular reference to:
 - ∅ Matters to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.
 - ∅ Changes, if any, in accounting policies and practices and reasons for the same.
 - ∅ Major accounting entries involving estimates based on the exercise of judgment by the management.
 - ∅ Significant adjustments made in the financial statements arising out of audit findings.
 - ∅ Compliance with listing and other legal requirements relating to financial statements.
 - ∅ Disclosure of any related party transactions.
 - ∅ Qualifications in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
- Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussion with internal auditors of any significant findings and follow up there on;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

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- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- Establish a vigil mechanism for Directors and employees to report genuine concerns in such manner as may be prescribed;
- To review the functioning of whistle blower mechanism.
- Approval of appointment of CFO;
- The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the Internal and Statutory Auditors and the Management of the Company;
- To allow Auditors and Key Managerial Personnel, a right to be heard while considering the Auditor's Report;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- To mandatorily review the following information;]
- To define significant related party transactions;
 - ∅ Management discussion and analysis of financial condition and results of operations;
 - ∅ Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - ∅ Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - ∅ Internal audit reports relating to internal control weaknesses; and
 - ∅ The appointment, removal and terms of remuneration of the chief internal auditor

The previous Annual General Meeting (AGM) of the Company was held on September 30, 2014.

The composition of the audit committee and the details of meetings attended by its Members are given below:

Sr. No.	Name of Director	Position	No of meetings Held	No. of meetings attended
1	Mr. Pradeep BhatiaDIN: 02903984	Chairman	5	5
2	Mr. Tejas ThakkerDIN: 03017277	Member	5	5
3	Mr. Manohar WaghDIN: 02622648	Member	5	5

The Audit Committee of the Company was reconstituted at the Board Meeting of the Company held on 30th March 2015 to bring it on lines with Companies Act 2013 and listing Agreement. Details of its composition are as below:

Sr. No.	Name of Director	Position	No of meetings Held	No. of meetings attended
1	Mr. Manohar WaghDIN: 02622648	Chairman	1	1
2	Mr. Pradeep BhatiaDIN: 02903984	Member	1	1
3	Mr. Tejas ThakkerDIN: 03017277	Member	1	1
4	Mr. Rakesh ReniwalDIN: 00029332	Member	1	1

The Company has appointed Mr. Shantisarup Reniwal as the Compliance Officer of the Company.

The Committee met 6 times during the year under review. The said meetings were held on 13/05/2014, 30/05/2014, 13/08/2014, 13/11/2014, 12/02/2015 and 30/03/2015.

The necessary quorum was present for all the meetings.

NOMINATION AND REMUNERATION COMMITTEE:

The Company constituted a Nomination and Remuneration Committee of Directors in accordance with the provisions of the Act and Clause 49 of the Listing Agreement. This Committee was framed to carry out performance evaluation of Directors, Key Managerial Personnel and Senior Management of the Company and accordingly reward them.

The broad terms of reference of the Committee consists as below:

- *To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.*
- *To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.*
- *To recommend to the Board on remuneration payable to the Directors, Key Managerial Personnel and Senior Management.*
- *To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.*
- *To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.*
- *To devise a policy on Board diversity.*
- *To develop a succession plan for the Board and to regularly review the plan.*

The Nomination and Remuneration Committee comprises of the Members as tabulated below:

The Company has also appointed Sharex Dynamic (India) Private Limited, Mumbai, to act as Registrar and Share Transfer Agent of the Company. The committee also monitors redressal of investors' grievances.

Details of investor complaints received and redressed during the year 2014-15 are as follows:

Sr. No.	Name of Director	Position	No of meetings held	No. of meetings attended
1	Mr. Manohar WaghDIN: 02622648	Chairman	1	1
2	Mr. Pradeep BhatiaDIN: 02903984	Member	1	1
3	Mr. Tejas ThakkerDIN: 03017277	Member	1	1

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Remuneration Policy:

The Company adopted a Remuneration Policy for Directors, KMP and other employees, in accordance with the provisions of the Act and the Listing Agreement. For details on the Remuneration Policy, kindly refer the Annexures to the Directors' Report.

Details of remuneration to all the Directors

a. Non-Executive Directors

Name	Commission	Sitting Fees
Mr. Manohar Wagh	0	0
Mr. Pradeep Bhatia	0	0
Mr. Tejas Thakker	0	0

b. Managing Director and Executive Directors:

Name	Salary	Benefits, perquisites and allowances	Commission
Mr. Shantisarup Reniwal	0	0	0
Mrs. Unnati Reniwal (Appointed w.e.f. 02.06.2014)	0	0	0
Mrs. Lalitadevi Reniwal (Resigned w.e.f. 02.06.2014)	0	0	0
Mr. Rakesh Reniwal	0	0	0

The Company does not have any Employee Stock Option Scheme.

Additional details pertaining to remuneration is covered in Directors' Report.

STAKEHOLDERS' RELATIONSHIP & SHARE TRANSFER COMMITTEE:

The Company had a Shareholders / Investors Grievance & Share Transfer Committee of Directors to look into the redressal of complaints of investors such as transfer or credit of shares, non-receipt of dividend / notices / annual reports, etc. The nomenclature of the said committee was changed to Stakeholders' Relationship Committee & Share Transfer Committee in the light of provisions of the Act and revised Clause 49 of the Listing Agreement at the Board Meeting of the Company held on 30th March 2015.

The composition of the Shareholders / Investors Grievance & Share Transfer Committee and the details of meetings attended by its Members is given below:

Sr. No.	Name of Director	Position	No of meetings held	No. of meetings attended
1	Mr. Manohar Wagh DIN: 02622648	Chairman	5	5
2	Mr. Rakesh Reniwal DIN: 00029332	Member	5	5
3	Mr. Shantisarup Reniwal DIN: 00040355	Member	5	5

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The Stakeholders' Relationship & Share Transfer Committee of the Company was renamed and reconstituted at the Board Meeting of the Company held on 30th March 2015 and the details of its composition are as below:

Sr. No.	Name of Director	Position	No of meetings held	No. of meetings attended
1	Mr. Manohar Wagh DIN: 02622648	Chairman	Nil	Nil
2	Mr. Pradeep Bhatia DIN: 02903984	Member	Nil	Nil
3	Mr. Tejas Thakker DIN: 03017277	Member	Nil	Nil

The Company has appointed Mr. Shantisarup Reniwal as the Compliance Officer of the Company. The Company has also appointed Sharex Dynamic (India) Private Limited, Mumbai, to act as Registrar and Share Transfer Agent of the Company. The committee also monitors redressal of investors' grievances.

Details of investor complaints received and redressed during the year 2014-15 are as follows:

Opening balance	Received during the year	Resolved during the year	Closing balance
Nil	Nil	Nil	Nil

GENERAL BODY MEETINGS:

Location and time, where last three Annual General Meetings were held

Location	Date	Time
302, Sylverton Building, 102, Wode House Road, Colaba, Mumbai – 400005	28.09.2012	12.00 noon
156, Maker Chambers VI, 220, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021	30.09.2013	10.00 a.m.
156, Maker Chambers VI, 220, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021	30.09.2014	9.00 a.m.

Special resolutions passed at last three Annual General Meetings (AGM):

- a) **31st AGM held on 28th September 2012:**
 - a. For appointment of Managing Director and Payment of Remuneration to Mr. Shantisarup Reniwal.
 - b. For Payment of Remuneration to other Non-Executive Directors
- b) **32nd AGM held on 30th September 2013:** NONE
- c) **33rd AGM held on 30th September 2014:**
 - a. For appointment of Mrs. Unnati Reniwal as a Director of the Company
 - b. For appointment of Mr. Pradeep Bhatia as an Independent Director of the Company
 - c. For appointment of Mr. Tejas Thakkar as an Independent Director of the Company

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- d. To ratify appointment of Mr. Shantisarup Reniwal as Managing Director of the Company
- e. To borrow monies in excess of paid up Share Capital and Reserves, to the extent of Rs. 500 Crore
- f. Adoption of new Articles of Association of the Company containing regulation with the Companies Act, 2013

Postal Ballot:

Members' approval was sought vide the following Postal Ballot Notices under Section 110 of the Act, details of which are relayed below:

A. *Postal Ballot Notice dated August 22, 2014, pertaining to the following matters:-

S No	Special Resolutions	Votes cast in favour		Votes cast against	
		No. of votes	%	No. of votes	%
1.	Resolution under section 180(1)(a) of the Companies Act, 2013, authorizing the Board of Directors for creation of charge on assets	45,31,460	99.99	33	0.0001
2.	Resolution under section 186 of the Companies Act, 2013, authorizing the Board of Directors for inter-corporate loans & deposits over and above the limits which should not exceed Rs. 500 crores.	45,31,460	99.99	33	0.0001
3.	Resolution under section 13 of the Companies Act, 2013, to alter the Main objects of the Company.	45,31,460	99.99	33	0.0001

Appointment of Scrutinizer: Mr. Dilip Bharadiya, Practicing Company Secretary, Mumbai

Cut-off Record Date for reckoning Members eligible to receive Notice and vote: 23rd August 2014

Cut-off date and time for voting: October 1, 2014

Date of declaration of result: October 6, 2014

**Result of Postal Ballot was not reported.*

Proposed Postal Ballot:

Following resolutions are proposed to be passed through Postal Ballot which commences from 6th September 2015 and ends on 5th October 2015:

1. Resolution under section 180(1)(a) of the Companies Act, 2013, authorizing the Board of Directors for creation of charge on assets.
2. Resolution under section 186 of the Companies Act, 2013, authorizing the Board of Directors for inter-corporate loans & deposits over and above the limits which should not exceed Rs.600 Crore.
3. Resolution under section 13 of the Companies Act, 2013, to alter the Main Object of the Company.

Procedure for Postal Ballot:

In compliance with the Section 110 and other applicable provisions of the Act, read with related Rules, the Company dispatches the postal ballot notices and forms along with postage pre-paid business reply envelopes to its Members whose names appear in the Register of Members / the List of beneficiaries as on a cut-off date. The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and the applicable Rules.

Voting rights are reckoned on the paid-up value of shares registered in the names of Members as on the cut-off date. Members desiring to exercise their votes are requested to return the forms duly completed and signed to the Scrutinizer on or before the end of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last day of e-voting. The Scrutinizer submits his/her report to the Chairman after the completion of scrutiny and the consolidated results of the voting by postal ballot are then announced by the Chairman / authorised officer.

Extraordinary General Meetings:

No Extraordinary General Meeting was held during the past three years.

DISCLOSURES:**a) Related party transactions**

During the year, there were no materially significant transactions with related parties, as per the Policy adopted by the Company that have potential conflict with the interests of the Company at large. All the transactions with Related Party are after obtaining prior approval of Audit Committee. Details of the same are covered under Directors' Report.

The policy is also available on the website of the Company.

b) Cases of Non-Compliance:

There has been no instance of non-compliance by the Company on any matter related to capital markets. No penalties or strictures have been imposed by them on the Company.

c) Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee:

The Audit Committee has established a Vigil Mechanism and adopted a Whistle-Blower Policy at its meeting held on 31st March 2015 which provides a formal mechanism for all the Directors and Employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy.

A copy of the policy is also uploaded on the website of the Company. The Company affirms that during the year under review, no report has been registered by any Director or Employee of the Company. Also, no Director or Employee of the Company has been denied access to the Audit Committee.

The Company has fulfilled the following non-mandatory requirements as prescribed in Annexure XIII to the Clause 49 of the Listing Agreements entered into with the Stock Exchanges:

HARIYANA SHIP BREAKERS LIMITED

- **Shareholder Rights:**

Details are given under the heading “Means of Communications”

- **Audit Qualifications:**

During the year under review, there was no audit qualification in the Auditors’ Report on the Company’s financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

- **Reporting of Internal Auditor:**

The Chief Internal Auditor reports to the Audit Committee of the Company, to ensure independence of the Internal Audit function.

Subsidiary Companies:

The Company does not have any Subsidiary.

MEANS OF COMMUNICATION

The Company publishes its results through the leading newspapers, The Free Press Journal and Navshakti. The results are also displayed on the website. No presentations have been made to institutional investors or to the analysts.

Green Initiative:

Your Company encourages the shareholders to register their email addresses with the Company or its Registrar & Transfer Agents, Sharex Dynamic (India) Pvt. Ltd., by sending a letter signed by the Shareholders and intimate changes in the email ids from time to time.

Those shareholders who have not opted for receiving the Annual Report in physical form, we look forward to receiving your full support in our endeavour to contribute towards greener environment and request you to join us in this noble initiative and look forward to your consent to receive Annual Report from now onwards in electronic form.

GENERAL SHAREHOLDERS INFORMATION

- i. **34th Annual General Meeting:**

Date: 30th September 2015

Day: Wednesday

Time: 9.00 a.m.

Venue: 156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai- 400021.

As required under Clause 49(VIII)(E)(1) of the Listing Agreements entered into with the stock exchange, particulars of Director seeking appointment / re-appointment at the forthcoming AGM is given in the Annexure to the notice of the AGM to be held on 30th September 2015.

- ii. **Financial Year:** 1st April 2014 to 31st March 2015

- iii. **Date of Book Closure:**

Thursday, 24th September 2015 to Wednesday, 30th September 2015 (both days inclusive).

- iv. **Dividend Payment Date:**

The Board does not recommend any dividend for the financial year ended 31st March 2015.

v. Listing on Stock Exchange:

BSE Limited (BSE), 25th Floor, P.J. Towers, Dalal Street, Mumbai – 400001.

vi. Stock Code:

BSE : 526931

ISIN NO. : INE400G01011

Listing Fees as applicable have been paid.

vii. Market Price data, high, low during each month in the last financial year and Performance in comparison to broad-based indices such as BSE Sensex is as under:

Month	High Price	Low Price
Apr-14	46.35	36.60
May-14	59.80	38.25
Jun-14	76.45	56.55
Jul-14	81.00	62.50
Aug-14	86.00	64.55
Sep-14	84.50	64.00
Oct-14	82.00	63.05
Nov-14	79.85	60.30
Dec-14	65.80	46.50
Jan-14	64.45	52.25
Feb-14	60.00	43.00
Mar-14	51.90	36.00

Performance of the share price of the Company in comparison to the BSE Sensex



viii. Registrar and Share Transfer Agents (R&TA):

<p>Contact Person: Mr. Shashikumar Sharex Dynamic (India) Pvt Ltd Unit-1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (E), Mumbai – 400 072. Ph: 022 28515606, 022 28515644, Fax: 022 28512885 Email: info@sharexindia.com sharexindia@vsnl.com</p>	<p>Sharex Dynamic (India) Pvt Ltd 17/B, Dena Bank Bldg, 2nd Floor, Horniman Circle, Fort, Mumbai 400 001 Ph: 022 22702485/022 22641376, Fax: 022 22641349 Email: info@sharexindia.com sharexindia@vsnl.com</p>
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HARIYANA SHIP BREAKERS LIMITED

ix. Share Transfer Systems:

98.75% of the Equity Shares of the Company are in electronic form. Transfers of these shares are done through the depositories with no involvement of the Company.

As regards transfer of shares held in physical form the transfer documents can be lodged with the R&TA at any of the above mentioned addresses. Transfer of shares in physical form is processed within fifteen days from the date of receipt, if the documents are complete in all respects. The Shareholders'/Investors Grievance & Transfer Committee (now Stakeholders' Relationship & Share Transfer Committee) periodically take note of transfers.

x. Distribution of Shareholding as on 31st March 2015:

DISTRIBUTION SCHEDULE ON NUMBER OF SHARES - As On :31 st March 2015				
SHARE	NUM OF HOLDERS	(%) OF HOLDERS	T O T A L SHARES	% OF SH
UPTO TO 100	880	48.73	60722	0.98
101 TO 200	277	15.34	50722	0.82
201 TO 500	294	16.28	113724	1.84
501 TO 1000	187	10.35	154761	2.51
1001 TO 5000	127	7.03	286355	4.64
5001 TO 10000	21	1.16	156022	2.53
10001 TO 100000	10	0.55	402979	6.53
100001 TO ABOVE	10	0.55	4941382	80.13
TOTAL	1806	100.00	6166667	100.00

xi. Details of Shares held by Directors as on 31st March 2015:

Name of Directors	No. of Equity Shares Held
Mr. Shanti Sarup Reniwal DIN: 00040355	80080
Smt. Unnati Reniwal DIN: 00041306	400000
Mr. Rakesh Reniwal DIN: 00029332	858230
Mr. Manohar Wagh DIN: 02622648	0
Mr. Pradeep Bhatia DIN: 02903984	0
Mr. Tejas Thakker DIN: 03017277	0

xii. Details of Shareholding Pattern as on 31st March 2015:

Detailed information about Shareholding Pattern is covered under extract of Annual Return forming part of Directors' Report.

xiii. Dematerialization of shares and liquidity:

As on 31st March 2015, 98.75% of the total equity share capital of the Company is held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited. The market lot is one share as the trading in equity shares of the Company is permitted only in dematerialized form, traded on BSE Limited.

xiv. Outstanding GDRs / ADRs / Warrants / Convertible instruments and their impact on Equity:

The Company has not issued any GDRs/ADRs/Warrants/Convertible instruments in the past and hence as on 31st March 2015 does not have any outstanding GDRs / ADRs / warrants / convertible instruments

xv. The Plants of the Company are situated at:**Ship Breaking Yard**

Plot No.14,
Ship Breaking Yard
Alang, Dist. Bhavnagar-364001
Gujarat

Sponge Iron Plant

Hariyana Steel & Power
Survey No. 12,14,15
Shanthigrama (Hubli) Kanchanhally Ville,
Dist. Hassan - 573 201
Ph.08172-290011

Branch Office (Bhavnagar):

Hariyana House, 2165/A-2, 2nd Floor,
Sanskar Mandal Chowk,
Bhavnagar 364 002, (Gujarat).
Ph. 0278-3005955
Fax 0278-567222

Branch Office (Bangalore):

Hariyana Steel and Power
206, Barton Centre, 84, M G Road,
Bangalore 560 001, Karnataka.
Ph. 080-25325716
Fax 080-25091411

xvi. Address for correspondence:

156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai- 400021.

E-Mail: contact@hariyanagroup.com | Web Site: - www.hariyanagroup.com

HARIYANA SHIP BREAKERS LIMITED

ANNEXURE TO CORPORATE GOVERNANCE REPORT

Declaration affirming compliance with the Code of Conduct

In terms of the requirements of the amended Clause 49 of the Listing Agreement, this is to confirm that all the members of the Board and the Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended 31st March 2015

By order of the Board

For **HARIYANA SHIP-BREAKERS LIMITED**

Sd/-

ShantiSarup Reniwal

DIN: 00040355

Managing Director

Place: Mumbai

Date: 25th August 2015

COMPLIANCE CERTIFICATE

To

The Members

Hariyana Ship-Breakers Limited

Mumbai.

We have examined the compliance of conditions of Corporate Governance by Hariyana Ship-Breakers Limited (the Company) for the financial year ended on 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange. The Compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company to ensure compliance with the 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, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that in respect of investor grievances received during the year ended on March 31, 2014, no investor grievances are pending against the Company.

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

For P.D. Goplani & Associates.,

Chartered Accountants(Firm Reg. No. 118023W)

Sd/-

Prem Goplani

Partner

Membership No.103765

Date : 25th August 2015

Place : Mumbai

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION

To

The Board of Directors
Hariyana Ship-Breakers Limited
156, Maker Chamber VI,
220, Jamnalal Bajaj Marg,
Nariman Point,
Mumbai 400021.

We hereby certify that for the financial year, ending 31st March 2015 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading.
2. These statements together present a true and a fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal control systems of the Company and we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that:
 - a. There have been no significant changes in internal control during the year;
 - b. There have been no significant changes in accounting policies during the year;
 - c. There have been no instances of significant fraud of which we are become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Sd/-

Shantisarup Reniwal
Managing Director

Sd/-

Rajeev Reniwal
Chief Financial Officer

Date: 25th August 2015

Place: Mumbai

SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015**

[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,
Hariyana Ship-Breakers Limited
Mumbai

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hariyana Ship-Breakers Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Hariyana Ship-Breakers Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2015, 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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure I**, for the financial year ended on March 31, 2015, according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under applicable to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **NOT APPLICABLE**.
 - (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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **NOT APPLICABLE**
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **NOT APPLICABLE**
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **NOT APPLICABLE**

- (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;
2. I have relied on the representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/groups of Acts, Laws and Regulations as applicable to the Company is as follows:
- (i) Gujarat Maritime Board Act, 1981;
 - (ii) The Factories Act, 1948;
 - (iii) The Contract Labour Act, 1970;
 - (iv) The Hazardous Wastes (Management & Handling) Rules, 1989 under Gujarat Pollution Control Board.
3. I have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
 - (ii) The Listing Agreements entered into by the Company with the Stock Exchange(s);
- During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards as mentioned above, except that, though the appointment of the Company Secretary, Internal Auditor, Chief Financial Officer (CFO – Key Managerial Personnel) was made on March 30, 2015, the filing of e-forms with the Ministry of Corporate Affairs (MCA) was pending till the date of this report.
- I 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 year under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, 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.
- All resolutions/decisions at the Board and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or the Committee.
- I 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 except as mentioned above.
- I further report that during the audit year there were no instances of:
- (i) Public / Rights issue of Equity Shares & Equity Warrants / Debentures / Sweat Equity
 - (ii) Redemption / Buy-back of securities
 - (iii) Merger / Amalgamation / Reconstruction, etc.
 - (iv) Foreign Technical Collaborations

Place : Mumbai

Date : August 13, 2015

Sd/-

DILIP BHARADIYA

Proprietor

DILIP BHARADIYA & ASSOCIATES FCS No.: 7956, C P No.: 6740

ANNEXURE - I

List of documents verified:

1. Memorandum & Articles of Association of the Company
2. Annual Report for the financial year ended 31st March 2014
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee along with Attendance Register held during the financial year under report
4. Minutes of General Body Meetings held during the financial year under report
5. Statutory Registers
6. Agenda papers provided to all the Directors / Members for the Board Meetings and Committee Meetings
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 299 of the Companies Act, 1956 and 184 of the Companies Act, 2013
8. Intimations received from Directors under the Prohibition of Insider Trading Code
9. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report
10. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under report

**POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KMP
AND SENIOR MANAGEMENT**

Appointment criteria and qualifications

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Evaluation

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval (yearly).

Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

Retirement

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

Policy relating to the Remuneration for the Whole-time Director, KMP and Senior Management Personnel:

General:

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- b) The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Act.

HARIYANA SHIP BREAKERS LIMITED

- c) Increments to the existing remuneration/ compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director.
- d) Where any insurance is taken by the Company on behalf of its Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

Remuneration to Managing Director, KMP and Senior Management Personnel:

a) Fixed pay:

The Whole-time Director/ KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The breakup of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board/ the Person authorized by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

b) Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Act and if it is not able to comply with such provisions, with the previous approval of the Central Government.

c) Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Act or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

Remuneration to Non- Executive / Independent Director:

a) Remuneration / Commission:

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Act.

b) Sitting Fees:

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One Lac per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

c) Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act.

d) Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

For and on behalf of the Board of Directors

Hariyana Ship Breakers Limited,

Sd/-

Sd/-

Shantisarup Reniwal

Rakesh Reniwal

Managing Director

Director

(DIN 00040355)

(DIN 00029332)

Place: Mumbai

Date: 25th August 2015

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**a) Overview**

The company is now a diversified company with ship breaking, manufacture of sponge & iron, trading activities & investment activities. The company has also diversified into Manufacture of Industrial Gases, Real Estate and Construction by going into partnerships with experienced entrepreneurs in the field.

b) Segmental Review

During the financial year 2014-15, ship-breaking unit at Alang Ship Breaking Yard has not shown a growth, however, the ship breaking unit is expected to grow substantially in coming years. Due to fluctuating and volatile prices of old Ships, Iron and Steel products coupled with depreciation in value of Indian Rupee vis-à-vis US Dollar during the year, the net profit margins of this segment has been affected. The Trading Unit as well as Steel and Power Unit of the company have not performed well during the year. However, the management is of the view that, in the coming years the ship breaking industry will be stable and with expected boost in the economy the requirement of iron and steel will increase which will help the company to move towards its sustained path of growth.

1. Ship breaking:

As has been stated in the out-look, due to fluctuations in the exchange rate of US Dollar vis-à-vis Indian Rupee and steep decrease in prices of Iron and steel products and volatile market conditions. During the year company has achieved sales turnover of Rs. 14,070.72 Lacs as against 14938.77 Lacs last year. During the financial year 2014-15, ship-breaking unit at Alang Ship Breaking Yard has not shown a growth, however, the ship breaking unit is expected to grow substantially in coming years. Due to fluctuating and volatile prices of old Ships, Iron and Steel products coupled with depreciation in value of Indian Rupee vis-à-vis US Dollar during the year, the sales turnover of this segment has been affected. Though the year under review saw fluctuation in the international market of old ships coming for breaking, the management was very cautious and purchased ships at proper time and built a good level of inventories to earn better profits in coming years. Now the market has stabilized and taking into account the inventory level of the company as at the year end, it is hoped that the turnover and the profitability will show a an increase in the coming years.

2. Steel & Power:

As has been stated in the out-look, the performance of the sponge iron segment has not been as per the targets in terms of sales turnover and has achieved sales turnover of Rs. 11.81 Lacs. Various factors like difficulties in uninterrupted supply and availability of raw materials and other similar factors at its Hassan, Karnataka, fluctuating and volatile prices of Iron and Steel products during the year and also major depreciation in value of Indian Rupee vis-à-vis US Dollar has affected the sales turnover and net profit margin of the unit. Moreover, the business of the unit i.e. manufacturing of Sponge and Iron has been shut down during the period under review because of the various factors like difficulties in uninterrupted supply and availability of raw materials and other similar factors at its Hassan, Karnataka, fluctuating and volatile prices of Iron and Steel products during the year and also major depreciation in value of Indian Rupee vis-à-vis US Dollar.

3. Trading (HO-Mumbai):

During the financial year 2014-15, the trading unit has not performed well due to steep decrease in prices of Iron and steel products and volatile market conditions. The trading segment has achieved sales turnover of Rs. 1,102.39 Lacs as against Rs. 31,225.35 Lacs last year. The management is of the view that, in the coming years the iron and steel industry will be stable and with expected boost in the economy the requirement of iron and steel will increase which will help the company to move towards its sustained path of growth.

4. Trading (Bhavnagar):

During the financial year 2014-15, the company has started its trading unit in Bhavnagar as well. The unit has performed very well during the year under review. The trading unit at Bhavnagar has achieved sales turnover of Rs. 8,448.96 Lacs and earned profit of Rs. 290.47 Lacs for the financial year ended on 31st March, 2015. The management is of the view that, in the coming years the requirement of iron and steel will increase which will help the company to move towards its sustained path of growth.

5. Investments:

Investment is not main business of the company. As and when surplus funds are available with the company, the company lent the same with a view to earn interest and short term and long term capital gain. As stated in earlier paras of this annual report, the company has entered into partnership in various construction and real estate projects and has acquired a major share in such real estate investments. Such projects are expected to yield good profits to the company in short to medium term of periods.

c) Segment Results (in Lacs)

Particulars	Investment & Trading (HO)	Ship-Breaking	Trading (Bhavnagar)	Steel & Power	Total
a) External Sales/Revenue	4,176.39	14,231.39	8,448.96	25.98	26,972.72
Inter segment Sales/Revenue	-	557.99	76.78	-	634.77
Total Revenue	4,176.39	14,879.38	8,525.74	25.98	27,607.49
b) Segment Results Before Interest and Taxes	3,093.06	(1,096.02)	214.45	(394.93)	1,816.56
c) Segment results as % of total	160.39%	-39.91%	20.24%	-40.72%	100.00%
d) Segment Assets	18,977.56	1,624.72	295.55	1,316.16	22,214.00
e) Segment Liabilities	335.67	3,081.54	8,275.20	705.11	12,397.52

HARIYANA SHIP BREAKERS LIMITED

d) Financial Review and Analysis:

(Rs. in Lacs)

Performance	2014-15	2013-14
Revenue from Operations	23,633.88	46,912.88
Other income	3,338.84	3,170.07
Total Expenditure	26,972.72	50,082.95
Operating Profit (PBITD)	2,065.56	3,034.81
Interest	381.51	1,298.52
Gross Profit (PBDT)	1,648.05	1,736.30
Depreciation	248.99	181.56
Profit before tax	1,435.06	1,554.74
Provision for current Tax	187.49	255.47
Deferred tax	(166.77)	(19.84)
Net Profit after Tax	1,414.33	1,319.11

e) Cash Flow Analysis:

(Rs. in Lacs)

Particulars	2014-15	2013-14
- Operating Profit before changes in Working Capital	2,065.53	3,034.70
- (Increase)/Decrease in Net Working Capital	9,326.98	(12,013.59)
- Net Cash Flow from Operating Activities	11,205.01	(9234.36)
- Cash Outflow from Investing Activities	(1,334.67)	1052.68
- Cash Outflow from Financing Activities	(9,679.84)	8459.08
- Net Cash Inform/(Outflow)	190.51	277.41

f) Risk Management

The Company is exposed to the risk from the market fluctuations of foreign exchange as well as the fluctuation in the price of iron and steel. The Company's raw material is old ship, which is purchased from the international market on credit ranging up to 180 days to 360 days. The Company is adopting policy of full hedging or covering the foreign exchange requirement, the Company is regularly monitoring the foreign exchange movement and suitable remedial measures are taken as and when felt necessary.

Though the Company is employing such measures, the Company is still exposed to the risk of any heavy foreign exchange fluctuation.

Likewise the Company's finished products are mainly re-rollable scrap generated from ship breaking and the price of the same is linked to the market rate for iron and steel. Any up and down in the price of the iron and steel will affect the profitability of the Company. However taking into account, the price fluctuations already affected during the year 2014-15, further major down / upward trend in the price of iron and steel is not expected.

In addition to the above, the Company is also exposed to the risk of fluctuation in the real estate and construction and Redeveloping market as the Company has invested some of its surplus funds in partnership firm engaged in such business. However the Directors considering their past experience, is confident that the Company will not face any major set back in this area.

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
HARIYANA SHIP BREAKERS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying financial statements of **HARIYANA SHIP BREAKERS LIMITED** ('the Company'), which comprise the balance sheet as at 31st March, 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

HARIYANA SHIP BREAKERS LIMITED

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us *and based on the consideration of the reports of the other auditors on the financial statements of the divisions/branches, except for non provision for gratuity and long term employee benefits as per AS – 15*, the aforesaid 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015, and its profit and its cash flows for the year ended on that date.

Other Matter

We have not audited the financial statements of Mumbai Division (HO) & Hariyana Steel & Power (Bangalore), whose financial statements reflect total assets (net) of Rs. 11,468.31 Lacs as at March 31, 2015, total revenue of Rs. 4,341.98 Lacs financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. 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 it appears from our examination of those books;
 - c. the balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. on the basis of the written representations received from the directors as on 31st March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
 - f. with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the 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 financial statements - Refer Note 2.32 to the financial statements;
 - ii. the Company did not any long term contracts including derivative contracts for which there were any material foreseeable losses and

- iii. There has been no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For P. D. Goplani & Associates

Chartered Accountants

FRN: 118023W

Sd/-

CA. Sonam Langalia

Partner

M. No. 154014

Place: Mumbai

Date: May 29, 2015

Annexure to Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March 2015, we report that:

- i)
 - a) The Company has maintained proper records showing the full particulars, including the quantitative details and situation of its fixed assets.
 - b) All the assets have not been physically verified by the management during the year, but as per the information and explanations provided to us, there is a regular program of physical verification, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- ii)
 - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of the inventory and according to the information given to us. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii) The Company has not granted unsecured loans to company covered in the registered maintained under section 189 of the Companies Act, 2013.
- iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and purchase of fixed assets and sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- v) According to the information and explanations given to us, the company has not invited any deposits as per the provisions of section 73 to 76 or any other relevant provisions of companies act and the rules framed there under.
- vi) We have broadly reviewed the books of account relating to material, wages and other items of cost maintained by the Company pursuant to the rules made by the Central Government under sub-section (1) of section 148 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- vii)
 - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and any other material statutory dues have been generally regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax,

Custom Duty, Value Added Tax, Cess and other material statutory dues were in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.

- b) According to information and explanations given to us, the following dues of income tax, excise duty, service tax and value added tax have not been deposited by the Company on account of dispute except:

Pending with	Related period	Nature	Amount (Rs.)
Hon. ACIT, Central Circle – 41, Mumbai	AY: 2007-08	Income Tax	Rs. 3,96,780
ITAT, Mumbai	AY: 2009-10	Income Tax	Rs. 1,88,120
Hon. ACIT, Central Circle – 38, Mumbai	AY: 2010-11	Income Tax	Rs. 2,00,550
Hon. ACIT, Central Circle – 7, Mumbai	AY: 2011-12	Income Tax	Rs. 3,58,140
Hon. CIT (Appeal – 8), Mumbai	AY: 2012-13	Income Tax	Rs. 30,30,960

- c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- ix) In our opinion and according to the information and explanations provided to us, the company has not defaulted in repayment of dues to a financial institutions, bank or debenture holders.
- x) In our opinion and according to the information and the explanations given to us, the Company has not given any corporate guarantee for loans taken by others from banks or financial institutions.
- xi) In our opinion and as per the information and explanation given to us the company has not applied or availed any term loan during the year.
- xii) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For P. D. Goplani & Associates

Chartered Accountants

FRN: 118023W

Sd/-

CA. Sonam Langalia

Partner

M. No. 154014

Place: Mumbai

Date: May 29, 2015

HARIYANA SHIP BREAKERS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2015

Particulars	NoteNo.	As at	
		March 31, 2015	March 31, 2014
I. EQUITY AND LIABILITIES			
1 SHARE HOLDERS' FUNDS			
(a) SHARE CAPITAL	2.1	61,666,670	61,666,670
(b) RESERVES & SURPLUS	2.2	919,981,232	779,216,640
2 NON-CURRENT LIABILITIES			
(a) LONG-TERM BORROWINGS	2.3	59,687,076	55,214,686
(b) DEFERRED TAX LIABILITIES	2.4	18,393,280	35,070,173
(c) OTHER LONG TERM LIABILITIES	2.5	1,760,000	1,459,274
3 CURRENT LIABILITIES			
(a) SHORT TERM BORROWINGS	2.6	1,122,475,365	2,056,780,956
(b) TRADE PAYABLES	2.7	15,460,235	414,034,434
(c) OTHER CURRENT LIABILITIES	2.8	21,074,450	105,500,068
(d) SHORT-TERM PROVISIONS	2.9	901,427	2,403,553
TOTAL		2,221,399,735	3,511,346,454
II. ASSETS			
1 NON-CURRENT ASSETS			
(a) FIXED ASSETS			
(i) Tangible assets	2.10	173,434,584	240,374,016
(iii) Intangible Assets		43,524	65,050
(ii) Capital work-in-progress		-	-
(b) NON-CURRENT INVESTMENTS	2.11	308,911,319	134,048,926
(c) LONG-TERM LOANS & ADVANCES	2.12	1,057,115	2,805,624
(d) OTHER NON-CURRENT ASSETS	2.13	-	-
2 CURRENT ASSETS			
(a) INVENTORIES	2.14	109,482,806	1,144,057,627
(b) TRADE RECEIVABLES	2.15	384,842,657	382,308,842
(c) CASH & CASH EQUIVALENTS	2.16	48,418,184	29,367,215
(d) SHORT-TERM LOAN & ADVANCES	2.17	1,194,938,483	1,175,581,874
(e) OTHER CURRENT ASSETS	2.18	271,063	402,737,280
TOTAL		2,221,399,735	3,511,346,454

See Accompanying Notes to Financial Statements

As per our separate report of even date

For P. D. Goplani & Associates

Chartered Accountants

FRN: 118023W

Sd/-

CA. Sonam Langalia

Partner

M. No. 154014

Place: Mumbai

Date : May 29, 2015

For and on behalf of the Board of Directors

Hariyana Ship Breakers Limited

Sd/-

Shantisarup Reniwal

Managing Director

(DIN 00040355)

Sd/-

Rajeev Reniwal

Chief Financial Officer

Sd/-

Rakesh Reniwal

Director

(DIN 00029332)

Sd/-

Disha Shah

Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31st MARCH, 2015

Particulars	Note No.	For the Year Ended on	
		March 31, 2015	March 31, 2014
INCOME			
a) REVENUE FROM OPERATIONS	2.19	2,363,387,992	4,691,287,990
b) OTHER INCOME	2.20	333,883,893	317,006,899
Total Revenue		2,697,271,885	5,008,294,889
EXPENSES:			
a) COST OF MATERIALS CONSUMED	2.21	1,389,218,446	1,445,135,668
b) PURCHASE OF STOCK-IN-TRADE	2.22	927,853,463	2,955,809,623
c) CHANGES IN INVENTORIES OF FINISHED GOODS	2.23	(5,415,991)	30,651,000
d) EMPLOYEE BENEFITS EXPENSES	2.24	13,991,432	17,696,046
e) FINANCE COSTS	2.25	38,150,661	129,851,588
f) DEPRECIATION & AMORTIZATION EXPENSES	2.10	24,899,865	18,155,764
g) OTHER EXPENSES	2.26	165,068,419	255,521,240
Total Expenss		2,553,766,294	4,852,820,929
PROFIT/(LOSS) BEFORE EXTRA ORDINARY ITEMS & TAX		143,505,590	155,473,960
Extraordinary Items		-	-
PROFIT/(LOSS) BEFORE TAX		143,505,590	155,473,960
TAX EXPENSES:	2.27		
(1) CURRENT TAX		18,749,837	25,546,509
(2) DEFERRED TAX		(16,676,894)	(1,984,006)
(3) TAXES OF EARLIER YEARS		-	-
PROFIT/(LOSS) AFTER TAX		141,432,647	131,911,457
EARNINGS PER EQUITY SHARES:			
EQUITY SHARES OF PAR VALUE OF Rs. 10/- EACH			
(1) BASIC		22.94	21.39
(2) DILUTED		22.94	21.39
Weighted average number of shares outstanding		6,166,667	6,166,667

See Accompanying Notes to Financial Statements

As per our separate report of even date

For P. D. Goplani & Associates

Chartered Accountants

FRN: 118023W

Sd/-

CA. Sonam Langalia

Partner

M. No. 154014

Place: Mumbai

Date : May 29, 2015

For and on behalf of the Board of Directors

Hariyana Ship Breakers Limited

Sd/-

Shantisarup Reniwal

Managing Director

(DIN 00040355)

Sd/-

Rajeev Reniwal

Chief Financial Officer

Sd/-

Rakesh Reniwal

Director

(DIN 00029332)

Sd/-

Disha Shah

Company Secretary

HARIYANA SHIP BREAKERS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

Particulars	March 31, 2015 Rs.	March 31, 2014 Rs.
A CASH FLOW FROM OPERATING ACTIVITIES :		
NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS	143,505,590	155,473,960
- Adjustment for :		
Depreciation	24,899,865	18,155,764
Preliminary Expenses	-	5,797
Interest on FD	(2,702)	(17,146)
Interest & Finance Costs	38,150,661	129,851,588
Operating Profit before Working Capital Changes	206,553,414	303,469,963
- Adjustments for :		
Trade Receivable	(2,533,815)	2,617,110,505
Other Receivable	384,858,117	(208,999,486)
Inventories	1,034,574,821	(921,819,989)
Trade Payable & Other current Liabilities	(484,201,217)	(2,687,650,204)
Cash Flow from operation	1,139,251,320	(897,889,211)
Income Tax Paid	18,749,837	25,546,509
Net Cash Inflow/(Outflow) from Operating Activities	1,120,501,483	(923,435,720)
B. CASH FLOW ARISING FROM INVESTING ACTIVITIES:		
- Purchase of Fixed Assets	(3,725,537)	(5,281,610)
- Sale of Fixed Assets	45,118,576	3,578,590
- Sale (Purchase) of Investment	(174,862,393)	106,954,231
- Interest on FD	2,702	17,146
Net Cash Inflow / (Outflow) in the course of Investing Activities	(133,466,652)	105,268,357
C. Cash Flow arising from Financing Activities:		
- Proceeds from Long Term Secured Borrowings	-	-
- Proceeds from Long Unsecured Loan	4,472,390	4,137,272
- Proceeds from Short Term Secured Borrowing	(886,349,550)	977,834,333
- Proceeds from Short Unsecured Loan	(47,956,041)	(6,211,862)
- Interest & Finance Costs	(38,150,661)	(129,851,588)
Net Cash (Outflow) in the course of Financing Activities	(967,983,862)	845,908,155
Net Increase/(Decrease) in Cash/Cash Equivalents (A+B+C)	19,050,969	27,740,792
Add: Balance at the beginning of the year	29,367,215	1,626,423
Cash and Cash Equivalents at the close of the year (Refer Note 2.16)	48,418,184	29,367,215

Cash flow Statement has been prepared under the indirect method as set out in Accounting Standard- 3 'Cash Flow Statement' as notified under the Companies (Accounting standard) Rules, 2006.
See Accompanying Notes to Financial Statements

As per our separate report of even date

For P. D. Goplani & Associates

Chartered Accountants

FRN: 118023W

Sd/-

CA. Sonam Langalia

Partner

M. No. 154014

Place: Mumbai

Date : May 29, 2015

For and on behalf of the Board of Directors

Haryana Ship Breakers Limited

Sd/-

Shantisarup Reniwal

Managing Director

(DIN 00040355)

Sd/-

Rajeev Reniwal

Chief Financial Officer

Sd/-

Rakesh Reniwal

Director

(DIN 00029332)

Sd/-

Disha Shah

Company Secretary

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2014**1 CORPORATE INFORMATION**

Hariyana Ship Breakers Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on One stock exchanges in India. The company is engaged in various business activities.

During the year, the Company was engaged in Ship Recycling (ship breaking), Manufacturing of Sponge Iron & Steels, Trading in Ferrous & Non-Ferrous Metals and Coal and Investment. As and when any surplus fund are available, the same is given on interest to other parties and also invested in the shares and securities to earn short term and long term capital gains.

1.1 SIGNIFICANT ACCOUNTING POLICIES :**a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

These financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention on accrual basis and these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) (which continues to be applicable in terms of General circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013) and other relevant provisions of the Companies Act, 1956.

b) USE OF ESTIMATES

The preparation of financial statements requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expense during the year. Examples of such estimates include provisions for doubtful receivables, employee benefits, provision for income taxes, the useful lives of depreciable fixed assets and provisions for impairment. Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known / materialize.

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. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

c) FIXED ASSETS

Fixed Assets are stated at cost, less accumulated depreciation (other than 'Freehold Land' where no depreciation is charged) and impairment loss, if any. Cost comprises the purchase price, including duties and other non-refundable taxes or levies any directly attributable cost of bringing the asset to its working condition and indirect costs specifically attributable to construction of a project or to the acquisition of a fixed asset.

In the event of the same having been revalued, they are stated at the revalued figures.

Expenditures relating to fixed assets is added to costs only when the same involved modification work whereby it increases the life of the assets. In the event of the same having been revalued, they are stated at the revalued figures. Expenditure relating to fixed assets is added to costs only when the same involved modification work whereby it increases the life of the assets.

d) DEPRECIATION ON TANGIBLE ASSETS

- I In respect of fixed assets (other than freehold land and capital work-in-progress) acquired during the year, depreciation/ amortization is charged on a straight line basis so as to write off the cost of the assets over the useful lives as per the Companies Act, 2013 and for the assets acquired prior to April 1, 2014, the carrying amount as on April 1, 2014 is depreciated over the remaining useful life estimated by management as per the Companies Act, 2013 on the basis of evaluation.
- II No depreciation is provided for assets sold during the year whereas pro-rata depreciation is provided on assets acquired during the year.

e) IMPAIRMENT OF ASSTES

The management reviews periodically the carrying amounts of its assets included in each cash generating unit to determine whether there is any indication that those assets were impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognized as income in the statement of profit and loss.

f) BORROWING COSTS

Borrowing costs are recognized in the Statement of Profit and Loss except interest incurred on borrowings, specifically raised for projects are capitalized to the cost of the asset until such time that the asset is ready to be put to use for its intended purpose.

g) INVESTMENTS

Investments are either classified as current or long term based on Management's intentions:

- i) Current investment are carried at the lower of cost and fair market value.
- ii) Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of investments.

h) VALUATION OF INVENTORIES

Items of inventories are measured as :

- | | |
|-----------------------------|--|
| i) Ship Materials | At Cost |
| ii) Trading Goods in Trade | At Lower of cost or net realisable value |
| iii) Steel Raw Materials | At cost |
| iv) Steel Finished Products | At Lower of cost or net realisable value |

The weight of the ship purchased is accounted in terms of LDT of the ship at the time of its construction. Ascertaining of weight of ship at the time of purchase is not possible due to its nature and size. There is loss of weight on account of corrosion and other factors during the usage of the ship and its voyage for about 20 to 25 years

Inventory at the close of the year is ascertained by reducing the weight of the scrap sold together with the estimated wastage of the material.

As regards to consumable stores and spares, the same is treated as having been consumed in the year of purchase.

i) REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover include sale of goods, services, sales tax, service tax, excise duty and sales during trial run period, adjusted for discounts (net) , Value Added Tax and gain/loss corresponding hedge contracts.

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

Share of profit/(Loss) from partnership firms for the year is accounted on the basis of provisional annual reports of the firms. Differential share of profit/(Loss), if any, from provisional and audited annual reports of the firms will be accounted in the next financial year.

j) FOREIGN CURRENCY TRANSACTIONS

Purchase in respect of materials are accounted for on actual payment basis if the same are made before the year end and/or at the rate of foreign exchange booking are made. In all other cases, the purchases and also the liability in respect of said foreign exchange are stated as converted at the exchange rate prevalent at the last day of the financial year.

k) PROVISION FOR TAXATION

Current Taxes

Provision for current tax is made in accordance with the provisions of Income Tax Act, 1961.

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance taxes paid and TDS/TCS receivables.

Deferred Taxes

Deferred tax expense or benefit is recognized on timing differences being the differ-

ence between taxable income and accounting income that originate in one period and is likely to reverse in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. In other situations, deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available to realize these assets.

Minimum Alternative Tax (MAT)

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

l) RETIREMENT AND OTHER EMPLOYEE BENEFITS

Retirement benefit in the form of provident fund is a defined contribution scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The company has no obligation, other than the contribution payable to the provident fund.

The Management is also of the opinion that the payment of pension Act, is not applicable to the Company. Employees are eligible for gratuity at the time of retirement as per provisions of Payment of Gratuity Act. Provision for Gratuity has not been made in the Accounts as per AS - 15 and the same will be accounted for as and when payment is made.

m) EARNING PER SHARE

Basic earnings per share is computed by dividing the net profit after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the profit after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

n) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized if, as a result of a past event, the Company has a present legal obligation that is reasonably estimable and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the

best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

o) CASH & CASH EQUIVALENTS

Cash and cash equivalents comprise cash and cash on deposit with banks and corporations. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

p) CASH FLOW STATEMENTS :

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

- 1.2** a) Deferred tax has been accounted in accordance with the requirement of accounting standard on “ Taxes on Income” (AS-22) taking into account the present earning of the company, the anticipated earning etc are subject to adjustment on year to year.

The major components of the Deferred Tax Assets/Liabilities, based on the tax effect of the timing differences, as at 31st March 2015, are as under:

	31-Mar-15	31-Mar-14
<i>Deferred Tax Liability</i>		
- On account of Depreciation	18,393,280	35,070,173
Deferred Tax Assets	-	-
Net deferred tax liability at the year end	18,393,280	35,070,173

- b) There are no micro, small and Medium enterprises, to which the company owes dues, which are outstanding for more than 45 days as at March 31, 2015. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company.
- c) The company has taken lease right of the ship Breaking plot No. 14 Alang ship breaking yard. The consideration paid to GMB and party for which such plot has been taken over as treated as deferred revenue expenses and written off over the balance lease period.
- d) In the opinion of the Board of Directors, Current Assets, Loans & Advances have

HARIYANA SHIP BREAKERS LIMITED

a value on realization at least equal to the amount at which they are stated in the Balance Sheet. Adequate provision have been made in the accounts for all the known.

- e) The Balance of Sundry Creditors, Sundry Debtors, Loans & Advances are unsecured, considered goods and subject to confirmation.
- f) Previous years figures have been regrouped/rearranged wherever necessary so as to make them comparable with current years figures.

As per our separate report of even date

For P. D. Goplani & Associates

Chartered Accountants

FRN: 118023W

CA. Sonam Langalia

Partner

M. No. 154014

Place: Mumbai

Date : May 29, 2015

For and on behalf of the Board of Directors

Hariyana Ship Breakers Limited

Sd/-

Shantisarup Reniwal

Managing Director

(DIN 00040355)

Sd/-

Rajeev Reniwal

Chief Financial Officer

Sd/-

Rakesh Reniwal

Director

(DIN 00029332)

Sd/-

Disha Shah

Company Secretary

2.1 SHARE CAPITAL**A SHARE CAPITAL**

Particulars	As at	
	March 31, 2015	March 31, 2014
AUTHORISED CAPITAL:		
Equity Shares of Rs. 10/- Each	65,000,000	65,000,000
4% Redeemable Preference Share Of Rs. 10/- Each	50,000,000	50,000,000
ISSUED SHARES CAPITAL		
Equity Shares of Rs. 10/- Each	61,666,670	61,666,670
SUBSCRIBED & PAID UP CAPITAL		
Equity Shares of Rs. 10/- Each	61,666,670	61,666,670
Total	61,666,670	61,666,670

B. Reconciliation of the number of outstanding shares as at the beginning and at the end of the reporting period

Particulars	As at 31st March, 2015		As at 31st March, 2014	
	Number	Amount	Number	Amount
At the beginning of the year	6,166,667	61,666,670	6,166,667	61,666,670
Add: Issue of Bonus Shares during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	6,166,667	61,666,670	6,166,667	61,666,670

C. Terms/rights attached to equity shares

- i) The Company has one class of equity shares having par value of Rs. 10/- each. Each shareholder of the equity shares is entitled to one vote per share entitled to receive dividends as declared from time to time. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting.
- ii) During the year ended 31 March 2015, the amount of per share dividend recognized as distributions to equity share holders was Rs. Nil (31 March, 2014: Nil).
- iii) Preference shareholder do not have any voting right. They are entitled to dividend @ 4% before equity shareholders.

HARIYANA SHIP BREAKERS LIMITED

- D. The details of shareholder holding more than 5% shares as at 31st March, 2015 and 31st March, 2014 is set out below:

NAME OF SHAREHOLDER	As at 31st March, 2015		As at 31st March, 2014	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1 Rakesh Reniwal	858,230	13.92	858,230	13.92
2 Lalitadevi Reniwal	414,800	6.73	414,800	6.73
3 Sanjeev Reniwal	438,267	7.11	438,267	7.11
4 Shantisarup Reniwal HUF	625,178	10.14	625,178	10.14
5 Rajeev Reniwal	1,539,009	24.96	1,539,009	24.96
6 Unnati Reniwal	400,000	6.49	400,000	6.49

As per records of the Company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

2.2 RESERVES & SURPLUS

Particulars	As at	
	March 31, 2015	March 31, 2014
A CAPITAL RESERVES		
Balance as per the last Financial Statements	89,360,940	89,360,940
Add: Current Year Transfer	-	-
Closing Balance	89,360,940	89,360,940
B CAPITAL REDEMPTION RESERVE		
Balance as per the last Financial Statements	50,000,000	50,000,000
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	-
Closing Balance	50,000,000	50,000,000
C SECURITIES PREMIUM ACCOUNT		
Balance as per the last Financial Statements	14,038,400	14,038,400
Add: Securities premium credited on Share issue	-	-
Less: Premium Utilised for various reasons	-	-
Amount utilized toward Issue of Fully paid Bonus Shares	-	-
Closing Balance	14,038,400	14,038,400
D REVALUATION RESERVE		
Balance as per the last Financial Statements	5,767,075	6,440,182
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	668,057	673,107
Closing Balance	5,099,018	5,767,075

Particulars	As at	
	March 31, 2015	March 31, 2014
E GENERAL RESERVE		
Balance as per the last Financial Statements	37,425,418	37,425,418
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	-
Closing Balance	37,425,418	37,425,418
F SURPLUS/(DEFICIT) IN THE STATEMENT OF PROFIT & LOSS		
Balance as per the last Financial Statements	582,624,809	450,713,350
Net Profit/(Net Loss) For the current year	141,432,647	131,911,457
Transfer From Reserves	-	-
Less: APPROPRIATIONS		
Proposed Final Equity Dividend {Current Year : Rs. Nil per Share (PY: Nil)}	-	-
Tax on Proposed Equity Dividends	-	-
Transfer to Capital Redemption Reserves	-	-
Transfer to General Reserves	-	-
Total Appropriations	-	-
Net Surplus in the Statement of Profit & Loss	724,057,456	582,624,807
Total Reserve & Surrplus	919,981,232	779,216,640

2.3 LONG TERM BORROWINGS

UNSECURED		
B LOANS & ADVANCES		
- From Related Parties	59,687,076	55,214,686
- From other Parties	-	-
Total	59,687,076	55,214,686

2.4 DEFERRED TAX LIABILITIES

Deferred Tax Liabilities		
- On account of Depreciation	18,393,280	35,070,173
	18,393,280	35,070,173
Deferred Tax Assets		
- On disallowances of expenses	-	-
	-	-
Total	18,393,280	35,070,173

The major components of deferred tax assets/ liabilities, based on the tax effect of the timing difference as at the year end. Deferred tax is accounted using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date.

HARIYANA SHIP BREAKERS LIMITED

2.5 OTHER LONG TERM LIABILITIES

Particulars	As at	
	March 31, 2015	March 31, 2014
(A) Trade Payables (Including Acceptance)	20,000	119,274
(B) Other Payables		
Advance from Customers	400,000	-
Security Deposit From Tenants	1,340,000	1,340,000
Total	1,760,000	1,459,274

2.6 SHORT TERM BORROWINGS

Particulars	As at	
	March 31, 2015	March 31, 2014
SECURED		
A LOANS REPAYABLE ON DEMAND		
I Working Capital Loans From Banks (Secured)	(958,935)	2,179,597
II Foreign Letter of Credits (Secured)	1,123,434,300	2,006,645,318
(A)	1,122,475,365	2,008,824,915
UNSECURED		
B LOANS		
- From Related Parties (B)	-	47,956,041
	-	47,956,041
Total(A+B)	1,122,475,365	2,056,780,956

Notes:

1. Details of the secured short-term borrowings:

Particulars	As at	
	March 31, 2015	March 31, 2014
<i>Working Capital Loan from banks:</i>		
a - Punjab National Bank CC-2793	-	1,272,776
b - Punjab National Bank CC- 600	(958,935)	906,821
Total from banks	(958,935)	2,179,597

2. Details of Security:

- a. Cash Credit facility is secured by way of hypothecation of Stock and Book Debts of the company as primary security and equitable mortgage of immovable property of the company and associated concern as collateral security and also by personal guarantee of directors.

2.7 TRADE PAYABLES

Particulars	As at	
	31st March, 2015	31st March, 2014
Trade Payables		
- Advance From Customers	5,777,953	1,500,000
- Creditors Payable	9,682,282	412,534,434
Total	15,460,235	414,034,434

2.8 OTHER CURRENT LIABILITIES

INCOME RECEIVED IN ADVANCE	-	-
OTHER PAYABLE		
Statutory Dues	3,111,340	10,801,928
Advance from Customers	3,600,000	2,593,448
Margin money of customer	11,900,001	91,900,001
Outstanding Liabilities	2,463,109	204,691
Total	21,074,450	105,500,068

2.9 SHORT-TERM PROVISIONS

A) Provision for Employee Benefits		
Salary & Other Incentives	158,988	116,796
Contribution to Provident Fund	27,893	-
Contribution to ESIC	8,772	-
Outstanding Liabilities	588,854	1,093,854
(B) Others		
Provision for Income Tax	116,920	1,192,903
Total	901,427	2,403,553

HARIYANA SHIP BREAKERS LIMITED

2.10 FIXED ASSETS

ASSETS	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	ASON 01.04.2014	ADDITION	DEDUCTION	TOTAL 31.03.2015	UPTO 01.04.2014	DEP. FOR THE YEAR	ON REVALUATION	WRITTEN BACK	TOTAL ASON 31.03.2015	ASON 31.03.2014
FACTORY LAND	23,529,682	-	-	23,529,682	-	-	-	-	-	23,529,682
PREMISES										
- Non Factory	39,733,150	-	-	39,733,150	13,659,384	45,953	595,291	-	14,300,628	25,432,522
Warehouse (Leasehold)	4,817,420	-	-	4,817,420	1,692,341	3,662	72,766	-	1,768,768	3,048,652
- Godown	1,356,796	-	-	1,356,796	399,965	74,624	-	-	474,589	882,207
- Office	2,041,059	-	-	2,041,059	287,919	32,778	-	-	320,697	1,720,362
- Flate Madhavhill	1,264,697	-	-	1,264,697	-	-	-	-	-	1,264,697
FACTORY BUILDING	23,427,076	-	4,017,605	19,409,471	5,564,868	625,660	-	913,267	5,277,261	14,132,209
ROADS & CULVERTS	72,850	-	-	72,850	19,058	2,280	-	-	21,338	51,512
PLANT & MACHINERY	168,903,922	590,630	53,118,980	116,375,573	77,228,037	12,075,174	-	23,054,755	66,248,456	50,127,118
CRANE	16,805,083	-	-	16,805,083	5,480,369	1,294,036	-	-	6,774,405	10,030,678
POLLUTION CONTROL EQUIPMENTS	43,517,927	-	-	43,517,927	19,212,249	2,860,128	-	-	22,072,377	21,445,550
PLANT & MACHINERY (OTHERS)	40,050,997	-	8,165,829	31,885,168	17,183,929	3,723,332	-	655,636	20,251,625	11,633,545
ASBESTO HANDLING SYSTEM	283,500	-	-	283,500	49,954	19,420	-	-	69,374	214,126
OFFICE EQUIPMENTS	2,582,595	-	36,857	2,545,738	1,148,681	1,153,443	-	14,956	2,287,168	258,571
MOBILE	188,630	31,130	-	219,760	24,260	161,926	-	-	186,186	33,574
FURNITURE	4,235,846	103,076	-	4,338,922	2,791,271	1,091,434	-	-	3,882,705	456,217
COMPUTERS	2,685,997	-	-	2,685,997	2,612,290	49,331	-	-	2,661,621	24,376
AIR CONDITIONERS	373,070	-	-	373,070	71,863	24,128	-	-	95,991	277,079
METAL DETECTOR	102,222	-	-	102,222	37,271	7,718	-	-	44,989	57,233
VEHICLE	6,420,606	1,245,000	3,956,926	3,708,680	3,916,648	352,924	-	3,803,157	466,415	3,242,265
TRANSPORT VEHICLES	7,959,372	-	7,449,704	509,668	3,005,650	664,089	-	3,185,554	484,185	25,483
PORTABLE GENERATOR SET	23,800	-	-	23,800	19,885	2,725	-	-	22,610	1,190
WIRE ROPE	4,258,041	-	-	4,258,041	1,296,511	319,779	-	-	1,616,290	2,641,751
FIRE FIGHTING EQUIPMENTS	165,134	-	-	165,134	69,932	14,284	-	-	84,216	80,918
BUILDING	292,542	-	-	292,542	38,020	9,186	-	-	47,206	245,336
SPECTRO METER	811,981	-	-	811,981	162,707	56,433	-	-	219,140	592,841
WEIGHING MACHINE	87,289	-	-	87,289	36,775	7,524	-	-	44,299	42,990
WEIGH BRIDGE	790,492	765,326	-	1,555,818	441,283	136,176	-	-	577,459	978,359
WINCH	101,000	990,375	-	1,091,375	57,641	70,193	-	-	127,834	963,541
TOTAL	396,882,776	3,725,537	76,745,901	823,862,413	156,508,761	24,878,339	668,057	31,627,325	150,427,832	173,434,584
INTANGIBLE ASSETS										
WEBSITE	107,630	-	-	107,630	42,580	21,526	-	-	64,106	43,524
TOTAL	396,990,406	3,725,537	76,745,901	823,970,043	156,551,341	24,899,865	668,057	31,627,325	150,491,938	173,478,108
PREVIOUS YEAR	408,876,527	1,401,658	-	410,278,185	117,166,144	18,273,344	824,593	-	136,264,080	274,014,105
TOTAL	795,879,203	5,147,174	76,745,901	829,772,278	313,057,682	43,173,183	1,492,650	31,627,325	306,956,872	347,912,213

2.11 NON-CURRENT INVESTMENTS

Particulars	As at	
	31st March, 2015	31st March, 2014
A LONG TERM INVESTMENTS (AT COST)		
INVESTMENT IN EQUITY SHARES		
UNQUOTED		
The Cuffe Parade premises of Co-Operative Ltd. 1 (PY 1.00) share of Rs.10/- each paid up	10	10
QUOTED		
Inducto Steel Ltd 10 (PY 0.00) share of Rs.10/- each paid up	401	-
INVESTMENTS IN PARTNERSHIP FIRMS *	308,910,908	134,048,916
Total	308,911,319	134,048,926

* Details Of Investment in Firms

Particulars	Share in Profit/ (Loss)	As at	
		March, 31 2015	March, 31 2014
In Partnership Firms			
Fixed Capital			
Orchid Lakeview Developers	33.33%	100,000	100,000
White Mountain	25.00%	25,000	25,000
Shree Balaji Associates	5.00%	25,000	-
Goyal Hariyana Construction	50.00%	65,644,140	65,644,140
Goyal Hariyana Realty	50.00%	50,000	50,000
Hariyana Air Product	60.00%	4,500,000	4,500,000
Current A/c			
Whitefield Projects	40.00%	2,797,836	1,585,956
Swastik Developers	33.33%	38,309,983	34,205,342
Orchid Lakeview Developers	33.33%	156,038,585	12,358,353
Goyal Hariyana Construction	50.00%	71,260,662	-
White Mountain	25.00%	186,201,100	4,486,368
Goyal Hariyana Realty	50.00%	81,312,694	6,102,577
Shree Balaji Associates	5.00%	(301,575,436)	-
Hariyana Air Product	60.00%	4,221,344	4,991,180
		308,910,908	134,048,916

Note: 1. During the year name of Orchid Woods Projects (Partnership Firm) was changed to Goyal Hariyana Construction.

2. Market value as on 31.03.2015 of quoted investment was Rs.230/-

HARIYANA SHIP BREAKERS LIMITED

2.12 LONG TERM LOANS & ADVANCES

Particulars	As at	
	31st March, 2015	31st March, 2014
A Security Deposits		
Secured, considered good	-	90,000
Unsecured, considered good	-	-
(A)	-	90,000
B Other loans and advances (specify nature)		
Balance with statutory/government authorities	1,057,115	2,715,624
(B)	1,057,115	2,715,624
Total(A+B)	1,057,115	2,805,624

2.13 NON-CURRENT ASSETS

Miscellaneous expenses to the extent to be w/off or adjusted		
- Preliminary Expenses	-	-
- Pre-operative Expenses pending for Capitalisation	-	-
Less: Written off during the yea	-	-
Total	-	-

2.14 INVENTORIES

A RAW MATERIALS & COMPONENTS (Valued at Cost)		
CLOSING BALANCE OF UNCUT SHIP	98,469,494	1,138,464,500
CLOSING BALANCE OF MANUFACTURING OF SPONGE IRON	5,398,912	5,398,912
	103,868,406	1,143,863,412
B FINISHED GOODS (At Cost or Net realisable Value)		
CLOSING BALANCE	5,432,817	-
C BY PRODUCTS (DOLACHAR) -Valued at realisable Value		
CLOSING BALANCE	177,389	194,215
D STORES AND SPARES		
CLOSING BALANCE	4,194	-
Total	109,482,806	1,144,057,627

2.15 TRADE RECEIVABLES

Particulars	As at	
	31st March, 2015	31st March, 2014
Trade receivables outstanding For a period less than six months from the date they are due for payment (Unsecured, Considered good) (A)	58,417,846	63,947,112
Trade receivables outstanding For a period exceeding six months from the date they are due for payment (Unsecured, Considered good) (B)	326,424,812	318,361,730
Total(A+B)	384,842,657	382,308,842

2.16 CASH & CASH EQUIVALENTS

Cash in Hand	827,401	527,007
Balances with scheduled banks	47,590,782	28,840,209
Total	48,418,183	29,367,216
The details of balances as on balance sheet dates with banks are as follows:		
In current account		
Balances with scheduled banks (In Current Accounts)	444,708	3,366,019
- Punjab National Bank - CC 1040	34,962,562	14,413
- Punjab National Bank -	2,024,465	-
- State Bank of India	200,029	88,314
- Punjab National Bank (Mumbai) OD 376097	9,956,026	25,371,463
Total	47,590,782	28,840,209

2.17 SHORT-TERM LOANS & ADVANCES

Unsecured, considered good		
A. Loans and Advances to		
- Other parties (A)	1,189,792,210	1,171,508,775
Unsecured, considered good		
B Others		
Prepaid Expenses	31,163	83,304
Deposits	345,306	790,498
Staff Advances	576,559	-
Advances recoverable in cash or kind or value to be received	120,079	1,241,815
Balance with statutory/government authorities	2,596,782	1,957,482
Advance Income Taxes (B)	1,476,384	-
Total(A+B)	5,146,273	4,073,099
	1,194,938,483	1,175,581,874

HARIYANA SHIP BREAKERS LIMITED

2.18 OTHER CURRENT ASSETS

Particulars	As at	
	31st March, 2015	31st March, 2014
Unsecured, considered good		
Other Receivables	4,102	-
Advance to suppliers	-	402,470,320
Deposits	266,960	266,960
Total	271,062	402,737,280

2.19 REVENUE FROM OPERATIONS

SALES OF PRODUCTS	1,437,287,501	1,589,724,991
SALES OF TRADING GOODS		
- HIGH SEAS SALES	844,895,944	-
- LOCAL SALES	112,252,856	3,122,534,764
Gross Sales	2,394,436,301	4,712,259,755
Less: Excise Duty	(31,048,309)	(20,971,765)
Total	2,363,387,992	4,691,287,990

2.20 OTHER INCOME

INTEREST INCOME ON		
ON BANK FDR	2,702	17,146
INTEREST INCOME FROM CUSTOMER	111,299,033	55,709,713
FROM OTHER PARTIES	79,103,415	172,362,443
FROM PARTNERSHIP FIRMS	1,196,503	1,258,324
RENT RECEIVED	3,824,192	3,359,251
PROFIT/(LOSS) FROM PARTNERSHIP FIRM		
Share of profit/(loss) of Whitefield Projects	(42,214)	29,785,955
Share of loss from Orchid Lakeview Developers	(344)	-
Share of profit from Shree Balaji Associates	346,053	-
Share of profit from White Mountain	56,028,971	-
Share of profit/(loss) of Orchid Wood Projects	-	55,644,140
Share of profit/(loss) of Goyal Hariyana Constructions	57,287,698	(956)
Share of Profit/(Loss) - Hariyana Air Product	(2,700,159)	(2,717,144)
OTHER INCOME		
CUSTOM DUTY/ EXCISE REFUNDABLE	1,322,276	-
COMMISSION INCOME	25,120,887	-
AMOUNT WRITTEN OFF AS NO LONGER PAYABLE	-	281,129
PROFIT ON SALE OF ASSETS	910,754	1,271,345
OTHER MISC - INCOME	184,126	35,553
Total	333,883,893	317,006,899

2. 21 COST OF RAW MATERIALS CONSUMED

Particulars	As at	
	31st March, 2015	31st March, 2014
INVENTORY AT THE BEGINNING OF THE YEAR	1,143,863,412	189,180,498
ADD: PURCHASE OF RAW MATERIAL	349,223,441	2,399,818,582
	1,493,086,853	2,588,999,080
LESS: INVENTORY AT THE END OF THE YEAR	103,868,407	1,143,863,412
COST OF RAW MATERIAL CONSUMED	1,389,218,446	1,445,135,668

2. 22 PURCHASE OF STOCK-IN-TRADE

PURCHASES	927,853,463	2,955,809,623
PURCHASE OF RAW MATERIAL	927,853,463	2,955,809,623

2. 23 CHANGES IN INVENTORIES OF FINISHED GOODS

INVENTORY AT THE BEGINNING OF THE YEAR		
- FINISHED GOODS	-	29,593,785
- BY PRODUCT GOODS	194,215	228,929
- WORK-IN-PROGRESS	-	1,022,501
(A)	194,215	30,845,215
INVENTORY AT THE END OF THE YEAR		
- FINISHED GOODS	5,432,817	-
- HIGH SEASES STOCK	-	-
- BY PRODUCT GOODS	177,389	194,215
- WORK-IN-PROGRESS	-	-
(B)	5,610,206	194,215
INCREASE/(DECREASE) IN FINISHED STOCK		
(A-B)	-5,415,991	30,651,000

2. 24 EMPLOYEE BENEFITS EXPENSES

SALARIES & WAGES	10,951,529	14,476,210
CONTRIBUTION TO PROVIDENT FUND	501,571	94,901
CONTRIBUTION TO E.S.I.C.	450,451	474,190
BONUS	1,653,612	1,919,317
WORKER INSURANCE	69,053	282,177
STAFF WELFARE EXPENSES	365,216	449,251
TOTAL	13,991,432	17,696,046

HARIYANA SHIP BREAKERS LIMITED

2. 25 FINANCE COSTS

Particulars	As at	
	31st March, 2015	31st March, 2014
BANK COMMISSION & CHARGES	2,894,019	2,944,538
INTEREST EXPENSES ON :		
BANK LOANS	4,495,746	22,007,250
PAID TO OTHER PARTIES	27,575,301	14,798,509
DELAYED PAYMENT OF STATUTORY DUES	38,960	60,642
LC DISCOUNTING CHARGES	3,146,635	90,040,649
Total	38,150,661	129,851,588

2. 26 OTHER EXPENSES

MANUFACTURING EXPENSES		
CARRIGE & CARTAGE	-	14,340
COMPENSATION TO FARMERS	-	849,377
CONSUMPTION OF STORE & SPARE PARTS	2,337,581	5,857,265
ENVIRONMENT PROTECTION CHARGES	157,969	148,744
GASES EXPENSES	18,387,870	18,961,931
OTHER MANUFACTURING & OPERATING EXPENSES	429,014	10,112
PLOT RENT & PLOT DEVELOPMENT CHARGES	1,233,711	1,223,601
POWER & FUEL	1,077,077	3,334,686
REPAIRS & MAINTENACES	306,707	2,755,421
SCREENING WORK	-	2,817,500
JCB HIRE CHARGES	-	265,500
WEIGHING EXP	-	2,070
SUB TOTAL	23,929,929	36,240,547
ADMINISTRATIVE EXPENSES		
ADVERTISEMENTS	28,184	31,424
ACCOUNTING CHARGES	168,000	120,000
BAD DEBTS	-	47,295,340
COMPUTER CHARGES	66,963	63,690
CUSTOMS DUTY EXPENSE	782,239	27,707
DONATION	9,962	86,301
Excise Expenses (Inventories)	603,646	-
ELECTRIC EXPENSES	109,240	115,148
FEES & SUBSCRIPTION	388,398	167,004
FOREIGN CURRENCY TRANSACTION VARIATION	62,179,697	104,286,040
FIXED ASSETS WRITTEN OFF	12,029,407	-
GENERAL EXPENSES	274,668	207,394
GROUND RENT EXPENSES	1,937,151	-

INSURANCE	25,866	85,424
LEGAL & PROFESSIONAL EXPENSES	2,189,871	2,632,736
LOSS ON SALE OF ASSETS	5,020,659	1,002,552
LISTING EXPENSES	146,068	61,798
OFFICE RENT	-	158,500
OFFICE & FACTORY MAINTENANCE	-	31,416
PAYMENT TO AUDITOR *	174,246	179,246
PENALTY & INTEREST CHARGES	7,966	115,819
POSTAGE & COURIER	95,138	78,473
PRELIMINARY EXPENSES- WRITTEN OFF	-	5,797
PRINTING & STATIONERY	107,373	155,017
PROFESSIONAL TAX	2,000	2,000
RATE & TAXES	596,136	8,097,491
REPAIR & MAINTENANCE	2,521	17,635
SECURITIES GAURD EXPENSES	87,581	1,045,988
SHARE DEMAT	1,124	1,144
SOCIETY MAINTENANCE	401,010	375,653
TELEPHONE EXPENSES	138,743	147,027
TESTING & INSPECTION CHARGES	-	3,100
TRAVELLING EXPENSES	1,548,920	770,689
VEHICLE & CONVEYANCE EXPENSES	682,975	724,346
SUB TOTAL	89,805,753	168,091,899
SELLING & DISTRIBUTION EXPENSES		
BUSINESS PROMOTION CHARGES	31,500	121,989
BROKERAGE & COMMISSION	1,530,437	842,810
FREIGHT OUTWARD	107,100	235,057
PACKING MATERIAL	-	14,020
SALES TAX	49,663,700	49,974,918
SUB TOTAL	51,332,737	51,188,794
Total	165,068,419	255,521,240
* PAYMENT TO AUDITOR		
AS AUDITOR :		
AUDIT FEE	141,662	136,662
TAX AUDIT FEE	13,483	23,483
OTHER SERVICES	19,101	19,101
Total	174,246	179,246

HARIYANA SHIP BREAKERS LIMITED

2. 27 TAX EXPENSES

Particulars	As at	
	31st March, 2015	31st March, 2014
Current tax:		
- Income taxes	18,749,837	25,546,509
Deferred taxes	(16,676,894)	(1,984,006)
Total	2,072,943	23,562,503

2. 28 EARNING PER SHARES

The annualised earning per equity shares has been calculated as under.

Profit after tax as per profit & Loss accounts	141,432,647	131,911,457
Add: Prior Period Adjustments	-	-
Less :Dividend on Preference Shares including dividend Tax	-	-
Net profit for calculation of Earning per shares	141,432,647	131,911,457
Weighted average No. of shares outstanding during the year	6,166,667	6,166,667
Weighted average No. of shares including to be issued	6,166,667	6,166,667
Basic Earning per shares	22.94	21.39
Diluted earnings per share	22.94	21.39

2. 29 SEGMENT INFORMATION

The business of the company is divided into three segments: Investment & Finance, Ship Recycling and Manufacturing of Sponge Iron & Steels and separate set of books of accounts are maintained. The principal activities of these segments are as under:

Segment	Principal Activities
Investment& Trading Activity	Trading in Ferrous and Non Ferrous Metals, Coils and Coal
Ship Breaking Activity	Dismantling / Breaking of old and used ships
Steel and Power	Manufacture of Sponge Iron

Segment Revenue, Segment Expenses and Segment Result include inter segment revenues / expenses between business segments. Those transfer are eliminated in total revenue/expense/results.

Business Segments

(Rs. In lacs)

Particulars	Investment & Trading	Ship Breaking	Trading	Steel & Power	Total Operation
Segment Revenue					
External revenue from activities	1,102.39 <i>31,225.35</i>	14,070.72 <i>14,938.77</i>	8,448.96 -	11.81 <i>748.76</i>	23,633.88 <i>46,912.88</i>
Other Income	3,074.00 <i>3,160.45</i>	250.67 <i>(13.29)</i>	-	14.16 <i>22.90</i>	3,338.84 <i>3,170.07</i>
Total revenue as per Profit & Loss	4,176.39 <i>34,385.80</i>	14,321.39 <i>14,925.48</i>	8,448.96 -	25.98 <i>771.67</i>	26,972.72 <i>50,082.95</i>
Add: Inter segment Interest income	-	557.99 <i>536.81</i>	76.78 -	-	634.77 <i>536.81</i>
Total Segment Revenue	4,176.39 <i>34,385.80</i>	14,879.38 <i>15,462.29</i>	8,525.74 -	25.98 <i>771.67</i>	27,607.49 <i>50,619.76</i>
Less: Financial Charges(external)	296.28 <i>1,167.76</i>	34.70 <i>73.05</i>	0.76 -	49.77 <i>57.70</i>	381.51 <i>1,298.52</i>
Less: Inter segment Interest expense	495.16 <i>244.11</i>	-	-	139.61 <i>292.70</i>	634.77 <i>536.81</i>
Less: Operating expenses	1,083.33 <i>29,666.63</i>	15,417.41 <i>16,002.56</i>	8,234.51 -	420.91 <i>1,560.50</i>	25,156.16 <i>47,229.69</i>
Segment Results	2,301.63 <i>3,307.29</i>	-572.73 <i>-613.32</i>	290.47 -	-584.31 <i>-1,139.23</i>	1,435.06 <i>1,554.74</i>
Less: Current Taxes					(20.73) <i>(235.63)</i>
Extraordinary profit/loss	-				
Net Profit					1,414.33 <i>1,319.11</i>
Segment Assets					
Total Assets	18,977.56 <i>20,771.78</i>	1,624.72 <i>12,269.34</i>	295.55 -	1,316.16 <i>2,072.35</i>	22,214.00 <i>35,113.46</i>
Segment Liabilities					
Total Liabilities	335.67 <i>5,839.89</i>	3,081.54 <i>20,197.98</i>	8,275.20 -	705.11 <i>666.76</i>	12,397.52 <i>26,704.63</i>
Net Asstes	18,641.89 <i>14,931.89</i>	-1,456.82 <i>-7,928.64</i>	-7,979.65 -	611.06 <i>1,405.58</i>	9,816.48 <i>8,408.83</i>

(* Figures in italics are in respect of the previous year)

HARIYANA SHIP BREAKERS LIMITED

2. 30 Related Party Transactions:

a) Key Management Personnel (KMP)

i)	Shantisarup Reniwal	Managing Director
ii)	Rakesh Reniwal	Executive Director
iii)	Unnati Reniwal	Executive Director
iv)	Disha Shah	Company Secretary
v)	Rajeev Reniwal	CFO

b) Other related parties where there have been transactions:

Enterprises commonly controlled or influenced by major shareholder/directors/
relative of directors of the Company:

i)	Orchid Lakeview Developers	Partnership
ii)	Swastik Developers	Partnership
iii)	White Mountain	Partnership
iv)	Whitefield Project	Partnership
v)	Hariyana Internation Private Limited	Common Directors
vi)	Goyal Hariyana Realty	Partnership
vii)	Inducto Steel Limited	Enterprises over which KMP or their relatives have significant control or influence
viii)	Shree Balaji Associates	Partnership
ix)	Goyal Hariyana Consturction	Partnership

The details of transaction with related parties

In Rupees

Nature of transactions	Related Personnel		Other related parties	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
INCOME				
INTEREST INCOME				
Hariyana Ship Demolition Private Limited	-	-	-	-
Orchid Lakeview Developers	-	-	13,669,576	3,303,855
Swastik Developers	-	-	4,104,641	3,664,858
White Mountain	-	-	10,685,761	1,624,656
Goyal Hariyana Realty	-	-	5,210,117	1,341,834
Hariyana Air Product	-	-	1,196,503	1,258,324
Whitefield Projects	-	-	254,095	-
	-	-	35,120,693	11,193,527
OXYGEN GAS PURCHASES				
Hariyana Air Product	-	-	8,550,932	7,396,819
	-	-	8,550,932	7,396,819
INTEREST PAID				
Hariyana Ship Demolition Private Limited	-	-	5,475,189	8,113,073
Whitefield Project	-	-	-	2,088,468
Goyal Hariyana Consturction	-	-	1,141,151	-
Shree Balaji Associates	-	-	15,989,639	-
	-	-	22,605,979	10,201,541
REMUNERATION PAID				
Disha Shah	40,000	-	-	-
	40,000	-	-	-
LOAN GIVEN				
Hariyana Ship Demolition Private Limited	-	-	1,599,109,320	1,904,355,725
Inducto Steel Ltd.	-	-	-	6,574,000
	-	-	1,599,109,320	1,910,929,725
LOAN TAKEN				
Hariyana Ship Demolition Private Limited	-	-	1,551,153,279	1,945,010,000
Inducto Steel Ltd.	-	-	-	6,574,000
			1,551,153,279	1,951,584,000

HARIYANA SHIP BREAKERS LIMITED

OUTSTANDING BALANCES AS ON MARCH 31, 2015

The details of transaction with related parties

Nature of transactions	Key Management Personnel		Other Related Parties	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
SUNDRY CREDITORS				
Hariyana Air Product	-	-	16,786	1,187,166
	-	-	16,786	1,187,166
LOAN TAKEN				
Hariyana Ship Demolition Private Limited	-	-	-	47,956,041
	-	-	-	47,956,041

2.31 CONTINGENT LIABILITIES

CONTINGENT LIABILITIES & COMMITMENTS (TO EXTENT NOT PROVIDED FOR)

(A) - In respect of pending appeal before Hon. ACIT, Central circle 41, Mumbai (FY: 2006-07)	396,780	396,780
- In respect of pending appeal before Hon. ITAT, Mumbai (FY: 2008-09)	188,120	188,120
- In respect of pending appeal before Hon. ACIT, Central circle 38, Mumbai (FY: 2009-10)	200,550	200,550
- In respect of pending appeal before Hon. ACIT, Central circle 7, Mumbai (FY: 2010-11)	358,140	358,140
- In respect of pending appeal before Hon. CIT (Appeal)-8, Mumbai (FY: 2011-12)	3,030,960	-
	<u>4,174,550</u>	<u>1,143,590</u>

1. The company do not anticipate any liability on account of counter guarantees given to bank for various loan facility availed by associated concerns.

2. The company does not anticipate any liability except above on account of pending income tax and sales tax assessments.

2.32 Details of Quantity & Value of Stock

Particulars of licenced, installed capacity & actual production	As at 31st March 2015		As at 31st March 2014	
	Ship Breaking Quantity MT	Steel & Power Quantity MT	Ship Breaking Quantity MT	Steel & Power Quantity MT
i) Licenced capacity	N.A.	85,000.000	N.A.	85,000.000
ii) Installed capacity	N.A.	60,000.000	N.A.	60,000.000
iii) Actual production	42,048.350	Nil	49,530.950	4,635.070

A Particulars of Finished Goods	Quantity MT.		Value Rs.	
	March 31, 2015	March 31, 2014	March 31, 2015	March 31, 2014
Ship Breaking				
Opening Stock	-	-	-	-
Production	42,048.350	42,229.170	13,892.18	14,054.84
Sales of Finished Goods	42,048.350	42,229.170	14,359.70	15,058.80
Closing Stock	-	-	-	-
Steel & Power				
Opening Stock	-	2,098.850	-	295.94
Sales of Finished Goods	-	4,635.070	-	748.76
Closing Stock	-	-	-	-
Trading Division				
Opening Stock	-	-	-	-
Purchases	41,799.920	131,804.059	1,049.94	29,558.10
Sales	41,799.920	131,804.059	1,102.39	31,225.35
Closing Stock	-	-	-	-
B Value of Imported and indigenous Raw Materials consumed (Excluding Trading)				
Indigenous		7,567.110		396.52
Imported	44,882.050	47,583.000	13,892.18	14,054.84
	44,882.050	55,150.110	13,892.18	14,451.36
C Value of Imported and indigenous Stores & Spares consumed				
Indigenous	-	-	674,880.00	4,010,752.00
Imported	-	-	-	-
	-	-	674,880.00	4,010,752.00
D CIF Value of Imports				
Raw Material of Melting Scrap			2,935.93	20,066.45
Stores & Spares				-
Trading Goods			8,120.81	-
Capital Goods				-
Total			11,056.73	20,066.45

2.33 Significant accounting policies and practices adopted by the Company are disclosed in the statement annexed to these financial statements.

Significant accounting policies and notes on account

For P. D. Goplani & Associates

Chartered Accountants

FRN: 118023W

Sd/-

CA. Sonam Langalia
Partner

M. No. 154014

Place: Mumbai

Date : May 29, 2015

For and on behalf of the Board of Directors

Haryana Ship Breakers Limited

Sd/-

Shantisarup Reniwal

Managing Director

(DIN 00040355)

Sd/-

Rajeev Reniwal

Chief Financial Officer

Sd/-

Rakesh Reniwal

Director

(DIN 00029332)

Sd/-

Disha Shah

Company Secretary

ROUTE MAP FOR AGM VENUE



HARIYANA SHIP BREAKERS LIMITED

Reg. Off: 156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai-400021.
 Tel- 022 - 22043211 Fax- 22043215 E-mail: contact@hariyanagroup.com, hsbl@vsnl.com
 CIN: L61100MH1981PLC024774

PROXY FORM

[Pursuant to Section 105 (6) of the Companies Act, 2013 and
 Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s)	
Registered Address	
E-mail Id	
Folio No/ Client Id	
DP ID	

I/We, holding _____ Equity Shares of the above named company, hereby appoint:

- Name: _____
 Address: _____
 Email ID: _____
 Signature: _____ or failing him / her
- Name: _____
 Address: _____
 Email ID: _____
 Signature: _____ or failing him / her
- Name: _____
 Address: _____
 Email ID: _____
 Signature: _____ or failing him / her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the as my/our proxy to vote for me/us and on my/our behalf at the 34th ANNUAL GENERAL MEETING of the Company to be held on Wednesday, the 30th day of September, 2015 at 9.00 A.M. at 156, Maker Chamber VI, 220, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400021 or at any adjournment thereof in respect of such resolutions as are indicated below:

- To receive, consider and adopt the Audited Financial statements for the financial year ended 31st March 2015 and the reports of the Directors and the Auditors thereon.
- To appoint a Director in place of Mrs. Unnati Reniwal (DIN: 00041306), who retires by rotation and being eligible, offers herself for re-appointment.
- To consider appointment of Statutory Auditor of the Company.
- To consider appointment of Branch Auditor.
- To ratify payment of remuneration to the Cost Auditor.
- To ratify appointment of Mr. Shantisarup Reniwal as Managing Director.
- To provide authority to the Board to borrow under Section 180(1)(c) of the Companies Act, 2013
- To consider adoption of new Articles of Association of the Company.

Signed this.....day of 2015

Affix Revenue Stamp

Note:

- ◆ This form in order to be effective should be duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
- ◆ Those Members who have multiple folios with different joint holders may use copies of this proxy.

HARIYANA SHIPBREAKERS LIMITED REGISTERED OFFICE:

156, Maker Chambers VI, 220 Jamnalal Bajaj Marg,

Nariman Point, Mumbai- 400021.

E-Mail: contact@hariyanagroup.com

Web Site: - www.hariyanagroup.com