

HARIYANA SHIP BREAKERS LIMITED

BOARD OF DIRECTORS : Shri Shanti Sarup Reniwal
Smt. Lalitadevi Reniwal
Shri Rakesh Reniwal
Shri Manohar Wagh
Shri Pradeep Bhatia
Shri Tejas Thakkar

.....
AUDITORS : Jain Seth & Co.
(Chartered Accountants)
Ahmedabad - 380 058.

.....
BANKERS : Punjab National Bank
Raheja Chambers,
Nariman Point,
Mumbai-400 021.

.....
REGISTERED OFFICE : 302, Sylverton Bldg.,
102 Wode House Road,
Colaba, Mumbai-400 005.

.....
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.

.....
FINANCIAL YEAR : 2011-2012

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 : Friday, 28th September, 2012

Time : 12:00 noon

Venue : 302, Sylverton Bldg., Ground Floor, 102, Wode House Road, Colaba, Mumbai-400 005.

NOTICE

Notice is hereby given that the THIRTY FIRST ANNUAL GENERAL MEETING of the Members of HARIYANA SHIP BREAKERS LIMITED will be held on Friday, 28th September 2012 at the Registered Office of the Company at 302, Sylverton Bldg., Ground Floor, 102 Wodehouse Road, Colaba, Mumbai – 400 005 at 12.00 noon. To transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet as at 31st March, 2012 and Profit and Loss Account for the year ended on that date together with the Report of the Board of Directors and Auditors' thereon.
2. To declare a dividend on Equity shares.
3. To appoint a Director in place of Mr. Shantisarup Reniwal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rakesh Reniwal, who retires by rotation and being eligible, offers himself for re- appointment.
5. To appoint M/s. P. D. Goplani & Associates., Chartered Accountants, Bhavnagar, Firm Registration No. 118023W as Statutory Auditors of the Company and to fix their remuneration.

SPECIAL BUSINESS :

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

“RESOLVED THAT in accordance with the provisions of sections 198, 269, 309 read with Schedule XIII and all other applicable provisions, if any of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, approval of the members be and is hereby accorded for payment of remuneration to Mr. Shantisarup Reniwal, Managing Director as set out in the explanatory statement annexed to the notice convening this meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which terms shall be deemed to include any committee of the board constituted to exercise its powers, including the powers conferred by this resolution) to alter and vary the terms and conditions of remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof.

“FURTHER RESOLVED THAT in the event of loss or inadequacy of profit during the term of Mr. Shantisarup Reniwal acting as Managing Director, the remuneration payable to Mr. Shantisarup Reniwal shall be paid as per the monetary ceiling prescribed under Schedule XIII to the Companies Act, 1956 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 expedite to give effect to this resolution.

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

HARIYANA SHIP BREAKERS LIMITED

“RESOLVED THAT pursuant to the provisions of Section 198, 309 and any other applicable provisions, if any of the Companies Act, 1956, in pursuant to the revised Clause 49 of the Listing agreement or any amendment or re-enactment made therefore, approval of Members of the Company be and is hereby accorded that the Non-Executive Directors of the Company, in addition to the sitting fees being paid to them for attending the meeting of the Board and its Committees to be paid every year for a period of 5 (five) years with effect from September 1, 2012 commission of an amount as may be determined by the Board from time to time, subject to a ceiling of 1% (one percent) of the Net Profits of the Company (computed in the manner specified in section 198(1) of the Companies Act, 1956) to be distributed amongst such Non – Executive Directors in such a manner as the Board of Directors may from time to time determine and deem fit.”

By order of the Board

For **HARIYANA SHIP BREAKERS LIMITED**

Sd/-

Shanti Sarup Reniwal
Chairman & Managing Director

Place : Mumbai
Date : 16/08/2012

NOTES :

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- (b) Proxies in order to be effective, should reach duly completed, stamped and must be deposited at the registered office of the Company not less than 48 hours before the meeting.
- (c) Explanatory Statement pursuant to the provisions of the Section 173 (2) of the Companies Act, 1956 in respect of special business under Item no. 6 & 7 is annexed herewith.
- (d) The Register of Members and transfer register will remain closed from 18th September, 2012 to 28th September, 2012 (both days inclusive).
- (e) Details required under Clause 49 of the Listing Agreement entered with the Stock Exchanges in respect of Directors seeking appointment / re-appointment at the Annual General Meeting, are given in the relevant section of the Corporate Governance Report included in the Annual Report.
- (f) The Dividend on Equity Shares as recommended by the Directors for the year ended 31st March, 2012, if declared at the Annual General Meeting will be made payable to those members whose names appears in the Register of Members of the Company as on date of Annual General Meeting. The dividend in respect of Equity Shares held in electronic form as at close of business hours of 28th September, 2012 will be payable to the beneficial owners of the Equity Shares as per the details furnished by the Depositories for the purpose.
- (g) Shareholders, who still continue to hold shares in physical form, are requested to dematerialise their shares at the earliest and avail of the various benefits of dealing in securities in electronic / dematerialized form. The shareholders have the option to hold Company's shares in demat form through the National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL).
- (h) Members who have not encashed their dividend warrant for FY 2006-2007, FY 2007-2008, FY 2008-2009, FY 2009-2010 and FY 2010-2011 are requested to make their claim to the Company / Registrar and Share Transfer Agent immediately. Members are requested to lodge Share Transfer documents and all other correspondence and queries relating to Share Transfer, Share Certificates, Change of Address etc., at the Office of Registrar & Share Transfer Agent. The relevant address of Registrar and Share Transfer Agent is as under:

Contact Person : Shri 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 2851 2885 ● Email: info@sharexindia.com

- (i) Members are hereby informed that in terms of the provisions of Section 205A of the Companies Act, 1956, dividend not encashed or claimed within seven years from the date of its transfer to the unpaid dividend account, will be transferred to Investor Education & Protection Fund established by the Central Government. In terms of the provisions of Section 205C of the Companies Act, 1956, no claim shall lie against the Company or said fund after the said transfer.
- (j) Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the Office.

By order of the Board

For **HARIYANA SHIP BREAKERS LIMITED**

Sd/-

Place : Mumbai
Date : 16/08/2012

Shanti Sarup Reniwal
Chairman & Managing Director

HARIYANA SHIP BREAKERS LIMITED

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 6 :

As per the provisions of section 269, 198 read with Schedule XIII of the Companies Act, 1956, the Board of Directors of the Company cannot, except with the permission of the Shareholders in General Meeting, pay remuneration to the Managing Director. The Board has drafted an agreement on the terms and conditions including remuneration of which certain clauses are as follows :

Perquisites shall include Car & Petrol expenses may be re-imbursed for office use only.

Telephone expenses may be re-imbursed which has been used for office purposes only.

The entire agreement is tabled after initial of the Chairman and is available for inspection. Moreover, the Register maintained under section 302 of the Companies Act, 1956 is also available for inspection.

Explanation :

For the purpose of calculating perquisites and allowances, the same shall be evaluated as per the Rules for valuation of perquisites under the Income Tax Act, 1961 or any amendments thereto or any modifications or statutory re-enactment thereof and/or any Rules or Regulations framed for the said purpose. In the absence of any such provision for valuation of any perquisites and allowances in the said Rules, the same shall be evaluated at its actual cost of the Company.

Your Directors recommend the resolution for your approval.

None of the Directors except Mr. Rakesh Reniwal and Mrs. Lalitadevi Reniwal of the Company is, in any way, concerned or interested in the said resolution.

Item No. 7 :

Pursuant to the amendments made by the Securities and Exchange Board of India (SEBI) under the provisions of Clause 49(1)(B) of the Listing Agreement and Section 309 of the Companies Act, 1956 compensation payable to the Non- Executive Directors, including the Independent Directors shall require previous approval of the members in the general meeting. Approval of the members is sought by way of special resolution for payment of Commission for a future period of 5 years to Non-Executive Directors as set out in the Resolution at item no. 7 of this notice.

All Directors of the Company except Mr. Shantisarup Reniwal, Managing Director may be considered to be concerned or interested in this resolution.

By order of the Board

For **HARIYANA SHIP BREAKERS LIMITED**

Sd/-

Shanti Sarup Reniwal
Chairman & Managing Director

Place : Mumbai
Date : 16/08/2012

DIRECTOR'S REPORT

To,
The Members,
Hariyana Ship Breakers Limited
Mumbai

The Directors are pleased to present the 31st Annual Report of the Company together with the Audited Annual Accounts of the Company for the year ended 31st March, 2012.

Financial Results :

(Rs in Lacs)

	2011-12	2010-11
Sales & Other Income	60167.08	33663.30
Profit/(Loss) before Tax	1523.19	1434.18
Provision for Tax	(505.00)	(480.68)
Adjustment for deferred tax	19.31	5.36
Profit after tax	1037.49	958.86
Prior Period Adjustment	(0.81)	32.95
Balance Profit from Last Year	2568.02	2355.99
Profit Available for Appropriation	3604.70	3347.80
Transfer to General and other Reserves	(110.00)	(600.00)
Proposed Dividend	(185.00)	(154.17)
Dividend Distribution Tax thereon	(30.01)	(25.61)
Balance of Profit Carried to Balance Sheet	3279.69	2568.02
Earning Per Share (Face Value Rs.10/-)		
- Basic and Diluted	16.81	16.08

During the year under review, the aggregate gross revenues from operations (turnover) was Rs. 58210.16 Cr as compared to Rs. 32714.84 Cr in the previous Financial Year reflecting 78% growth. Net profit, however, increased by 4.53% at 10.37 Cr compared to Rs. 9.92 Cr last year, due to volatile market in Iron and Steel product, increased interest costs and high depreciation in value of Indian Rupee against forex. Companies consolidated EBIDT for the year are was at 21.79 Cr which is 12.72% higher than the preceding financial year.

DIVIDEND :

Taking into account the sustained good performance of the Company, Your Directors have recommended a Dividend of 30% (Rs. 3 per share) on the Equity Shares of Rs. 10/- each for approval by the Members. The total dividend, if approved by the shareholders at the Annual General Meeting, would absorb Rs. 185.00 lacs out of profits for the year. Dividend distribution tax payable amounting to Rs. 30.01 lacs has been appropriated out of profits.

PROSPECTS IN THE COMING YEAR :

During the financial year 2011-12, ship-breaking industry at Alang Ship Breaking Yard seen a sustained growth and this booming trend is expected to continue in coming years also. Trading unit of the

HARIYANA SHIP BREAKERS LIMITED

company has done tremendously well during the year and the trend is expected to continue in the coming years. Steel and Power unit has also driven better results in terms of sales as compared with preceding years and it is hoped that the growth story of the unit shall be sustained. Overall, since the prices of iron and Steel having been reasonably stabilized and the inventory levels of the company and its market position, all the segments of the company, viz. Ship Breaking, Sponge Iron and Trading, are expected to see major increase in terms of Gross Revenues and Net profit Margins in the coming year.

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 Iron and Steel activities of the company are doing well and are contributing considerably to the profitability of the company. The sponge iron division of the company also has given good results during the year, and with the increased management focus on market environment, the unit is also expected to yield positive results in the current year as well in the coming years. The financing and 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.

The company has entered into a partnership in M/s. Hariyana Air Products (with 60% share.) for the manufacture and supply of Industrial Oxygen Gas in the year 2011-12. During the year the oxygen plant at Bhavnagar, Gujarat has also performed well. Because of 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.

The Company is also taking interest into real estate business. For which has entered into Partnership in the name of "White Field Projects" (with 40% share) for construction & selling of residential apartments. The firm has acquired 1 Acre & 20 Guntas of land at Seegehalli, Whitefield, Bangalore with the object of constructing 2 & 3 BHK apartments consisting of 132 Flats. Likely date of completion of the project is October 2012.

The Company has also entered into Partnership and formed a Partnership Firm "Orchid Woods Projects" (with 50% share) for construction & selling of residential apartments. The firm has acquired 3 Acres of land at Kothanur, Hennur Bagalur Main Road, Bangalore with the object of constructing 2 & 3 BHK Apartments consisting of 392 Flats. Likely date of completion of the project is August 2014.

The Company has also entered into partnership (with 33.33% share) to form a partnership firm "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 entered into partnership and formed a partnership firm "White Mountain" (with 25% share). The firm has acquired 49 acres of land at Devenhalli, Bangalore with the object of cutting 378 plots. Likely date of completion of the project is October 2014.

The company has also entered into partnership and formed a partnership firm "Orchid Lakeview Developers" (with 33.33% share). The firm has acquired 5 acres of land at Bellandur, Bangalore with the object of construction 2 & 3 BHK apartments consisting 360 flats. Likely date of completion of the project is October 2015.

MANAGEMENT DISCUSSION AND ANALYSIS – REVIEW OF OPERATIONS :

Provided in Annexure – B forming part of this report

Director’s Responsibility Statement :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to the Directors’ Responsibility Statement is annexed herewith as provided in Annexure – C

Corporate Governance :

The disclosures as required under the Corporate Governance standards have been furnished as a part of this report. The Company has been practicing the principles of good corporate governance. In addition to basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity. Annexure-D

Board of Directors :

During the year, there has been no change since the last Annual General Meeting.

Pursuant to provisions of Companies Act, 1956 and in accordance with Article number 130 of the Articles of Association of the Company, Mr. Shantisarup Reniwal and Shri Rakesh Reniwal retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer themselves for re-appointment.

Auditor’s Observation/qualification :

The observation/qualification of the auditors are based on the facts stated in the schedules of notes and members are requested to refer to the Note no. 1.2 (a) to (l) of notes on accounts, which are self explanatory and does not require any further clarification/reply.

Deposits :

During the year under review, the Company did not accept any deposit from the public within the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rule, 1975 as amended.

Auditors :

M/s. Jain Seth & Co., Chartered Accountants, the Statutory Auditors of the Company retires at the ensuing Annual General Meeting. However, the company has not received their confirmation of their willingness to be re-appointed. The company has received confirmation and their eligibility and willingness to accept office from M/s. P.D. Goplani & Associates, Chartered Accountants, if appointed. They have given a certificate to the effect that the appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956. Your Directors recommend their appointment.

Members are requested to re-appoint M/s. P.D. Goplani & Associates, Chartered Accountants, as Statutory Auditors of the Company for the period commencing from ensuing Annual General Meeting until the conclusion of next Annual General Meeting and fix their remuneration.

Particular of Employees :

Pursuant to Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, your Company has no person in its employment drawing salary within the monetary ceiling prescribed under section 217 (2A) of the Companies Act, 1956.

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and outgo:

In accordance with the provisions of section 217 (1) (e) of the Companies Act, 1956, the required information relating to conservation of energy, technology absorption and foreign exchange earning and outgo is annexed hereto which is Annexure A forming part of this report.

Listing of Shares :

The shares of the Company are listed at Bombay Stock Exchange Limited, Mumbai and applicable listing fees have been paid within the prescribed time limits.

Acknowledgement :

Your Directors wish to place on record their appreciation for the continued support from the Shareholders, Investors, Customers, Suppliers and Bankers. Your Directors place on record their appreciation of the consistent contribution made by employees at all levels through their hard work, dedication, and solidarity cooperation and acknowledge that their supports had enabled the Company to achieve new heights of success.

For and on behalf of the Board

Sd/-

Shanti Sarup Reniwal
Chairman & Managing Director

Place : Mumbai
Date : 16/08/2012

ANNEXURE - A

Information as per section 217 (1) (e) read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rule 1988 and forming part of the Director's Report for the period ended on 31st March, 2012.

A. Conservation of Energy :

All manufacturing plants have implemented various initiatives for the conservation of energy and all efforts are made to minimize energy costs. Company is engaged in Ship Breaking, Sponge Iron Manufacture and trading in Iron and Steel. 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. In it's Sponge Iron Unit, the Company has taken various measures to control the consumption of fuel and energy.

The Company is in the process of setting a co-generation unit for utilizing fuel gas from the sponge iron plant therein reducing the dependence on the grid power. This will reduce the dependence of the company on grid power and also will effectively reduce the production cost.

B. Technology Absorption :

1. Specific area in which R&D carried out by the company :
Company is engaged in Ship Breaking, Sponge Iron Manufacture and trading in Iron and Steel. Therefore, no significant consideration is required in R & D.
2. No Research & Development work has been carried out by the Company and therefore, there is no expenditure under this head. However, plan of action for Research & Development is being worked out.
3. Company has not imported any technology for its plant.

C. Foreign Exchange Earnings and Outgo :

Members are requested to refer the notes to the Financial Statements for the year under report.

For and on behalf of the Board of Directors

Sd/-

Place : Mumbai
Date : 16/08/2012

Shanti Sarup Reniwal
Chairman & Managing Director

Management Discussion and analysis**a) Overview :**

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

b) Segmental Review :

During the financial year 2011-12, ship-breaking industry at Alang Ship Breaking Yard seen a substantial growth and the trend is expected to continue in coming years also. However, 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 despite substantial increase in sales. Trading unit of the company has done tremendously well during the year and has achieved nearly 100% increase in sales turnover and increase in net profit margin. Steel and Power unit has also driven better results in terms of sales , however fluctuating and volatile prices in Iron and Steel sector and also depreciation in value of Indian Rupee vis-à-vis US Dollar during the year during the year unit could not deliver profits. However, prices having been reasonably stabilized and the inventory levels of the company and its market position, all the segments of the company, viz. Ship Breaking, Sponge Iron and Trading, are expected to see manifold increase in terms of Gross Revenues and Net profit Margins in the coming year.

i) Ship breaking :

As has been stated in the out-look, due to boom in the availability of old ships in the international market, the company's ship breaking unit at Alang Ship Breaking Yard, Bhavnagar was fully operational throughout the year. During the year company has also attained 85% growth in terms of sales turnover and has achieved sales turnover of Rs. 16,456.75 lacs as against Rs. 8887.88 lacs last year. During the financial year 2011-12, ship-breaking unit seen a substantial growth and the trend is expected to continue in coming years also. However, fluctuating and volatile prices of old Ships, Iron and Steel products during the year and also major depreciation in value of Indian Rupee vis-à-vis US Dollar , the net profit margins of this segment has been affected despite substantial increase in sales. 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 see a further increase in the current financial year.

ii) Steel & Power

As has been stated in the out-look, the sponge Iron segment has also attained 5% growth in terms of sales turnover and has achieved sales turnover of Rs. 6,004.48 lacs

as against 5,697.28 lacs last year. However, 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, the unit could not achieve positive profits during the year despite increase in sales. The management is of the view that the iron and steel industry is doing well and with the expected boost in the economy the requirement of steel is slated to increase and the unit will also move further towards its sustained path of growth. Sponge iron is one of the basic raw materials for the iron and steel industry and therefore the Directors are confident that the sponge iron division of the company should do better in the coming years.

iii) Trading :

The Trading segment has also attained double of sales turnover at Rs. 35748.94 lacs as against 18129.67 lacs last year. The segment has achieved net profit of Rs. 836.63 lacs as against net profit of Rs. 653.24 lacs last year. The management is of the view that the iron and steel sector is doing well and with the expected boost in the economy the requirement of steel is slated to increase and the unit will also move further towards its sustained path of growth.

iv) Investment & Finance :

Investment and Finance 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.

The segmental results for the year are summaries as under.

(Rs. In Lacs)

Particulars	Investment & Finance	Ship-Breaking	Trading	Steel & Power	Total
a) External Sales/Revenue	716.63	17365.34	36064.32	6020.80	60167.08
Inter segment Sales/Revenue	346.28	240.59	185.19	0.00	
Total Revenue	1062.91	17605.93	36249.51	6020.80	60167.08
b) Segment Results Before Interest and Taxes	697.35	(26.74)	922.49	402.45	1995.55
c) Segment results as a % of total	34.95%	(1.35%)	46.23%	20.17%	100%
d) Segment Assets	12722.20	7435.81	9641.08	4155.46	33954.55
e) Segment Liabilities	997.49	15007.24	11017.18	1221.16	28243.07

* Total Gross Revenue is after elimination of inter segment revenues of Rs. 772.06 lacs.

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c) Financial Review and analysis :

PERFORMANCE :

(Rs in Lacs)

	2011-12	2010-11	% Change
Gross Turnover	58910.85	33473.08	75.99
Other income	1256.24	223.62	461.77
Increase/(Decrease) in Stock of Finished Goods	88.24	48.31	82.65
Total Expenditure	58077.04	31812.61	82.56
Operating Profit (PBIDT)	2178.29	1932.40	12.72
Interest	472.36	316.95	49.03
Gross Profit (PBDT)	1705.93	1615.45	5.60
Depreciation	182.73	181.26	0.80
Profit before tax	1523.19	1434.18	6.21
Provision for current Tax	505.00	480.68	5.06
Profit after current tax	1018.19	953.50	6.78
Deferred tax	(19.30)	(5.36)	-
Adjustment for Taxes of earlier years	0.82	(32.95)	-
Net Profit after tax	1036.67	991.81	4.52

d) Cash Flow Analysis :

	2011-12	2010-11
- Profit after Tax but before Depreciation	1200.00	1168.44
- (Increase)/Decrease in Net Working Capital	622.74	(393.41)
- Net Cash Flow from Operating Activities	1,822.84	775.03
- Payment for Acquisition of Assets (Net)	(1,400.54)	(508.52)
- Cash Outflow from Financing Activities	(417.95)	(275.74)
- Net Cash Inform/(Outflow)	4.36	(9.23)

e) 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. In the ship breaking division, the raw material is old ship, which is purchased from the international market on credit ranging up to 180 days to 360 days. Though 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 based on the past trend any further major down fall in the price of iron and steel is not expected.

ANNEXURE – C

Directors' Responsibility Statement :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with Respect to the Directors' Responsibility Statement, it is hereby confirmed:

a)	<p>The financial statements have been prepared in conformity, in all material respects, with the Generally Accepted Accounting Principles in India and the Accounting Standards prescribed by the Institute of Chartered Accountants of India in a consistent manner and supported by reasonable and prudent judgments and estimates. The Directors believe that the financial statements reflect true and fair view of the financial position as on 31.3.2012 and of the results of operations for the year ended 31.3.2012.</p> <p>The financial statements have been audited by M/s. Jain Seth & Co., in accordance with generally accepted auditing standards, which include an assessment of the systems of internal controls and tests of transactions to the extent considered necessary by them to support their opinion.</p>
b)	<p>that the Directors had selected such Accounting policies and applied them and made judgments and estimates that were 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 or loss of the Company for the year under review.</p>
c)	<p>that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records as required by virtue of statutes.</p> <p>Directors have overall responsibility for the Company's internal control system, which is designed to provide a reasonable assurance for safeguarding of assets, reliability of financial records and for preventing and detecting fraud and other irregularities.</p>
d)	<p>In the opinion of the Directors, the Company will be in a position to carry on its existing commercial ship breaking business and accordingly it is considered appropriate to prepare the financial statements on the basis of going concern.</p>
e)	<p>The system of internal control is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness of the system of internal control and quality of performance in carrying out assigned responsibilities. Internal Audit Department interacts with all levels of management and the Statutory Auditors, and reports significant issues to the Audit Committee of the Board.</p> <p>Proper systems are in place to ensure compliance of all laws applicable to the Company.</p>

ANNEXURE – D

CORPORATE GOVERNANCE REPORT

As required under Clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange Limited (BSE), the report on Corporate Governance is given below :

1. Company's philosophy on code of corporate governance :

Hariyana Ship Breakers Limited is committed to the adoption of best governance practices and its adherence in the true spirit, at all times. Our governance practices stem from an inherent desire to improve and innovate and reflect the culture of trusteeship that is deeply ingrained in our value system and form part of the strategic thought process. Our governance philosophy rests on five basic tenets, viz., Board accountability to the Company and shareholders, strategic guidance and effective monitoring by the Board, protection of minority interests and rights, equitable treatment of all shareholders as well as transparency and timely disclosure.

In line with this philosophy, the Company continuously strives for excellence through adoption of best governance and disclosure practices. Your Company is compliant with all the provisions of Clause 49 of the Listing Agreement of the Stock Exchanges. The details of compliance are as follows:

2. Composition of Board of Directors :

The Board consists of Six (6) members. Mr. Shantisarup Reniwal is the Chairman and Managing Director of the company. The Chairman of the Board along with Mrs. Lalitadevi Reniwal and Mr. Rakesh Reniwal form Part of Promoter Group of the Company. There are 3 independent directors on the Board. The composition of the Board of Directors of the Company is in accordance with the provisions of Clause 49 of the Listing Agreement as amended up till date.

Membership, Attendance & Other Directorships :

Membership and Attendance of each Director at the Board of Directors' Meetings and the last Annual General Meeting held on 30th September, 2011 and the number of other Directorship and Chairmanship / Membership of Board Committees (as on 31st March 2012):

Sr. No.	Name of Director	Category of Directorship	*No. of other Directorship		No. of Committee Membership	
			Public	Private	Public	Private
1	Mr. Shantisarup Reniwal	Promoter, Chairman & Managing Director	Nil	10	Nil	Nil
2	Mrs. Lalitadevi Reniwal	Promoter & Non - Executive Director	Nil	Nil	Nil	Nil
3	Mr. Rakesh Reniwal	Promoter & Non -Executive Director	Nil	10	Nil	Nil
4	Mr. Manohar Wagh	Independent & Non – Executive Director	Nil	Nil	Nil	Nil
5	Mr. Pradeep Bhatia	Independent & Non – Executive Director	Nil	Nil	Nil	Nil
6	Mr. Tejas Thakker	Independent & Non – Executive Director	Nil	Nil	Nil	Nil

* Excludes Alternate Directorships, Directorships in Section 25 Companies and Foreign Companies.

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, membership/ chairmanship of only the Audit Committee, Shareholders'/Investors Grievance Committee of the Public Limited Companies has been considered.

There are no nominees or Institutional Directors in the Company. None of 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 ten committees and/or Chairman of more than five 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 there were in total 20 (Twenty) Board Meetings which were held on 14/04/11, 16/05/11, 27/05/11, 15/07/11, 28/07/11, 12/08/11, 16/08/11, 21/08/11, 25/08/11, 30/08/11, 02/09/11, 08/09/11, 24/10/11, 14/11/11, 16/11/11, 28/11/11, 03/12/11, 02/01/12, 13/02/12 and 31/03/2012 the time gap between the two meetings was not more than 4 months. 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	Husband of Smt. Lalitadevi Reniwal, Father of Mr. Rakesh Reniwal.	20	20	Yes
2.	Smt Lalitadevi Reniwal	Wife of Mr. Shanti Sarup Reniwal and mother of Mr. Rakesh Reniwal.	20	20	Yes
3.	Mr. Rakesh Reniwal	Son of Mr. Shanti Sarup Reniwal and Smt. Lalitadevi Reniwal	20	20	Yes
4.	Mr. Manohar Wagh	# #	20	20	Yes
5.	Mr. Pradeep Bhatia	# #	20	20	No
6.	Mr. Tejas Thakker	# #	20	20	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.

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 2012 have affirmed their compliance with the code and the declaration to this effect given by the Chairman is annexed hereto.

HARIYANA SHIP BREAKERS LIMITED

Notes on Directors seeking re - appointment / appointment :

As per the Companies Act, 1956 and the Articles of Association of the Company, two third of the directors are liable to retire by rotation. One third of these retiring directors are required to retire every year by rotation and if eligible, these directors qualify for re-appointment and in accordance with Clause 49(G)(I) of the Listing Agreement as entered with the Bombay Stock Exchange, following Directors are seeking re – appointment / appointment on the Board of the Company and brief resume of the said Directors is given as below:

a) Mr. Shantisarup Reniwal :

Mr. Shantisarup Reniwal aged 71 years has rich experience in Banking, Finance and Tax Planning. He also provides guidance for the development of the Company. He is also a director on the Board of the following Companies:

Name of Company ^	Designation	Shareholding in Hariyana ShipBreakers Ltd.
Hariyana International Private Limited	Director	80080 Shares 1.30% Shareholding
Hybrid Properties Private Limited	Director	
Bapa Real Estate Private Limited	Director	
Reniwal Properties Private Limited	Director	
Aplomb Real Estate Private Limited	Director	
Reniwal Business Properties Private Limited	Director	
Hariyana Real Estate Private Limited	Director	
Reniwal Real Estate Private Limited	Director	
Roxina Real Estate Private Limited	Director	

^ Does not include the Trust, Not for Profit Organisations, Association, NGO's and other Body Corporates incorporated outside India.

b) Mr. Rakesh Reniwal :

Mr. Rakesh Reniwal aged 38 years is a graduate from Mumbai. He is well conversant with the day to day operation of the construction, ship breaking activities of the Company. He is also a director on the Board of the following companies:

Name of Company ^	Designation	Shareholding in Hariyana ShipBreakers Ltd.
Bapa Real Estate Pvt. Ltd.	Director	858230 Shares 13.92% Shareholding.
Black Stone Properties Pvt. Ltd.	Director	
Hybrid Properties Pvt. Ltd.	Director	
Hariyana International Pvt. Ltd.	Director	
Reniwal Properties Pvt. Ltd.	Director	
Shogun Vanijya Pvt. Ltd.	Director	
Hariyana Real Estate Private Limited	Director	
Valentine Properties Pvt. Ltd.	Director	
Aplomb Real Estate Private Limited	Director	
SS Infrastructure Private Limited	Director	

^ Does not include the Trust, Not for Profit Organisations, Association, NGO's and other Body Corporates incorporated outside India.

3. Audit Committee

Your Company has an independent Audit Committee. The composition, procedures, power, role and functions of the Audit Committee are in compliance with the requirements of Section 292A of the Companies Act, 1956 and also Clause 49 of the Listing Agreements. The Audit Committee of your Company comprises of all Independent directors, Mr. Pradeep Bhatia being the Chairman while Mr. Tejas Thakker and Mr. Manohar Wagh as Members of the Committee. All the members of the Committee are financially literate person and have sound accounting knowledge. The Statutory auditors are always the invitee to the Audit committee meetings.

Composition and attendance during the period ended 31st March 2012 :

The Committee met 7 (Seven) times during the period under review. The said meetings were held on 27/05/11, 15/07/11, 12/08/11, 16/08/11, 14/11/11, 16/11/11 and 13/02/12 respectively.

Sr. No.	Name of Director	Designation	No. of meetings attended
1	Mr. Pradeep Bhatia	Chairman	7
2	Mr. Tejas Thakker	Member	7
3	Mr. Manohar Wagh	Member	7

Terms of Reference :

The terms of reference of the Audit Committee, inter-alia, includes 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 before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - 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 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, performance of statutory and internal auditors, and adequacy of the internal control systems.
- Reviewing the adequacy of internal audit function, if any, including reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors 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.
- 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.
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee
- CFO appointment.

The powers and terms of reference of the Audit Committee are in accordance with the provisions of Clause 49 of the Listing Agreement.

The Chairman of the Audit Committee normally attends the Annual General Meeting of the Company.

4. Cost Audit :

From Financial Year 2011-12, pursuant to the Companies (Cost Accounting Records) Rules, 2011, the company has to render Cost Audit report to the Central Government. The company has appointed M/s. Kewlani & Associates, Cost Accountants, (Membership No. 32543) as cost auditors of the company for conducting Cost Audit for the financial Year 2011-12. The report for the financial year ended 31st March, 2012 will be submitted on or before due date.

5. Subsidiary Companies :

The Company does not have any subsidiary Company.

6. Remuneration Committee :

The Company does not have a Remuneration Committee and no remuneration or commission is paid to any Directors. There is no pecuniary relationship or any transaction with the directors of the company. No payment except sitting fees is been given to the non-executive directors and other promoters/directors.

7. Shareholder's / Investor's Grievance & Share Transfer Committee :

As on 31st March 2012, the Shareholder's / Investor's Grievance Share Transfer Committee comprised of Mr. Manohar Wagh as a Chairman and Mr. Rakesh Reniwal and Mr. Shantisarup Reniwal as a Members of the Committee. 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.

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

Composition of the Committee and attendance during the year ended 31st March 2012:

Pursuant to Clause 49 (VI) of the Listing Agreement, the Committee met 27 (Twenty Seven) times during the financial year ended on 31st March, 2012 to review, to approve matters related to Shares, etc. Namely on 04/04/11, 21/04/11, 05/05/11, 27/05/11, 05/06/11, 27/06/11, 15/07/11, 30/07/11, 12/08/11, 16/08/11, 28/08/11, 06/09/11, 30/09/11, 06/10/11, 30/10/11, 06/11/11, 14/11/11, 16/11/11, 30/11/11, 06/12/11, 30/12/11, 06/01/12, 30/01/12, 13/02/12, 01/03/12, 06/03/12 and 30/03/12 respectively.

Sr. No.	Name of Director	Designation	No of Meetings attended
1	Mr. Manohar Wagh	Chairman	27
2	Mr. Rakesh Reniwal	Member	27
3	Mr. Shantisarup Reniwal	Member	27

All valid requests for the share transfers received during the year have been acted upon. There is no share transfer request pending as on 31st March, 2012. The Board had delegated the authority for approving transfer, transmission etc. of the Company's securities to the Compliance officer

The Company has received no complaints from shareholders / investors during the year. There are no shareholders / investors complaints pending as on 31st March, 2012.

8. CEO / CFO Certification :

The CEO and CFO certification of the financial statements and the cash flow statement for the year are enclosed separately at the end of this report.

9. General Body Meetings :

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

Location	Date	Time
Registered Office : 302, Sylverton Building, 102, Wode House Road, Colaba, Mumbai – 400005.	30.09.2009	11.00 a.m.
	30.09.2010	11.00 a.m.
	30.09.2011	11.00 a.m.

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

- a) 28th AGM held on 30th September, 2009: NONE
- b) 29th AGM held on 30th September, 2010: NONE
- c) 30th AGM held on 30th September, 2011: NONE

No Postal ballot was conducted during the year 2011-2012

Extraordinary General Meetings :

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

10. Disclosures :

a) Related party transactions

All the transactions with the related parties are at the prevalent market rate and details and the quantum of such transactions are disclosed in the schedules of notes to accounts as a practice of sound accounting policy and they are not conflicting in any manner with the interest of the Company at large.

b) Accounting Treatment

The accounts are prepared in line with the accounting standard followed and any treatment which is not in consonance with the generally accepted accounting standard and principles are separately stated in the schedules of notes to the accounts with reasons and justifications for such treatment.

c) Risk Management

The Board regularly reviews and discusses the risk perception of the Company and executive management of the Company is guided to control risk through means of a properly defined framework.

d) Remuneration of Directors

The Company does not have practice of payment of any remuneration / fees etc. to Non Executive Director. However in the future if any payment is to be made to Non Executive Director, the same shall be paid having regard to prevalent practice in the industry & commensurate with their experience. Besides the above, there is no pecuniary relationship or transaction by the Company with its Non Executive Director. Further there is no remuneration being paid to Chairman and Managing Director of the Company.

e) Management Discussion and Analysis

In addition to the Directors Report, Management Discussion and Analysis forms part of the Annual Report.

f) Shareholders

Whenever a new Director is appointed or an existing director seeks re-appointment on the Board of the Company, brief resume, his experience and expertise, his directorships on other Boards and membership of committees and shareholding of all the Directors etc are disclosed in the relevant section of the Corporate Governance Report included in the Annual Report.

g) Non compliance with any statutory provisions and penalties, strictures etc.

Non compliance with any of the statutory provisions, if any are disclosed in the Directors report and wherever penalties, strictures are imposed, if any they are distinctively disclosed in the schedules of notes to the accounts.

h) Whistle Blower Policy

Though there is no formal Whistle Blower Policy, the Company takes cognizance of the complaints made and suggestions given by the employees and others. Even anonymous complaints are looked into and wherever necessary, suitable corrective steps are taken. No employee of the Company has been denied access to the Audit Committee of the Board of Directors of the Company.

i) The Company is yet to adopt Non mandatory requirement as per Clause 49 of Listing Agreement as amended from time to time. The Company has adopted all mandatory requirements as are required to be adopted by the Company and to the extent applicable.**11. Means of communication :**

- The Unaudited Quarterly Financial Results of the Company to be submitted to the Bombay Stock Exchange Limited (BSE) are approved and taken on record by the Board of Directors of the Company within forty five days of the close of the respective quarter. The approved results are forthwith sent to BSE as prescribed in the Listing Agreement.
- The Company has its own web-site www.hariyanagroup.com. The Company is sending the quarterly results and presentations to the stock exchange on which the Company is listed so as to put it on its web site. No presentations have been made to institutional investors or to the analysts.

12. Green Initiative :

Pursuant to Circular No. 17/2011 dated 21st April, 2011, Ministry of Corporate Affairs has undertaken a Green Initiative in Corporate Governance whereby the Shareholders desirous of receiving notices, documents and other communication from the Company through electronic mode, can register their email addresses with the Company.

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 on addresses given below and intimate changes in the email ids from time to time.

HARIYANA SHIP BREAKERS LIMITED

We request you to join us in this noble initiative and look forward to your consent to receive the Annual Report from now onwards in electronic form. Please complete a tear off portion appended as a separate sheet and return the same to our Registrar & Transfer Agent in the postage paid envelope enclosed herewith.

13. General Shareholders information :

a) Thirty First Annual General Meeting will be held on Friday, 28th September, 2012 at the Registered Office of the Company at 12.00 noon.

b) **Financial Year:** 1st April to 31st March, 2013

For the financial year ending on 31st March, 2013 results will be announced tentatively:

First Quarter Results	:	On or around 15 th August 2012
Second Quarter Results	:	On or around 15 th November, 2012
Third Quarter Results	:	On or around 15 th February 2013
Fourth Quarter Results	:	On or around 15 th May 2013

c) **Date of Book Closure :**

18th September, 2012 to 28th September, 2012 (both days inclusive)

d) **Dividend Payment Date:** Dividend, if declared by the Company at the 31st Annual General Meeting of the Company scheduled to be held on Friday, 28th September, 2012 will be paid on or after 3rd October, 2012 to those shareholders, who's names appear in the Register of Members of the Company as on 28th September, 2012.

e) **Listing on stock exchange :**

The Company's Equity Shares are listed on the Bombay Stock Exchange Limited and all applicable listing fees have been paid up till date. The stock exchange with respective stock code is as follows:

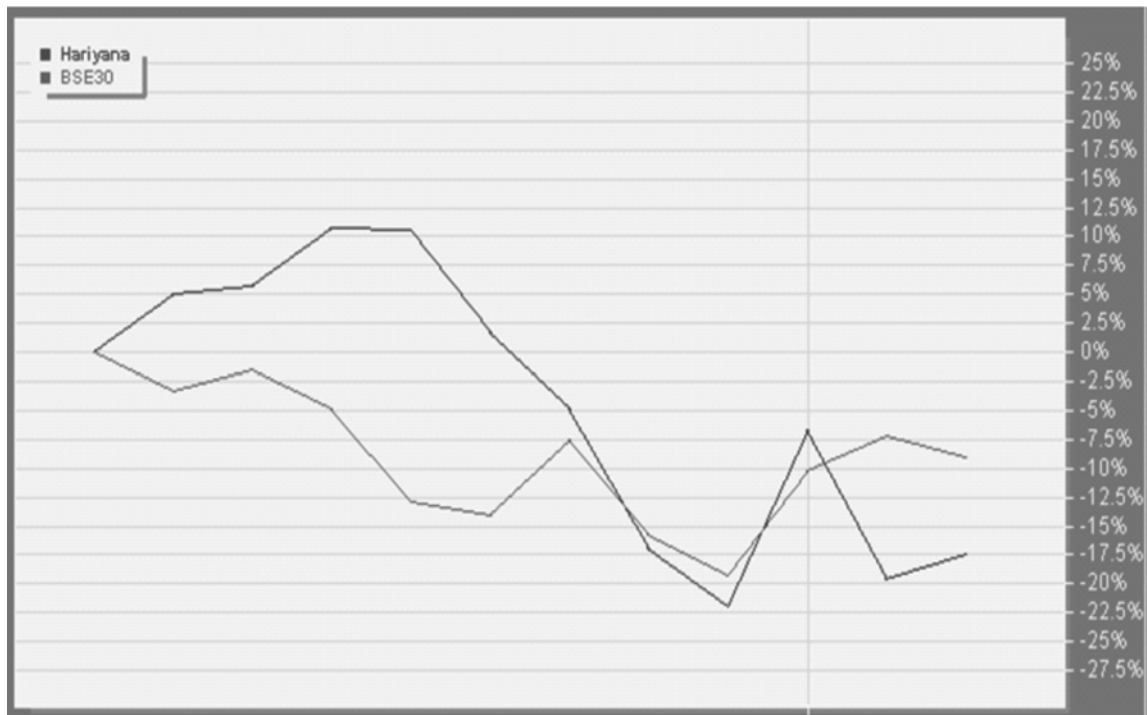
ISIN NO.	:	INE400G01011
Name of Stock Exchange	:	Bombay Stock Exchange Ltd., Mumbai
Code No.	:	526931

- f) 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:

Market price data: (All figures in Indian Rupees)

Month	High Price	Low Price	Volume of No. of Shares
Apr-11	54.00	44.15	40064
May-11	52.50	44.10	36316
Jun-11	53.25	46.15	51481
Jul-11	61.00	48.20	106965
Aug-11	56.65	47.10	58376
Sep-11	57.15	46.35	39118
Oct-11	51.50	40.00	61468
Nov-11	49.45	38.15	36217
Dec-11	44.10	34.25	17080
Jan-12	48.00	34.05	54922
Feb-12	54.00	38.05	58024
Mar-12	40.95	36.55	12453

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



HARIYANA SHIP BREAKERS LIMITED

g) Registrar and Share Transfer Agents :

Contact Person : Shri 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 2851 2885 • Email: info@sharexindia.com

h) Share Transfer Systems :

All the shares related work is being undertaken by our Registrar & Transfer Agent, **M/s Sharex Dynamic (India) Private Limited**. The Shareholder's / Investor's Grievance Committee consisting of three Directors has been constituted to specifically look into the redressal of shareholder and investors complaints. The Compliance Officer of the Company has been delegated the power to approve Share Transfer, Transmission, Split, Consolidated, etc. of shares. The shares transfers are registered and returned within 30 days from the date of the receipt if relevant documents are complete in all respects. The investors / shareholders grievances are also taken-up by our Registrar & Transfer Agent.

i) Distribution of shareholding as on 31st March 2012 :

DISTRIBUTION SCHEDULE ON NUMBER OF SHARES/DEBS - As On :31 st March 2012				
SHARE (OR DEBENTURE)	NUM OF HOLDERS	(%) OF HOLDERS	T O T A L SHARES (or DEBENTURES)	% OF SH/DB
UPTO TO 100	982	47.76	70888	1.15
101 TO 200	326	15.86	59924	0.97
201 TO 500	366	17.80	144207	2.34
501 TO 1000	196	9.53	164346	2.67
1001 TO 5000	146	7.10	336884	5.46
5001 TO 10000	22	1.07	166272	2.70
10001 TO 100000	9	0.44	406888	6.60
100001 TO ABOVE	9	0.44	4817258	78.12
T O T A L	2056	100.00	6166667	100.00

j) Details of Shares held by Directors as on 31st March 2012 :

Name of Directors	No. of Equity Shares Held
Mr. Shanti Sarup Reniwal	80080
Mrs.Lalitadevi Reniwal	414800
Mr. Rakesh Reniwal	858230
Mr. Manohar Wagh	0
Mr. Pradeep Bhatia	0
Mr. Tejas Thakker	0

k) Postal Ballot Papers :

The Board of Directors have decided to increase the Investment Limits of the company pursuant to the provisions of Section 372A of the Companies Act, 1956 which can be passed only under the Postal Ballot Rules as per Section 192A of the Companies Act, 1956. The Postal Ballot papers have already been dispatched to the shareholders.

The Shareholders are requested to send the Postal Ballot Papers expressing their assent or dissent in this Postal Ballot Form by placing the tick mark (✓) at the appropriate box. Duly completed Postal Ballot Form should reach the scrutinizer not later than 6.00 p.m. on Monday, the 1st Day of October, 2012.

The members, who have not received Postal Ballot Form, may apply to the Company mentioning the Folio No. /DP ID & Client ID & contact details, under the signature of the member, at the registered office of the Company addressed to the Compliance Officer for issue of duplicate postal ballot form or alternatively send a scanned copy of such application by way of an email to hsbl@vsnl.com.

HARIYANA SHIP BREAKERS LIMITED

D) Details of Shareholding pattern as on 31st March 2012 :

STATEMENT SHOWING SHAREHOLDING PATTERN								
Name of the Company : HARIYANA SHIP BREAKERS LIMITED								
Scrip Code : 526931				Quarter Ended : 31 st March 2012				
Category Code	Category of Shareholder	Number of Shareholder	Total Number of Shares	Number of shares held in demeter-ialized form	Total shareholding as a percentage of total number of shares		shares pledged or otherwise encumbered	
					Asa% of (A+B) ¹	Asa% of (A+B+C)	No. of Shares	Asa % Total No. of Shares
(A)	Shareholding of Promoter and Promoter Group ²							
1	Indian							
a	Individual Huf	9	4529814	4529814	73.456	73.456	0	0.000
b	Central/State Gov	0	0	0	0.000	0.000	0	0.000
c	Bodies Corporates	0	0	0	0.000	0.000	0	0.000
d	Fins / Banks	0	0	0	0.000	0.000	0	0.000
e	Any Other specify	0	0	0	0.000	0.000	0	0.000
	Sub Total(A)(1)	9	4529814	4529814	73.456	73.456	0	0.000
2	Foreign							
a	Indv NRI/For Ind	0	0	0	0.000	0.000	0	0.000
b	Bodies Corporate	0	0	0	0.000	0.000	0	0.000
c	Institutions	0	0	0	0.000	0.000	0	0.000
d	Any Other Specify	0	0	0	0.000	0.000	0	0.000
	Sub Total(A)(2)	0	0	0	0.000	0.000	0	0.000
	Total Shareholding of Promoter and Promoter Group Total (A)= (A)(1)+(A)(2)	9	4529814	4529814	73.456	73.456	0	0.000
(B)	Public shareholding Institutions							
1	Mutual Funds	0	0	0	0.000	0.000		
b	Fins / Banks	0	0	0	0.000	0.000		
c	Central/State Govt	0	0	0	0.000	0.000		
d	Venture Cap Fund	0	0	0	0.000	0.000		
e	Insurance Comp(s)	0	0	0	0.000	0.000		
f	Foreign Ins Invest	0	0	0	0.000	0.000		
g	Foreign Ven Cap In	0	0	0	0.000	0.000		
h	Any Other -Specify	0	0	0	0.000	0.000		
	Sub-Total (B)(1)	0	0	0	0.000	0.000		
B 2	Non-institutions							
a	Bodies Corporates	66	443091	440791	7.185	7.185		
b	Individuals							
	i) upto Rs 1-Lac	1962	873592	795792	14.166	14.166		
	ii) above Rs1-Lac	7	313879	277379	5.090	5.090		
c	Any Other -Clr-Mem	3	458	458	0.007	0.007		
	-OCB	0	0	0	0.000	0.000		
	-NRI	9	5833	5833	0.095	0.095		
	Sub-Total (B)(2)	2047	1636853	1520253	26.544	26.544		
(B)	Total (B)= (B)(1)+(B)(2)	2047	1636853	1520253	26.544	26.544		
(C)	TOTAL (A)+(B)	2056	6166667	6050067		100.000	0	0.000
	Held by Custodians against Depository Receipts							
	PROMOTER & PRO GRP	0	0	0		0.000		
	PUBLIC	0	0	0		0.000		
	GRAND TOTAL (A)+(B)+(C)	2056	6166667	6050067		100.000	0	0.000

m) Dematerialization of shares and liquidity :

As on 31st March, 2012, 98.11% 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.

n) Outstanding GDRs / ADRs / Warrants / Convertible instruments and their impact on equity :

The Company does not have any outstanding GDRs / ADRs / warrants / convertible instruments as on 31st March 2012.

o) The plant of the company is situated at :**Ship Breaking Yard**

Plot No.14, Ship Breaking Yard
Alang, Dist. Bhavnagar - 364 001,
Gujarat.

Sponge Iron Plant

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

Registered Office :

302 Sylverton Building,
Ground Floor, 102 Wode House Road,
Colaba, Mumbai 400 005.
Ph. 022-22182569 • Fax 022-22182524
Email: hsbl@vsnl.com

Branch Office (Bhavnagar) :

Hariyana House, 2165/A-2, 2nd Floor,
Sanskar Mandal Chowk,
Bhavnagar - 364 002. (Gujarat)
Ph : 0278-2568555
Fax : 0278-3001122

Branch Office (Bangalore)

206 Barton Centre,
841, M.G.Road,
Bangalore - 560 001.
Ph : 080-25325716
Fax : 080-25091411

14. Compliance Certificate of the Auditors :

The Company has obtained a Certificate from the Statutory Auditors regarding compliance of conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement. The certificate is annexed.

For **HARIYANA SHIP BREAKERS LIMITED**

Sd/-

Place : Mumbai
Date : 16/08/2012

Shanti Sarup Reniwal
Chairman & Managing Director

HARIYANA SHIP BREAKERS LIMITED

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

To
The Board of Directors
Hariyana Ship Breakers Limited
302, Sylverton Building,
102, Wodehouse Road,
Colaba,
Mumbai 400005

We hereby certify that for the financial year, ending 31st March 2012 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/-

Place : Mumbai
Date : 16/08/2012

Shanti Sarup Reniwal
Chairman & Managing Director

To

The Members of
Hariyana Ship Breakers Limited

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 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges in India, with the relevant records and documents maintained by the Company and furnished to us and the report on Corporate Governance as approved by the Board of Directors.

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 above mentioned mentioned Listing Agreements.

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 Jain Seth & Co.,
Chartered Accountants
(Firm Reg. No. 002069W)

Sd/-

Rajendra Saini

Partner Membership No. 0499913

Place: Mumbai

Date : 16th August, 2012

ANNEXURE TO CORPORATE GOVERNANCE REPORT

Declaration regarding affirmation of Code of Conduct

In terms of the requirements of the amended Clause 49 of the Listing Agreement, this is to confirm that all members of the Board and the senior management personnel have affirmed compliance with the code of Conduct for the year ended 31st March, 2012.

Sd/-

Place : Mumbai
Date : 16/08/2012

Shanti Sarup Reniwal
Chairman & Managing Director

HARIYANA SHIP BREAKERS LIMITED

JAIN SETH & CO
Chartered Accountants

10-11, 2nd Floor, Satyam Complex, Abad Nagar,
Bus Stop, Near Bopal Circle, Ahmedabad 380 058.

AUDITORS REPORT

To
The Members
Hariyana Ship Breakers Limited

We have audited the attached Balance Sheet of **HARIYANA SHIP BREAKERS LIMITED** as at 31st March, 2012 and also the Statement of Profit & Loss and the Cash Flow for the year ended on that date annexed thereto (collectively referred to as Financial Statements). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above we report that:

- i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the propose of our audit;
- ii) In our opinion, proper books of account, as required by the law have been kept by the Company so far as appears from our examination of the books;
- iii) The Balance Sheet and Statement of Profit & Loss and Cash Flow Statements dealt with by this report are in agreement with the books of account;
- iv) In our opinion, the Balance Sheet and Statement of Profit & Loss dealt with by this report, read with other notes in Note 1, forming part of the accounts, comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 except **AS-15 for non provision for gratuity and long terms employee benefits.**
- v) On the basis of the written representations received from the Directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012, from being appointed as Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956:

- Vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes and schedules thereon give the information required by the companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting the principles generally accepted in India.
- i) In the case of Balance Sheet of the state of affairs of the company as at 31st March, 2012 and
 - ii) In the case of Statement of Profit & Loss of the Profit of the company for the year ended on that date.
 - iii) In the case of the cash flow statement of the cash flows for the year ended on that date

For Jain Seth & Co.
Chartered Accountants
(Firm Reg.No. 002069W)

CA. Rajendra Saini
Partner
Membership No. 049913
Place: Mumbai
Date: 16th August, 2012

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of our report of even date.

- 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 there is a regular programme 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.
 - c) During the year the company has not disposed off any core assets which could affect the going concern status of the company.
- ii)
 - a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) 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. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii)
 - a) The company has taken loans from Five parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 5.96 Crores and the year-end balances of loans taken from such parties were Rs. 5.96 Crores.

There is Three parties covered in the register maintained under section 301 of the Companies Act, 1956, to which the company has granted loans. The maximum amount involved during the year was Rs.78.80 Crores and the year-end balance of loans granted to such party was Rs. 33.96 Crores.
 - b) In our opinion, the rate of interest and other terms and conditions on which loans have been taken from/granted to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956 are not, prima facie, prejudicial to the interest of the company.
 - c) The Company is regular in repaying the principal amounts as stipulated and has been regular in the payment of interest. The parties have repaid the principal amounts as stipulated and have been regular in the payment of interest.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weakness in internal controls.

- v) a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupee five Lakhs in respect of any party during the year have been made at a price which are reasonable having regard to prevailing market prices at the relevant time.
- vi) According to the information and explanations given to us, the company has not accepted any deposits from the Public. However the company has taken unsecured loans from Associate Companies.
- vii) The Directors themselves conduct the affairs of the company. The company does not have a formal system of internal audit but there are adequate checks and controls at all levels.
- viii) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- ix) a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Income Tax, Sales Tax, Custom Duty, Cess and other material statutory dues applicable to it.
- b) According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, customs duty and cess were in arrears, as at 31st March 2012 for a period of more than six months from the date they become payable.
- c) According to the information and explanations given to us, there are no dues of custom duty, wealth tax, central excise duty and cess, which have not been deposited on account of any dispute except Sales tax pertaining to previous years Rs. 17,50,000/-.
- x) In our opinion, there was no accumulated losses of the company, therefore the provision of clause 4 (x) of the Companies (Auditors Report) Order 2003 are not applicable to the Company.
- xi) In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of dues to a financial institution, banks or debenture holders.
- xii) In our opinion and as per the information provided to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

HARIYANA SHIP BREAKERS LIMITED

- xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore the provision of clause 4 (xiii) of the Companies (Auditors Report) Order 2003 is not applicable to the Company.
- xiv) In our opinion, the company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments timely entries have been made therein. All shares, securities, debentures and other investments have been held by the company in its own name.
- xv) In our opinion, the terms and conditions on which the company has given guarantees for loans taken by others from banks or financial institutions, the terms of which are not prima facie not prejudicial to the interest of the company.
- xvi) As per the information and explanation given to us the company has not raised any term loans during the year.
- Xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short term basis have been used for long term investment. However the long term funds have been used to finance short-term investment.
- Xviii) According to the information and explanations given to us, the company has not made any issue of shares or securities during the year.
- xix) According to the information and explanations given to us, during the period covered by our audit, the company has not issued any debentures.
- xx) According to the information and explanations given to us, during the period covered by our audit, the company has not raised any money by public issue.
- xxi) 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 Jain Seth & Co.,
Chartered Accountants
(Firm Reg. No. 002069W)

Sd/-
CA Rajendra Saini
Partner Membership No. 0499913

Place: Mumbai
Date : 16th August, 2012

JAIN SETH & CO
Chartered Accountants

10-11, 2nd Floor, Satyam Complex, Abad Nagar,
Bus Stop, Near Bopal Circle, Ahmedabad 380 058

Auditors' Report on Consolidated Financial Statements

To The Board of Directors
Hariyana Ship Breakers Limited

We have audited the attached Consolidated Balance Sheet of **Hariyana Ship Breakers Limited** and its various Units (collectively referred to as "the Company") as at 31st March, 2012, and the Consolidated Statement of Profit & Loss and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.

We conduct our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. Financial statements / consolidated financial statements of certain units, which reflect total assets of Rs.26522.74 lacs as at 31st March, 2012, total revenue of Rs. 42801.75 lacs and net cash flows amounting to Rs. 15.38 lacs for the year ended, have been audited by other auditors or jointly by others with other and financial statements of certain associates in which the share of profit of the company is involved have been audited by other auditors.
2. We did not audit the financial statements / consolidated financial statements of certain units, whose financial statements / consolidated financial statements reflect total assets of Rs. 26522.74 lacs as at 31st march, 2012, total revenue of Rs. 42801.75 lacs and cash flow amounting to Rs. 15.38 lacs for the year ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of those auditors.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, (AS) 23, Accounting for Investments in Associates in Consolidated Financial Statements and (AS) 27, Financial Reporting of Interests in Joint Ventures, as notified by the Companies (Accounting Standards) Rules, 2006.
4. Based on our audit as aforesaid, and on consideration of reports of other auditors on the separate financial statements / consolidated financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial

HARIYANA SHIP BREAKERS LIMITED

statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Consolidated Balance Sheet, of the State of Affairs of the Group as at 31st March, 2012;
- (ii) in the case of the Consolidated Statement of Profit and Loss, of the Profit of the Group for the year ended on that date; and
- (iii) in the case of the Consolidated Cash Flow Statement, of the Cash Flows of the Group for the year ended on that date.

For Jain Seth & Co.,

Chartered Accountants

(Firm Reg. No. 002069W)

Sd/-

Rajendra Saini

Partner Membership No. 0499913

Place: Mumbai

Date : 16th August, 2012

BALANCE SHEET AS AT 31st MARCH, 2012

Particulars	NoteNo.	As at	
		March31,2012	March 31, 3011
I. EQUITY AND LIABILITIES			
1. SHARE HOLDERS FUNDS			
(a) SHARE CAPITAL	2.1	61,666,670	61,666,670
(b) RESERVES & SURPLUS	2.2	509,481,908	428,139,956
2. NON-CURRENT LIABILITIES			
(a) LONG-TERM BORROWINGS	2.3	59,691,905	42,021,804
(b) DEFERRED TAX LIABILITIES	2.4	38,855,702	40,786,283
(c) OTHER LONG TERM LIABILITIE	2.5	1,583,240	2,156,024
3. CURRENT LIABILITIES			
(a) SHORT TERM BORROWINGS	2.6	22,375,814	60,339,523
(b) TRADE PAYABLES	2.7	2,658,503,226	1,919,269,898
(c) OTHER CURRENT LIABILITIES	2.8	21,701,419	9,119,908.
(d) SHORT-TERM PROVISIONS	2.9	21,594,402	23,142,479
TOTAL		3,395,454,286	2,586,642,545
ASSETS			
II. NON-CURRENT ASSETS			
1. (a) FIXED ASSETS			
(i) Tangible assets	2.10	274,014,104	291,710,384
(ii) Capital work-in-progress			
(b) NON-CURRENT INVESTMENTS	2.11	212,538,726	73,886,266
(c) LONG-TERM LOANS & ADVANCES	2.12	1,031,364,105	631,976,837
(d) OTHER NON-CURRENT ASSETS	2.13	3,096,817	3,169,314
2. CURRENT ASSETS			
(a) INVENTORIES	2.14	749,775,356	641,808,912
(b) TRADE RECEIVABLES	2.15	1,042,917,609	870,755,377
(c) CASH & CASH EQUIVALENTS	2.16	2,905,372	2,469,341
(d) SHORT-TERM LOAN & ADVANCES	2.17	78,842,197	70,866,114
TOTAL		3,395,454,286	2,586,642,545

See Accompanying Notes to Financial Statements

As per our separate report of even date attached

For Jain Seth & Co.Chartered Accountants
(Firm Reg.no. 002069W)

For and on behalf of the Board of Directors

Sd/-

Partner

Rajendra Saini

M.No 049913

Place : Mumbai

Date : 16/08/2012

Sd/-

Shantisarup Reniwal

Chairman and MD

Sd/-

Rakesh Reniwal

Director

HARIYANA SHIP BREAKERS LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31st MARCH, 2012

Particulars	Note No.	For the Year Ended	
		Current Year	Previous Year
INCOME			
a) REVENUE FROM OPERATIONS	2.18	5,891,084,802	3,347,308,012
b) OTHER INCOME	2.19	125,623,676	22,362,280
Total Revenue		6,016,708,478	3,369,670,292
EXPENSES:			
a) COST OF MATERIALS CONSUMED	2.20	2,026,238,237	1,230,050,025
b) PURCHASE OF STOCK-IN-TRADE	2.21	3,487,399,332	1,758,037,208
c) MANUFACTURING & OPERATING COSTS	2.22	60,930,108	52,506,683
d) CHANGES IN INVENTORIES OF FINISHED GOODS	2.23	-8,823,550	-4,830,729
e) EMPLOYEE BENEFITS EXPENSES	2.24	35,930,401	30,438,372
f) FINANCE COSTS	2.25	47,236,367	31,695,132
g) DEPRECIATION & AMORTIZATION EXPENSES		18,273,344	18,126,413
h) OTHER EXPENSES	2.26	196,606,962	106,888,936
i) LOSS/ (PROFIT) FROM PARTNERSHIP FIRM	2.27	598,703	3,340,105
Total Expenss		5,864,389,904	3,226,252,145
PROFIT/(LOSS) BEFORE TAX		152,318,574	143,418,147
TAX EXPENSES :			
	2.28		
(1) CURRENT TAX		50,500,000	48,068,000
(2) DEFERRED TAX		-1,930,581	-536,269
(3) TAXES OF EARLIER YEARS		81,447	-3,294,763
PROFIT/(LOSS) AFTER TAX		103,667,708	99,181,179
EARNINGS PER EQUITY SHARES			
EQUITY SHARES OF PAR VALUE OF Rs. 10/- EACH			
(1) BASIC		16.81	16.08
(2) DILUTED		16.81	16.08
Weighted average number of shares outstanding		6166667	6166667

Significant accounting policies & notes on account.

As per our separate report of even date attached

For Jain Seth & Co.

Chartered Accountants
(Firm Reg.no. 002069W)

For and on behalf of the Board of Directors

Sd/-

Partner

Rajendra Saini

M.No 049913

Place : Mumbai

Date : 16/08/2012

Sd/-

Shantisarup Reniwal

Chairman and MD

Sd/-

Rakesh Reniwal

Director

HARIYANA SHIP BREAKERS LIMITED

The previous period figures have been regrouped/reclassified, wherever necessary to conform to the current period presentation:

2.1 SHARE CAPITAL

A SHARE CAPITAL

PARTICULAR	As at 31st March, 2012		As at 31st March, 2011	
	Number	Amount	Number	Amount
AUTHORISED CAPITAL				
Equity Shares of Rs. 10/- each	6,500,000	65,000,000	6,500,000	65,000,000
4% Redeemable Preference Share of Rs. 10/- each	5,000,000	50,000,000	5,000,000	50,000,000
ISSUED SHARES CAPITAL				
Equity Shares of Rs. 10/- each fully paid up	6,166,667	61,666,670	6,166,667	61,666,670
SUBSCRIBED & PAID UP CAPITAL				
Equity Shares of Rs. 10/- each fully paid up	6,166,667	61,666,670	6,166,667	61,666,670
Total	6,166,667	61,666,670	6,166,667	61,666,670

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

Equity Shares of	As at 31st March, 2012		As at 31st March, 2011	
	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

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.

During the year ended 31 March 2012, the amount of per share dividend recognized as distributions to equity share holders was Rs. 3 (31 March 2011: Rs. 2.50).

In the event of liquidation of the company, the holders of the Equity shares will be entitled to receive remaining assets of the company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

D. The details of shareholder holding more than 5% shares as at 31st March, 2012 and 31st March 2011 is set out below :

NAME OF SHAREHOLDER	As at 31 March 2012		As at 31 March 2011	
	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	6.72%	414,800	6.72%
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	24.95%	1,539,009	24.95%
6 Unnati Reniwal	400,000	6.48%	400,000	6.48%

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

2. 2 RESERVES & SURPLUS

Particulars	As at	
	31st March, 2012	31st March, 2011
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	
Add : Current Year Transfer	-	50,000,000
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

HARIYANA SHIP BREAKERS LIMITED

Particulars	As at	
	31st March, 2012	31st March, 2011
D REVALUATION RESERVE		
Balance as per the last Financial Statements	7,937,881	8,885,947
Add: Current Year Transfer	-	-
Less: Written back in Current Year	824,592	948,066
Closing Balance	7,113,289	7,937,881
E GENERAL RESERVE		
Balance as per the last Financial Statements	10,000,000	-
Add: Current Year Transfer	11,000,000	10,000,000
Less: Written Back in Current Year	-	-
Closing Balance	21,000,000	10,000,000
F SURPLUS/(DEFICIT) IN THE STATEMENT OF PROFIT & LOSS		
Balance as per the last Financial Statements	256,802,735	235,598,740
Net Profit/(Net Loss) For the current year	103,667,708	99,181,179
Transfer From Reserves		
Less: APPROPRIATIONS		
Proposed Final Equity Dividend	18,500,001	15,416,668
Tax on Proposed Equity Dividends	3,001,163	2,560,516
Transfer to Capital Redemption Reserves	-	50,000,000
Transfer to General Reserves	11,000,000	10,000,000
Total Appropriations	32,501,164	77,977,184
Net Surplus in the Statement of Profit & Loss	327,969,279	256,802,735
Total Reserve & Surrplus	509,481,908	428,139,956

2.3 LONG TERM BORROWINGS

SECURED		
A TERM LOANS		
Indian Rupee Loan From Banks (Car Hypothecation Finance from HDFC Bank)	89,896	427,542
(A)	89,896	427,542
UNSECURED		
A LOANS & ADVANCES		
From Related Parties	59,602,009	41,594,262
From other Parties	-	-
(B)	59,602,009	41,594,262
Total(A+B)	59,691,905	42,021,804

2.4 DEFERRED TAX LIABILITIES

Particulars	As at	
	31st March, 2012	31st March, 2011
Deferred Tax Liabilities		
- On account of Depreciation	38,871,083	40,801,664
	38,871,083	40,801,664
Deferred Tax Assets		
- On disallowances of expenses	15,381	15,381
	15,381	15,381
Total	38,855,702	40,786,283

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.

2.5 OTHER LONG TERM LIABILITIES

(A) Trade Payables (Including Acceptance)	283,341	1,024
(B) Other Payables		
Advance from Customers	39,899	-
Security Deposit From Tenants	1,260,000	2,155,000
Total	1,583,240	2,156,024

2.6 SHORT TERM BORROWINGS

SECURED		
A LOANS REPAYABLE ON DEMAND		
I Working Capital Loans From Banks (Secured)	22,375,814	59,752,088
II TERM LOAN		
From ICICI/KOTAK MAHINDRA/DCB (Secured by hypothication of respective assets)	-	585,435
(A)	22,375,814	60,337,523
UNSECURED		
B LOANS & ADVANCES		
From Related Parties	-	2,000
(B)	-	2,000
Total(A+B)	22,375,814	60,339,523

Notes:

1. Details of the secured short-term borrowings:

HARIYANA SHIP BREAKERS LIMITED

Particulars	As at	
	31st March, 2012	31st March, 2011
Working Capital Loan from banks:		
a - Punjab National Bank- Bangalore	10,189,167	39,721,677
b - Punjab National Bank OD-376097	7,691,998	9,378,978
c - Punjab National Bank CC-2793	-	95,676
e - Punjab National Bank CC- 600	4,494,649	10,555,757
Total from banks	22,375,814	59,752,088

2. Details of Security:

- Cash Credit facility from Punjab National Bank is secured by way of hypothecation of Stock of Raw-Material, Finished goods, Work in progress, Books debts & personal guarantee of the Directors.
- Bank overdraft facility from Punjab National Bank OD-376097 is secured by way of equitable mortgage of immovable property of the company & associated concern as collateral security & personal guarantee of the associated concern & relatives of the key management personnels.
- Cash Credit facility from Punjab National Bank CC-2793 is secured by way of hypothecation of Stocks & book debts of the company as primary security and equitable mortgage of immovable property of the company & associated concern as collateral security.
- Cash Credit facility from Punjab National Bank CC-600 is secured by way of hypothecation of Stocks & book debts of the company as primary security .

2.7 TRADE PAYABLES

a. Trade Payables		
- Advance From Customers	181,248,616	82,112,114
- Creditors Payable	2,476,732,761	1,836,020,735
- Other Creditors Payable	521,849	1,137,049
Total	2,658,503,226	1,919,269,898

2.8 OTHER CURRENT LIABILITIES

OTHER PAYABLE		
Income Received in Advance	16,916,667	-
Statutory Dues	3,196,618	5,828,470
Outstanding Liabilities	1,588,134	3,291,438
Total	21,701,419	9,119,908

2.9 SHORT- TERM PROVISIONS

(A) Provision for Employee Benefits		
Salary & Reimbursements	42,647	368,570
Contribution to Provident Funds	32,495	100,935
Contribution to ESI Funds	18,096	18,293
(B) Others		
Provision for Income Tax	-	4,677,497
Proposed Dividend	18,500,001	15,416,668
Tax on proposed Dividend	3,001,163	2,560,516
Total	21,594,402	23,142,479

2.10 FIXED ASSETS

ASSETS	GROSS BLOCK				DEPRECIATION					NET BLOCK		
	AS ON 01.04.2011	ADDITION	DEDUCTIONS	TOTAL 31/03/2012	UP TO 31/03/2011	RATE OF DEP.	DEP. FOR THE YEAR	ON REVALUATION	WRITTEN BACK	TOTAL AS ON 31.03.2012	AS ON 31.03.2012	AS ON 31.03.2011
	FACTORY PREMISES	23,529,682	-	-	23,529,682	-	-	-	-	-	-	23,529,682
PREMISES												
- Non Factory	39,733,150	-	-	39,733,150	11,714,667	1.63	49,325	600,100	-	12,364,082	27,369,068	28,018,493
- Warehouse (Leasehold)	4,817,420	-	-	4,817,420	1,456,554	1.63	3,889	74,850	-	1,535,293	3,282,127	3,360,866
- Godown	1,356,796	-	-	1,356,796	333,557	1.63	22,176	-	-	355,733	1,001,063	1,023,239
- Office	2,041,059	-	-	2,041,059	188,112	1.63	33,269	-	-	221,381	1,819,678	1,852,947
FACTORY BUILDING	23,427,085	-	-	23,427,085	3,217,472	3.34	782,465	-	-	3,999,937	19,427,148	20,209,613
ROADS & CULVERTS	72,850	-	-	72,850	11,759	3.34	2,433	-	-	14,192	58,658	61,091
PLANT & MACHINERY	214,763,691	249,900	-	215,013,591	70,917,037	4.75	11,287,977	149,642	-	82,354,656	132,658,935	143,846,654
CRANE	16,730,113	74,970	-	16,805,083	2,732,775	4.75	938,289	-	-	3,671,064	13,134,019	13,997,338
POLLUTION CONTROL EQUIPMENTS	43,999,330	-	-	43,999,330	11,842,571	5.28	2,323,165	-	-	14,165,736	29,833,594	32,156,759
PLANT & MACHINERY (OTHERS)	8,873,678	-	-	8,873,678	2,309,879	4.75	421,500	-	-	2,731,379	6,142,299	6,563,799
ASBESTO HANDLING SYSTEM	283,500	-	-	283,500	9,519	4.75	13,503	-	-	23,022	260,478	273,981
OFFICE EQUIPMENTS	2,487,025	-	-	2,487,025	786,250	4.75	118,232	-	-	904,482	1,582,543	1,700,775
MOBILE	66,050	-	-	66,050	8,391	4.75	3,146	-	-	11,537	54,513	57,659
FURNITURE	4,107,492	24,624	-	4,132,116	2,097,587	6.33	230,511	-	-	2,328,098	1,804,018	2,009,905
COMPUTERS	2,410,146	148,313	-	2,558,459	1,797,549	16.21	285,181	-	-	2,082,730	475,729	612,598
AIRCONDITIONERS	91,370	-	-	91,370	27,860	4.75	4,352	-	-	32,212	59,158	63,510
METAL DETECTOR	-	102,222	-	102,222	-	16.21	4,131	-	-	4,131	98,091	-
SCOOTER - BAZAZ PLETTINA	-	87,822	-	87,822	-	9.50	4,401	-	-	4,401	83,421	-
VEHICLES	9,133,737	-	-	9,133,737	4,485,684	9.50	951,272	-	-	5,436,956	3,696,781	4,648,053
TRANSPORT VEHICLES	5,485,937	64,258	-	5,550,195	1,981,112	9.50	529,560	-	-	2,510,672	3,039,523	3,504,825
PORTABLE GENERATOR SET	23,800	-	-	23,800	16,489	4.75	1,134	-	-	17,623	6,177	7,311
WIRE ROPES	3,297,305	597,106	-	3,894,411	729,652	4.75	162,581	-	-	892,233	3,002,178	2,567,653
FIRE FIGHTING EQUIPMENTS	165,134	-	-	165,134	46,379	4.75	7,865	-	-	54,244	10,890	118,755
BUILDING	241,857	-	-	241,857	11,902	3.34	8,100	-	-	20,002	221,855	229,955
SPECTROMETER	811,981	-	-	811,981	46,894	4.75	38,675	-	-	85,569	726,412	765,087
WEIGHING MACHINE	80,946	6,343	-	87,289	24,361	4.75	4,122	-	-	28,483	58,806	56,585
WEIGH BRIDGE	744,392	46,100	-	790,492	328,908	4.75	37,279	-	-	366,187	424,305	415,484
WINCH	101,000	-	-	101,000	43,234	4.75	4,811	-	-	48,045	52,955	57,766
TOTAL	408,876,526	1,401,658	-	410,278,184	117,166,144	-	18,273,344	824,592	-	136,264,080	274,014,104	291,710,383
PREVIOUS YEAR	402,737,037	6,750,228	610,000	408,877,265	98,121,298	-	18,126,414	948,066	28,896	117,166,881	291,710,384	304,615,739

HARIYANA SHIP BREAKERS LIMITED

2.11 NON-CURRENT INVESTMENTS

Particulars	As at	
	31st March, 2012	31st March, 2011
A LONG TERM INVESTMENTS (AT COST)		
INVESTMENT IN EQUITY SHARES - UNQUOTED	10.00	10.00
The Cuffe Parade Persepolis premises of Co-Operative Ltd. 1 (PY 1.00) share of Rs.10/- each paid up		
INVESTMENTS IN PARTNERSHIP FIRMS *	212,538,716	73,886,256
Total	212,538,726	73,886,266

* Details Of Investment in Firms

Particulars	Share in Profit/ (Loss)		Amount	
	March, 31 2012	March, 31 2011	March, 31 2012	March, 31 2011
In Partnership Firms				
Fixed Capital A/c				
Orchid Lakeview Developers	33.33%	-	100,000	-
White Mountain	25.00%	-	25,000	-
Orchid Woods Projects	50.00%	50.00%	10,000,000	10,000,000
Hariyana Air Product	60.00%	60.00%	4,500,000	4,500,000
Current A/c				
Whitefield Projects	40.00%	40.00%	37,372,793	33,358,773
Swastik Developers	33.33%	33.33%	27,268,289	24,339,542
Orchid Lakeview Developers	33.33%	-	76,740,811	-
White Mountain	25.00%	-	56,029,496	-
Hariyana Air Product	60.00%	60.00%	502,327	1,687,941
			212,538,716	73,886,256

2.12 LONG TERM LOANS & ADVANCES

A Security Deposits		
Secured, considered good	65,000	95,205
Unsecured, considered good		-
(A)	65,000	95,205
B Unsecured, Considered good		
Loans and advances to:		
- Related parties	339,649,769	630,791,828
- Othe	691,464,075	894,075
(B)	1,031,113,844	631,685,903
C Other loans and advances (specify nature)		
Income Tax	-	42,373
Balance with statutory/government authorities	185,261	153,356
(C)	185,261	195,729
Total(A+B+C)	1,031,364,105	631,976,837

2.13 OTHER NON-CURRENT ASSETS

Particulars	As at	
	31st March, 2012	31st March, 2011
Miscellaneous expenses to the extent to be w/off or adjusted		
- Preliminary Expenses	78,294	150,791
- Pre-operative Expenses pending for Capitalisation	3,018,523	3,018,523
Total	3,096,817	3,169,314

Preliminary expenditure amounting to Rs. 30,18,523 /- has not been written off during the year as the company is yet to generate revenue from its Power Project. The same will be amortized over a period of 5 years from the year in which revenues are derived from business operations.

2.14 INVENTORIES

A RAW MATERIALS & COMPONENTS (Valued at Cost)		
CLOSING BALANCE OF UNCUT SHIP	665,884,668	519,274,800
CLOSING BALANCE OF MANUFACTURING OF SPONGE IRON	38,827,565	69,392,347
	704,712,233	588,667,147
B FINISHED GOODS (At Cost or Net realisable Value)		
CLOSING BALANCE	35,808,903	27,613,811
C BY PRODUCTS (DOLACHAR) -Valued at realisable Value		
CLOSING BALANCE	52,281	556,423
D STORES AND SPARES		
CLOSING BALANCE	6,574,339	5,948,323
E OTHERS (SPECIFY NATURE)		
- STOCK IN TRANSIT- (Valued at Cost)	-	17,528,208
- WORK-IN-PROGRESS- (Valued at Cost)	2,627,600	1,495,000
Total	749,775,356	641,808,912

2.15 TRADE RECEIVABLES

Trade receivables outstanding For a period less than six months from the date they are due for payment Unsecured, Considered good (A)	1,041,305,994	870,370,786
	1,041,305,994	870,370,786
Trade receivables outstanding For a period exceeding six months from the date they are due for payment Unsecured, Considered good (B)	1,611,615	384,591
	1,611,615	384,591
Total(A+B)	1,042,917,609	870,755,377

HARIYANA SHIP BREAKERS LIMITED

2.16 CASH & CASH EQUIVALENTS

Particulars	As at	
	31st March, 2012	31st March, 2011
Cash in Hand	2,716,298	1,495,723
Balances with scheduled banks	189,074	903,924
FDR with Banks	-	69,694
Total	2,905,372	2,469,341

The details of balances as on balance sheet dates with banks are as follows:

In current account		
- Punjab National Bank (Mumbai) HFPL A/c No.34332	13,700	13,975
- Punjab National Bank (Mumbai) HMEPL A/c No.32662	11,645	11,920
- Punjab National Bank (Mumbai) CC 1040	12,659	53,087
- Punjab National Bank - Bhavnagar Branch	10,284	10,284
- Punjab National Bank - CC2793	75,291	731,198
- State Bank of India	65,495	83,460
Total	189,074	903,924

2.17 SHORT-TERM LOANS & ADVANCES

Unsecured, considered good		
A Loans and Advances to		
- Related parties	-	398,595
- Other parties	-	-
(A)	-	398,595
Unsecured, considered good		
B Others		
Prepaid Expenses	304,366	102,100
Deposits	8,886,963	3,736,868
Advance to Supplier	191,544	238,493
Balance with statutory/government authorities	67,085,576	66,390,058
Advance Income Taxes	2,373,748	-
(B)	78,842,197	70,467,519
Total(A+B)	78,842,197	70,866,114

2. 18 REVENUE FROM OPERATIONS

Particulars	As at	
	31st March, 2012	31st March, 2011
SALES OF PRODUCTS	2,246,122,706	1,458,516,411
SALES OF TRADING GOODS		
- HIGH SEAS SALES	781,859,936	553,081,134
- LOCAL SALES	2,793,033,788	1,259,886,251
GROSS RECEIPTS FROM FINANCE ACTIVITIES	70,068,372	75,824,216
Total	5,891,084,802	3,347,308,012

2. 19 OTHER INCOME

INTEREST INCOME ON		
ON BANK FDR	4,642	361,149
FROM OTHER PARTIES	32,240,579	442,884
FROM PARTNERSHIP FIRM (HARIYANA AIR PRODUCT)	801,030	1,092,054
DISCOUNT RECEIVED	505,964	52,234
RENT RECEIVED	1,934,326	2,403,780
DIVIDEND INCOME	-	21,600
OTHER NON OPERATING INCOME (LEASE RIGHT COMPESATION)	90,000,000	-
FOREIGN EXCHANGE VARIATION GAIN	-	7,106,847
NET GAIN/LOSS ON SALE OF INVESTMENTS	-	503,274
OTHER INCOME		
CUSTOM REFUNDS	-	8,070,112
OTHER MISC - INCOME	137,135	2,308,346
Total	125,623,676	22,362,280

2. 20 COST OF MATERIALS CONSUMED

INVENTORY AT THE BEIGINNING OF THE YEAR	606,195,355	255,100,766
ADD: PURCHASE OF RAW MATERIAL	2,124,755,115	1,581,144,614
	2,730,950,470	1,836,245,380
LESS: INVENTORY AT THE END OF THE YEAR	704,712,233	606,195,355
COST OF RAW MATERIAL CONSUMED	2,026,238,237	1,230,050,025

2. 21 PURCHASE OF STOCK-IN-TRADE

PURCHASES	3,487,399,332	1,758,037,208
PURCHASE OF RAW MATERIAL	3,487,399,332	1,758,037,208

HARIYANA SHIP BREAKERS LIMITED

2. 22 MANUFACTURING & OPERATING COSTS

Particulars	As at	
	31st March, 2012	31st March, 2011
CARRIGE & CARTAGE	3,977,112	4,298,383
COMPENSATION TO FARMERS	1,084,739	1,084,739
CONSUMPTION OF STORE & SPARE PARTS	3,778,850	1,311,584
ENVIRONMENT PROTECTION CHARGES	329,663	174,066
GASES EXPENSES	24,502,291	14,073,298
GMB PLOT RENEWAL CHARGES	-	533,972
OTHER MANUFACTURING & OPERATING EXPENSES	15,909	8,500
PLOT RENT & PLOT DEVELOPMENT CHARGES	1,154,016	1,277,239
POWER & FUEL	18,354,693	19,305,195
REPAIRS & MAINTENACES	7,682,440	10,422,435
TESTING & INSPECTION CHARGES	50,395	17,272
TOTAL	60,930,108	52,506,683

2. 23 CHANGES IN INVENTORIES OF FINISHED GOODS

INVENTORY AT THE BEIGINNING OF THE YEAR		
- FINISHED GOODS	27,613,811	22,285,168
- BY PRODUCT GOODS	556,423	996,937
- WORK-IN-PROGRESS	1,495,000	1,552,400
(A)	29,665,234	24,834,505
INVENTORY AT THE END OF THE YEAR		
- FINISHED GOODS	35,808,903	27,613,811
- BY PRODUCT GOODS	52,281	556,423
- WORK-IN-PROGRESS	2,627,600	1,495,000
(B)	38,488,784	29,665,234
INCREASE/(DECREASE) IN FINISHED STOCK (A-B)	-8,823,550	-4,830,729

2. 24 EMPLOYEE BENEFITS EXPENSES

SALARIES & WAGES	31,216,344	26,178,608
CONTRIBUTION TO PROVIDENT FUND	258,543	635,279
CONTRIBUTION TO E.S.I	169,368	189,061
MANEGERIAL REMUNERATION	-	250,000
BONUS	3,348,709	2,327,950
WORKER INSURANCE	73,440	333,928
STAFF WELFARE EXPENSES	863,997	523,546
TOTAL	35,930,401	30,438,372

2.25 FINANCE COSTS

Particulars	As at	
	31st March, 2012	31st March, 2011
BANK COMMISSION & CHARGES	4,085,035	2,987,962
INTEREST EXPENSES ON :		
BANK LOANS	8,448,584	10,423,720
PAID TO BRANCH OFFICE	28,054	60,599
PAID TO OTHER PARTIES	10,684,496	4,504,779
DELAYED PAYMENT OF STATUTORY DUES	3,418	266,885
LC DISCOUNTING CHARGES	23,986,780	13,451,187
Total	47,236,367	31,695,132

2.26 OTHER EXPENSES

ADMINISTRATIVE EXPENSES		
ADVERTISEMENTS	7,465	117,357
ACCOUNTING CHARGES	120,000	-
BAD DEBTS	108,486	697,834
COMPUTER CHARGES	85,969	24,100
DONATION	27,000	112,685
ELECTRIC EXPENSES	527,291	598,387
FEES & SUBSCRIPTION	113,770	187,964
FOREIGN CURRENCY TRANSACTION VARIATION	49,411,750	-
GENERAL EXPENSES	165,351	182,192
INSURANCE	918,449	696,780
LEGAL & PROFESSIONAL EXPENSES	1,397,616	719,841
LISTING EXPENSES	60,665	49,635
OFFICE RENT	177,000	107,000
OFFICE & FACTORY MAINTENANCE	154,426	117,903
PAYMENT TO AUDITOR *	164,326	139,490
POSTAGE & COURIER	168,465	120,403
PRELIMINARY EXPENSES- WRITTEN OFF	72,497	72,497
PRINTING & STATIONERY	377,537	233,762
PROFESSIONAL TAX	2,000	26,060
RATE & TAXES	809,989	720,812
REPAIR & MAINTENANCE	320,559	58,621
SECURITIES GAURD EXPENSES	1,382,944	835,004
SECURITY TRANSACTION TAX	-	3,800
SERVICE TAX	103,670	56,547
SHARE DEMAT	3,530	3,432
SOCIETY MAINTENANCE	140,259	104,313
TELEPHONE EXP	468,692	376,717
TRAVELLING EXPENSES	435,979	651,190
VEHICLE & CONVEYNCE EXPENSES	1,582,474	1,578,221
SUB TOTAL	59,308,159	8,592,547

HARIYANA SHIP BREAKERS LIMITED

SELLING & DISTRIBUTION EXPENSES		
BUSINESS PROMOTION CHARGES	666,096	999,269
BROKERAGE & COMMISSION	3,827,805	4,062,431
CENTRAL EXCISES EXPENSES	54,687,478	51,631,922
FREIGHT OUTWARD	5,924,921	7,031,709
PACKING MATERIAL	21,000	42,665
SALES TAX	72,171,503	34,528,393
SUB TOTAL	137,298,803	98,296,389
Total	196,606,962	106,888,936

# PAYMENT TO AUDITOR		
AS AUDITOR :		
AUDIT FEE	126,236	106,327
TAX AUDIT FEE	21,236	19,927
OTHER SERVICES	16,854	13,236
Total	164,326	139,490

2.27 PROFIT (LOSS) FROM PARTNERSHIP FIRM

Hariyana Air Products	-598,703	-3,340,105
Total	-598,703	-3,340,105

2.28 TAX EXPENSES

Current tax:		
- Income taxes	50,500,000	48,068,000
Deferred taxes	(1,930,581)	(536,269)
Taxes of earlier years w/off	81,447	(3,294,763)
	48,650,866	44,236,968

2.29 EARNING PER SHARES

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

Profit after tax as per profit & Loss accounts	103,667,708	99,181,179
Add: Prior Period Adjustments	-	-
Less :Dividend on Preference Shares including dividend Tax	-	-
Net profit for calculation of Earning per shares	103,667,708	99,181,179
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	16.81	16.08
Diluted earnings per share	16.81	16.08

2.30 SEGMENT INFORMATION

The business of the company is divided into Four segment: Investment & Finance, Ship Recycling, Manufacturing of Sponge Iron & Steels and Trading activities and separate set of books of accounts are

maintained. The principal activities of these segments are as under.

Segment	Principal Activities
Investment & Finance Activity	Investment and Finance
Ship Breaking Activity	Dismantling / breaking of old and used ships
Steel and Power	Manufacture of Sponge Iron
Trading Activity	Trading in Ferrous and Non Ferrous metals, Coils, Sheets, Coke, Coal etc.

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:

Particulars	Investment & Finance	Ship Breaking	Trading	Steel & Power	Total
a) External Sales/Revenue	716.63	17,365.34	36,064.32	6,020.80	60,167.08
Inter segment Sales/Revenue*	346.28	240.59	185.19	-	-
Total Revenue	1,062.91	17,605.93	36,249.51	6,020.80	60,167.08
b) Segment Results Before Interest and Taxes	697.35	-26.74	922.49	402.45	1,995.55
c) Segment results as % of total	34.95%	-1.35%	46.23%	20.17%	100.00%
d) Segment Assets	12,722.20	7,435.81	9,641.08	4,155.46	33,954.55
e) Segment Liabilities	997.49	15,007.24	11,017.18	1,221.16	28,243.07

* Total Gross Revenue is after elimination of inter segment revenues of Rs. 772.06 lacs.

2. 31 Related Party Transactions :

a) Key Management personnel

- i) Sweety Reniwal
- ii) Tanmay Agarwal
- iii) Sandeep Rampurshottam Agarwal
- iv) Shivshankar G. Agarwal
- v) Tanmay Trilokchand Agarwal

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 Wood Projects
- ii) Orchid Lakeview Developers
- iii) Swastik Developers
- iv) Roxina Real Estate Pvt Ltd
- v) White Mountain
- vi) Whitefield Project
- vii) Hariyana Internation Private Limited
- viii) Hariyana Ship Demolition Private Limited
- ix) Hariyana Air Product

HARIYANA SHIP BREAKERS LIMITED

The details of transaction with related parties

In Rupees

Nature of transactions	Related Personnel		Other related parties	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
INCOME				
SALES (NON EXCISES)				
Hariyana Internation Private Limited	-	-	21,945	-
Hariyana Air Product	-	-	61,478	-
	-	-	83,423	-
INTEREST INCOME				
Hariyana Ship Demolition Private Limited	-	-	55,724,601	-
Orchid Lakeview Developers	-	-	2,840,811	-
Swastik Developers	-	-	2,928,747	-
White Mountain	-	-	2,179,496	-
Whitefield Project	-	-	4,014,020	-
Hariyana Air Product	-	-	259,452	-
	-	-	67,947,127	-
OXYGEN GAS PURCHASES				
Hariyana Air Product	-	-	12,680,107	2,425,900
	-	-	12,680,107	2,425,900
INTEREST PAID				
Tanmay Agarwal	1,668,329	-	-	-
Sandeep Rampurshottam Agarwal	1,668,329	-	-	-
Shivshankar G.Agarwal	1,668,329	-	-	-
Tanmay Trilokchand Agarwal	1,668,329	-	-	-
Hariyana Ship Demolition Private Limited	-	-	-	151,497
	6,673,316	-	-	151,497
RENT PAID				
Sweety R Reniwal	150,000	80,000	-	-
	150,000	80,000	-	-
LOAN GIVEN (REPAID)				
Inducto Steel Limited	-	-	-	67,901,508
Hariyana Ship Demolition Private Limited	-	-	2,614,044,000	326,752,000
			2,614,044,000	394,653,508
LOAN TAKEN (RECEIVED)				
Orchid Wood Projcets	-	-	13,450,000	-
Inducto Steel Limited	-	-	-	67,901,508
Hariyana Ship Demolition Private Limited	-	-	6,444,000	326,752,000
	-	-	19,894,000	394,653,508

OUTSTANDING BALANCES AS ON MARCH 31, 2012**The details of transaction with related parties**

Nature of transactions	Key Management Personnel		Other related parties	
	31.03.2012	31.03.2011	31.03.2012	31.03.2011
SUNDRY CREDITORS				
Hariyana Air Product	-	-	221,606	-
Hariyana Ship Demolition Private Limited	-	-	-	-
	-	-	221,606	-
LOAN TAKEN				
Hariyana Ship Breakers Limited	-	-	-	-
	-	-	-	-
LOAN & ADVANCE RECEIVED				
Roxina Real Estate Pvt Ltd	-	-	340,570,000	-
Hariyana Ship Demolition Private Limited	-	-	339,649,769	630,791,828
	-	-	680,219,769	630,791,828

2.32 CONTINGENT LIABILITIES**CONTINGENT LIABILITIES & COMMITMENTS (TO EXTENT NOT PROVIDED FOR)****(A) Contingent Liabilities**

- In respect of pending appeal before Hon. ACIT, Central circle 38, Mumbai. Rs. 188,120 -
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.

2.33 Detail of Quantity & Value of Stock

Information Pursuant to para No.3 & 4 of the Part-II of Schedule -VI of the Companies Act, 1956

Particulars of licenced, installed capacity & actual production	As at 31st March 2012		As at 31st March 2011	
	Ship Breaking	Steel & Power	Ship Breaking	Steel & Power
	Quantity MT	Quantity MT	Quantity MT	Quantity MT
i) Licenced capacity	N.A.	N.A.	N.A.	N.A.
ii) Installed capacity	N.A.	N.A.	N.A.	N.A.
iii) Actual production	49,530.950	29,210.000	38,438.000	36,194.000

HARIYANA SHIP BREAKERS LIMITED

1-A Particulars of Finished Goods	Quantity MT		Value Rs. (In Lacs)	
	31/03/2012	31/03/2011	31/03/2012	31/03/2011
Ship Breaking				
Opening Stock	-	-	-	-
Production	49,530.950	38,438.000	15,836.94	8,390.91
Sales of Finished Goods	49,530.950	38,438.000	16,456.75	8,887.88
Closing Stock	-	-	-	-
Steel & Power				
Opening Stock	1,987.320	1,821.130	276.14	222.85
Sales of Finished Goods	28,643.180	36,027.810	5,457.61	5,697.28
Closing Stock	2,554.140	1,987.320	358.09	276.14
Trading Division				
Opening Stock	-	-	-	-
Purchases	439,910.921	237,522.910	34,873.99	17,580.37
Sales	439,910.921	237,522.910	35,748.94	18,129.67
Closing Stock	-	-	-	-
B Value of Imported and Indigenous Raw materials consumed (Excluding Trading)				
Indigenous	75,280.805	88,857.850	2,156.63	1,748.27
Imported	92,913.190	88,872.100	18,105.75	10,525.61
	168,193.995	177,729.950	20,262.38	12,273.88
C Value of Imported and indigenous Stores & Spares consumed				
Indigenous	-	-	114.61	117.34
Imported	-	-	-	-
	-	-	114.61	117.34
D CIF Value of Imports				
Raw Material of Melting Scrap			16,982.89	11,990.74
Stores & Spares			-	-
Trading Goods			7,660.72	5,420.06
Capital Goods			-	-
Total			24,643.62	17,410.80

- 2. 34** The financial statements for the year ended 31st March, 2011 had been prepared as per the then applicable, pre-revised Schedule VI to the Companies Act, 1956. Consequent to the notification under the Companies Act, 1956, the financial statements for the year ended 31st March, 2012 are prepared under revised Schedule VI. Accordingly, the previous year figures have also been reclassified to conform to this year's classification.
- 2. 35** Significant accounting policies and practices adopted by the Company are disclosed in the statement annexed to these financial statements.

As per our separate report of even date attached

For Jain Seth & Co.
Chartered Accountants

(Firm Reg.no. 002069W)

Sd/-
Partner
Rajendra Saini
M.No 049913

Place : Mumbai
Date : 16/08/2012

For and on behalf of the Board of Directors

Sd/-	Sd/-
ShantisarupRenawal	Rakesh Renawal
Chairman and MD	Director

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2012

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 is 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 and Finance. 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 BASIS OF PRESENTATION :

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

a) SIGNIFICANT ACCOUNTING POLICIES

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. Adoption of revised Schedule VI does not materially impact recognition and measurement principles followed for preparation of financial statements.

However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

b) USE OF ESTIMATES

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) TANGIBLE 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. Expenditure relating to fixed assets is added to costs only when the same involved modification work whereby it increases the life of the assets. Fixed assets acquired from ships during the course of scrapping operation are capitalised at value estimated by the management.

d) DEPRECIATION ON TENGIBLE ASSETS :

I Depreciation is provided on the straight line method, pro-rata basis to the period of use, so as to write off the original cost of the asset over the remaining estimated useful life (as per technical evaluation by the Management at the time of acquisition) or at rates prescribed under the Schedule XIV to the Companies Act, 1956, whichever is higher, on the following basis :

Tangibale Fixed Assets	Method	Estimated useful Life
Factory Shed & Building	Straight line	Not Estimated
Other Buildings	Straight line	Not Estimated
Plant & Machinery	Straight line	3 to 10 Years
Furniture & Fixtures, Office Equipments, etc	Straight line	5 Years
Vehicle	Straight line	4 Years
Computers	Straight line	3 Years
Leasehold improvements	25% or the rate based on lease period, whichever is higher	

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 ASSETS

The Company assesses on each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The amount so reduced is treated as an impairment loss and is recognised in the Statement of Profit and Loss, except in case of revalued assets, where it is first adjusted against the related balance in fixed assets revaluation reserve.

If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is carried at the recoverable amount subject to a maximum of depreciated historical cost.

f) BORROWING COSTS

Borrowing costs that are directly attributable to the acquisition, construction/development of a qualifying asset are capitalized as a part of cost of such asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Costs in connection with borrowing of funds to the extent not directly related to the acquisition of fixed assets are amortised and charged to the Statement of Profit and Loss, over the tenure of the loan.

g) INVESTMENTS

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Investment in Partnership Firm as trade investment which shown at their book value at cost.

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.

Stores & Spares are written off at the time of purchase itself and no inventory is maintained.

i) RECOGNITION OF INCOME AND EXPENDITURE

Revenue is recognised only when it can be reliably measured and it is reasonable to

expect ultimate collection. 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 of the amount outstanding and rate applicable.

j) FOREIGN CURRENCY TRANSACTIONS

Purchase in respect of raw 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 exchnage rate prevalent at the last day of the financial year.

k) EXCISE DUTY & CENVAT

Excise duty is chargeable on production but is payable on clearance of goods. Accordingly excise duty on the goods manufactured by the company is accounted for at the time of their clearance. Excise duty payable is adjusted against the Cenvat credits, to the extent it is available and balance duty is paid and debited to Revenue.

l) PROVISION FOR TAXATION

Tax expense comprises both current and deferred tax.

Current income-tax is recognised at the amount expected to be paid to the tax authorities, using the tax rates and tax laws, enacted or substantially enacted as at the balance sheet date. Income from shipping activities is assessed on the basis of deemed tonnage income of the Company.

Deferred income-tax is recognised on timing differences, between taxable income and accounting income which originate in one period and are capable of reversal in one or more subsequent periods only in respect of the non shipping activities of the Company. The tax effect is calculated on the accumulated timing differences at the year end based on tax rates and laws, enacted or substantially enacted as of the balance sheet date. Deferred Tax Assets are recognised and carried forward only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realised.

Minimum Alternate Tax (MAT) credit is recognised 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.

m) 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.

n) AMORTIZATION OF PRELIMINARY EXPENSES

Preliminary expenditure amounting to Rs. 30,18,523 /- has not been written off during the year as the company is yet to generate revenue from its Power Project. The same will be amortized over a period of 5 years from the year in which revenues are derived from business operations.

o) EARNING PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed in the financial statements.

q) CASH & CASH EQUIVALENTS

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, cash at bank and short-term fixed deposits with maturity period not more than three months.

r) MEASUREMENT OF EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The company measures EBITDA on the basis of profit/ (loss) from current year operations. In its measurement, the company does not include depreciation and amortization expense, finance costs and tax expense.

1.2 NOTES FORMING PART OF THE ACCOUNTS

- a) During the year, the Company was engaged in Ship Recycling (ship breaking), Manufacturing of Sponge Iron & Steels and Trading in Ferrous & Non-Ferrous Metals activities. However, 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.
- b) In the opinion of the Management, the realisable value of the fixed assets of the company are much higher than the carrying cost and therefore, no provision for impairment is required to be made.
- c) 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, 2012. 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.
- d) The major components of the Deferred Tax Assets/Liabilities, based on the tax effect of the timing differences, as at 31st March 2012, are as under.

Particulars	31-March-2012	31-March-2011
Deferred Tax Liability on account of Depreciation	38,871,083.00	40,801,664.00
Deferred Tax Assets	(15,381.00)	(15,381.00)
Net deferred tax liability at the year end	38,855,702.00	40,786,283.00
Net deferred tax asects at the year end	-	-

Due to virtual uncertainty in realisation of carry forward Long Term Capital Loss of merged entities considered the same for the purpose of deriving the deferred tax assets.

- e) 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.
- f) Income Tax assessment has been completed upto the year assessment year 2009-10. The Management has an opinion that no additional liability will arise in the case of pending assessment.
- g) Sales tax assessment has been completed upto the year 2007-08. The Company does not anticipate any liability on account of the pending sales tax assessment.
- h) 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.
- i) Preliminary expenditure amounting to Rs. 30,18,523 /- has not been written off during the year as the company is yet to generate revenue from its Power Project. The same will be amortized over a period of 5 years from the year in which revenues are derived from business operations.
- j) In the opinion of the Board of Directors, Current Assets, Loans & Advances have a value of realisation 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 liabilities.
- k) The Balance of Sundry Creditors, Sundry Debtors, Loans & Advances are unsecured, considered goods and subject to confirmation.
- l) Previous years figures have been regrouped/rearranged wherever necessary so as to make them comparable with current years figures.

HARIYANA SHIP BREAKERS LIMITED

Regd. Office : 302, Sylverton Bldg., Ground Floor, 102, Wodehouse Road, Colaba, Mumbai-400 005.

ATTENDANCE SLIP

Please fill attendance slip and hand it over at the entrance of the Meeting Venue.

(Joint Shareholders may obtain additional Attendance Slip on request).

Folio No. _____ No. of Shares held _____

Name and Address of the Shareholders _____

I hereby record my presence at the 31st ANNUAL GENERAL MEETING of the Company to be held on Friday, the 28th day of September, 2012 at 12 noon at 302, Sylverton Bldg., Ground Floor, 102, Wode House Road, Colaba, Mumbai-400 005.

Signature of the Shareholder or Proxy*

* Strike out whichever is not applicable

HARIYANA SHIP BREAKERS LIMITED

Regd. Office : 302, Sylverton Bldg., Ground Floor, 102, Wodehouse Road, Colaba, Mumbai-400 005.

PROXY FORM

Folio No. _____ No. of Shares held _____

I/We _____ of _____ being
a

member/members of HARIYANA SHIP BREAKERS LIMITED, hereby appoint _____ of _____

or failing him _____ of _____ as my/our proxy to vote me/
us and on my/our behalf at the 31st ANNUAL GENERAL MEETING to be held on Friday, the 28th day
of September, 2012 at 12 noon at 302, Sylverton Bldg., Ground Floor, 102, Wode House Road, Colaba,
Mumbai-400 005. or any adjournment thereof.

Date this _____ day of _____ 2012.

Affix One
Rupee
Revenue
Stamp

Note : The proxy in order to be effective should be duly stamped, completed and signed and 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.

HARIYANA SHIP BREAKERS LIMITED

GREEN INITIATIVE IN CORPORATE GOVERNANCE – ANNUAL REPORT IN ELECTRONIC FORM

Dear Shareholder,

In connection with the Green Initiative in Corporate Governance taken by the Ministry of Corporate Affairs(MCA), Govt. of India vide Circular No. 17/2011 dated 21st April, 2011, and Circular No. 18/2011 dated 29.04.2011, it had allowed paperless compliances by the companies.

It had permitted companies to issue Annual Report and other documents by email to the shareholders. The Listing Agreement with the Stock Exchanges, amended recently, now requires a company to send soft copies of the report and Accounts to the members who register their email addresses with the Company.

In its constant endeavor the company proposes to enhance sustainability to the environment and cutting down on consumption of paper, proposes to given an option to the shareholders to receive Annual Report in electronic Form at their email address registered with their respective Depository Participant (DP)accounts(in the records of the Depositories, viz. National Securities Depository Ltd (NSDL) and Central Depository Services (India) Ltd (CDSL). Shareholders holding shares in physical form will receive the Annual Report at their email address registered with/ provided to the Company's Registrar & Transfer Agents(RTA).

We request you to join us in this noble initiative and look forward to your consent to receive the Annual Report from now onwards in electronic form. Please complete a tear off portion appended below and return the same to our Registrar & Transfer Agent in the postage paid envelope enclosed herewith.

Please note that the Annual Report will also be available on the Company's website www.hariyanagroup.com under link Annual Report, for your ready reference. The shareholders of the Company are entitled to request and receive a printed copy of the Annual Report of the Company.

We are sure that you would appreciate the GREEN INITIATIVE taken by the Company and opt for receiving Annual Report in electronic Form.

Thanking You
For **HARIYANA SHIP BREAKERS LIMITED**

Sd/-

DIRECTOR

To,

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

Re: Consent of shareholders to receive Annual Report in Electronic Form

Dear Sir,

I give my consent to receive the Annual Report in the electronic Form at my following e-mail address.

Name of the Shareholder	
Folio No./ DP.ID & Client ID	
Email ID	
Phone Number	
ThankingYou	
Signature of the first named shareholder	