

**35<sup>TH</sup>**  
**ANNUAL**  
**REPORT**  
**2015-2016**

Sponge Iron

Real Estate

Investment

Ship Breaking

Trading



**HARIYANA**  
**SHIP BREAKERS LTD**

ISO Certified

ISO = 14001-2015 / 9001-2015 / 30000-2009 / OHSAS 18001 - 2007

**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.

<b>CONTENTS</b>	
<b>Particulars</b>	<b>Page No.</b>
Corporate Information	2
Notice	3
Directors' Report	12
Corporate Governance Report	31
Secretarial Audit Report	50
Mangement Discussion and Analysis Report	58
Auditors' Report	61
Balance Sheet	71
Statement of Profit & Loss	72
Cash Flow Statement	73
Notes forming part of Accounts	74
Attendance Slip & Proxy Form	105

## HARIYANA SHIP BREAKERS LIMITED

### HARIYANA SHIP BREAKERS LIMITED

(CIN: L61100MH1981PLC024774)

#### CORPORATE INFORMATION

##### **BOARD OF DIRECTORS:**

Mr. Shantisarup Reniwal (DIN 00040355)	Managing Director
Mr. Rakesh Reniwal (DIN 00029332)	Executive Director
Mrs. Unnati Reniwal (DIN 00041306)	Executive Director
Mr. Manohar Wagh (DIN 02622648)	Independent & Non Executive Director
Mr. Pradeep Lilaram Bhatia (DIN 02903984)	Independent & Non Executive Director
Mr. Tejasbhai Thakker (DIN 03017277)	Independent & Non Executive Director

##### **KEY MANAGERIAL PERSON:**

Mr. Shantisarup Reniwal	Managing Director
Mr. Rajeev Reniwal	Chief Financial Officer
*Ms. Swati Chauhan (Appointed w.e.f 01.02.2016)	Company Secretary

##### **STATUTORY AUDITORS:**

M/s. P. D. Goplani & Associates

##### **SECRETARIAL AUDITORS:**

M/s. Dilip Bharadiya & Associates

##### **BRANCH AUDITORS:**

M/s. Lahoti Navneet & Co.

M/s. Gowthama & Co.

##### **INTERNAL AUDITOR:**

Mr. Amol Shah

##### **BANKERS:**

Punjab National Bank

##### **REGISTERED OFFICE:**

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

E-Mail: [contact@hariyanagroup.com](mailto:contact@hariyanagroup.com)

Web Site: - [www.hariyanagroup.com](http://www.hariyanagroup.com)

##### **BRANCH OFFICE:**

- Hariyana House, 2165/A-2, 2<sup>nd</sup> 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, Gujarat- 364001

##### **SPONGE IRON PLANT:**

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

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

Sharex Dynamic (India) Pvt. Ltd.

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

Tel: 2851 5606/ 2851 5644 Fax: 2851 2885

E-mail:- [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)

Website:- [www.sharexindia.com](http://www.sharexindia.com)

**NOTICE**

Notice is hereby given that the **35th Annual General Meeting** (“the Meeting”) of the members of **Haryana Ship- Breakers Limited** (“the Company”) (CIN: L61100MH1981PLC024774) will be held on **Friday, 30th September 2016, at 09.00 a.m.** at **156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai- 400021** to transact, with or without modification(s), as may be permissible, the following businesses:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March 2016 alongwith the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Rakesh Reniwal (DIN: 00029332), who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. P.D Goplani & Associates, Chartered Accountants, Firm Registration No. 118023W as Statutory Auditors of the Company and to fix their remuneration.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of the Audit Committee of the Board, M/s. P. D. Goplani & Associates, Chartered Accountants, Mumbai having ICAI Firm Registration No. 118023W, be and are hereby re-appointed as Statutory Auditors of the Company for the Company’s financial year 2016-17, to hold office from the conclusion of 35th Annual General Meeting until the conclusion of 36th Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbusement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company.”

4. To re-appoint M/s. Lahoti Navneet & Co, Chartered Accountants, Mumbai having ICAI Firm Registration No. 116870W as Branch Auditors of the Company and to fix their remuneration

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

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 143 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of the Audit Committee of the Board, M/s. Lahoti Navneet & Co, Chartered Accountants, Mumbai having ICAI Firm Registration No. 116870W, be and are hereby re-appointed as Auditors of the head office of the Company to audit the Accounts of the Mumbai Division of the Company for the financial year 2016-17, to hold office from the conclusion of 35th Annual General Meeting until the conclusion of 36th Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imbusement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company”.

## HARIYANA SHIP BREAKERS LIMITED

5. To re-appoint M/s. Gowthama & Company, Chartered Accountants, Bangalore having ICAI Firm Registration No. 0059175S as Branch Auditors of the Company and to fix their remuneration.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 139, 143 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (the Rules), (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the recommendation of the Audit Committee of the Board, M/s Gowthama & Company having ICAI Firm Registration No. 0059175S as auditor of the Bangalore division of the company to audit the Accounts of the Bangalore division of the Company for the financial year 2016-17, to hold office from the conclusion of 35th Annual General Meeting until the conclusion of 36th Annual General Meeting of the Company on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to service tax and re-imburement of out of pocket expenses incurred by them in connection with the audit of Accounts of the Company”.

### **SPECIAL BUSINESS:**

6. To ratify the remuneration payable to Cost Auditors M/s. Kewlani & Associates, Cost Accountants (Firm Registration No. 101593) of the Company:

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

**“RESOLVED THAT** pursuant to the provisions of Section 148(3) and such other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules 2014, as amended from time to time, the remuneration of Rs. 38,500/- (Rupees Thirty Eight thousand Five hundred only) plus re-imburement of out-of pocket expenses incurred in connection with the audit, as recommended by the Audit Committee and approved by the Board payable to M/s. Kewlani & Associates, Cost Accountants (Firm Registration No. 101593) as Cost Auditors to conduct audit of cost records made and maintained by the Company pertaining to “Steel Products” as prescribed under the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, for financial year commencing on 1<sup>st</sup> April 2016 and ending on 31<sup>st</sup> March 2017, be and is hereby ratified and confirmed.”

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

Sd/-  
**Shantisarup Reniwal**  
Managing Director  
(DIN 00040355)

**Date:** August 25, 2016

**Place:** Mumbai

**NOTES:**

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

A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

3. The Register of Members and the Share Transfer Books of the Company will remain closed from Saturday, 24<sup>th</sup> September 2016 to Friday, 30<sup>th</sup> September 2016 (both days inclusive).
4. Details in pursuance of Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2) in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.
5. Electronic copy of the 35th Annual Report 2015-16, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/ Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For the members who have not registered their email address, physical copies of the Notice of the 35th Annual Report 2015-16, inter alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the physical mode.
6. Members are requested to :-
  - i. Write to the Company at least 7 days before the date of the meeting, in case they desire any information as regards the Audited Accounts for the financial year ended 31<sup>st</sup> March 2016, so as to enable the Company to keep the information ready.
  - ii. Bring their copy of the Annual Report, Attendance slip and their photo identity proof at the Annual General Meeting.
  - iii. Intimate to the Registrar & Transfer Agent (R&TA) of the Company immediately, about any change in their address, where the shares are held in electronic form, such change is to be informed to the Depository Participant (DP) and not to the Company/ R&TA.
  - iv. Quote Registered Folio no. or DP ID/Client ID no. in all their correspondence.
  - v. Approach the R&TA of the Company for consolidation of folios.
  - vi. Avail Nomination facility by filing in form SH-13 in accordance with Section 72 of the Companies Act, 2013 and forward the same to the R&TA, if not done. (Applicable for those holding shares in physical form).

## HARIYANA SHIP BREAKERS LIMITED

- vii. Send all share transfer lodgments (physical mode)/ correspondence to the R&TA of the Company, Sharex Dynamic (India) P Ltd. Unit-1, Luthra Industrial Premises, Andheri – Kurla Road, Safed Pool, Andheri (East), Mumbai – 400 072 upto the date of book closure.
7. Corporate Members are requested to forward a certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
8. The Company has listed its shares on the BSE Limited. The listing fees till date have been paid.
9. All the documents referred to in the Notice are open for inspection at the Registered Office of the Company between 11:00 a.m. to 3:00 p.m. on all working days except Sundays and Public Holidays until the date of the Annual General Meeting or any adjournment(s) thereof.
10.
  - i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirement ) Regulations 2015, the Company is pleased to provide its members the facility to exercise their right to vote on resolutions proposed to be considered at the 35th Annual General Meeting, by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (“remote e-voting”) will be provided by National Securities Depository Limited (NSDL).
  - ii. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by e-voting shall be able to exercise their right at the meeting through Ballot Paper.
  - iii. The members who have cast their vote by e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - iv. The e-voting period commences on Tuesday, 27<sup>th</sup> September 2016 (9:00 am) and ends on, Thursday, 29<sup>th</sup> September 2016 (5:00 pm). During this period, Members’ of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date, 23<sup>rd</sup> September 2016, may cast their vote by e-voting. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, Member shall not be allowed to change it subsequently.

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

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

- a. Open the attached PDF file “e-Voting.pdf” giving your Client ID (in case you are holding shares in demat mode) or Folio No. (in case you are holding shares in physical mode) as password, which contains your “User ID” and “Password” for e-voting. Please note that the password is an initial password.
- b. Launch internet browser by typing the URL <https://www.evoting.nsdl.com/>
- c. Click on “Shareholder - Login”.
- d. Put User ID and password as initial password noted in step (1) above and Click Login.
- e. Password Change Menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- f. Home page of “e-Voting” opens. Click on e-Voting: Active Voting Cycles.
- g. Select “EVEN” of HARIYANA SHIP BREAKERS LIMITED.
- h. Members can cast their vote online from 9.00 am on Tuesday, 27<sup>th</sup> September 2016 till 5.00 p. m. on Thursday, 29<sup>th</sup> September 2016.
- i. E-Voting shall not be allowed beyond 5.00 pm on Thursday, 29<sup>th</sup> September 2016.
- j. Now you are ready for “e-Voting” as “Cast Vote” page opens.
- k. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm”, when prompted. Kindly note that vote once casted cannot be modified.
- l. Institutional shareholders (i.e., other than Individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail [dilipbcs@gmail.com](mailto:dilipbcs@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

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

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

<b>EVEN (e-voting Event Number)</b>	<b>USER ID</b>	<b>PASSWORD/PIN</b>
-------------------------------------	----------------	---------------------
- b. Please follow all steps from Sl. No. 10(A)(b) to Sl. No. 10(A)(l) above, to cast vote.
- c. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- d. If you are already registered with NSDL for remote e-voting, you can use your existing user ID and password/PIN for casting your vote.
- e. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- f. Voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date, 23<sup>th</sup> September 2016.
- g. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the notice and holding shares as on the cut-off date, 23<sup>th</sup> September 2016, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in), [contact@hariyanagroup.com](mailto:contact@hariyanagroup.com) / [shareindia@vsnl.com](mailto:shareindia@vsnl.com). However, if you are already registered with NSDL for remote e-voting, you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- h. A member may participate in the AGM even after exercising his right to vote through e-voting but shall not be allowed to vote again at the AGM.
- i. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be



## HARIYANA SHIP BREAKERS LIMITED

entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

11. The Company has appointed Mr. Dilip Bharadiya, Practising Company Secretary FCS 7956 and CP 6740 as the Scrutinizer to count the votes casted in favour or against the resolutions proposed from item No. 1 to 6 of the Notice for point No. 10 as mentioned hereinabove and to comply with the provisions of Section 108 of the Companies Act, 2013.
12. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of the Scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
13. The Scrutinizer shall, after the conclusion of voting at the Annual General Meeting, first count the votes cast at the meeting and thereafter unblock the votes cast through ballot paper in the presence of at least two witnesses, not in the employment of the Company, and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
14. The Results declared, along with the report of the Scrutinizer, shall be placed on the website of the Company and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.
15. Members can access the Annual Report 2015-2016 of the Company circulated to them on the website of the Company or on the Website of the Stock Exchange, [www.bseindia.com](http://www.bseindia.com)
16. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
17. The Securities and Exchange Board of India ("SEBI") has mandated submission of PAN by every participant in the Securities Market. Members holding shares in electronic form are requested to submit PAN to their Depository Participant(s) with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.
18. Nomination Facility :  
As per the provisions of Section 72 of the Companies Act, 2013, facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in single name and who have not yet registered their nomination are requested to register the same by submitting Form No.SH-13. If a Member desires to cancel the earlier nomination and record fresh nomination, he may submit the same in Form No.SH-14. Both Forms are appended at the end of the Annual Report. Members holding shares in physical form are requested to submit the forms to the Company's Share Registrars and Transfer Agents. Members holding shares in electronic form may obtain Nomination forms from their respective Depository Participant.
19. Updation of Members Detail:  
The format of the Register of Members prescribed by the Ministry of Corporate Affairs under the Companies Act, 2013 requires the Company / Share Registrars and Transfer Agents to record additional details of members, including their PAN details, email address, bank details

## **35<sup>TH</sup> ANNUAL REPORT 2015 - 2016**

for payment of dividend etc. A form for capturing the additional details is appended in this Annual Report. Members holding shares in physical form are requested to submit the filled in form to the Company or its Share Registrars and Transfer Agents. Members holding shares in electronic form are requested to submit the details to their respective Depository Participants.

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

**Sd/-**

**Shantisarup Reniwal**  
Managing Director  
(DIN 00040355)

**Date:** August 25, 2016

**Place:** Mumbai

## **HARIYANA SHIP BREAKERS LIMITED**

### **EXPLANATORY STATEMENT**

**Pursuant to Section 102 of the Companies Act, 2013**

#### **Item No.6**

Based on the recommendation of the Audit Committee, the Board at its meeting held on 24<sup>th</sup> June 2016, approved the appointment and remuneration of M/s. Kewlani & Associates, Cost Accountants (Firm Registration No.101593) to conduct audit of cost records made and maintained by the Company pertaining to "Steel Products" prescribed under the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, for the financial year commencing on 1<sup>st</sup> April 2016 and ending on 31<sup>st</sup> March 2017, at a remuneration of Rs.38,500/- (Rupees Thirty Eight thousand Five hundred only) plus re-imbusement of out-of pocket expenses incurred in connection with the audit.

In accordance with the provisions of Section 148 of the Act read along with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 made thereunder, ratification for the remuneration payable to the Cost Auditors to audit the cost records of the Company for the financial year ending 31<sup>st</sup> March 2017 by way of an Ordinary Resolution is being sought from the Members as set out at Item No.6 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No.6 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No.6 of the Notice.

On behalf of the Board of Directors

For **HARIYANA SHIP BREAKERS LIMITED,**

Sd/-

**Shantisarup Reniwal**

Managing Director  
(DIN 00040355)

**Date:** August 25, 2016

**Place:** Mumbai

**Details of Directors seeking appointment/re-appointment at the Thirty Fifth Annual General Meeting in pursuance of Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)**

<b>Name</b>	Mr. Rakesh Reniwal
<b>DIN</b>	00029332
<b>Date of Birth</b>	20/07/1974
<b>Qualification</b>	MBA
<b>Nature of Expertise</b>	Business
<b>Experience</b>	10 years experience in Business
<b>Name of other Public Companies in which holds Directorship</b>	NIL
<b>Name of other Companies in Committees of which holds Membership/ Chairmanship</b>	NIL
<b>Shareholding in Hariyana Ship- Breakers Limited</b>	8,58,230 Equity Shares (13.92%)

# HARIYANA SHIP BREAKERS LIMITED

## DIRECTORS' REPORT

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

Dear Shareholders,

Your Directors are presenting the 35<sup>th</sup> Annual Report of your Company and the Audited Financial Statements for the financial year ended 31<sup>st</sup> March 2016.

### FINANCIAL RESULTS :

(Amount in Lakhs)

Particulars	For the year ended 31.03.2016	For the year ended 31.03.2015
Total Income	39,021.67	26,972.72
Total Expenses	38,236.23	25,537.66
Profit / (Loss) before tax	785.44	1,435.06
Less: Tax Expense	-	187.50
Less: Deferred Tax	42.68	(166.77)
Profit / (Loss) after tax	742.76	1,414.33

### HIGHLIGHTS OF THE COMPANY'S PERFORMANCE:

During the year under consideration the Company earned total revenue of Rs. 39,021.67 Lakhs as against Rs. 26,972.72 Lakhs in the preceding financial year and Profit after tax of Rs. 742.76 Lakhs as against Rs. 1,414.33 Lacs in the preceding financial year.

The Company has been able to increase its total revenue during the year under review by 44.67%. However, the Company has failed to increase its profit margin of the year due to various factors like fluctuations in the exchange rate of US Dollar vis-à-vis Indian Rupee and steep decrease in prices of iron and steel products and volatile market conditions. Moreover, the decrease in Profit after tax is mainly due to per unit (MTs) prices remaining low during the year as compared to the preceding year. However, inspite of such adverse factors, the Company could achieve sustained sales performance and also could achieve positive profits during the year. The Management is of the view that, in the coming years the Ship Breaking Industry as well as Iron and Steel sector will be stable and with expected boost in the economy the requirement of iron and steel will increase which will help the Company to move towards its sustained path of growth.

### DIVIDEND:

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

### RESERVES:

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

### LOANS, GUARANTEE & INVESTMENTS:

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

**DEPOSITS:**

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

**RELATED PARTY TRANSACTIONS:**

All contract(s)/ arrangement(s)/ transaction(s) entered into by the Company with its related parties, during the year under review, were

- in “ordinary course of business” of the Company,
- on “an arm’s length basis” and
- not “material”,

as per the provisions of Section 188(1) of the Act read with Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of the SEBI Listing Regulations.

Accordingly, Form AOC-2 prescribed under the provisions of Section 134(3)(h) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014, for disclosure of details of Related Party Transactions, which are “not at arm’s length basis” and also which are “material and at arm’s length basis”, is not provided as an annexure of the Directors’ Report.

However, all Related Party Transactions entered into during the year under review and as on March 31, 2016 were approved by the Audit Committee of the Board and Board, from time to time and the same are disclosed in Note 2.29 of the Financial Statements of the Company for the year under review, as per the applicable provisions of the Act and the SEBI Listing Regulations.

Further, pursuant to the provisions of the Act and the SEBI Listing Regulations, Board has, on recommendation of its Audit Committee, adopted a Policy on Related Party Transactions and the said policy is available on the website of the Company i.e. [www.hariyanagroup.com](http://www.hariyanagroup.com).

**INTERNAL FINANCIAL CONTROLS:**

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

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A) Changes in Directors and Key Managerial Personnel (KMP)****• Directors:**

Pursuant to Section 152 of the Act and the Company’s Articles of Association, Mr. Rakesh Reniwal, Director, retires by rotation and being eligible, offers himself for re-appointment at the forthcoming Annual General Meeting.

During the year under review, none of the Directors of the Company resigned from their respective Directorships in the Company. Further, there was no appointment of any Director on Board of the Company.

All Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Act and the Listing Regulations.

## HARIYANA SHIP BREAKERS LIMITED

- **Key Managerial Personnel (“KMP”):**

The Board of Directors at its meeting held on 13<sup>th</sup> November, 2015 accepted the resignation of Ms. Disha Shah, Company Secretary placed before the Board.

Further, Board of Directors at its meeting held on 12<sup>th</sup> February, 2016 appointed Ms. Swati Chauhan as a Company Secretary of the Company.

The aforesaid appointment was based on the recommendation of the Nomination and Remuneration Committee of the Board (“NRC”).

Further, the list of the present Directors and KMP forms part of this Annual Report under the section Corporate Information.

### **PERFORMANCE EVALUATION OF THE BOARD:**

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and individual Directors, including the Chairman of the Company.

For evaluating the Board as a whole, views were sought from the Directors on various aspects of the Board’s functioning such as degree of fulfillment of key responsibilities, Board Structure and composition, establishment, delineation of responsibilities to various committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the management.

Similarly, views from the Directors were also sought on performance of individual Directors covering various aspects such as attendance and contribution at the Board/Committee Meetings and guidance/support to the management outside Board/Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and promoting effective relationships and open communication, communicating effectively with all stakeholders and motivating and providing guidance to the Executive Director.

Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition, effectiveness of meetings, Committee dynamics and quality of relationship of the Committee with the Board and the Management.

The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole. The Nomination & Remuneration Committee also reviewed the performance of the Board, its Committees and of individual Directors.

The Chairman of the Board provided feedback to the Directors, as appropriate. Significant highlights, learning with respect to the evaluation, were discussed at the Board Meeting.

**BOARD MEETINGS:**

During the year 16 (Sixteen) Board Meetings and 7 (Seven) Audit Committee Meetings were held. The details of the composition of the Board and its Committees and of the Meetings held and attendance of the Directors at such Meetings, are provided in the Corporate Governance Report.

**EXTRACT OF ANNUAL RETURN:**

In accordance with Section 134(3)(a) and as provided under sub-section (3) of Section 92 of the Companies Act, 2013 an extract of the annual return in prescribed form MGT – 9 is appended as **Annexure- 1** to the Board's Report.

**CORPORATE GOVERNANCE:**

A separate section on Corporate Governance forming part of the Directors' Report and a Certificate from the Company Auditors is included in the Annual Report. **Annexure – 2** is attached herewith.

**AUDITORS:****STATUTORY AUDITORS:**

M/s. P. D. Goplani & Associates, Chartered Accountants, Mumbai, having ICAI Firm Registration No. 128274W being eligible offer themselves for re-appointment. If re-appointed, it will be within the prescribed limits specified in Section 139 of the Companies Act, 2013. Members are requested to re-appoint the auditors and to fix their remuneration.

The Statutory Auditors in the Statutory Auditors' Report dated May 19, 2016 have commented that provision for gratuity and long term employee benefits as per AS-15 has not been made. In these regards, the Company would like to clarify that, since none of the employees of the Company were in continuous service of more than five years and accordingly making provision of Gratuity does not arise. However, if payment on account of gratuity arises due to happening of any incidents as provided under the applicable provisions of the law, the same will be accounted as and when incurred and the payment under the Pension Act is not applicable to the Company.

**SECRETARIAL AUDITORS:**

Pursuant to provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Dilip Bharadiya & Associates, Company Secretaries, to undertake the Secretarial Audit of the Company. The Secretarial Audit report for the year 2015-16 forms part of the Directors Report as the **Annexure- 3**.

**BRANCH AUDITORS:**

M/s. Lahoti Navneet & Co., Chartered Accountants, Mumbai having ICAI Firm Registration No. 116870W were appointed as Branch Auditors of the Head office of the Company, to hold office till the conclusion of the ensuing Annual General Meeting of the Company.

M/s. Gowthama & Co., Chartered Accountants, Bangalore having ICAI Firm Registration No. 005917S were appointed as Branch Auditors of the Bangalore division of the Company, to hold office till the conclusion of the ensuing Annual General Meeting of the Company.

The Branch Auditors in their Branch Auditors' Report dated April 27, 2016 have commented that provision for gratuity and long term employee benefits as per AS-15 has not been made. In these regards, the Company would like to clarify that, since none of the employees of the Company were in continuous service of more than five years and accordingly making provision of Gratuity does not



## **HARIYANA SHIP BREAKERS LIMITED**

arise. However, if payment on account of gratuity arises due to happening of any incidents as provided under the applicable provisions of the law, the same will be accounted as and when incurred and the payment under the Pension Act is not applicable to the Company.

The Auditors' Report, the Secretarial Audit Report and the Branch Audit Report for the financial year ended 31st March, 2016 do not contain any qualification, reservation, adverse remark or disclaimer other than mentioned above.

### **MATERIAL CHANGES AND COMMITMENTS:**

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

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

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

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (iii) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the Directors had prepared the annual accounts on a going concern basis;
- (v) the Directors, further state that they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- (vi) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

#### **A. Conservation of energy:**

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

The Company recognized the importance of energy conservation in decreasing the deleterious effects of global warming and climate change. The company has implemented various initiatives for the conservation of energy and all efforts are made to minimize energy costs. Company is engaged in Ship Breaking, manufacturing of Sponge Iron and Steel, trading in metal scrap, coals, graphite electrodes & other industrial

inouts. No significant power consumption is required in ship breaking industry as major portion in production process consist of non mechanical processes. However, industrial gases are used in ship dismantling activities and the company has taken various measures to control the consumption of fuel and energy. Moreover, in its Steel & Power Unit, the Company has taken various measures to control the consumption of fuel and energy.

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

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

**(iii) the capital investment on energy conservation equipments;**

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

**B. Technology absorption:**

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

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

Particulars	Current Year		Previous Year	
	In Rs.	In USD	In Rs.	In USD
Foreign Exchange Earnings	NIL	NIL	NIL	NIL
Foreign Exchange Outgo	3,03,73,89,089	4,58,05,682.78	2,06,88,25,015	3,32,65,360

**CORPORATE RESPONSIBILITY STATEMENT (CSR):**

In terms of section 135 and Schedule VII of the Act, the Board of Directors has constituted a CSR Committee under the Chairmanship of Mr. Rakesh Reniwal. Mr. Pradeep Bhatia and Mr. Tejas Thakkar are the other members of the Committee.

The CSR Committee of the Board has framed a CSR Policy and uploaded it on the website of the Company <http://www.hariyangroup.com>. During the year, based on these rules the amount to be spent on CSR activities was Rs. 35.04 lakhs whereas the Company has not spent any amount towards Corporate Social Responsibility. Management and CSR Committee are in the process of finding better avenues for CSR Expenditure to be incurred in the near future.

**AUDIT COMMITTEE:**

The details pertaining to Audit Committee and its composition are included in the Corporate Governance Report, which forms part of this report.

**NOMINATION AND REMUNERATION COMMITTEE:**

The Company has constituted a Nomination and Remuneration Committee pursuant to Section 178(1) of the Companies Act, 2013 and has defined the policy on Director's appointment and payment of remuneration including criteria for determining qualifications, positive attributes, and

## HARIYANA SHIP BREAKERS LIMITED

independence of a Director. The Committee shall function in accordance with the terms and reference of the policy. Policy of the Company is enclosed herewith as **Annexure- 4**.

### **VIGIL MECHANISM:**

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

### **STAKEHOLDER'S RELATIONSHIP COMMITTEE:**

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

### **PERFORMANCE OF EMPLOYEES:**

**A) The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:**

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

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

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

No remuneration is paid to any Director of the Company. Further, appointment of, Company Secretary was done at the Board Meeting held on 12<sup>th</sup> February, 2016 which is for part year and hence the information pertaining to percentage increase in remuneration cannot be provided.

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

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

- d. The number of permanent employees on the rolls of Company: 08 (Eight)**

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

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

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

Appointment of key managerial personnel was done on 12<sup>th</sup> February, 2016. Since this information is for part of the year, the same is not comparable.

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

Particulars	March 31, 2016	March 31, 2015	% Change
Market Capitalisation	28,49,00,015	23,98,83,346	18.77
Price Earnings Ratio	3.84	1.70	125.70

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

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

**i. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

There is no increase in salaries of employees other than the managerial personnel in the last financial year. Further, no remuneration is paid to managerial personnel so comparison cannot be made.

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

Appointment of key managerial personnel was done on 12<sup>th</sup> February, 2016. Since, this information is for part of the year, the same is not comparable.

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

No remuneration is paid to any Director of the Company.

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

Not applicable

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

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

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

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

## **HARIYANA SHIP BREAKERS LIMITED**

### **DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES:**

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

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Management Discussion and Analysis Report for the financial year under review is set out in a separate section forming part of this Report.

### **COST AUDIT:**

As per Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant in practice. The Board of Directors of the Company has approved the appointment of Mr. Sonu Sobhraj Kewlani, Partnership firm M/s Kewlani & Associates, having Registration No.101593 as the cost auditors of the Company to conduct cost audits pertaining to relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time for the year ending March 31, 2017, at a remuneration of Rs.38,500/- p.a. and have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the past several years under the provisions of the erstwhile Companies Act, 1956.

### **RISK MANAGEMENT:**

The Board of the Company has formed a Risk Management Committee in accordance with the provisions of the Act and Regulation 17 (9) of the Listing Regulations. The policy frame, implement and monitor the risk management plan for the Company. The Committee is responsible for reviewing the risk management plan and ensuring its effectiveness. The audit committee has additional oversight in the area of financial risks and controls. Policy to manage risk is also placed on the website of the Company. During the year, risk analysis and assessment was conducted and the details of the same are covered in the Management Discussion and Analysis Report of the Company.

### **FAMILIARIZATION PROGRAMME:**

Pursuant to Regulation 25 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations 2015, the Company has formulated a programme for familiarizing the Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. through various initiatives. Details of the Familiarization Programme of the Independent Directors are available on the website of the Company.

### **SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

The Company has adopted a policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013 and the Rules thereunder which is available on the website of the Company. The Policy aims to provide protection to employees at the work place and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has not received any complaint of sexual harassment during the financial year 2015-2016.

**DETAILS OF VARIOUS PLANTS:****Ship Breaking and Iron & Steel**

During the financial year 2015-16, ship breaking unit at Alang Ship Breaking Yard has not been able to perform well during the year under review due to various factors like fluctuations in the exchange rate of US Dollar vis-à-vis Indian Rupee and steep decrease in prices of Iron and steel products and volatile market conditions. The management is of the view that, in the coming years the ship breaking industry will be stable and with expected boost in the economy the requirement of iron and steel will increase which will help the company to move towards its sustained path of growth.

Trading Unit, Bhavnagar, has tremendously outperformed during the year as compared to preceding financial year, the sales turnover of Trading Unit has been increased by 3 times than preceding financial year. However, trading unit has failed to maintain profit margin in line with the preceding financial year due to volatile market conditions and heavy foreign exchange fluctuations; however, it is hoped that the trading unit will show an increase in terms of sales as well as profits in the coming years.

Trading & Investment Unit, Mumbai (HO), has not been able to perform well during the year in terms of total revenue as well as net profits margins. There were no trading activities carried out by the management during the year under review due to adverse market conditions of iron and steel industries and heavy foreign exchange fluctuations; however, it is hoped that the Trading Unit, Mumbai will continue its trading activities in coming years and show an increase in terms of sales as well as profits in the coming years.

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

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

**Industrial Gases:**

The company is into a partnership in M/s. Hariyana Air Products (with 60% share.) for the manufacture and supply of Industrial Oxygen Gas. During the year the oxygen plant at Bhavnagar, Gujarat has not been able to perform well and the company has earned loss from the said partnership firm of Rs. 35.19 Lakhs as against loss of Rs. 27.00 Lakhs in the preceding financial year. The reason for the loss is volatile market conditions and a competitive market with liquid oxygen suppliers. However, with proximity to Alang Ship Breaking Yard and huge captive consumption requirements of group companies, the company expects good long term benefits from the said partnership venture.

**Real Estate & Construction:**

The Company is also taking interest into real estate business. For which has been into Partnership in the name of "White Field Projects" (with 40% share) for construction & selling of residential

## HARIYANA SHIP BREAKERS LIMITED

apartments. The construction work of the Project is fully completed and all of the flats have been sold. The company's share of loss from the firm during the year under report is Rs. 0.69 Lakhs.

The Company has also been into Partnership and formed a Partnership Firm "Goyal Hariyana Construction" formally known as "Orchid Woods Projects" (with 50% share) for construction & selling of residential apartments. Presently the firm has two projects at Bangalore, Karnataka. The firm has acquired land at Kothanur Village, KrishnarajapuraHobli, Bangalore, East Taluk and at Chokkanahalli Village, YelahankaHobli, Bangalore, East Taluk with the an object of constructing 1, 2 & 3 BHK Apartments. Till March 31, 2016 90% of construction work has been completed of the project at Kothanur Village, KrishnarajapuraHobli, Bangalore, East Taluk. The company has started the construction at Chokkanahalli Village, YelahankaHobli, Bangalore, North Taluk on February, 2014 and expected to complete the project by December, 2016. The company's share of profit from the firm is Rs. 915.96 Lakhs for the year ended on March 31, 2016.

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

The company has also been into partnership in M/s. "White Mountain" (with 25% share). Presently the firm is having one project at Thindlu, Indrasanahalli & Singrahalli Village, KundanaHobli, Devanahalli Taluk. The firm has acquired 44 acres and 20 Guntas of land with the object of developing 386 plots of various sizes. Likely date of completion of the project is December 2016. The company's share of profit from the firm is Rs. 183.46 Lakhs for the year ended on March 31, 2016.

The company has also been into partnership in M/s. "Orchid Lakeview Developers" (with 33.33% share). The firm is having the project at Bellandur Village, VarthurHobli, Bangalore, East Taluk with an object of construction 2 & 3 BHK apartments consisting 336 flats. Likely date of completion of the project is June, 2017. The company's share of loss from the firm is Rs. 0.01 Lakhs for the year ended on March 31, 2016.

The company has also entered into partnership and formed a partnership firm "Goyal Hariyana Realty" (with 50% share). The firm is having two projects at Bangalore, Karnataka viz. Alanoville and Orchid Greens with the object of construction of Villas and residential apartments. Project Alanoville, project for development of Residential Villa on the land of "M/S Value and assets holdings Private limited, Bangalore" by a Joint Venture agreement, further, the firm has started the construction on October 2015 and expected to complete the project by December 2018. Project Orchid Greens, project for in development of Residential Apartment on the land of "M/S Value and assets holdings Private limited, Bangalore" by a Joint Venture agreement, the firm has started construction in February, 2016 and expected to complete the projects by December, 2018.

The company has also entered into partnership and formed a partnership firm "Shree Balaji Associates" (with 5% share). The firm is engaged in the business of trading in iron & steel, coal and real estate. The company's share of profit from the firm is Rs. 8.31 Lakhs for the year ended on March 31, 2016.

The company has also entered into partnership and formed a partnership firm "Hariyana Developers" (with 51% share) for redevelopment of old buildings, construction of new buildings and real estate activities. The firm is entitled to development right in respect of 8 properties admeasuring 6492.62 Sq. Mtrs. of land and structures at Pant Nagar, Ghatkoper (East), Mumbai. The project is expected to commence soon.

**ACKNOWLEDGEMENT:**

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

For and on behalf of the Board of Directors

**Hariyana Ship- Breakers Limited,**

**Sd/-**  
**Shantisarup Reniwal**  
Managing Director  
(DIN 00040355)

**Sd/-**  
**Rakesh Reniwal**  
Director  
(DIN 00029332)

**Date:** August 25, 2016

**Place:** Mumbai



**HARIYANA SHIP BREAKERS LIMITED****Annexure - 1****EXTRACT OF ANNUAL RETURN**

As on financial year ended 31.03.2016

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

CIN	L61100MH1981PLC024774
Registration Date	09/07/1981
Name of the Company	<b>Hariyana Ship Breakers Ltd.</b>
Category / Sub-Category of the Company	Company Limited by Shares
Address of the Registered office and contact details	156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021. Tel: 22043211/ 3212 / 3214 Fax: 22043215 E-mail: contact@hariyanagroup.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Sharex Dynamic (India) Pvt. Ltd. Unit-1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (E), Mumbai – 400 072. Tel: 28515606/ 28515644 Fax: 2851 2885 E-mail: sharexindia@vsnl.com

**B. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service% to total turnover of the company	% to total turnover of the company
a.	Trading in ferrous and non ferrous metals, coils and Coals	N.A.	<b>97.05</b>
b.	Dismantling / Breaking of old and used ships	35117	<b>2.94</b>
c.	Manufacturing of Sponge Iron	27120	<b>0.01</b>

**C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr.	Name and address of the company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held
	NIL			

## D. SHARE HOLDING PATTERN

## i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01/04/2015				No. of Shares held at the end of the year 31/03/2016				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTER'S</b>									
(a). Individual	4529814	0	4529814	73.46	4529814	0	4529814	73.46	0
(b). Central Govt	0	0	0	0	0	0	0	0	0
(c). State Govt(s).	0	0	0	0	0	0	0	0	0
(d). Bodies Corpp	0	0	0	0	0	0	0	0	0
(e). FIINS / BANKS.	0	0	0	0	0	0	0	0	0
(f). Any Other	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (1):-</b>	<b>4529814</b>	<b>0</b>	<b>4529814</b>	<b>73.46</b>	<b>4529814</b>	<b>0</b>	<b>4529814</b>	<b>73.46</b>	<b>0</b>
<b>(2). FOREIGN</b>									
(a). Individual NRI / For Ind	0	0	0	0	0	0	0	0	0
(b). Other Individual	0	0	0	0	0	0	0	0	0
(c). Bodies Corporates	0	0	0	0	0	0	0	0	0
(d). Banks / FII	0	0	0	0	0	0	0	0	0
(e). Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(f). Any Other Specify	0	0	0	0	0	0	0	0	0
<b>Sub-total (A) (2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total shareholding of Promoter</b>	<b>4529814</b>	<b>0</b>	<b>4529814</b>	<b>73.46</b>	<b>4529814</b>	<b>0</b>	<b>4529814</b>	<b>73.46</b>	<b>0.00</b>
<b>(A) = (A)(1)+(A)(2)</b>									
<b>(B) (1). PUBLIC SHAREHOLDING</b>									
(a). Mutual Funds	0	0	0	0	0	0	0	0	0
(b). Banks / FI	0	0	0	0	0	0	0	0	0
(c). Central Govt.	0	0	0	0	0	0	0	0	0
(d). State Govt.	0	0	0	0	0	0	0	0	0
(e). Venture Capital Funds	0	0	0	0	0	0	0	0	0
(f). Insurance Companies	0	0	0	0	0	0	0	0	0
(g). FIs	0	0	0	0	0	0	0	0	0
(h). Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i). Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(1):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2. Non-Institutions</b>									
<b>(a). BODIES CORP.</b>									
(i). Indian	438077	2200	440277	7.14	424721	2200	426921	6.92	-0.22
(ii). Overseas	0	0	0	0	0	0	0	0	0
(b). Individuals	0	0	0	0	0	0	0	0	0
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	676732	74900	751632	12.19	665904	72100	738004	11.97	-0.22
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	434094	0	434094	7.04	462684	0	462684	7.50	0.46
(c). Other (specify)									
Non Resident Indians	9330	0	9330	0.15	8654	0	8654	0.14	-0.01
Overseas Corporate Bodies	0	0	0	0	0	0	0	0	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	1520	0	1520	0.02	590	0	590	0.01	-0.01
Trusts	0	0	0	0	0	0	0	0	0
Foreign Boodies - D R	0	0	0	0	0	0	0	0	0
<b>Sub-total (B)(2):-</b>	<b>1559753</b>	<b>77100</b>	<b>1636853</b>	<b>26.54</b>	<b>1562553</b>	<b>74300</b>	<b>1636853</b>	<b>26.54</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1559753</b>	<b>77100</b>	<b>1636853</b>	<b>26.54</b>	<b>1562553</b>	<b>74300</b>	<b>1636853</b>	<b>26.54</b>	<b>0</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.00</b>
<b>Grand Total(A+B+C)</b>	<b>6089567</b>	<b>77100</b>	<b>6166667</b>	<b>100.00</b>	<b>6092367</b>	<b>74300</b>	<b>6166667</b>	<b>100.00</b>	<b>0</b>

## HARIYANA SHIP BREAKERS LIMITED

### (ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Share holding at the end of theYear 31/03/2016			% change in share holding during the year
		No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	No. of shares	% of total shares of the company	% of Shares Pledged/ encumbered to total shares	
1	RAKESH SHANTISARUP RANIWAL	858230	13.917	0	858230	13.917	0	0
2	SHANTISARUP RANIWAL & SONS . HUF	625178	10.138	0	625178	10.138	0	0
3	SANJEEV S. RANIWAL	438267	7.107	0	438267	7.107	0	0
4	SWEETY R. RANIWAL	51150	0.829	0	51150	0.829	0	0
5	SHALINI S. RANIWAL	123100	1.996	0	123100	1.996	0	0
6	LALITADEVI S RANIWAL	414800	6.726	0	414800	6.726	0	0
7	SHANTISARUP R. RANIWAL	80080	1.299	0	80080	1.299	0	0
8	RAJEEV S. RANIWAL	1539009	24.957	0	1539009	24.957	0	0
9	UNNATI R. RANIWAL	400000	6.486	0	400000	6.486	0	0

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

Sl No.	Shareholder's Name	Shareholding at the beginning of the year 01/04/2015			Share holding at the end of theYear 31/03/2016			% of total share holding during the year
		No. of shares at the beginning Shares of the (01-04-2014)/ end of the year (31-03-2016)	% of total shares company	Date	Increasing/ Decreasing in shareholding	Reason	No. of Shares	
	No change							

## 35<sup>TH</sup> ANNUAL REPORT 2015 - 2016

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

Sr. No.	Name	No. of Shares at the beginning (01-04-2015) / end of the year (31-03-2016)	% of total Shares of the company	Date	Increase/ Decrease in shareholding	Reason	No. of Shares	% of total Shares of the company
1	BLACKSTONE PROPERTIES PVT. LTD.	86333	1.4	1/4/2015				
	-Closing Balance			31/03/2016			86333	1.4
2	WEED INVESTMENT & FINANCE PVT. LTD.	294120	4.77	1/4/2015				
	-Closing Balance			31/03/2016			294120	4.77
3	MAHENDRA GIRDHARILAL	46631	0.756	1/4/2015				
	-Closing Balance			31/03/2016			46631	0.756
4	Vishanji Ravji Vora	11714	0.19	1/4/2015				
	-Closing Balance			31/03/2016			11714	0.19
5	JAGDISH CHANDER BANSAL HUF	145288	2.356	1/4/2015				
	-Closing Balance			31/03/2016			145288	
6	PRASHANT VIJAY JOG	36333	0.589	1/4/2015			36333	0.589
				10/4/2015	23	Buy	36356	0.59
				1/5/2015	167	Buy	36523	0.592
				12/6/2015	-514	Sell	36009	0.59
	-Closing Balance			31/03/2016			36009	0.59
7	SANJAY DOSI	36500	0.592	1/4/2015				
	-Closing Balance			31/03/2016			36500	0.592
8	SANGEETHAS	103390	0.755	1/4/2015				
	-Closing Balance			31/03/2016			103390	0.755
9	SEETHA KUMARI	32714	0.055	1/4/2015			32714	0.055
				12/6/2015	3610	Buy	36324	0.6
				21/08/2015	2592	Buy	38916	0.63
				28/08/2015	1922	Buy	40838	0.66
	-Closing Balance			31/03/2016			40838	0.66
10	BABAN MOTIRAM MITKARI	11424	0.185	4/1/2015				
	-Closing Balance			7/31/2015			11424	0.185
11	DR. RAMESH CHIMANLAL SHAH	0		1/4/2015				
				31/07/2015	20010	Buy	20010	0.32
				7/8/2015	9990	Buy	30000	0.49
				14/08/2015	-700	Sell	29300	0.47
				23/10/2015	-125	Sell	29175	0.47
				8/1/2016	-7375	Sell	21800	0.35
				26/02/2016	-200	Sell	21600	0.35
				11/3/2016	-1000	Sell	20600	0.33
	-Closing Balance			31/3/2016			20600	0.33

## HARIYANA SHIP BREAKERS LIMITED

### (v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name	Shareholding at the beginning of the year 01/04/2015 and at end the year 31/03/2016	% of total shares of the company	Date	Increase /Decrease in Shareholding	Reason	No. of Shares	% of total Shares of Company
1	Shantisarup Reniwal	80080	1.30	-	-	-	80080	1.30
2.	Rajeev Reniwal	1539009	24.96	-	-	-	1539009	24.96
3.	Unnati Reniwal	400000	6.49	-	-	-	400000	6.49
4.	Rakesh Reniwal	858230	13.92	-	-	-	858230	13.92

### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount	1122475365	59,687,076	0	1182162441
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	1122475365	59,687,076	0	1182162441
Change in Indebtedness during				
Addition				
Reduction	197287782	4,847,898	0	202135680
Net Change	197287782	4,847,898	0	202135680
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
ii) Interest accrued but not due	1319763147	64,534,974	0	1384298121
Total (i+ii+iii)	1319763147	64534974	0	1384298121

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

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

**B. Remuneration to other directors:**

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

## HARIYANA SHIP BREAKERS LIMITED

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

	Particulars of Remuneration	Key Managerial Personnel		
		CFO	Company Secretary*	Total
1	Gross salary(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	80000	80000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0
2	Stock Option	0	0	0
3	Sweat Equity	0	0	0
4	Commission- as % of profit- others, specify...	0	0	0
	Others, please specify	0	0	0
	Total	0	80000	80000

\* Appointed w.e.f 1st February, 2016.

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

Type	Section of the Companies Act	BriefDescription	Details ofPenalty / Punishment/ Compounding fees imposed	Authority[RD / NCLT/ COURT]	Authority[RD / NCLT/ COURT]
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

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

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

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

The Company is in compliance with the requirements of the guidelines on Corporate Governance stipulated under SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015.

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

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

### **BOARD OF DIRECTORS:**

#### **Composition of Board of Directors**

As on 31st March, 2016, the Board of Directors of the Company comprised of Six Directors, of whom three are Non-Executive Directors and the remaining 3 are Executive Director. Pursuant to Regulation 17 of SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), the Company shall have an optimum combination of Executive and Non-Executive Directors with at least 1 Woman Director and not less than fifty percent of the Board of Directors comprising of Non-Executive Directors. The Company comprises of 3 out of 6 as Non- Executive and 1 Woman Director and hence the Company is complying with the aforesaid requirement.

In accordance with the provisions of the Companies Act, 2013 ("Act"), and the Company's Articles of Association, Mr. Rakesh Reniwal, Director, retires by rotation and is eligible for re-appointment. Pursuant to Regulation 36 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ("Listing Regulations"), profile of Director seeking reappointment, has been given along with the Notice of the Annual General Meeting.



## HARIYANA SHIP BREAKERS LIMITED

### Board Meetings:

16 Board Meetings were held at Mumbai during the year under review.

The Board Meetings were held on **01/04/2015, 04/04/2015, 05/05/2015, 21/05/2015, 23/05/2015, 29/05/2015, 03/06/2015, 30/06/2015, 13/08/2015, 25/08/2015, 19/09/2015, 13/11/2015, 19/01/2016, 12/02/2016, 24/02/2016** and **15/03/2016**.

The Meetings of the Board of Directors are scheduled well in advance and generally held at the Company's Registered Office in Mumbai. The time gap between the two meetings did not exceed one hundred twenty days. Necessary quorum was present for all the meetings. All the information required to be furnished to the Board were made available to them along with detailed Agenda notes.

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

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

### Membership, Attendance & Other Directorships:

The category of each Director, together with his attendance at Board Meetings, the number of his Directorships and memberships of the SEBI-designated Board Committees of other companies, as on 31st March, 2016 are given below :

Name of Directors & DIN	Category of Director	Board Meetings attended during 2015-2016		Attended Last AGM	*No. of Directorships of other indian companies	## No. of & Committee memberships	
		Held	Attended			Public	Private
Mr. Shantisarup Reniwal DIN: 00040355	Promoter, Chairman & Managing Director	16	16	Yes	9	Nil	Nil
Mrs. Unnati Reniwal DIN: 00041306	Promoter & Executive Director	16	16	Yes	5	Nil	Nil
Mr. Rakesh Reniwal DIN: 00029332	Promoter & Executive Director	16	4	Yes	9	Nil	Nil
Mr. Manohar Wagh DIN: 02622648	Independent & Non – Executive Director	16	16	Yes	Nil	Nil	Nil
Mr. Pradeep Bhatia DIN: 02903984	Independent & Non – Executive Director	16	2	No	Nil	Nil	Nil
Mr. Tejas Thakker DIN: 03017277	Independent & Non – Executive Director	16	2	No	Nil	Nil	Nil

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

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

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

**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 31<sup>st</sup> March 2016 have affirmed their compliance with the code and the declaration to this effect given by the Chairman is annexed hereto in the Corporate Governance Report.

**Independent Directors Meeting:**

In terms of Section 149 of the Act and Regulation 25(3) of the Listing Regulations, a separate meeting of the Independent Directors was held on 31/03/2016, inter alia, to discuss:

- a) Evaluation of the Performance of Non-Independent Directors and the Board of Directors as a whole;
- b) Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors; and
- c) Evaluation of the quality, content and timeliness of flow on information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All Independent Directors were present at the Meeting.

**COMMITTEE OF DIRECTORS:****Audit Committee**

Sr. No	Name of Member	Designation	Meetings held during the year	Meetings attended during the year
1	Mr. Manohar Wagh	Chairman	7	7
2	Mr. Pradeep Bhatia	Member	7	7
3	Mr. Tejas Thakker	Member	7	7
4	Mr. Rakesh Reniwal	Member	7	2

## HARIYANA SHIP BREAKERS LIMITED

### Nomination and Remuneration Committee

Sr. No	Name of Member	Designation	Meetings held during the year	Meetings attended during the year
1	Mr. Manohar Wagh	Chairman	1	1
2	Mr. Pradeep Bhatia	Member	1	1
3	Mr. Tejas Thakker	Member	1	1

### Stakeholders' Relationship & Share Transfer Committee

Sr. No	Name of Member	Designation	Meetings held during the year	Meetings attended during the year
1	Mr. Manohar Wagh	Chairman	4	4
2	Mr. Pradeep Bhatia	Member	4	4
3	Mr. Tejas Thakker	Member	4	4

### Corporate Social Responsibility Committee

Sr. No	Name of Member	Designation	Meetings held during the year	Meetings attended during the year
1	Mr. Rakesh Reniwal	Chairman	2	2
2	Mr. Pradeep Bhatia	Member	2	2
3	Mr. Tejas Thakker	Member	2	2

### AUDIT COMMITTEE

The audit committee of the Company is constituted in compliance with the Section 177 of the Act and Regulation 18 of the Listing Regulations as mandated by the Stock Exchanges. All the members of Audit Committee possess expert knowledge in the field of accounts, audit and finance.

#### Terms of reference of the Audit Committee:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the Statutory Auditors and the fixation of audit fees;
- Approval of payment to Statutory Auditors for any other services rendered by them;
- Reviewing, with the Management, the annual financial statements and auditors' report before submission to the Board for approval, with particular reference to:
  - ∅ Matters to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013.

- ∅ Changes, if any, in accounting policies and practices and reasons for the same.
  - ∅ Major accounting entries involving estimates based on the exercise of judgment by the management.
  - ∅ Significant adjustments made in the financial statements arising out of audit findings.
  - ∅ Compliance with listing and other legal requirements relating to financial statements.
  - ∅ Disclosure of any related party transactions.
  - ∅ Qualifications in the draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval;
  - Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - Review and monitor the auditor's independence and performance, and effectiveness of audit process;
  - Approval or any subsequent modification of transactions of the Company with related parties;
  - Scrutiny of inter-corporate loans and investments;
  - Valuation of undertakings or assets of the Company, wherever it is necessary;
  - Evaluation of internal financial controls and risk management systems;
  - Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
  - Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - Discussion with internal auditors of any significant findings and follow up there on;
  - Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
  - Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
  - To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - Establish a vigil mechanism for Directors and employees to report genuine concerns in such manner as may be prescribed;
  - To review the functioning of whistle blower mechanism.

## **HARIYANA SHIP BREAKERS LIMITED**

- Approval of appointment of CFO;
- The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the Internal and Statutory Auditors and the Management of the Company;
- To allow Auditors and Key Managerial Personnel, a right to be heard while considering the Auditor's Report;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee;
- To mandatorily review the following information;
- To define significant related party transactions;
  - ∅ Management discussion and analysis of financial condition and results of operations;
  - ∅ Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - ∅ Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - ∅ Internal audit reports relating to internal control weaknesses; and
  - ∅ The appointment, removal and terms of remuneration of the chief internal auditor

The Audit Committee reports its findings to the Board at the subsequent meeting and its recommendations are implemented by the management.

### **NOMINATION AND REMUNERATION COMMITTEE**

The Company constituted a Nomination and Remuneration Committee of Directors in accordance with Section 178 of the Act and Regulation 19 of the Listing Regulations. This Committee was framed to carry out performance evaluation of Directors, Key Managerial Personnel and Senior Management of the Company and accordingly reward them.

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

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

- To devise a policy on Board diversity.
- To develop a succession plan for the Board and to regularly review the plan.

**Remuneration Policy:**

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

**Details of remuneration to all the Directors:**

**a. Non-Executive Directors:**

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

**b. Managing Director and Executive Directors**

Name	Salary	Benefits, perquisites	Commission and allowances
Mr. Shantisarup Reniwal	0	0	0
Mrs. Unnati Reniwal	0	0	0
Mr. Rakesh Reniwal	0	0	0

The Company does not have any Employee Stock Option Scheme.

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

**STAKEHOLDERS’ RELATIONSHIP & SHARE TRANSFER COMMITTEE**

In compliance with Section 178 of Act and Regulation 20 of the Listing Regulations, the Stakeholders’ Relationship Committee has been constituted.

The Committee approves / monitors transfers, transmissions, consolidation, issue of duplicate certificate, monitors the shareholding pattern as well as the redressal of complaints from shareholders by the Share Registrars, oversee overall improvement of the quality of Investor services, performance of Registrar and Share Transfer Agents, oversee compliance relating to dividend payment, transfer of unclaimed amount to IEPF, implementation of the Code of Conduct for prevention of Insider Trading.

There was no complaint pending as on 31st March, 2016.

The Company has appointed Ms. Swati Chauhan as the Compliance Officer of the Company dated February 01, 2016.

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.

## HARIYANA SHIP BREAKERS LIMITED

Details of investor complaints received and redressed during the year 2015-16 are as follows:

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

### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility (CSR) Committee has been constituted under Section 135 of Act.

The terms of reference of Corporate Social Responsibility Committee are as follows:-

- a) Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII of the Act;
- b) Recommend the amount to be spent on the CSR activities;
- c) Monitor the Company's CSR policy periodically;
- d) Attend to such other matters and functions as may be prescribed from time to time.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The same is displayed on the website of the Company.

### **BOARD AND DIRECTOR EVALUATION AND CRITERIA FOR EVALUATION**

Pursuant to the provisions of the Act and Listing Regulations, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for performance evaluation process for the Board, its Committees and Directors, including Chairman of the Company. The criteria laid down by the Committee are:

#### **A. Criteria for Board Evaluation:**

- i. Degree of fulfillment of key responsibilities.
- ii. Board structure and composition.
- iii. Establishment and delineation of responsibilities to Committees.
- iv. Effectiveness of Board processes, information and functioning.
- v. Board culture and dynamics.
- vi. Quality of relationship between the Board and the management.
- vii. Efficacy of communication with various stakeholders.

#### **B. Criteria for Evaluation of independent and non-independent Directors:**

- i. Attendance.
- ii. Contribution at Board Meetings.
- iii. Guidance/ support to management outside Board/ Committee Meetings.

- iv. For the Chairman of the Board, additional criteria include providing effective leadership to the Board; setting an effective strategic agenda of the Board; encouraging active engagement by all the members of the Board, promoting effective relationships and open communication; communicating effectively with all stakeholders and enabling meaningful relationships; and motivating and providing guidance to the Managing Director & CEO.

**C. Criteria for Evaluation of Board Committees:**

- i. Degree of fulfillment of key responsibilities.
- ii. Adequacy of Board Committee composition.
- iii. Effectiveness of meetings.
- iv. Committee dynamics.
- v. Quality of relationship of the Committee with the Board and the management.

**Familiarisation Programme:**

The Company has Familiarisation Programme for the Independent Directors with respect to the Company, their roles, rights, responsibilities and details of such Familiarisation Programme is available at the Company’s website.

**GENERAL BODY MEETINGS**

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

<b>Location</b>	<b>Date</b>	<b>Time</b>
156 Maker Chambers Vi, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021	30.09.2013	10.30 a.m.
156 Maker Chambers Vi, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021	30.09.2014	09.00 a.m.
156 Maker Chambers Vi, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021	30.09.2015	09.00 a.m.

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

- a) **32<sup>nd</sup> AGM held on 30<sup>th</sup> September 2013: NONE**
- b) **33<sup>rd</sup> AGM held on 30<sup>th</sup> September 2014:**
  - a. For appointment of Mrs. Unnati Reniwal (DIN: 00041306) as a Director of the Company
  - b. For appointment of Mr. Pradeep Bhatia (DIN: 02903984) as an Independent Director of the Company.



## HARIYANA SHIP BREAKERS LIMITED

- c. For appointment of Mr. Tejas Thakkar (DIN: 03017277) as an Independent Director of the Company.
  - d. To ratify appointment of Mr. Shantisarup Reniwal (DIN: 00040355) as Managing Director of the Company
  - e. To borrow monies in excess of paid up Share Capital and Reserves, to the extent of Rs. 500 Crore
  - f. Adoption of new Articles of Association of the Company containing regulation with the Companies Act, 2013
- c) **34<sup>th</sup> AGM held on 30<sup>th</sup> September 2015:**
- a. To ratify appointment of Mr. Shantisarup Reniwal (DIN: 00040355) as Managing Director of the Company.
  - b. To borrow monies in excess of paid up Share Capital and Reserves, to the extent of Rs. 1250 Crores
  - c. Amendment of Articles of Association of the Company by adopting the Table F of Schedule I of the Companies Act, 2013

### **Postal Ballot:**

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

#### **A. \*Postal Ballot Notice dated August 25, 2015, pertaining to the following matters:-**

S No	Special Resolutions	Votes cast in favour		Votes cast against	
		No. of votes	%	No. of votes	%
1.	Resolution under section 180(1)(a) of the Companies Act, 2013, authorizing the Board of Directors for creation of charge on assets	20,96,754	100	6	0
2.	Resolution under section 186 of the Companies Act, 2013, authorizing the Board of Directors for inter-corporate loans & deposits over and above the limits	20,96,759	100	1	0
3.	Resolution under section 13 of the Companies Act, 2013, to alter the Main objects of the Company.	20,96,760	100	0	0

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

**Cut-off Record Date for reckoning Members eligible to receive Notice and vote:** August 25, 2015

**Cut-off date and time for voting:** October 5, 2015 till 5.00 P.M.

**Date of declaration of result:** October 8, 2015

**Procedure for Postal Ballot:**

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

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

**Extraordinary General Meetings**

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

**DISCLOSURES:**

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

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

- b) There were no pecuniary relationships or transactions of the non-executive directors vis-à-vis the Company, other than payment of Board fees/commission and investments (if any) in shares / securities of the Company.
- c) There were no material transactions of the Company with its promoters, directors, management or their relatives that may have potential conflict with the interest of the Company at large.
- d) There has been no instance of non-compliance by the Company on any matter related to capital markets. No penalties or strictures have been imposed by them on the Company.
- e) **Whistle Blower policy and affirmation that no personnel has been denied access to the audit committee:**

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

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

**f) Policy on Preservation of Documents:**

Pursuant to the provisions of Regulation 9 of the SEBI Listing Regulations, your Company has adopted this policy for preservation of documents.

This Policy contains guidelines for identifying Documents (as define under the SEBI Listing Regulations) that need to be maintained, the period of preservation of such Documents and its destruction/ disposal. This Policy aims to provide efficient and systematic control on the periodicity and destruction of business related Documents.

**g) Policy for Determination of Materiality of Information or Event:**

Pursuant to the provisions of Regulation 30 of the SEBI Listing Regulations, your Company has adopted this policy for determination of materiality of information or event for facilitating prompt disclosure of material price sensitive information to the stock exchange(s) in compliance with the provisions of the SEBI Listing Regulations. This Policy shall act as a guidance for determining materiality of such price sensitive information, so as to ensure prompt disclosure of material price sensitive information/ event to the stock exchange(s), where the securities of the Company are listed, so that present and potential investors are able to take informed decision relating to their investment in the Company and to avoid creation of false market in the securities of the Company.

**h) Policy for Archival of Documents:**

Pursuant to the provisions of Regulation 30 of the SEBI Listing Regulations, your Company has adopted this policy for the archival of documents of the Company (the "Policy"), to comply with the provisions of the SEBI Listing Regulations.

**i) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI):**

This Code of Conduct has been framed and adopted by your Company in compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 ("SEBI PIT Regulations"), to adhere to each of the Principles of Fair Disclosure for purposes of Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, as set out in Schedule A to the SEBI (PIT) Regulations.

**j) Code of Conduct for Trading in Listed or Proposed to be Listed Securities of Hariyana Ship-Breakers Limited:**

This document explains the Code to be observed by all the Connected Persons of the Company, pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time ("the SEBI PIT Regulation").

The objective of this Code is to communicate to all the Connected Persons the Code related to trading in listed or proposed to be listed securities of the Company. It is intended to serve as a guideline to all concerned, which they should imbibe and practice, both in letter and spirit, while trading in listed or proposed to be listed securities of the Company.

**k) Code of Conduct for Board Members and Senior Management:**

This Code of Conduct has been framed and adopted by your Company in compliance with the provisions of Clause 49 of erstwhile Listing Agreement (now Regulation 17 of the SEBI Listing Regulations).

The code incorporates the duties of independent directors as laid down in the Act and also helps the Board Members and Senior Managers to observe the highest standards of ethical conduct and integrity and to work to the best of their ability and judgment.

**l) Means of Communication:**

The unaudited quarterly results and audited results for the year are published in one English newspaper (The Free Press Journal.) and atleast one vernacular newspaper (Navshakti) shortly after its submission to the Stock Exchanges. The Company's website [www.hariyanagroup.com](http://www.hariyanagroup.com) contains relevant information including matters pertaining to investor relations, shareholder benefits, as well as quarterly/annual financial results.

**m) Reporting of Internal Auditor:**

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

**n) Subsidiary Companies:**

The Company does not have any Subsidiary.

**o) Green Initiative:**

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

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

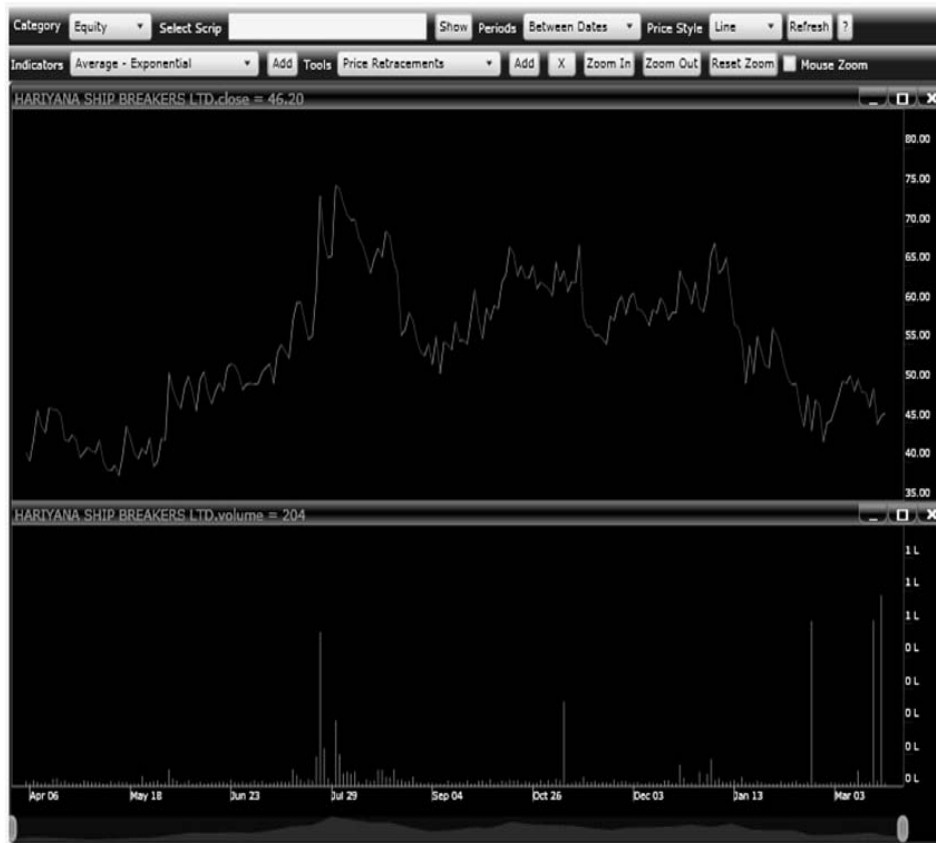
## HARIYANA SHIP BREAKERS LIMITED

### GENERAL SHAREHOLDERS INFORMATION

General Shareholder Information	
Compliance Officer	Ms. Swati Chauhan
Registered Office(Address for Correspondence)	156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai- 400021 E-Mail: contact@hariyanagroup.com Web Site: - www.hariyanagroup.com
Annual General Meeting(Date, Time and Venue)	Friday, 30th September, 2016 at 9.00 A.M. 156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai- 400021
Financial Year	The Financial Year of the Company ends on 31st March each year.
Book Closure Date	Saturday, 24th September 2016 to Friday, 30th September 2016 (both days inclusive).
Dividend Payment Date	The Board does not recommend any dividend for the financial year ended 31st March 2016
Listing on Stock Exchange:	BSE Limited (BSE) 25th Floor, P.J. Towers, Dalal Street, Mumbai – 400001
	BSE:526931 & ISIN : INE400G01011
Stock Code & ISIN Demat of Shares	Available on National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL). 98.8% of the Company's shares are in dematerialized mode. Annual Custodial charges have been paid to both Depositories upto 31st March, 2017.

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

Month	High Price	Low Price
April-15	56.00	36.25
May-15	46.95	36.65
June-15	53.50	45.30
July-15	85.00	47.05
August-15	80.00	53.15
September-15	64.35	51.00
October-15	72.50	55.60
November-15	68.60	52.80
December-15	67.70	53.20
January-16	74.00	47.70
February-16	64.80	41.00
March-16	53.95	42.00

**Performance of the share price of the Company in comparison to the BSE Sensex:****Registrar and Share Transfer Agents (R&TA):**

Contact Person: Mr. Shashikumar

Sharex Dynamic (India) Pvt Ltd

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

Ph: 28515606, 28515644, | Fax: 28512885 | Email: [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)

**Share Transfer Systems:**

98.8% of the Equity Shares of the Company are in electronic form. Transfers of these shares are done through the depositories with no involvement of the Company.

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

## HARIYANA SHIP BREAKERS LIMITED

### Distribution of Shareholding as on 31<sup>st</sup> March 2016:

DISTRIBUTION SCHEDULE ON NUMBER OF SHARES AS ON 31 <sup>st</sup> MARCH 2016				
SHARE OF NOMINAL VALUE	NO. OF HOLDERS	(%) OF HOLDERS	TOTAL AMOUNT	% OF AMOUNT
UPTO TO 5000	1478	81.21	2281500.00	3.70
5001 TO 10000	182	10.00	1531830.00	2.48
10001 TO 20000	67	3.68	1049300.00	1.70
20001 TO 30000	26	1.43	659280.00	1.07
30001 TO 40000	18	0.99	644940.00	1.05
40001 TO 50000	9	0.49	416810.00	0.68
50001 TO 100000	19	1.04	1353500.00	2.19
100001 TO ABOVE	21	1.15	53729510.00	87.13
<b>TOTAL</b>	<b>1820</b>	<b>100.00</b>	<b>61666670.00</b>	<b>100.00</b>

### Details of Shares held by Directors as on 31<sup>st</sup> March 2016:

Name of Directors	No. of Equity Shares Held
Mr. Shanti Sarup Reniwal DIN: 00040355	800,80
Smt. Unnati Reniwal DIN: 00041306	4,00,000
Mr. Rakesh Reniwal DIN: 00029332	8,58,230
Mr. Manohar Wagh DIN: 02622648	0
Mr. Pradeep Bhatia DIN: 02903984	0
Mr. Tejas Thakker DIN: 03017277	0

### Details of Shareholding Pattern as on 31<sup>st</sup> March, 2016:

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

#### Dematerialization of shares and liquidity:

As on 31<sup>st</sup> March 2016, 98.8 % of the total equity share capital of the Company is held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited. The market lot is one share as the trading in equity shares of the Company is permitted only in dematerialized form, traded on BSE Limited.

#### Outstanding GDRs/ADRs/Warrants/ Convertible Instruments and their impact on Equity:

The Company has not issued any GDRs/ADRs/Warrants/ Convertible Instruments in the past and hence as on 31<sup>st</sup> March, 2016 does not have any outstanding GDRs/ADRs/Warrants/ Convertible Instruments.

**The Plants of the Company are situated at:**

<p><b><i>Ship Breaking Yard</i></b> Plot No.14, Ship Breaking Yard, Alang, Dist. Bhavnagar, Gujarat - 364001</p>	<p><b><i>Sponge Iron Plant</i></b> Hariyana Steel &amp; Power, Survey No. 12,14,15Shanthigrama (Hubli), Kanchanhally Ville, Dist. Hassan - 573 201 Ph. 08172-290011</p>
--	---

**The Branch Office of the Company are situated at:**

<p><b>Branch Office (Bhavnagar):</b> Hariyana House, 2165/A-2, 2<sup>nd</sup> Floor, Sanskar Mandal Chowk, Bhavnagar 364 002, (Gujarat). Ph. 0278-3005955 Fax 0278-567222</p>	<p><b>Branch Office (Bangalore):</b> Hariyana Steel and Power, 206, Barton Centre, 84, M G Road, Bangalore 560 001. Ph. 080-25325716 Fax 080-25091411</p>
---	---

**DECLARATION AFFIRMING ADHERENCE TO THE CODE OF CONDUCT BY THE BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL:**

In accordance with Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, I hereby confirm that, all the Directors and the Senior Management Personnel of the Company affirmed compliance to their respective Codes of Conduct, as applicable to them for the financial year ended 31st March, 2016.

By order of the Board

**For HARIYANA SHIP-BREAKERS LIMITED**

Place: Mumbai  
Date: August 25, 2016

**Sd/-**  
Shantisarup Reniwal  
DIN: 00040355  
Managing Director



## HARIYANA SHIP BREAKERS LIMITED

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

To  
The Members  
**Hariyana Ship-Breakers Limited**  
Mumbai

We have reviewed financial statements and the cash flow statement of Hariyana Ship- Breakers Limited ('Company') for the year ended March 31, 2016 and that to the best of our knowledge and belief, we state that;

1. (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;  
(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. 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 violate the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting. We have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps taken or propose to be taken for rectifying these deficiencies.
4. We have indicated to the auditors and the Audit committee
  - (i) significant changes, if any, in internal control over financial reporting during the year;
  - (ii) significant changes, if any, in accounting policies made during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which we have 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 over financial reporting.

Sd/-  
Shantisarup Reniwal  
Managing Director

Sd/-  
Rajeev Reniwal  
Chief Financial Officer

Place: Mumbai  
Date: August 25, 2016

**INDEPENDENT AUDITORS' CERTIFICATE**

**To**  
**The Members of**  
**Haryana Ship Breakers Limited**

We have examined the compliance of conditions of Corporate Governance by Haryana Ship Breakers Limited, for the year ended on March 31, 2016, as stipulated in chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with stock exchange(s).

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 for ensuring the compliance of the conditions of the 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 the provisions as specified in chapter IV Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to Listing Agreement of the said Company with stock exchange(s).

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

**For P.D. Goplani & Associates.,**  
Chartered Accountants  
(Firm Reg. No. 118023W)

Sd/-  
**Sonam Langalia**  
Partner  
Membership No. 154014

Place : Mumbai  
Date : August 25, 2016

**Annexure- 3**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2016**

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

To,  
The Members,  
**HARIYANA SHIP-BREAKERS LIMITED**  
Mumbai

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HARIYANA SHIP-BREAKERS LIMITED** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company of books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as given in **Annexure- A** for the financial year ended on 31<sup>st</sup> March 2016 according to the provisions of:
  - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - **NOT APPLICABLE**
  - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
    - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; - **NOT APPLICABLE**
    - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and

Employee Stock Purchase Scheme) Guidelines, 1999- **NOT APPLICABLE**

- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- **NOT APPLICABLE**
  - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009- **NOT APPLICABLE**
  - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- **NOT APPLICABLE**
2. I have relied on the representations made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other applicable Acts, Laws and Regulations to the Company. The list of major head/ group of Acts, Laws and Regulations as applicable to Company is as follows:
- (i) Gujarat Maritime Board Act, 1981;
  - (ii) The Factories Act, 1948;
  - (iii) The Contract Labour Act, 1970;
  - (iv) The Hazardous Wastes (Management & Handling) Rules, 1989 under Gujarat Pollution Control Board
3. I have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India
  - (ii) The Listing Agreements entered into by the Company with the Stock Exchange

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

**I further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

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

All resolutions/decisions at the Board and the Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors and the Committee.

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

## HARIYANA SHIP BREAKERS LIMITED

I further report that during the audit year there were no instances of:

- (i) Public/ Rights Issue of Equity Shares & Equity Warrants/ Debentures/ Sweat Equity
- (ii) Redemption/ Buy- back of securities
- (iii) Merger/ Amalgamation/ Reconstruction, etc
- (iv) Foreign Technical Collaborations

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

For **DILIP BHARADIYA & ASSOCIATES**

**Sd/-**  
**DILIP BHARADIYA**  
**Practising Company Secretary**  
**Proprietor**  
**Membership No. 7956 /CP No. 6740**

Date: August 25, 2016

Place: Mumbai

**Annexure- A**

**List of documents verified:**

1. Memorandum & Articles of Association of the Company
2. Annual Report for the financial year ended 31<sup>st</sup> March 2015
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders' Relationship Committee along with Attendance Register held during the financial year under report
4. Minutes of General Body Meetings held during the financial year under report
5. Statutory Registers
6. Agenda papers provided to all the Directors / Members for the Board Meetings and Committee Meetings
7. Declarations received from the Directors of the Company pursuant to the provisions of Section 299 of the Companies Act, 1956 and 184 of the Companies Act, 2013
8. Intimations received from Directors under the Prohibition of Insider Trading Code
9. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and Companies Act, 2013 and attachments thereof during the financial year under report
10. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement during the financial year under report

## **HARIYANA SHIP BREAKERS LIMITED**

### **Annexure- B**

To,  
The Members,  
**HARIYANA SHIP-BREAKERS LIMITED**  
Mumbai

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

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

For **DILIP BHARADIYA & ASSOCIATES**

Sd/-  
**DILIP BHARADIYA**  
**Practising Company Secretary**  
**Proprietor**  
**Membership No. 7956 /CP No. 6740**

**Date: August 25, 2016**

**Place: Mumbai**

**Annexure-4**

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

**Appointment criteria and qualifications**

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

**Evaluation**

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

**Removal**

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

**Retirement**

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

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

**General**

- a) The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.



## HARIYANA SHIP BREAKERS LIMITED

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

### Remuneration to Managing Director, KMP and Senior Management Personnel

**a) Fixed pay:**

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

**b) Minimum Remuneration:**

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

**c) Provisions for excess remuneration:**

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

### Remuneration to Non- Executive / Independent Director

**a) Remuneration / Commission:**

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

**b) Sitting Fees:**

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

**c) Commission:**

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

**d) Stock Options:**

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

For and on behalf of the Board of Directors

**Hariyana Ship- Breakers Limited,**

Sd/-

**Shantisarup Reniwal**

Managing Director

(DIN 00040355)

Sd/-

**Rakesh Reniwal**

Director

(DIN 00029332)

**Place:** Mumbai

**Date:** August 25, 2016

**Overview**

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

**Segmental Review**

During the financial year 2015-16, ship-breaking unit at Alang Ship Breaking Yard has not shown a growth, however, the ship breaking unit is expected to grow substantially in coming years. Due to fluctuating and volatile prices of old Ships, Iron and Steel products coupled with depreciation in value of Indian Rupee vis-à-vis US Dollar during the year, the net profit margins of this segment has been affected. The Trading Unit has performed well in terms of turnover during the year under consideration. However, the management is of the view that, in the coming years the ship breaking industry will be stable and with expected boost in the economy the requirement of iron and steel will increase which will help the company to move towards its sustained path of growth

**Ship breaking**

As has been stated in the out-look, due to fluctuations in the exchange rate of US Dollar vis-à-vis Indian Rupee and steep decrease in prices of Iron and steel products and volatile market conditions. During the year company has achieved sales turnover of Rs.1,076.78 Lakhs as against Rs.14070.72 Lakhs last year. During the financial year 2015-16, ship-breaking unit at Alang Ship Breaking Yard has not shown a growth, however, the ship breaking unit is expected to grow substantially in coming years. Due to fluctuating and volatile prices of old Ships, Iron and Steel products coupled with depreciation in value of Indian Rupee vis-à-vis US Dollar during the year, the sales turnover of this segment has been affected. Though the year under review saw fluctuation in the international market of old ships coming for breaking, the management was very cautious and purchased ships at proper time and built a good level of inventories to earn better profits in coming years. Now the market has stabilized and taking into account the inventory level of the company as at the year end, it is hoped that the turnover and the profitability will show an increase in the coming years

**Steel and Power**

Steel & Power Unit has been shut down during the preceding financial year due to various factors like difficulties in uninterrupted supply and availability of raw materials and other similar factors at its Hassan, Karnataka, fluctuating and volatile prices of Iron and Steel products during the year and also major depreciation in value of Indian Rupee vis-à-vis US Dollar

**Trading (HO-Mumbai):**

During the financial year 2015-16, there were no any trading activities were carried out in the Trading Unit, Mumbai due to adverse market conditions of iron & steel industry. However, the management is of the view that, in the coming years the iron and steel industry will be stable and with expected boost in the economy the requirement of iron and steel will increase and which will help the company to move towards its sustained path of growth

**Trading(Bhavnagar):**

During the financial year 2015-16, the trading unit, Bhavnagar has tremendously outperformed. The unit has achieved sales turnover of Rs. 35492.17 Lakhs against Rs. 8448.96 Lakhs in preceding financial year, i.e. sales turnover has been increased by 3 times. The management is of the view that, in the coming years the requirement of iron and steel will increase which will help the company to move towards its sustained path of growth

**Investments**

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

**Segment Results**

(in lakhs)

Particulars	Investment & Trading (HO)	Ship-Breaking	Trading (Bhavnagar)	Steel & Power	Total
a) External Sales/Revenue	2448.54	1054.38	35495.39	23.36	39021.67
Internal Segment Sales/Revenue	(1308.52)	10.89	1371.39	(73.76)	-
b) Total Revenue	1140.02	1065.27	36866.78	(50.4)	39021.67
c) Segment Results Before Interest and Taxes	1098.14	(122.21)	795.81	(267.72)	1504.02
d) Segment results as % of total	132.26%	-16.75%	25.51%	-41.02%	100.00%
e) Segment Assets	20151.99	372.98	3599.36	1108.49	25232.82
f) Segment Liabilities	711.43	31.64	13193.34	743.85	14680.26

**Financial Review and Analysis**

(in Lakhs)

Performances	2015-16	2014-15
Revenue from Operations	36569.74	23,633.88
Other income	2451.93	3,338.84
Total Revenue	39021.67	26,972.72
<b>Operating Profit (PBIDT)</b>	<b>1713.19</b>	<b>2,065.56</b>
Interest	718.58	381.51
<b>Gross Profit (PBDT)</b>	<b>994.62</b>	<b>1,648.05</b>
Depreciation	209.18	248.99
<b>Profit before tax</b>	<b>785.44</b>	<b>1,435.06</b>
Provision for taxation	42.68	20.73
<b>Net Profit after Tax</b>	<b>742.76</b>	<b>1,414.33</b>

## HARIYANA SHIP BREAKERS LIMITED

### Cash Flow Analysis

(in Lakhs)

Particulars	2015-16	2014-15
- Operating Profit before changes in Working Capital	1713.19	2,065.53
- (Increase)/Decrease in Net Working Capital	3147.06	9,326.98
- Net Cash Flow from Operating Activities	4860.26	11,205.01
- Cash Outflow from Investing Activities	(4605.46)	(1,334.67)
- Cash Outflow from Financing Activities	(639.97)	(9,670.25)
- Net Cash Inform/(Outflow)	(385.17)	200.10

### Risk Management

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

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

Likewise the Company's finished products are mainly re-rollable scrap generated from ship breaking and the price of the same is linked to the market rate for iron and steel. Any up and down in the price of the iron and steel will affect the profitability of the Company.

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

**INDEPENDENT AUDITOR'S REPORT**

To

**The Members,  
HARIYANA SHIP BREAKERS LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **HARIYANA SHIP BREAKERS LIMITED**, ('the Company'), which comprise the balance sheet as at 31<sup>st</sup> March, 2016, the statement of profit and loss and the cash flow statement and a summary of significant accounting policies and other explanatory information for the year then ended, [in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branches at Mumbai HO and Bangalore].

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

## HARIYANA SHIP BREAKERS LIMITED

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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March, 2016, and its profit and its cash flows for the year ended on that date, ***except for non provision for gratuity and long term employee benefits as per AS – 15, the amount of which could not be ascertained in the absence of actuarial valuation.***

### Other Matter

We have not audited the financial statements of Mumbai Division (HO) and Bangalore (Steel & Power Unit), whose financial statements reflect total assets of Rs. 11,263.99 Lakhs and Rs. 1,108.49 Lakhs and as at March 31, 2016, total revenue of Rs. 2,522.30 Lakhs and Rs. 23.36 Lakhs respectively, whose financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion is based solely on the reports of the other auditors. Our opinion is not qualified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A** statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The reports on the accounts of the branch offices of the company audited under section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
  - d. The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account.
  - e. In our opinion, and except for the effects of our qualified opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- f. On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- g. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in '**Annexure – B**'; and
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed impact of pending litigations on its financial position in its financial statements - *Refer Note 2.33 of the financial statements.*
  - ii. The Company did not any long term contracts including derivative contracts for which there were any material foreseeable losses. and
  - iii. There has been no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

**For P. D. Goplani & Associates**

Chartered Accountants  
FRN: 118023W

**Sd/-**

**CA. Sonam Langalia**  
Partner  
M. No. 154014

Place : Bhavnagar  
Date : May 19, 2016



**Annexure A to the Independent Auditors' Report**

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March 2016, we report that:

- i) a) The Company has maintained proper records showing the full particulars, including the quantitative details and situation of its fixed assets.
  - b) All the assets have not been physically verified by the management during the year, but as per the information and explanations provided to us, there is a regular 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) According to information and explanations given by the management, the title deeds of immovable properties, included under tangible fixed assets, are held in the name of the Company, **except as detailed in Annexure – 1**, the properties which are not in the name of the company. We were given to understand except main land on which company has constructed factory building is registered in favor of the company, however, all other are agriculture lands, situated at Near Shantigrama, Hassan, can not be registered in the name of the company; and therefore, registered power of attorney is entered into in favor of Mr. H. Veerappa and consideration has been paid to the land owners directly.
- ii) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable and no material discrepancies were noticed on such physical verification.
  - iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
  - iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013.
  - v) According to the information and explanations given to us, the company has not invited any deposits as per the provisions of section 73 to 76 or any other relevant provisions of companies act and the rules framed there under.
  - vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
  - vii) a) In our opinion and according to the information and explanations given to us , the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it

and no such undisputed amounts were in arrears for a period of more than six months from the date they became payable.

- b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, duty of customs, duty of excise, value added tax and cess on account of any dispute, are as follows:

<b>Name of the authority (where the dispute is pending)</b>	<b>Related period</b>	<b>Nature</b>	<b>Amount Rs.</b>
Hon. ITAT, Mumbai	AY: 2007-08	Income Tax	3,96,780
Hon. ITAT, Mumbai	AY: 2009-10	Income Tax	1,88,120
Hon. CIT, Central Circle – 54, Mumbai	AY: 2010-11	Income Tax	2,00,550
Hon. ACIT, Central Circle - 7, Mumbai	AY: 2011-12	Income Tax	3,58,140
Hon. CIT (A) - 8, Mumbai	AY: 2012-13	Income Tax	30,30,960
Hon. CIT (A) - 8, Mumbai	AY: 2013-14	Income Tax	60,298,00

- viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and financial institution. The Company has not taken any loan from government.
- ix) In our opinion and according to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loan during the year under report.
- x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud by the Company or material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) According to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.
- xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- xiv) According to the information and explanations given by the management and based on the examinations of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.

## **HARIYANA SHIP BREAKERS LIMITED**

xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For P. D. Goplani & Associates**

Chartered Accountants

FRN: 118023W

**Sd/-**

**CA. Sonam Langalia**

Partner

M. No. 154014

Place : Bhavnagar

Dare : May 19, 2016

## Annexure 1 to the Auditor's Report (CARO, 2016)

## Details of Para 3(i) (c) : Immovable Properties

Sr.	Particulars	Gross Block Value	Net Block Value	Remarks
1	Agricultural Land Survey No. 10/2, 10/1, Kanchanhalli Village, Shantigram, Hobli, Hassan Taluk	6,51,300	6,51,300	Held in the name of Mr. H. Veerappa as Company cannot purchase agriculture land; and a registered power of attorney is entered in his favour.
2	Agricultural Land Survey No. 13/1,9/1,9/4,9/5, Kanchanhalli Village, Shantigram, Hobli, Hassan Taluk	6,07,960	6,07,960	Held in the name of Mr. H. Veerappa as Company cannot purchase agriculture land; and a registered power of attorney is entered in his favour.
3	Agricultural Land Survey No. 10/7, Kanchanhalli Village, Shantigram, Hobli, Hassan Taluk	6,09,636	6,09,636	Held in the name of Mr. H. Veerappa as Company cannot purchase agriculture land; and a registered power of attorney is entered in his favour.
4	Agricultural Land Survey No. 9/2, 9/3, Kanchanhalli Village, Shantigram, Hobli, Hassan Taluk	1,99,054	1,99,054	Held in the name of Mr. H. Veerappa as Company cannot purchase agriculture land; and a registered power of attorney is entered in his favour.
5	Agricultural Land Survey No. 8/2, Kanchanhalli Village, Shantigram, Hobli, Hassan Taluk	1,46,805	1,46,805	Held in the name of Mr. H. Veerappa as Company cannot purchase agriculture land; and a registered power of attorney is entered in his favour.
6	Agricultural Land Survey No. 9/6, Kanchanhalli Village, Shantigram, Hobli, Hassan Taluk	71,874	71,874	Held in the name of Mr. H. Veerappa as Company cannot purchase agriculture land; and a registered power of attorney is entered in his favour.

**HARIYANA SHIP BREAKERS LIMITED**

Sr.	Particulars	Gross Block Value	Net Block Value	Remarks
7	Agricultural Land Survey No. 16/p-1, Kanchanhalli Village, Shantigrama, Hobli, Hassan Taluk	10,50,000	10,50,000	Held in the name of Mr. H. Veerappa as Company cannot purchase agriculture land; and a registered power of attorney is entered in his favour.
8	Agricultural Land Survey No. 8/3, 10/8, Kanchanhalli Village, Shantigrama, Hobli, Hassan Taluk	6,19,002	6,19,002	Held in the name of Mr. H. Veerappa as Company cannot purchase agriculture land; and a registered power of attorney is entered in his favour.
9	Agricultural Land Survey No. 10/6, Kanchanhalli Village, Shantigrama, Hobli, Hassan Taluk	97,980	97,980	Held in the name of Mr. H. Veerappa as Company cannot purchase agriculture land; and a registered power of attorney is entered in his favour.
10	Agricultural Land Survey No. 10/3, Kanchanhalli Village, Shantigrama, Hobli, Hassan Taluk	2,39,618	2,39,618	Held in the name of Mr. H. Veerappa as Company cannot purchase agriculture land; and a registered power of attorney is entered in his favour.
11	Agricultural Land Survey No. 10/4, 11/1a, 10/5, Kanchanhalli Village, Shantigrama, Hobli, Hassan Taluk	6,51,330	6,51,330	Held in the name of Mr. H. Veerappa as Company cannot purchase agriculture land; and a registered power of attorney is entered in his favour.
12	Godown 1929, Iron & Steel Market Yard, Kalamboli, Dist: Raigad	48,17,420	29,72,224	Held in the name of director of the company.

**Annexure B to the Auditor's Report****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Hariyana Ship Breakers Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the company for the year ended on that date. [in which are incorporated the Returns for the year ended on that date audited by the branch auditors of the Company's branches at Mumbai HO and Bangalore].

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

## **HARIYANA SHIP BREAKERS LIMITED**

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

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

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

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

### **Opinion**

In our opinion and according to the best of information and explanations provided to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### **Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to Mumbai Branch and Bangalore, are based on the corresponding reports of the auditors of such branches.

### **For P. D. Goplani & Associates**

Chartered Accountants

FRN: 118023W

Sd/-

**CA. Sonam Langalia**

Partner

M. No. 154014

Bhavnagar

May 19, 2016

## BALANCE SHEET AS AT 31st MARCH, 2016

Particulars	Note No.	As at	
		March 31, 2016	March 31, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1 SHARE HOLDERS' FUNDS</b>			
(a) SHARE CAPITAL	2.1	61,666,670	61,666,670
(b) RESERVES & SURPLUS	2.2	993,589,190	919,981,204
<b>2 NON-CURRENT LIABILITIES</b>			
(a) LONG-TERM BORROWINGS	2.3	64,534,974	59,687,076
(b) DEFERRED TAX LIABILITIES	2.4	22,661,046	18,393,280
(c) OTHER LONG TERM LIABILITIES	2.5	1,340,000	1,760,000
<b>3 CURRENT LIABILITIES</b>			
(a) SHORT TERM BORROWINGS	2.6	3,012,647	-
(b) TRADE PAYABLES	2.7	1,359,769,042	1,138,894,535
(c) OTHER CURRENT LIABILITIES	2.8	16,666,498	21,074,450
(d) SHORT-TERM PROVISIONS	2.9	42,056	901,454
<b>TOTAL</b>		<b>2,523,282,123</b>	<b>2,222,358,669</b>
<b>II. ASSETS</b>			
<b>1 NON-CURRENT ASSETS</b>			
(a) FIXED ASSETS			
(i) Tangible assets	2.10	151,448,702	173,434,582
(iii) Intangible Assets		21,939	43,524
(ii) Capital work-in-progress		-	-
(b) NON-CURRENT INVESTMENTS	2.11	769,878,446	308,911,319
(c) LONG-TERM LOANS & ADVANCES	2.12	7,206,164	2,533,499
(d) OTHER NON-CURRENT ASSETS		-	-
<b>2 CURRENT ASSETS</b>			
(a) INVENTORIES	2.13	36,293,241	109,482,807
(b) TRADE RECEIVABLES	2.14	347,109,475	384,842,657
(c) CASH & CASH EQUIVALENTS	2.15	10,860,157	49,377,120
(d) SHORT-TERM LOAN & ADVANCES	2.16	1,200,197,039	1,193,462,099
(e) OTHER CURRENT ASSETS	2.17	266,960	271,062
<b>TOTAL</b>		<b>2,523,282,123</b>	<b>2,222,358,669</b>

See Accompanying Notes to Financial Statements

As per our separate report of even date

For P. D. Goplani &amp; Associates

Chartered Accountants

FRN: 118023W

Sd/-

CA. Sonam Langalia

Partner

M. No. 154014

Place: Mumbai

Date : May 19, 2016

For and on behalf of the Board of Directors

Hariyana Ship Breakers Limited

Sd/-

Shantisarup Reniwal

Managing Director

(DIN 00040355)

Sd/-

Rajeev Reniwal

Chief Financial Officer

Sd/-

Rakesh Reniwal

Director

(DIN 00029332)

Sd/-

Swati Chauhan

Company Secretary



# HARIYANA SHIP BREAKERS LIMITED

## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31st MARCH, 2016

Particulars	Note No.	For the Year Ended on		
		March 31, 2016	March 31, 2015	
<b>INCOME</b>				
a)	REVENUE FROM OPERATIONS	2.18	3,656,974,365	2,363,387,992
b)	OTHER INCOME	2.19	245,192,742	333,883,893
<b>Total Revenue</b>			3,902,167,107	2,697,271,885
<b>EXPENSES:</b>				
a)	COST OF MATERIALS CONSUMED	2.20	90,169,694	1,389,218,446
b)	PURCHASE OF STOCK-IN-TRADE	2.21	3,426,455,980	922,059,994
c)	CHANGES IN INVENTORIES OF FINISHED GOODS	2.22	(25,284,123)	(5,415,991)
d)	EMPLOYEE BENEFITS EXPENSES	2.23	3,240,692	13,991,432
e)	FINANCE COSTS	2.24	71,857,694	38,150,661
f)	DEPRECIATION & AMORTIZATION EXPENSES	2.10	20,918,070	24,899,865
g)	OTHER EXPENSES	2.25	236,265,321	170,861,887
<b>Total Expenses</b>			3,823,623,327	2,553,766,294
<b>PROFIT/(LOSS) BEFORE TAX</b>			78,543,780	143,505,591
Extraordinary Items			-	-
<b>PROFIT/(LOSS) AFTER TAX</b>			78,543,780	143,505,591
<b>TAX EXPENSES:</b>		2.26		
(1)	CURRENT TAX		-	18,749,864
(2)	DEFERRED TAX		4,267,765	(16,676,894)
(3)	TAXES OF EARLIER YEARS		-	-
<b>PROFIT/(LOSS) AFTER TAX</b>			74,276,015	141,432,621
<b>EARNINGS PER EQUITY SHARES:</b>				
EQUITY SHARES OF PAR VALUE OF Rs. 10/- EACH		2.27		
(1)	BASIC		12.04	22.94
(2)	DILUTED		12.04	22.94
Weighted average number of shares outstanding			6,166,667	6,166,667

Significant accounting policies & notes on account

As per our separate report of even date

For **P. D. Goplani & Associates**

Chartered Accountants

FRN: 118023W

Sd/-

CA. Sonam Langalia

Partner

M. No. 154014

Place: Mumbai

Date : May 19, 2016

For and on behalf of the Board of Directors

**Hariyana Ship Breakers Limited**

Sd/-

Shantisarup Reniwal

Managing Director

(DIN 00040355)

Sd/-

Rajeev Reniwal

Chief Financial Officer

Sd/-

Rakesh Reniwal

Director

(DIN 00029332)

Sd/-

Swati Chauhan

Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

Particulars	March 31, 2016 Rs.	March 31, 2015 Rs.
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>NET PROFIT BEFORE TAX AND EXTRAORDINARY ITEMS</b>	78,543,780	143,505,591
- Adjustment for :		
Depreciation	20,918,070	24,899,865
Interest on FDR	-	(2,702)
Interest & Finance Costs	71,857,694	38,150,661
<b>Operating Profit before Working Capital Changes</b>	171,319,544	206,553,415
- Adjustments for :		
Trade Receivable	37,733,182	(2,533,815)
Other Receivable	(11,403,503)	384,858,117
Inventories	73,189,566	1,034,574,821
Trade Payable & Other current Liabilities	215,187,157	(484,201,217)
<b>Cash Flow from operation</b>	486,025,946	1,139,251,321
Income Tax Paid	-	18,749,837
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>	486,025,946	1,120,501,484
<b>B. CASH FLOW ARISING FROM INVESTING ACTIVITIES:</b>		
- Purchase of Fixed Assets	(996,294)	(3,725,537)
- Sale of Fixed Assets	1,417,662	45,118,576
- Sale (Purchase) of Investment	(460,967,127)	(174,862,393)
- Interest on FDR	-	2,702
<b>Net Cash Inflow / (Outflow) in the course of Investing Activities</b>	(460,545,759)	(133,466,652)
<b>C. Cash Flow arising from Financing Activities:</b>		
- Proceeds from Long Term Borrowings	4,847,898	4,472,390
- Proceeds from Short Term Borrowing	3,012,647	(933,346,656)
- Interest & Finance Costs	(71,857,694)	(38,150,661)
<b>Net Cash (Outflow) in the course of Financing Activities</b>	(63,997,149)	(967,024,927)
<b>Net Increase/(Decrease) in Cash/Cash Equivalents (A+B+C)</b>	(38,516,962)	20,009,905
Add: Balance at the beginning of the year	49,377,120	29,367,215
<b>Cash and Cash Equivalents at the close of the year (Refer Note 2.15)</b>	10,860,157	49,377,120

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

As per our separate report of even date

**For P. D. Goplani & Associates**

**Chartered Accountants**

FRN: 118023W

Sd/-

**CA. Sonam Langalia**

**Partner**

M. No. 154014

Place: Mumbai

Date : May 19, 2015

For and on behalf of the Board of Directors

**Hariyana Ship Breakers Limited**

Sd/-

Shantisarup Reniwal

**Managing Director**

(DIN 00040355)

Sd/-

Rajeev Reniwal

**Chief Financial Officer**

Sd/-

Rakesh Reniwal

**Director**

(DIN 00029332)

Sd/-

Swati chauhan

**Company Secretary**

# HARIYANA SHIP BREAKERS LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016

### **1. CORPORATE INFORMATION:**

Hariyana Ship Breakers Limited is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The company has its primary listing on BSE Limited.

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

### **2. SIGNIFICANT ACCOUNTING POLICIES ON ACCOUNTS:**

#### **2.1. Basis of preparation of financial Statements:**

- a. The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis to the extent measurable and where there is certainty of ultimate realization of incomes. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.
- b. Accounting policies have been consistently applied except where a newly-issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### **2.2. USE OF ESTIMATES:**

- a. Preparation of financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.
- b. All material expenditure and income to the extent considered payable and receivable are accounted for on accrual basis, except for insurance claim and refunds/subsidy from statutory authorities, which are accounted on cash basis, keeping in view the concept of materiality.
- c. Accounting estimates could change from period to period. Accrual results could differ from these estimates. Appropriate changes in estimate are made as the Management becomes aware of changes in circumstances surrounding the estimate. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### **2.3. REVENUE RECOGNITION:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

**Sale of Goods**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. Further, sales are exclusive of all duties and taxes and net of returns, claims, rebates, discounts, etc.

**Income from Rent-Services**

Income from Rent-Services is recognized on performance of the contract and acceptance of the services by the parties.

**Interest Income**

Revenues of interest Income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Insurance, duty drawback and other claims are accounted for on receipt basis or as acknowledged by the appropriate authorities.

**2.4. TANGIBLE FIXED ASSETS:**

- I. Capitalized at cost of acquisition.
- II. Fixed Assets are stated at cost, less accumulated depreciation (other than 'Freehold Land'). Cost comprises the purchase price, including duties and other non-refundable taxes or levies any directly directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from discard/sale of tangible fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is discarded/sold.

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

**2.5. DEPRECIATION ON TANGIBLE ASSETS:**

- I. Depreciation on tangible assets is provided on the straight-line method over the useful lives of the assets estimated by the Management. Depreciation for assets purchased during a period is proportionately charged.

Useful lives and residual values of assets are reviewed periodically.

- II. No depreciation is provided for assets sold during the year whereas pro-rata depreciation is provided on assets acquired during the year.

**2.6. VALUATION OF INVENTORIES:**

Inventories of Raw Materials - Ships are stated at Cost values. Cost comprises all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. Cost formulas used are First -in -First -out. Inventories of Finished Goods are stated at lower of cost or net realizable value.

Consumable stores and spares are written off at the time of purchase itself.

In ship recycling units, the weight of the ship purchased is accounted in terms of LDT/MT 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 long period of the 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.

**2.7. INVESTMENTS:**

Investments are classified into current and Long-term Investment based on the Managements' intention. Current Investments are stated at lower of cost and fair market value. Long term investments are carried at cost less provisions recorded to recognize any decline, other than temporary, in the carrying value of investments.

**2.8. RETIREMENT BENEFITS:****i) Gratuity**

The management is of the opinion that since none of the employees of the Company were in continuous service of more than five years and accordingly making provision of the gratuity does not arise. However, if payment on account of gratuity arises due to happening of any incidents as provided under the applicable provisions of the law, the same will be accounted as and when incurred.

**ii) Pension**

The management is also of the opinion that the payment under Pension Act is not applicable to the Company.

**iii) Contribution to Provident Funds**

The Company contributes to the employee's provident fund maintained under the Employees Provident Fund Scheme of the Central Government and the same is charged to the Profit & Loss Account. The Company has no obligation, other than the contribution payable to the provident fund.

**iv) Other short term benefits**

Expense in respect of other short term benefits is recognized on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**2.9. TAXES ON INCOME :****Current Tax**

Provision for Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations and the provisions of Income Tax Act, 1961.

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

**Deferred Tax**

Deferred tax liability resulting from timing differences between taxable Income and accounting income is accounted for at the current rate of tax or substantively enacted tax rates as at reporting date, to the extent that the timing differences are expected to crystallize.

Deferred tax assets are recognized where realization is reasonably certain whereas in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that such deferred tax assets will be realized.

**2.10. FOREIGN CURRENCY TRANSACTIONS:**

The Company is exposed to currency fluctuations on foreign currency transactions. Transactions denominated in foreign currency are recorded at the original rates of exchange in force/ notional determined exchange rates at the time transactions are affected. Exchange difference arising on foreign exchange transactions settled during the year is recognized in the Statement of profit and loss of the year. Monetary assets/ liabilities relating to foreign currency transaction are stated at exchange rates prevailing at the end of the year or at the contract rate and exchange difference in respect thereof is charged to statement of Profit & Loss.

**2.11. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS:**

Provisions are recognized only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for:

- i) Possible obligations which will be confirmed only by future events not within the control of the Company or,
- ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

**2.12. CASH & CASH EQUIVALENTS:**

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

## HARIYANA SHIP BREAKERS LIMITED

### 2.13. CASH FLOW STATEMENT:

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

### 2.14. IMPAIRMENT OF ASSETS:

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

### 2.15. SEGMENT INFORMATION :

The Company has recognized its segments according to business activities carried on by it, to enhance executive-customer relationships, improve focus on each business activities and increase management oversight. The accounting principles used in the preparation of the financial statements are consistently applied to record revenue and expenditure in individual segments, and are set out in the significant accounting policies.

Business segments of the Company are primarily categorized as:

- Trading & Investment
  
- Ship Breaking
  
- Steel & Power
  
- Trading Unit - BVN

Revenue and identifiable operating expenses as well as Assets and Liabilities in relation to segments are categorized based on the items that are individually identifiable to that segment.

### 2.16. EARNINGS PER SHARE :

Basic and Diluted Earnings per shares are calculated by dividing the net profit attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

The Company reports basic and diluted earnings per share in accordance with Accounting Standard issued by the Institute of Chartered Accountant of India. Basic earnings per share are computed by dividing the net profit for the year by the Weighted Average Number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the net profit for the year by weighted average number of equity shares outstanding during the year as adjusted for the effects of all dilutive potential equity shares except where results are anti-dilutive. Statement showing

**35<sup>TH</sup> ANNUAL REPORT 2015 - 2016**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March, 2016</b>	<b>As at 31<sup>st</sup> March, 2015</b>
Net profit after tax	<b>742,76,015</b>	<b>14,14,32,621</b>
Weighted Average Number of Equity Shares Outstanding during the year	<b>61,66,667</b>	<b>61,66,667</b>
Basic Earning Per Share	<b>12.04</b>	<b>22.94</b>
Diluted Earning Per Share	<b>12.04</b>	<b>22.94</b>

As per our separate report of even date

**For P. D. Goplani & Associates**  
**Chartered Accountants**  
FRN: 118023W

Sd/-  
**CA. Sonam Langalia**  
**Partner**  
M. No. 154014

Place: Mumbai  
Date : May 19, 2016

For and on behalf of the Board of Directors  
**Hariyana Ship Breakers Limited**

Sd/-  
Shantisarup Reniwal  
**Managing Director**  
(DIN 00040355)

Sd/-  
Rajeev Reniwal  
**Chief Financial Officer**

Sd/-  
Rakesh Reniwal  
**Director**  
(DIN 00029332)

Sd/-  
Swati Chauhan  
**Company Secretary**



## HARIYANA SHIP BREAKERS LIMITED

### 2.1 SHARE CAPITAL

#### A. SHARE CAPITAL

Particulars	As at	
	March 31, 2016	March 31, 2015
<b>AUTHORISED CAPITAL:</b>		
Equity Shares of Rs. 10/- Each	65,000,000	65,000,000
4% Redeemable Preference Share Of Rs. 10/- Each	50,000,000	50,000,000
<b>ISSUED SHARES CAPITAL</b>		
Equity Shares of Rs. 10/- Each	61,666,670	61,666,670
<b>SUBSCRIBED &amp; PAID UP CAPITAL</b>		
Equity Shares of Rs. 10/- Each	61,666,670	61,666,670
Total	61,666,670	61,666,670

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

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	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	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>6,166,667</b>	<b>61,666,670</b>	<b>6,166,667</b>	<b>61,666,670</b>

#### 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 31st March, 2016, the amount of per share dividend recognized as distributions to equity share holders was Rs. Nil (31st March, 2015: Rs. Nil).

Preference shareholder do not have any voting right. They are entitled to dividend @ 4% before equity shareholders

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, 2016 and 31st March, 2015 is set out below:

NAME OF SHAREHOLDER	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	% of Holding	No. of Shares	% of Holding
1 Rakesh Reniwal	858,230	13.92%	858,230	13.92%
2 Lalitadevi Reniwal	414,800	6.73%	414,800	6.73%
3 Sanjeev Reniwal	438,267	7.11%	438,267	7.11%
4 Shantisarup Reniwal HUF	625,178	10.14%	625,178	10.14%
5 Rajeev Reniwal	1,539,009	24.96%	1,539,009	24.96%
6 Unnati Reniwal	400,000	6.49%	400,000	6.49%

As per records of the company, including its register of shareholders/members and other 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	
	March 31, 2016	March 31, 2015
<b>A CAPITAL RESERVES</b>		
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>B CAPITAL REDEMPTION RESERVE</b>		
Balance as per the last Financial Statements	50,000,000	50,000,000
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	-
Closing Balance	50,000,000	50,000,000
<b>C SECURITIES PREMIUM ACCOUNT</b>		
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
<b>D REVALUATION RESERVE</b>		
Balance as per the last Financial Statements	5,099,018	5,767,075
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	668,057	668,057
Closing Balance	4,430,961	5,099,018

## HARIYANA SHIP BREAKERS LIMITED

Particulars	As at	
	March 31, 2016	March 31, 2015
<b>E GENERAL RESERVE</b>		
Balance as per the last Financial Statements	37,425,418	37,425,418
Add: Current Year Transfer	-	-
Less: Written Back in Current Year	-	-
Closing Balance	37,425,418	37,425,418
<b>F SURPLUS/(DEFICIT) IN THE STATEMENT OF PROFIT &amp; LOSS</b>		
Balance as per the last Financial Statements	724,057,456	582,624,807
Net Profit/(Net Loss) For the current year	74,276,015	141,432,621
Transfer From Reserves	-	-
Less: APPROPRIATIONS		
Proposed Final Equity Dividend	-	-
Tax on Proposed Equity Dividends	-	-
Transfer to General Reserves	-	-
Total Appropriations	-	-
Net Surplus in the Statement of Profit & Loss	798,333,471	724,057,428
Total Reserve & Surrplus	993,589,190	919,981,204

### 2.3 LONG TERM BORROWINGS

UNSECURED		
<b>A LOANS &amp; ADVANCES</b>		
- From Related Parties	64,534,974	59,687,076
- From other Parties	-	-
Total	64,534,974	59,687,076

### 2.4 DEFERRED TAX LIABILITIES

<b>Deferred Tax Liabilities</b>		
- On account of Depreciation	22,661,046	18,393,280
	22,661,046	18,393,280
<b>Deferred Tax Assets</b>		
- On disallowances of expenses	-	-
	-	-
Total	22,661,046	18,393,280

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**

<b>Particulars</b>	<b>As at</b>	
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
(A) Trade Payables (Including Acceptance)	-	20,000
(B) Other Payables		
Advance from Customers	-	400,000
Security Deposit From Tenants	1,340,000	1,340,000
<b>Total</b>	<b>1,340,000</b>	<b>1,760,000</b>

**2.6 SHORT TERM BORROWINGS**

<b>Particulars</b>	<b>As at</b>	
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
<b>LOANS REPAYABLE ON DEMAND</b>		
I Working Capital Loans From Banks (Secured )	3,012,647	-
<b>Total</b>	<b>3,012,647</b>	<b>-</b>

**Notes:****1. Details of the secured short-term borrowings:**

<b>Particulars</b>	<b>As at</b>	
	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Working Capital Loan from banks:		
a - Punjab National Bank CC- 600	3,012,647	-
<b>Total from banks</b>	<b>3,012,647</b>	<b>-</b>

**2. Details of Security:**

- a. 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.
- b. 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.

**HARIYANA SHIP BREAKERS LIMITED****2.7 TRADE PAYABLES**

Particulars	As at	
	31st March, 2016	31st March, 2015
a. Trade Payables		
- Advance From Customers	-	5,777,953
- Creditors Payable (Goods)	1,325,878,953	1,133,099,796
- Other Creditors Payable	33,890,089	16,786
Total	1,359,769,042	1,138,894,535

**2.8 OTHER CURRENT LIABILITIES**

<b>OTHER PAYABLE</b>		
Statutory Dues	1,004,083	3,111,340
Advance from Customers	-	3,600,000
Margin From Customers Received	15,395,001	11,900,001
Outstanding Liabilities	267,414	2,463,109
Total	16,666,498	21,074,450

**2.9 SHORT-TERM PROVISIONS**

<b>A) Provision for Employee Benefits</b>		
Salary & Reimbursements	-	158,988
Contribution to Provident Funds	8,622	27,893
Contribution to ESIC	1,934	8,772
Outstanding Liabilities	31,500	588,854
<b>(B) Others</b>		
Provision for Income Tax	-	116,947
Total	42,056	901,454

2.10 FIXED ASSETS

ASSETS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	AS ON 01.04.2015	ADDITION	DEDUCTION	TOTAL 31.03.2016	UPTO 01.04.2015	DEP. FOR THE YEAR	ON REVALUATION	WRITTEN BACK	TOTAL AS ON 31.03.2016	AS ON 31.03.2016	AS ON 31.03.2015	
FACTORY LAND	23,529,682	-	-	23,529,682	-	-	-	-	-	23,529,682	23,529,682	
PREMISES												
- Non Factory	39,733,150	-	-	39,733,150	14,300,628	45,953	595,291	-	14,941,871	24,791,279	25,432,522	
- Warehouse (Leasehold)	4,817,420	-	-	4,817,420	1,768,768	3,662	72,766	-	1,845,196	2,972,224	3,048,652	
- Godown	1,356,796	-	-	1,356,796	474,589	74,828	-	-	549,417	807,379	882,207	
- Office	2,041,059	-	-	2,041,059	320,697	32,778	-	-	353,475	1,687,584	1,720,362	
- Flate Madhavhill	1,264,697	-	-	1,264,697	-	-	-	-	-	1,264,697	1,264,697	
FACTORY BUILDING	19,409,471	-	-	19,409,471	5,277,261	625,660	-	-	5,902,921	13,506,550	14,132,210	
ROADS & CULVERTS	72,850	-	-	72,850	21,338	2,280	-	-	23,618	49,232	51,512	
PLANT & MACHINERY	121,431,761	-	-	121,431,764	66,248,458	10,971,617	-	-	77,220,073	44,211,691	50,127,120	
CRANE	16,805,083	-	-	16,805,083	6,774,405	1,316,914	-	-	8,091,319	8,713,764	10,030,678	
POLLUTION CONTROL EQUIPMENTS	38,461,757	-	-	38,461,757	22,072,377	2,860,129	-	-	24,932,506	13,529,251	21,445,550	
PLANT & MACHINERY (OTHERS)	31,885,150	-	-	30,081,629	20,251,625	3,709,413	-	385,888	23,575,150	6,506,479	11,633,543	
ASBESTO HANDLING SYSTEM	283,500	-	-	283,500	69,374	17,995	-	-	87,369	196,131	214,126	
OFFICE EQUIPMENTS	2,545,738	-	-	2,545,738	2,287,168	15,046	-	-	2,302,214	243,524	258,570	
MOBILE	219,760	-	-	219,760	186,186	9,886	-	-	196,072	23,688	33,574	
FURNITURE	4,338,922	-	-	4,338,922	3,882,705	80,389	-	-	3,963,094	375,828	456,217	
COMPUTERS	2,685,997	79,168	-	2,765,165	2,661,621	11,332	-	-	2,672,953	92,212	24,376	
AIRCONDITIONERS	373,070	-	-	373,070	95,991	24,178	-	-	120,169	252,901	277,079	
METAL DETECTOR	102,222	-	-	102,222	44,989	7,739	-	-	52,728	49,494	57,233	
VEHICLES	3,708,680	-	-	3,708,680	466,415	444,471	-	-	910,886	2,797,794	3,242,265	
TRANSPORT VEHICLES	509,668	-	-	509,666	484,183	-	-	-	484,185	25,481	25,481	
PORTABLE GENERATOR SET	23,800	-	-	23,800	22,610	-	-	-	22,610	1,190	1,190	
WIRE ROPES	4,258,041	917,126	-	5,175,167	1,616,290	334,652	-	-	1,950,942	3,224,225	2,641,751	
FIRE FIGHTING EQUIPMENTS	165,134	-	-	165,134	84,216	14,323	-	-	98,539	66,595	80,918	
BUILDING	292,542	-	-	292,542	47,206	9,211	-	-	56,417	236,125	245,336	
SPECTRO METER	811,981	-	-	811,981	1,61,290	56,587	-	-	275,727	536,254	592,841	
WEIGHING MACHINE	87,289	-	-	87,289	44,299	7,545	-	-	51,844	35,445	42,990	
WEIGH BRIDGE	1,555,818	-	-	1,555,818	577,459	144,174	-	-	721,633	834,185	978,359	
WINCH	1,091,375	-	-	1,091,375	127,834	75,724	-	-	203,558	887,817	963,541	
TOTAL	323,862,413	996,294	1,803,521	323,055,187	150,427,832	20,896,485	668,057	385,888	171,606,485	151,448,702	173,434,582	
<b>INTANGIBLE ASSETS</b>												
WEBSITE	107,630	-	-	107,630	64,106	21,585	-	-	85,691	21,939	43,524	
TOTAL	323,970,043	996,294	1,803,521	323,162,817	150,491,938	20,918,070	668,057	385,888	171,692,176	151,470,641	173,478,106	
PREVIOUS YEAR	396,990,406	3,725,537	76,745,901	323,970,042	156,551,341	24,899,865	668,057	31,627,325	150,491,938	173,478,108	244,641,260	

## HARIYANA SHIP BREAKERS LIMITED

### 2.11 NON-CURRENT INVESTMENTS

Particulars	As at	
	31st March, 2016	31st March, 2015
<b>A LONG TERM INVESTMENTS (AT COST)</b>		
<b>INVESTMENT IN EQUITY SHARES - UNQUOTED</b>		
The Cuffe Parade premises of Co-Operative Ltd. 1 (PY 1.00) share of Rs.10/- each paid up	10	10
<b>Inducto Steel Ltd</b> 10 (PY 0.00) share of Rs.10/- each paid up	401	401
<b>PNB Principle Regular Growth Fund</b> 111283.44 Units (PY NIL) Mutual Funds, NAV as on 31.03.2016 Rs.1470.7393/Unit	163,256,308	-
<b>INVESTMENTS IN PARTNERSHIP FIRMS *</b>	606,621,727	308,910,908
<b>TOTAL</b>	<b>769,878,446</b>	<b>308,911,319</b>

\* Details of Investment in Firms

Particulars	Share in Profit/ (Loss)	As at	
		March, 31 2016	March, 31 2015
<b>In Partnership Firms</b>			
<b>Fixed Capital</b>			
Orchid Lakeview Developers	33.33%	100,000	100,000
White Mountain	25.00%	25,000	25,000
Shree Balaji Associates	5.00%	25,000	25,000
Goyal Hariyana Construction	50.00%	10,000,000	65,644,140
Hariyana Developers	51.00%	255,000	-
Goyal Hariyana Realty	50.00%	50,000	50,000
Hariyana Air Product	60.00%	4,500,000	4,500,000
<b>Current A/c</b>			
Whitefield Projects	40.00%	420,386	2,797,836
Swastik Developers	33.33%	42,919,776	38,309,983
Orchid Lakeview Developers	33.33%	163,708,761	156,038,585
Goyal Hariyana Construction	50.00%	282,497,537	71,260,662
White Mountain	25.00%	226,674,591	186,201,100
Hariyana Developers	51.00%	143,942,059	-
Goyal Hariyana Realty	50.00%	93,663,714	81,312,694
Shree Balaji Associates	5.00%	(369,531,743)	(301,575,436)
Hariyana Air Product	60.00%	7,371,646	4,221,344
		<b>606,621,727</b>	<b>308,910,908</b>

2.12 LONG TERM LOANS & ADVANCES

Particulars	As at	
	31st March, 2016	31st March, 2015
<b>A Security Deposits</b>		
Secured, considered good	170,219	-
Unsecured, considered good	-	-
(A)	170,219	-
<b>B Other loans and advances (specify nature)</b>		
Balance with statutory/government authorities	7,035,945	2,533,499
(B)	7,035,945	2,533,499
Total(A+B)	7,206,164	2,533,499

2.13 INVENTORIES

<b>A RAW MATERIALS &amp; COMPONENTS (Valued at Cost)</b>		
<b>CLOSING BALANCE OF UNCUT SHIP</b>	-	98,469,495
<b>CLOSING BALANCE OF MANUFACTURING OF SPONGE IRON</b>	5,398,912	5,398,912
<b>B BY PRODUCTS ( DOLACHAR) -Valued at realisable Value</b>		
<b>CLOSING BALANCE</b>	137,331	177,389
<b>C STORES AND SPARES</b>		
<b>CLOSING BALANCE</b>	-	4,194
<b>D STOCK IN TRADE</b>		
<b>CLOSING BALANCE</b>	30,756,998	5,432,817
Total	36,293,241	109,482,807



## HARIYANA SHIP BREAKERS LIMITED

### 2.14 TRADE RECEIVABLES

Particulars	As at	
	31st March, 2016	31st March, 2015
Trade receivables outstanding For a period less than six months from the date they are due for payment Unsecured, Considered good	344,374,167	58,417,846
(A)	344,374,167	58,417,846
Trade receivables outstanding For a period exceeding six months from the date they are due for payment Unsecured, Considered good	2,735,308	326,424,812
(B)	2,735,308	326,424,812
Total(A+B)	347,109,475	384,842,657

### 2.15 CASH & CASH EQUIVALENTS

Cash in Hand	1,393,333	827,401
Balances with scheduled banks	9,466,822	48,549,717
Total	10,860,155	49,377,118
The details of balances as on balance sheet dates with Banks are as follows		
In current account		
Balances with scheduled banks (In Current Accounts)	2,125,890	444,708
- Punjab National Bank - CC 1040	50,931	34,962,562
- Punjab National Bank - CC2793	-	2,992
- Punjab National Bank - CC 600	-	958,935
- Punjab National Bank - Bhavnagar Branch (52134)	155,652	2,024,465
- State Bank of India	117,794	200,029
- Punjab National Bank (Mumbai) OD 376097	6,994,282	9,956,026
Total	9,466,822	48,549,717

### 2.16 SHORT-TERM LOANS & ADVANCES

<b>Unsecured, considered good</b>		
<b>A Others</b>		
Prepaid Expenses	84,889	31,163
Deposits	191,392	345,306
Staff Advances	545,038	576,559
Advance against proposed joint venture	1,177,069,603	1,182,403,595
Advances recoverable in cash or kind or value to be received	17,794,652	7,508,694
Balance with statutory/government authorities	4,511,466	2,596,782
Total	1,200,197,040	1,193,462,099

**2.17 OTHER CURRENT ASSETS**

Particulars	As at	
	31st March, 2016	31st March, 2015
<b>Unsecured, considered good</b>		
Other Receivables	-	4,102
Deposits	266,960	266,960
<b>Total</b>	<b>266,960</b>	<b>271,062</b>

**2.18 REVENUE FROM OPERATIONS**

SALES OF PRODUCTS	113,679,872	1,437,287,501
SALES OF TRADING GOODS	-	2,013,837
- HIGH SEAS SALES	2,495,936,464	844,895,944
- LOCAL SALES	1,053,280,239	110,239,019
- Gross Sales	3,662,896,575	2,394,436,301
Less: Excise Duty	(5,922,210)	(31,048,309)
<b>Total</b>	<b>3,656,974,365</b>	<b>2,363,387,992</b>

**2.19 OTHER INCOME**

<b>INTEREST INCOME ON</b>		
ON BANK FDR	-	2,702
INTEREST INCOME FROM CUSTOMER	85,645,109	111,299,033
FROM OTHER PARTIES	14,137,820	79,103,415
FROM PARTNERSHIP FIRMS	1,279,774	1,196,503
Excise/ Custom Duty Refundable	465,197	1,322,276
INSURANCE CLAIM RECEIVED		
QUALITY CLAIM INCOME	-	-
RENT RECEIVED	3,960,955	3,824,192
<b>PROFIT/(LOSS) FROM PARTNERSHIP FIRMS</b>	<b>110,703,901</b>	<b>113,620,164</b>
SHARE OF PROFIT/(LOSS) - HARIYANA AIR PRODUCT	(3,519,225)	(2,700,159)
<b>OTHER INCOME</b>		
AMOUNT WRITTEN OFF AS NO LONGER PAYABLE	1,089,734	-
PROFIT ON SALE OF MUTUAL FUNDS	30,946,308	26,031,641
OTHER MISC - INCOME	483,169	184,126
<b>Total</b>	<b>245,192,742</b>	<b>333,883,893</b>

## HARIYANA SHIP BREAKERS LIMITED

### 2. 20 COST OF RAW MATERIALS CONSUMED

Particulars	As at	
	31st March, 2016	31st March, 2015
INVENTORY AT THE BEGINNING OF THE YEAR	103,868,407	1,143,863,412
LESS: EXCISE DUTY INCLUDED IN OPENING INVENTORIES	-8,299,801	-
<b>ADD: PURCHASE OF RAW MATERIAL</b>	-	349,223,441
	95,568,606	1,493,086,853
<b>LESS: INVENTORY AT THE END OF THE YEAR</b>	5,398,912	103,868,407
<b>COST OF RAW MATERIAL CONSUMED</b>	90,169,694	1,389,218,446

### 2. 21 PURCHASE OF STOCK-IN-TRADE

PURCHASES	3,426,455,980	922,059,994
<b>PURCHASE OF RAW MATERIAL</b>	3,426,455,980	922,059,994

### 2. 22 CHANGES IN INVENTORIES OF FINISHED GOODS

<b>INVENTORY AT THE BEGINNING OF THE YEAR</b>		
- FINISHED GOODS	5,432,817	-
- BY PRODUCT GOODS	177,389	194,215
- WORK-IN-PROGRESS	-	-
(A)	5,610,206	194,215
<b>INVENTORY AT THE END OF THE YEAR</b>		
- FINISHED GOODS	30,756,998	5,432,817
- BY PRODUCT GOODS	137,331	177,389
- WORK-IN-PROGRESS	-	-
(B)	30,894,329	5,610,206
<b>INCREASE/(DECREASE) IN FINISHED STOCK (A-B)</b>	25,284,123	-5,415,991

### 2. 23 EMPLOYEE BENEFITS EXPENSES

SALARIES & WAGES	2,509,107	10,951,529
CONTRIBUTION TO PROVIDENT FUND	112,386	501,571
CONTRIBUTION TO E.S.I.C.	39,365	450,451
BONUS	162,548	1,653,612
WORKER INSURANCE	-	69,053
STAFF WELFARE EXPENSES	417,286	365,216
<b>TOTAL</b>	3,240,692	13,991,432

## 2. 24 FINANCE COSTS

Particulars	As at	
	31st March, 2016	31st March, 2015
BANK COMMISSION & CHARGES	3,567,287	2,894,019
INTEREST EXPENSES ON :		
BANK LOANS	1,364,053	4,495,746
USANCE INTEREST	751,086	-
PAID TO OTHER PARTIES	5,386,554	27,575,301
DELAYED PAYMENT OF STATUTORY DUES	80,431	38,960
LC DISCOUNTING CHARGES	60,708,284	3,146,635
Total	71,857,694	38,150,661

## 2. 25 OTHER EXPENSES

<b>MANUFACTURING EXPENSES</b>		
CONSUMPTION OF STORE & SPARE PARTS	131,468	2,337,581
ENVIRONMENT PROTECTION CHARGES	1,723	157,969
GASES EXPENSES	706,781	18,387,870
OTHER MANUFACTURING & OPERATING EXPENSES	32,015	429,014
PLOT RENT & PLOT DEVELOPMENT CHARGES	1,328,435	1,233,711
POWER & FUEL	526,746	1,077,077
REPAIRS & MAINTENANCES	151,004	306,707
<b>SUB TOTAL</b>	<b>2,878,172</b>	<b>23,929,929</b>
<b>ADMINISTRATIVE EXPENSES</b>		
ADVERTISEMENTS	111,817	28,184
ACCOUNTING CHARGES	147,000	168,000
BAD DEBTS	1,945,369	-
COMPUTER CHARGES	38,906	66,963
CUSTOMS DUTY EXPENSE	-	782,239
DONATION	-	9,962
GODOWN RENT EXPENSE	181,870	-
GROUND RENT EXPENSE	3,769,085	1,937,151
Excise Expenses (Inventories)	7,695,113	603,646
ELECTRIC EXPENSES	180,320	109,240
FEES & SUBSCRIPTION	80,450	245,695
FIXED ASSETS WRITEEN OFF	-	12,018,018
FOREIGN CURRENCY TRANSACTION VARIATION	190,904,954	67,973,166
GENERAL EXPENSES	842,407	274,668

## HARIYANA SHIP BREAKERS LIMITED

INSURANCE	249,778	25,866
LEGAL & PROFESSIONAL EXPENSES	1,802,718	2,189,871
LOSS ON SALE OF ASSETS	517,633	5,020,659
LISTING EXPENSES	276,246	146,068
PAYMENT TO AUDITOR *	198,227	174,246
PENALTY & INTEREST CHARGES	72,265	7,966
PETTY BALANCE W/OFF		11,389
POSTAGE & COURIER	104,312	95,138
PRINTING & STATIONERY	100,191	107,373
PROFESSIONAL TAX	2,000	2,000
RATE & TAXES	583,560	738,839
REPAIR & MAINTENANCE	1,148	2,521
SECURITIES GAURD EXPENSES	147,830	87,581
SERVICE TAX	519,221	-
SHARE DEMAT	1,210	1,124
SOCIETY MAINTENANCE	167,399	401,010
TELEPHONE EXPENSES	185,420	138,743
TRAVELLING EXPENSES	1,210,872	1,548,920
VEHICLE & CONVEYNCE EXPENSES	414,020	682,975
<b>SUB TOTAL</b>	<b>212,451,341</b>	<b>95,599,221</b>
<b><u>SELLING &amp; DISTRIBUTION EXPENSES</u></b>		
BUSINESS PROMOTION CHARGES	-	31,500
BROKERAGE & COMMISSION	3,909,812	1,530,437
LOADING / UNLOADING CHARGES	943,972	-
FREIGHT OUTWARD	12,705,190	107,100
SALES TAX	3,317,696	49,663,700
<b>SUB TOTAL</b>	<b>20,935,808</b>	<b>51,332,737</b>
<b>TOTAL</b>	<b>236,265,321</b>	<b>170,861,887</b>

**2. 26 TAX EXPENSES**

Particulars	As at	
	31st March, 2016	31st March, 2015
Current tax:		
- Income taxes	-	18,749,864
Deferred taxes	4,267,765	(16,676,894)
Total	4,267,765	2,072,970

**2. 27 EARNING PER SHARE**

The annualised earning per equity share has been calculated as under.:

Profit after tax as per Profit & Loss Account	74,276,015	141,432,621
Add: Prior Period Adjustments	-	-
Less: Dividend on Preference Shares including dividend Tax	-	-
Net profit for calculation of Earnings per share	74,276,015	141,432,621
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 Earnings per share	12.04	22.94
Diluted earnings per share	12.04	22.94

**2. 28 SEGMENT INFORMATION**

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

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

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

# HARIYANA SHIP BREAKERS LIMITED

## Business Segments

Year ended March, 2016 and March, 2015

(Rs. In lakhs)

Particulars	Investment & Trading	Ship Breaking	Trading	Steel & Power	Total
<b>Segment Revenue</b>					
External revenue from activities	-	<b>1,076.78</b>	<b>35,492.17</b>	<b>0.80</b>	<b>36,569.74</b>
	<i>1,102.39</i>	<i>14,070.72</i>	<i>8,448.96</i>	<i>11.81</i>	<i>23,633.88</i>
Other Income	<b>2,448.54</b>	<b>(22.39)</b>	<b>3.22</b>	<b>22.56</b>	<b>2,451.93</b>
	<i>3,074.00</i>	<i>250.67</i>	-	<i>14.16</i>	<i>3338.84</i>
<b>Total revenue as per Profit &amp; Loss Account</b>	<b>2,448.54</b>	<b>1,054.38</b>	<b>35,495.39</b>	<b>23.36</b>	<b>39,021.67</b>
	<i>4,176.39</i>	<i>14,321.39</i>	<i>8,448.96</i>	<i>25.98</i>	<i>26,972.72</i>
Add: Inter segment Interest income	-	<b>10.89</b>	<b>1,371.39</b>	-	<b>1,382.28</b>
	-	<i>557.99</i>	<i>76.78</i>	-	<i>634.77</i>
<b>Total Segment Revenue</b>	<b>2,448.54</b>	<b>1,065.27</b>	<b>36,866.78</b>	<b>23.36</b>	<b>40,403.95</b>
	<i>4,176.39</i>	<i>14,879.38</i>	<i>8,525.74</i>	<i>25.98</i>	<i>27,607.49</i>
Less: Financial Charges(external)	<b>59.33</b>	<b>9.32</b>	<b>595.48</b>	<b>54.45</b>	<b>718.58</b>
	<i>296.28</i>	<i>34.70</i>	<i>0.76</i>	<i>49.77</i>	<i>381.51</i>
Less: Inter segment Interest expense	<b>1,308.52</b>	-	-	<b>73.76</b>	<b>1,382.28</b>
	<i>495.16</i>	-	-	<i>139.61</i>	<i>634.77</i>
Less: Operating expnses	<b>41.88</b>	<b>1,187.48</b>	<b>36,070.96</b>	<b>217.33</b>	<b>37,517.66</b>
	<i>1083.33</i>	<i>15,417.41</i>	<i>8,234.51</i>	<i>420.91</i>	<i>25,156.16</i>
<b>Segment Results</b>	<b>1,038.81</b>	<b>(131.54)</b>	<b>200.34</b>	<b>(322.17)</b>	<b>785.44</b>
	<i>2,301.63</i>	<i>(572.73)</i>	<i>290.47</i>	<i>(584.31)</i>	<i>1,435.06</i>
<b>Less: Current Taxes</b>					<b>(42.68)</b>
					<i>(20.73)</i>
<b>Net Profit</b>					<b>742.76</b>
					<i>1,414.33</i>
<b>Segment Assets</b>					
Total Assets	<b>20,151.99</b>	<b>372.98</b>	<b>3,599.36</b>	<b>1,108.49</b>	<b>25,232.82</b>
	<i>18,977.56</i>	<i>1,634.31</i>	<i>295.55</i>	<i>1,316.16</i>	<i>22,223.59</i>
<b>Segment Liabilities</b>					
Total Liabilities	<b>711.43</b>	<b>31.64</b>	<b>13,193.34</b>	<b>743.85</b>	<b>14,680.26</b>
	<i>335.67</i>	<i>3,091.13</i>	<i>705.11</i>	<i>12,407.11</i>	<i>16,539.01</i>

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

**2. 29 Related Party Transactions:****a) Key Management personnel**

- |  |                    |
|--|--------------------|
| i) Shantisarup Reniwal                   | Managing Director  |
| ii) Rakesh Reniwal                       | Executive Director |
| iii) Unnati Reniwal                      | Executive Director |
| iv) Swati Chauhan (w.e.f. 01/02/2016)    | Company Secretary  |
| v) Rajeev Reniwal                        | CFO                |
| vi) Tanmay Trilokchand Agarwal           | COO                |
| vii) Disha Shah (Resigned on 13/11/2015) | Company Secretary  |

**b) Other related parties where there have been transactions:**

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

- i) Orchid Lakeview Developers
- ii) Swastik Developers
- iii) White Mountain
- iv) Whitefield Project
- v) Hariyana Ship Demolition Private Limited
- vi) Goyal Hariyana Realty
- vii) Inducto Steels Limited
- viii) Goyal Hariyana Construction
- ix) Hariyana Air Products



## HARIYANA SHIP BREAKERS LIMITED

### The details of transaction with related parties

In Rupees

Nature of transactions	Related Personnel		Other Related Parties	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>INCOME</b>				
<b>INTEREST INCOME</b>				
White Mountain		-	22,127,796	10,685,761
Orchid Lakeview Developers			17,671,273	13,669,576
Swastik Developers			4,609,793	4,104,641
Goyal Hariyana Realty			9,810,020	5,210,117
Hariyana Developers	-	-	1,332,059	-
Goyal Hariyana Construction	-	-	17,969,206	-
Shree Balaji & Associates	-	-	12,060,359	-
Whitefield Projects	-	-	-	254,095
	-	-	85,580,506	33,924,190
<b>OXYGEN GAS PURCHASES</b>				
Hariyana Air Product	-	-	6,218	8,550,932
	-	-	6,218	8,550,932
<b>INTEREST PAID</b>				
Hariyana Ship Demolition Private Limited	-	-	-	5,475,189
Shree Balaji & Associates	-	-	-	15,989,639
Goyal Hariyana Construction	-	-	-	1,141,151
Tanmay Trilokchand Agarwal	1,795,517	1,656,400	-	-
	1,795,517	1,656,400	-	22,605,979
<b>SHARE OF PROFIT/(LOSS) FROM FIRM</b>				
Orchid Lakeview Developers	-	-	(1,097)	(344)
Shree Balaji Associates	-	-	831,335	346,053
Goyal Hariyana Construction	-	-	91,596,493	57,287,698
White Mountain	-	-	18,345,695	56,028,971
Whitefield Projects	-	-	(68,525)	(42,214)
Hariyana Air Products	-	-	(3,519,225)	(2,700,159)
	-	-	107,184,676	110,920,005

Nature of transactions	Related Personnel		Other Related Parties	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>REMUNERATION PAID</b>				
Swati Chauhan	160,000	-		
Disha Shah	280,000	40,000		
	440,000	40,000	-	-
<b>INVESTMENT IN PARTNERSHIP</b>				
<b>CAPITAL INTRODUCED</b>				
Orchid Lakeview Developers	-	-	2,500,000	-
Shree Balaji Associates	-	-	2,901,603,000	-
Goyal Hariyana Construction	-	-	60,000,000	-
Hariyana Developers	-	-	142,865,000	-
Goyal Hariyana Realty	-	-	2,541,000	-
	-	-	3,109,509,000	-
<b>CAPITAL WITHDRAWAN</b>				
Orchid Lakeview Developers	-	-	12,500,000	-
Shree Balaji Associates	-	-	2,982,451,000	-
Goyal Hariyana Construction	-	-	13,972,964	-
Whitefield Projects	-	-	2,308,925	-
	-	-	3,011,232,889	-
<b>LOAN GIVEN</b>				
Hariyana Ship Demolition Private Limited	-	-	19,100,000	1,599,109,320
	-	-	19,100,000	1,599,109,320
<b>LOAN TAKEN</b>				
Hariyana Ship Demolition Private Limited	-	-	19,100,000	1,551,153,279
	-	-	19,100,000	1,551,153,279

## HARIYANA SHIP BREAKERS LIMITED

OUTSTANDING BALANCES AS ON MARCH 31, 2016

The details of transaction with related parties

Nature of transactions	Key Management Personnel		Other Related Parties	
	31.03.2016	31.03.2015	31.03.2016	31.03.2015
<b>SUNDRY CREDITORS</b>				
Hariyana Air Product	-	-	-	16,786
	-	-	-	16,786
<b>INVESTMENT IN PARTNERSHIP</b>				
<b>FIXED CAPITAL</b>				
Orchid Lakeview Developers	-	-	100,000	100,000
White Mountain	-	-	25,000	25,000
Shree Balaji Associates	-	-	25,000	25,000
Goyal Hariyana Construction	-	-	10,000,000	65,644,140
Hariyana Developers	-	-	255,000	-
Goyal Hariyana Realty	-	-	50,000	50,000
	-	-	10,455,000	65,844,140
<b>CURRENT CAPITAL</b>				
Whitefield Projects	-	-	420,386	2,797,836
Swastik Developers	-	-	42,919,776	38,309,983
Orchid Lakeview Developers	-	-	163,708,761	156,038,585
Goyal Hariyana Construction	-	-	282,497,537	71,260,662
White Mountain	-	-	226,674,591	186,201,100
Hariyana Developers	-	-	143,942,059	-
Goyal Hariyana Realty	-	-	93,663,714	81,312,694
Shree Balaji Associates	-	-	(369,531,743)	(301,575,436)
	-	-	584,295,081	234,345,424

**2.30 CONTINGENT LIABILITIES****CONTINGENT LIABILITIES & COMMITMENTS (TO EXTENT NOT PROVIDED FOR)****(A) CONTINGENT LIABILITIES :**

Particulars	Nature	Related Financial Year	As at	
			31-Mar-16	31-Mar-15
- Pending appeal before Hon. ITAT, Mumbai	Income Tax	2006-07	396,780	396,780
- Pending appeal before Hon. ITAT, Mumbai	Income Tax	2008-09	188,120	188,120
- Pending appeal before Hon. CIT, Central circle 54, Mumbai	Income Tax	2009-10	200,550	200,550
- Pending appeal before Hon. ACIT, Central circle 7, Mumbai	Income Tax	2010-11	358,140	358,140
- Pending appeal before Hon. CIT (Appeal)-8, Mumbai	Income Tax	2011-12	3,030,960	3,030,960
- Pending appeal before Hon. CIT (Appeal)-8, Mumbai	Income Tax	2012-13	6,029,800	-
			10,204,350	4,174,550

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. 31 CORPORATE SOCIAL RESPONSIBILITY EXPENSES :**

The Company has constituted a CSR committee as required under Section 135 of the Act, together with relevant rules as prescribed in Companies (Corporate Social Responsibility Policy) Rules, 2014 ('CSR rules'). During the year, based on these rules the amount to be spent for CSR activities was Rs. 35.04 lakhs whereas the Company has not spent any an amount towards Corporate Social Responsibility. Management and CSR Committee are in the process of finding better avenues of CSR Expenditure to be incurred in the near future.

Particulars	For the year ended on	
	31-Mar-16	31-Mar-16
(i) Gross Amount Required to be spent	3,504,106	3,562,859
(ii) Amount Spent	-	-
(iii) Not Utilized amount	3,504,106	3,562,859
<b>Corporate Social Responsibility Expense during the year</b>	-	-

## HARIYANA SHIP BREAKERS LIMITED

2. 32 The previous year figures have been reclassified/ regrouped wherever considered necessary.

---

Significant accounting policies and notes on account

As per our report of even date

**For P. D. Goplani & Associates**

**Chartered Accountants**

FRN: 118023W

Sd/-

**CA. Sonam Langalia**

**Partner**

M. No. 154014

Place: Mumbai

Date : May 19, 2016

For and on behalf of the Board of Directors

**Hariyana Ship Breakers Limited**

**Sd/-**

Shantisarup Reniwal

**Managing Director**

(DIN 00040355)

**Sd/-**

Rakesh Reniwal

**Director**

(DIN 00029332)

Sd/-

Rajeev Reniwal

**Chief Financial Officer**

Sd/-

Swati Chauhan

**Company Secretary**

## ROUTE MAP FOR AGM VENUE



### **HARIYANA SHIP BREAKERS LIMITED**

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

Tel- 022 - 22043211 Fax- 22043215 E-mail: [contact@hariyanagroup.com](mailto:contact@hariyanagroup.com), [hsbl@vsnl.com](mailto:hsbl@vsnl.com)

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

CIN: L61100MH1981PLC024774

# HARIYANA SHIP BREAKERS LIMITED

Form No. SH-13

## Nomination Form

[Pursuant to Section 72 of the Companies Act, 2013 and Rule 19(1) of  
The Companies (Share Capital and Debentures) Rules, 2014]

To,  
Hariyana Ship Breakers Limited  
156, Maker Chambers VI,  
220 Jamnalal Bajaj Marg, Nariman Point,  
Mumbai- 400021

I/We \_\_\_\_\_ the holder(s) of the securities, particulars of which are given hereunder, wish to make nomination and do hereby nominate the following persons in whom shall vest, all the rights in respect of such securities in the event of my/our death.

**1. PARTICULARS OF THE SECURITIES (in respect of which nomination is being made) :**

Nature of securities	Folio No.	No. of securities.	Certificate No.	Distinctive No.

**2. PARTICULARS OF NOMINEE/S –**

- (a) Name :
- (b) Date of Birth :
- (c) Father's / Mother's / Spouse's name :
- (d) Occupation :
- (e) Nationality :
- (f) Address :
- (g) E-mail Id. & Telephone No :
- (h) Relationship with the security holder(s) :

**3. IN CASE NOMINEE IS A MINOR –**

- a) Date of birth :
- (b) Date of attaining majority :
- (c) Name of guardian :
- (d) Address of guardian :

**4. PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY –**

- (a) Name :
- (b) Date of Birth :
- (c) Father's / Mother's / Spouse's name :
- (d) Occupation :
- (e) Nationality :
- (f) Address :
- (g) E-mail Id. & Telephone No :
- (h) Relationship with the security holder(s) :
- (i) Relationship with the minor nominee :

Name(s) and Address of Security holder(s)

Signature(s)

Name and Address of Witness

Signature

Form No. SH-14

Cancellation or Variation of Nomination

[Pursuant to sub-section (3) of Section 72 of the Companies Act, 2013 and Rule 19(9) of The Companies (Share Capital and Debentures) Rules, 2014]

To,  
 Hariyana Ship Breakers Limited  
 156, Maker Chambers VI,  
 220 Jamnalal Bajaj Marg, Nariman Point,  
 Mumbai- 400021

I/We hereby cancel the nomination(s) made by me/us in favour of \_\_\_\_\_ (name(s) and address of the nominee) in respect of the below mentioned securities.

Or

I/We hereby nominate the following person in place of \_\_\_\_\_ as nominee in respect of the below mentioned securities in whom shall vest all rights in respect of such securities in the event of my / our death.

**1. PARTICULARS OF THE SECURITIES (in respect of which nomination is being made) :**

Nature of securities	Folio No.	No. of securities.	Certificate No.	Distinctive No.

**2. PARTICULARS OF NOMINEE/S –**

- (a) Name :
- (b) Date of Birth :
- (c) Father’s / Mother’s / Spouse’s name :
- (d) Occupation :
- (e) Nationality :
- (f) Address :
- (g) E-mail Id. & Telephone No :
- (h) Relationship with the security holder(s) :

**3. IN CASE NOMINEE IS A MINOR –**

- a) Date of birth :
- (b) Date of attaining majority :
- (c) Name of guardian :
- (d) Address of guardian :

**4. PARTICULARS OF NOMINEE IN CASE MINOR NOMINEE DIES BEFORE ATTAINING AGE OF MAJORITY –**

- (a) Name :
- (b) Date of Birth :
- (c) Father’s / Mother’s / Spouse’s name :
- (d) Occupation :
- (e) Nationality :
- (f) Address :
- (g) E-mail Id. & Telephone No :
- (h) Relationship with the security holder(s) :
- (i) Relationship with the minor nominee :

Name(s) and Address of Security holder(s)

Signature(s)

Name and Address of Witness

Signature



# HARIYANA SHIP BREAKERS LIMITED

## Updation of Shareholder Information

To,  
Hariyana Ship Breakers limited  
156, Maker Chambers VI,  
220 Jamnalal Bajaj Marg, Nariman Point,  
Mumbai- 400021

I/ We request you to record the following information against our Folio No :

### General Information :

Folio No :	
Name of the first named Shareholder :	
PAN : *	
CIN/ Registration No : *(applicable to Corporate Shareholders)	
Tel No. with STD Code :	
Mobile No :	
E-mail Id :	

**\*Self Attested copy of the document(s) enclosed**

### Bank Details

IFSC : (11 digit)	MICR :(9 digit)
Bank A/c Type :	Bank A/c No : *
Name of the Bank :	
Bank Branch Address :	

\* A blank cancelled cheque is enclosed to enable verification of bank details

I/ We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete or incorrect information, I/ We would not hold the Company/ RTA responsible. I/ We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I/ We understand that the above details shall be maintained by you till I/We hold the securities under the above mentioned Folio No.

Place :  
Signature of Sole/ First holder

**HARIYANA SHIP- BREAKERS LIMITED**

**(CIN: L61100MH1981PLC024774)**

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

**Website: www.hariyanagroup.com; Email: contact@hariyanagroup.com;**

**Tel: 022-22043211; Fax: 22043215**

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE.

Folio No.	No. of shares held
Name and address of the shareholders	

I hereby record my presence at the 35<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on Friday, September 30, 2016 at 9.00 a.m. 156, Maker Chambers VI, 220, Jamnalal Bajaj Marg, Nariman Point, Mumbai- 400021

Signature of the Shareholder or Proxy

----- tear here -----

**PROXY FORM**

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

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

I/We, holding \_\_\_\_\_ Equity Shares of the above named Company, hereby appoint:

1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him / her
2. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him / her
3. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email ID: \_\_\_\_\_  
Signature: \_\_\_\_\_ or failing him / her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 35<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held on Friday, the 30<sup>th</sup> day of September, 2016 at 9.00 A.M. at 156, Maker Chamber VI, 220, Jamnalal Bajaj Marg, Nariman Point, Mumbai 400021 or at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the Audited Financial statements for the financial year ended 31<sup>st</sup> March 2016 and the reports of the Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Rakesh Reniwal (DIN: 00029332), who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider re-appointment of Statutory Auditors of the Company.
4. To consider re-appointment of Branch Auditors for the Mumbai division of the Company
5. To consider re-appointment of Branch Auditors for the Bangalore Division of the Company.
6. To ratify payment of remuneration payable to the Cost Auditors of the Company.

Signed this.....day of ..... 2016

Affix  
Revenue  
Stamp

Note:

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

If undelivered, please return to :  
**HARIYANA SHIP BREAKERS LIMITED**  
156, Maker Chambers VI, 220 Jamnalal Bajaj Marg,  
Nariman Point, Mumbai- 400021.  
Tel.; +91 22 22043211 | Fax +91 22 22043215  
E-Mail: [contact@hariyanagroup.com](mailto:contact@hariyanagroup.com)  
Web Site: - [www.hariyanagroup.com](http://www.hariyanagroup.com)