



HARIYANA

SHIP BREAKERS LTD

September 06, 2019

To,
Dept. of Corporate Services
BSE Limited
P.J. Tower, Fort
Mumbai-400 001

Sub: Submission of Notice convening 38th Annual General Meeting ("38th AGM")

Ref: Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulation 2015("SEBI Listing Regulation")

Scrip Code: 526931

Dear Sir/Madam,

Details of 38th AGM Notice sent to the Members of the Company:

Pursuant to Regulation 34(1) and 30(2) read with Part A of Schedule III and all other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), we hereby inform you that, the 38th Annual General Meeting (AGM) of the Company for the FY 2018-19 has been scheduled to be held on Monday, 30th September, 2019 at 09.30 a.m. at the Registered Office Address of the Company situated at 156 Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021, inter alia to transact the business stated in the Notice dated 30th May, 2019. Please find enclosed herewith, a copy of the Annual Report for the F.Y. 2018-19 including the Notice of the 38th AGM of the Members of the Company scheduled aforesaid, which is being sent through email/ dispatched through the permitted mode, to the Members of the Company. The said 38th Annual Report of the Company for the FY 2018-19 is also available on the website viz. www.hariyanagroup.com. We request you to take the above on record.

The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, September 23, 2019 to Sunday, September 29, 2019 (both days inclusive).

This is for your information.

Yours faithfully,

For HARIYANA SHIP- BREAKERS LIMITED

Shantisarup Reniwal

Director

Din: 00040355



Encl:

1. Annual Report and Notice of the said meeting as sent to the Members of the Company

Registered Office: 156 – Maker Chambers VI, 220, Jamnalal Bajaj Marg,
Nariman Point, Mumbai- 400 021

Tel: 022 – 22043211; Fax- 22043215 E-mail: contact@hariyanagroup.com

CIN No. L61100MH1981PLC024774 Web Site: www.hariyanagroup.com

ISO Certified (14001:2004/ 9001:2008/ 30000:2009)



HARIYANA

SHIP BREAKERS LTD

ISO 2004 / 9001:2008 / 30000:2009 | OHSAS 18001 : 2007 Certified

Real Estate

Trading

Investment

Ship Breaking

38th

ANNUAL REPORT

2018-19

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ANNUAL GENERAL MEETING

Date : September 30, 2019

Time : 9.30 a.m.

Venue: 156, Maker Chamber VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021.

**Statutory Auditors
& Joint Auditors**

M/s. P. D. Goplani & Associates
Chartered Accountant
[ICAI Firm Registration
No. 118023W]

Secretarial Auditors

M/s. Dilip Bharadiya & Associates
Company Secretaries

**Registrar and Share
Transfer Agent**

Sharex Dynamic (India) Pvt. Ltd.

M/s. Lahoti Navneet & Co

Chartered Accountants
[ICAI Firm Registration No. 116870W]

COMPANY DETAILS**HARIYANA SHIP- BREAKERS LIMITED**

CIN: L61100MH1981PLC024774

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

Tel: 022 – 22043211; Fax– 22043215

E-mail: contact@hariyanagroup.com; Website: www.hariyanagroup.com

BOARD OF DIRECTORS

Mr. Shantisarup Reniwal	(DIN: 00040355)	Chairman & Executive Director
Mr. Rakesh Reniwal	(DIN: 00029332)	Managing 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. Rakesh Reniwal	Managing Director
Mr. Kirti Desai	Chief Financial Officer(from26.10.2018)
Ms. Swati Chauhan	Company Secretary (till 28.02.2019)
Ms. Kanika Jain	Company Secretary (from 08.03.2019 till 13.04.2019)

BANKER (S)

Punjab National Bank

BRANCH OFFICE

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

SHIP BREAKING YARD

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

HARIYANA SHIP BREAKERS LIMITED

NOTICE

Notice is hereby given that the 38th Annual General Meeting (“the Meeting”) of the members of Hariyana Ship-Breakers Limited (“the Company”) (CIN: L61100MH1981PLC024774) will be held on Monday, September 30, 2019 at 09.30 a.m. at Registered Office of the Company situated 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 (Standalone and Consolidated) of the Company for the financial year ended March 31, 2019 alongwith the reports of the Directors and Auditors thereon and in this regard, pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2019 alongwith the reports of the Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To re-appoint Mrs. Unnati Reniwal (DIN: 00041306), who retires by rotation as a Director and being eligible, offers herself for re-appointment and in this regard, pass the following resolution as an Ordinary Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Unnati Reniwal (DIN: 00041306), who retires by rotation at this meeting be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.”

On behalf of the Board of Directors
For **Hariyana Ship- Breakers Limited**

Sd/-
Shantisarup Reniwal
Chairman
(DIN: 00040355)

Sd/-
Rakesh Reniwal
Managing Director
(DIN: 00029332)

Date : May 30, 2019

Place : Mumbai

NOTES**1. STATEMENT UNDER SECTION 102 OF THE COMPANIES ACT, 2013**

A Statement pursuant to Section 102(1) of the Companies Act, 2013 (“the Act”), relating to the Special Business to be transacted at the Annual General Meeting (“AGM/Meeting”) is annexed hereto.

Details in pursuance of Regulation 26(4) and 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and Clause 1.2.5 of Secretarial Standard on General Meetings (SS-2), in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting under Item No. 2 of the Notice, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.

2. APPOINTMENT OF PROXY

A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT ONE OR MORE PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF/ HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IS SENT HERewith.

THE PROXY FORM SHALL BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY EITHER IN PERSON OR THROUGH POST, NOT LESS THAN 48 (FORTY EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE AGM.

A person can act as proxy on behalf of not exceeding 50 (fifty) Members and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company carrying voting rights.

A Member holding more than 10% (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 Member.

If a single person is appointed as a Proxy by more than 50 (fifty) Members, such person shall choose any 50 (fifty) Members and confirm the same to the Company in not less than 48 (forty eight) hours before the commencement of the AGM. In case he fails to do so, only the first 50 (fifty) proxies received by the Company shall be considered as valid. Further, if the company receives multiple Proxy Forms for the same holdings of a Member, the Proxy Form which is dated last will be considered as valid. If such multiple Proxy Forms are not dated or they bear the same date without specific mention of time, all such Proxy Forms shall be considered as invalid.

In order to be valid and effective, the Proxy Form must be duly filled, completed and signed. Further, the Proxy Form submitted on behalf of the Companies, Corporate Members, Societies etc. must be stamped and shall be supported by an appropriate certified copy of the resolution/ letter of authority, as may be applicable.

A Proxy Form, duly submitted with the Company in the aforesaid manner, shall be treated as valid until written notice of revocation has been received by the Company before the commencement of the AGM. A Proxy Form which is incomplete in any respect (For e.g. a Proxy Form which does not state the name of the person appointed as a Proxy) and/or is undated, unsigned, unstamped will be considered as invalid.

A proxy shall prove his identity at the time of attending the meeting. A proxy shall not have a right to speak at the meeting and shall not be entitled to vote except on a poll.

3. AUTHORISED REPRESENTATIVE

Corporate members intending to send their authorized representative(s) to attend the AGM are requested to send a duly certified copy of the Board Resolution in terms of Section 113 of the Act, together with their specimen signature(s) authorising their representative(s) to attend and vote on their behalf at the AGM, to Sharex Dynamic (India) Pvt. Ltd, the Registrar and Transfer Agent of the Company or to the Company Secretary at the Registered Office of the Company, not less than 48 (forty eight) hours before the commencement of the AGM.

4. **Members, Proxies and Authorized Representatives attending the AGM are requested to bring their photo identity proof and attendance slip, which is enclosed herewith, duly filled & signed and are requested to hand it over at the entrance.**

5. Attendance slip, proxy form and the route map of the venue of the Meeting are annexed hereto.

6. **DOCUMENTS OPEN FOR INSPECTION**

a. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days' written notice is given to the Company.

b. Relevant documents referred to in this Notice and the statement pursuant to Section 102(1) of the Act, shall remain open for inspection at the Registered Office of the Company on all working days, except Saturdays, between 10:00 a.m. and 12:00 noon, upto the date of the AGM.

7. **CLOSURE OF REGISTER OF MEMBERS AND THE SHARE TRANSFER BOOKS**

The Register of Members and the Share Transfer Books of the Company will remain close from Monday, September 23, 2019 to Sunday, September 29, 2019 (both days inclusive).

8. **ELECTRONIC COPY OF ANNUAL REPORT AND NOTICE OF ANNUAL GENERAL MEETING**

Pursuant to Sections 101 and 136 of the Act read with the relevant rules made thereunder, Companies can serve Annual reports and other communications through electronic mode to those members who have registered their e-mail address either with the Company or Depository Participant(s).

Members who have not registered their e-mail address with the Company can now register the same by submitting a duly filled in 'E-Communication Registration Form', available on the website of the Company i.e. www.hariyanagroup.com and also forming part of this Notice, to the Company or Sharex Dynamic (India) Pvt. Ltd., Registrar and Transfer Agent of the Company.

Members holding shares in dematerialised form are requested to register their e-mail address with their Depository Participant(s) only. Members of the Company, who have registered their e-mail address, are entitled to receive such communication in physical form upon request.

Members may also note that the Notice of the 38th AGM and the Annual Report for Financial Year 2018-19 will also be available on the Company's website i.e. www.hariyanagroup.com for downloading. The physical copies of all the documents mentioned/ referred to in this Notice will also be available at the Company's Registered Office for inspection during normal business hours on working days.

Even after registering for E-communication, Members are entitled to receive such communication in physical form free of cost, upon making a request for the same. Members desirous of receiving any communication vide a particular mode of service, would be entitled to receive such communication vide such mode of service, on payment of requisite fees as determined by the Company. For any communication, the Members may also send requests to the Company's e-mail ID i.e. contact@hariyanagroup.com.

9. As a measure of austerity, copies of the Annual Report will not be distributed at the AGM. Members are, therefore, requested to bring their copies of the Annual Report to the AGM. Also, in case the Members seek any additional information with respect to the Financial Statements of the Company, they are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the AGM.

10. **VOTING**

- a. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015; the Company is providing its members the facility to exercise their right to vote on resolutions proposed to be considered at the 38th Annual General Meeting (“AGM”) by electronic means and the business may be transacted through e-voting services. The Company has engaged the services of National Securities Depository Limited (NSDL) to provide the e-voting facility and the members may cast their votes using an electronic voting system from a place other than venue of the AGM (i.e., “remote e-voting”).
- b. 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 remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- c. The remote e-voting period will commence on Friday, September 27, 2019 (9:00 a.m.) and will end on Sunday, September 29, 2019 (5:00 p.m.). During this period, members of the Company holding shares either in physical form or in dematerialized form as on the cut-off date i.e., September 23, 2019, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
- d. Company has appointed Mr. Dilip Bharadiya (holding Membership No. FCS 7956), Proprietor of M/s. Dilip Bharadiya & Associates, Company Secretaries, to act as the Scrutinizer and to scrutinize the entire e-voting process (i.e. remote e-voting and ballot voting at the AGM) in a fair and transparent manner.
- e. Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

Procedure for remote E-Voting:

The Company has entered into an arrangement with NSDL for facilitating remote e-voting for the AGM. The procedure to login to e-voting website consists of two steps as detailed hereunder:

Step 1: Log-in to NSDL e-Voting system

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/>.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details will be as per details given below :
 - a) **For Members who hold shares in demat account with NSDL** : 8 Character DP ID followed by 8 Digit Client ID (For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****).
 - b) **For Members who hold shares in demat account with CDSL** : 16 Digit Beneficiary ID (For example if your Beneficiary ID is 12***** then your user ID is 12*****).

- c) **For Members holding shares in Physical Form** : EVEN Number followed by Folio Number registered with the company (For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***).
5. Your password details are given below:
- a. If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b. If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
 - c. How to retrieve your 'initial password'?
 - i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - ii. If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a. Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b. "Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c. If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders:

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to dilipbcs@gmail.com to with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for members and e-voting user manual for members available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at the following toll free no.: 1800-222-990.

General Instructions :

- a. At the AGM, the Chairperson shall, at the end of discussion on the resolutions on which voting is to be held, allow ballot voting at the AGM with the assistance of scrutinizer for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- b. The Scrutinizer shall, after the conclusion of ballot voting at the AGM, first count the votes cast at by ballot voting at the AGM and thereafter shall, unblock the votes cast through remote e-voting, in the presence of at least two witnesses not in the employment of the Company. He shall submit a Consolidated Scrutinizer's Report of the total votes cast in favour or against, not later than 48 (forty eight) hours of the conclusion of the AGM, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- c. The results alongwith the Consolidated Scrutinizer's Report shall be declared by means of: (i) displaying on the Notice Board of the Company at its Registered Office; (ii) dissemination on the website of the Company i.e. www.hariyanagroup.com and on the website of NSDL viz. www.evoting.nsdl.com; and (iii) communication to BSE Limited, thereby enabling them to disseminate the same on its website.
- d. The results shall also be available for inspection at the Registered Office of the Company.

Other Information :

- a. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners of the Company, as on the cut-off date i.e. Monday, September 23, 2019 only shall be entitled to avail the facility of e-voting, either through remote e-voting and voting at the AGM. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
- b. Members who have cast their vote by remote e-voting prior to the AGM will be entitled to and may attend the AGM and their presence shall be, counted for the purpose of Quorum. However, they shall not be entitled to cast their vote again. In case a Member casts his vote by more than one mode of voting including remote e-voting, then voting done through remote e-voting shall prevail and other shall be treated as invalid.

- c. Voting rights of the Members shall be in proportion to their shares of the Paid-up Equity Share Capital of the Company as on the cut-off date i.e. Monday, September 23, 2019.
- d. Any person, who acquires shares of the Company and becomes a Member of the Company after dispatch of the Notice and holds shares as of the cut-off date may follow the procedure for remote e-voting as enumerated in detail hereinabove. They may also refer to the Frequently Asked Questions (“FAQs”) and e-voting manual available at the Downloads sections of <https://www.evoting.nsdl.com> or contact NSDL at their toll free no.: 1800-222-990.
- e. Every Client ID No./Folio No. will have one vote, irrespective of number of joint holders. However, in case the joint holders wish to attend the meeting, the joint holder whose name is higher in the order of names among the joint holders, will be entitled to vote at the AGM.

11. **DEMATERIALIZATION OF HOLDINGS**

- a. In accordance with the amendments to Regulation 40 of SEBI Listing Regulations, to be made effective later, the Securities and Exchange Board of India (“SEBI”) has revised the provisions relating to transfer of listed securities, thereby curbing the risks of fraud and manipulation in physical transfer of securities.
- b. In terms of the amendments, requests for effecting transfer of listed securities shall be processed only if the securities are held in dematerialised form with a Depository (National Securities Depository Limited and Central Depository Services (India) Limited).
- c. Accordingly, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form to eliminate all risks associated with physical shares. Members can contact the Company or Sharex Dynamic (India) P Ltd., for assistance in this regard.
- d. Transfer of securities only in demat form will improve ease; facilitate convenience and safety of transactions for investors.

12. **SUBMISSION OF MEMBERS’ PERMANENT ACCOUNT NUMBER (“PAN”)**

- a. SEBI has mandated submission of PAN by every participant in the Securities Market. Accordingly, Members holding shares in dematerialised 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 or Sharex Dynamic (India) P Ltd.
- b. Also, in terms of the Circular dated April 20, 2018 issued by SEBI, Members holding securities in physical form are advised to register their PAN and Bank Account Details with the Company or Sharex Dynamic (India) P Ltd., by sending a duly signed letter alongwith self-attested copy of PAN Card and original cancelled cheque. The original cancelled cheque should bear the name of the Member. Alternatively, the Members may submit a copy of bank passbook/ statement, duly attested by the Bank. Members holding shares in dematerialised form are requested to ensure that the aforesaid information is submitted/ updated with their respective Depository Participant.
- c. Further, in terms of the SEBI Listing Regulations, it is mandatory to furnish a copy of PAN card to the Company or Sharex Dynamic (India) P Ltd. with respect to all requests pertaining to transfer of shares, deletion of name, transmission of shares and transposition of shares.

- 13. All the Members are requested to intimate changes, if any, pertaining to their name, postal address, E-mail address, telephone/ mobile numbers, PAN, mandates, nominations, power of attorney, bank details (such as name of the bank and branch details, bank account number, MICR code, IFSC code, etc.), with necessary docu-

mentary evidence, to their Depository Participants - in case the shares are held by them in dematerialised form and to the Company or Sharex Dynamic (India) P Ltd.- in case the shares are held by them in physical form.

14. In terms of the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. The said form can be downloaded from the Company's website www.hariyanagroup.com. Members holding shares in dematerialised form are requested to submit the said details to their Depository Participant(s) and the Members holding shares in physical form, are requested to submit the said details to the Company or Sharex Dynamic (India) P Ltd.
15. Members are requested to make all correspondence in connection with shares held by them by addressing letters directly to the Company or Sharex Dynamic (India) P Ltd., quoting their Folio No. or DP ID-Client ID, as the case may be.
16. Non-Resident Indian Members are requested to immediately inform the Company or Sharex Dynamic (India) P Ltd. or to the concerned Depository Participant(s), regarding:
 - a. the change in the residential status on return to India for permanent settlement; and/or
 - b. the particulars of the NRE Account with a Bank in India, if not furnished earlier.
17. Members are requested to please read the "Company's Recommendations to the Shareholders" provided in the "General Shareholder Information" Section of the Annual Report for the Financial Year 2018-19.

On behalf of the Board of Directors
For Hariyana Ship- Breakers Limited

Sd/-
Shantisarup Reniwal
Chairman
(DIN: 00040355)

Sd/-
Rakesh Reniwal
Managing Director
(DIN: 00029332)

Date : May 30, 2019
Place : Mumbai

EXPLANATORY STATEMENT

[Pursuant to Section 102 of The Companies Act, 2013 relating to the business set out in the accompanying Notice]

Since there is no Special Business, Explanatory Statement is not provided.

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT IN THE THIRTY EIGHTH ANNUAL GENERAL MEETING, AS SET OUT IN ITEM NO. 2 OF THIS NOTICE, IN TERMS OF REGULATIONS 26(4) AND 36 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 READ WITH CLAUSE 1.2.5 OF SECRETARIAL STANDARDS ON GENERAL MEETINGS

A. **Brief resume including qualification, experience and expertise in specific functional area:**

Name of Director	Unnati Reniwal
Director Identification Number (DIN)	00041306
Date of Birth	06/04/1979
Qualification and Experience	B.A. Over 14 years experience in Business
Shareholding in the Company as on March 31, 2019	4,00,000 Equity Shares 6.49%
Relationship with the other Directors, Manager and Other Key Managerial Personnel of the Company	(i) Rakesh Shantisarup Reniwal (Husband) (ii) Shantisarup Reniwal (Father in Law)
No. of Board Meetings attended during the Financial Year 2018-19	9
List of other Indian Public Limited Companies in which Directorships held⁽¹⁾	NIL
Chairperson/ Member of Committee(s) of Board of Directors of the Company⁽²⁾	NIL
Chairperson/ Member of the Committee(s) of Board of Directors of other Companies in which she is a Member/ Chairperson⁽²⁾	NIL

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

Website : www.hariyanagroup.com

CIN : L61100MH1981PLC024774

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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**ATTENDANCE SLIP FOR THIRTY EIGHTH (38TH) ANNUAL GENERAL MEETING ON SEPTEMBER 30, 2019 AT 9.30 A.M**

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

Name	
Address	
Folio No. / DP ID and Client ID	
No. of Equity Shares	

I certify that I am a registered Member/ proxy/ representative of the Company and I hereby record my presence at the 38th Annual General Meeting of the Company ("AGM") at 156, Maker Chambers VI, 220, Jamnalal Bajaj Marg, Nariman Point, Mumbai- 400021.

First/ Sole holder/ Proxy

Second holder/ Proxy

Third holder/ Proxy

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PROXY FORM

[As per MGT-11 & 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 No.*	
DP ID No.	

**applicable in case of shares held in electronic form*

I/We, holding _____ Equity Shares of Hariyana Ship- Breakers Limited, hereby appoint:

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38th ANNUAL GENERAL MEETING of the Company to be held on Monday, September 30, 2019 at 9:30 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:

Resolution No.	Resolution	Vote (Please mention no. of shares)	
		For	Against
Ordinary Business			
1.	To receive, consider and adopt the Audited Financial Statements (Standalone and Consolidated) of the Company for the financial year ended March 31, 2019 alongwith the reports of the Directors and Auditors thereon		
2.	To re-appoint Mrs. Unnati Reniwal (DIN: 00041306), who retires by rotation as a Director and being eligible, offers herself for re-appointment		

Signed this.....day of 2019

Affix Revenue Stamp

Note:

- This form in order to be effective should be duly completed must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.
- Those Members who have multiple folios with different joint holders may use copies of this proxy.
- It is optional to indicate your preference. If you leave the 'for' or 'against' any or all the resolutions, your proxy will be entitled to vote in the manner as he/ she may deem appropriate.

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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

E-COMMUNICATION REGISTRATION FORM

Dear Members,

The Ministry of Corporate Affairs and the Securities and Exchange Board of India have commenced Green Initiative by allowing paperless compliances by Companies. The Companies can send Annual Reports and General Notices in electronic mode to Members who have registered their e-mail addresses for the purpose.

It is a welcome move for the society at large as this will reduce paper consumption to a great extent and allow Shareholders to contribute towards a Greener Environment. This is a golden opportunity for every Shareholder of the Company to contribute to the Corporate Social Responsibility initiative of the Company.

We therefore invite all our Members to contribute to the cause by filling up the form given below to receive communication from the Company in electronic mode. You can also download the enclosed registration form which is available on the website of the Company i.e. **www.hariyanagroup.com**.

Let's be part of this 'Green Initiative'!

Please note that as a Member of the Company you will be entitled to receive all such communication in physical form, upon request.

Best Regards,

Shantisarup Reniwal

Chairman

<u>E - COMMUNICATION REGISTRATION FORM</u>	
Folio No. / DP ID and Client ID:	
Name of 1st Registered Holder:	
Name of Joint Holder(s):	
Registered Address:	
E-mail ID (to be registered):	
I/ We Member(s) of Hariyana Ship- Breakers Limited agree to receive communication from the Company in electronic mode.	
Please register my above e-mail address in your records for sending communication through E-mail.	
Date:	Signature:

Note : Member(s) are requested to provide the e-mail ID very carefully, as all the communication from the Company shall be sent to the e-mail ID provided through this form. The Shareholders are also requested to keep the Company informed as and when there is any change in the registered E-mail address.

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REPORT OF THE BOARD OF DIRECTORS

(INCLUDES MANAGEMENT DISCUSSION AND ANALYSIS)

Dear Members,

The Board of Directors are pleased to present the Company's Thirty Eighth (38th) Annual Report and the Company's audited financial statements (standalone and consolidated) for the financial year ended March 31, 2019 ("year under review/ FY 2018-19").

Management Discussion and Analysis*

To avoid repetition of information, the Management Discussion and Analysis on performance of the Company is presented below.

FY 2018-19 was a landmark year due to implementation of much awaited Goods and Services Tax ("GST"). While sector experienced limited unfavourable impact early on due to roll out related disruptions, it gradually experienced steady recovery towards the end of the year. Your Company believes that this move has created a singular trading market across the country, creating an organised ecosystem under unified tax regime; expected to benefit both consumers and companies in the long run. The successful implementation of GST and emphasis on infrastructure development, particularly the road and rail network augurs well for growth opportunities in the warehousing and logistics areas. Reforms in the banking and financial sectors should lead to improvement in liquidity, private sector profitability/ investment and resultant opportunities to your Company in the Investment & Treasury segment. This would help in further consolidating the financial health of the Company and enable it to pursue growth in the related fields.

External Environment**1. Macroeconomic Condition**

Second Advance Estimates of Gross Domestic Product (GDP) released by the Central Statistics Office (CSO), estimated the growth rate of GDP at constant (2011-12) market prices for FY 2018-19 at 7.0 per cent. As per the quarterly estimates, the growth of Gross Domestic Product (GDP) at constant (2011-12) market prices stood at 6.6 per cent, during October-December 2018. Total Gross Goods and Services Tax (GST) collections grew to Rs 106,577 crore (US\$ 15.26 billion) in March 2019, compared to Rs 92,167 crore (US\$ 13.20 billion) in March 2018. As per quarterly estimates, at constant 2011-12 prices, Private Final Consumption Expenditure (PFCE) grew 8.37 per cent year-on-year, Government Final Consumption Expenditure (GFCE) rose 6.48 per cent year-on-year and Gross Fixed Capital Formation increased 10.64 per cent year-on-year during October-December 2018.

Fixed Investment Rate (Share of GFCF to GDP) stood at 28.9 per cent during FY19, compared to 28.6 per cent during the corresponding period of FY18.

Overall year-on-year growth in the Index of Industrial Production (IIP) was 0.1 per cent in February 2019, which was at 6.9 per cent in February 2018. During April 2018–February 2019, IIP growth stood at 4.0 per cent year-on-year as compared to growth of 4.3 per cent year-on-year during April 2017–February 2018.

The Rupee exchange rate (Re/US\$) stood at 71.1540 at the end of February 2019, compared to 71.0333 at the end of January 2019. The Real Effective Exchange Rate (REER) (6-Currency Trade Based Weights with base year 2004-05) stood at 112.76 for February 2019, compared to 113.84 for January 2019.

2. Economic Outlook

Ship breaking industry or Ship recycling industry has seen a major shift to Asian counterparts over the period owing to the environment concerns. On one hand, ship breaking is a green process wherein a ship at end of its life cycle is being dismantled and each part is sent further for reuse, but on the other hand, the complex process of dismantling involves issues like labour safety and health and further it poses challenges on environment as well, which is a matter for criticism. However, the ship breaking activity is being recognized as major source of steel for re-rolling steel plants

The decision to send the ship for the purpose of recycling depends on the life of the ship and how quickly does the ship become obsolete. The ship can be considered to have become obsolete on the basis of following 3 parameters

Physical Obsolescence	<ul style="list-style-type: none"> Indicates the physical condition of the ship and deterioration with time. Spend an increased amount on repairs and maintenance. Recycling of ship becomes a cheaper option and results in positive cash flows
Technical Obsolescence	<ul style="list-style-type: none"> Being physically sound, but no longer profitable to remain in service due to increased competitiveness by a more efficient ship
Regulatory Obsolescence	<ul style="list-style-type: none"> Scrapping of ships due to regulatory requirements. Issues such as port state controls, vetting inspections and statutory surveys and other regulatory requirements lead to believe that scrapping the ship is more convenient than maintaining the ship and adhering to regulatory requirements.

Process of ship procurement for recycling : A ship owner can choose either of two options: either sell the ship directly to a ship recycling yard or sell it through a cash buyer. Most ship owners prefer to choose the latter strategy because cash buyers pay a lump sum to the ship owners in cash in advance, and charge approximately 3% commission to close the deal. The role of cash buyers is negotiation and bearing financial risk since they sign a contract and pay the owner till they get paid for delivering a ship to a recycling yard. The price offered to a ship owner is in terms of USD per light displacement tonnes (LDT).

The following financial performance and analysis, details of various plants/segments is intended to convey the Management's perspective on the financial and operating performance of the Company at the end of Financial Year 2018-19. It should be read in conjunction with the Company's financial statements, the schedules and notes thereto and other information included elsewhere in the Integrated Report. The Company's financial statements have been prepared in accordance with Indian Accounting Standards ('Ind AS') complying with the requirements of the Companies Act, 2013 and guidelines issued by the Securities and Exchange Board of India ('SEBI'). Aspects on industry structure and developments, outlook, risks, internal control systems and their adequacy and material developments in human resources have been covered herein below.

Financial Performance and Analysis

(Rs. in Lakhs)

Particulars	For the year ended	
	March 31, 2018	March 31, 2019
Revenue from operations ⁽¹⁾	15717.02	37729.63
Other Income	2087.60	2079.62
Total Revenue	17804.62	39809.25
Cost of raw materials consumed	5360.34	11805.86
Purchase of Stock – in - Trade	23404.46	10108.58
Changes in inventories of finished goods, stock – in – trade, work – in – process	(13887.59)	14859.03
Employee benefits expenses	178.79	254.28
Finance costs	390.75	77.80
Excise Duty	102.52	-
Depreciation and amortization expenses	45.33	50.41
Other expenses	1185.21	1667.57
Total Expenses	16779.81	38833.54
Profit / (Loss) before Exceptional Items and Tax	1024.81	975.71
Exceptional Items	-	-
Profit / (Loss) before tax	1024.81	975.71
Less: Current Tax	51.67	155.51
Less: Deferred Tax	(7.82)	5.84
Profit / (Loss) after tax	980.96	814.37
Other Comprehensive Income	0.46	0.41
Total Comprehensive Income for the year	981.42	815.18
Earnings Per Share (Face Value of Rs. 10/- each)		
-Basic	15.91	13.22
-Diluted	15.91	13.22

Particulars	For the year ended	
	March 31, 2018	March 31, 2019
Net Fixed Assets (including Capital Advances and CWIP)	869.83	964.90
Investment	10707.53	13077.89
Net Assets (Current and Non Current)	46859.84	26485.38
Share Capital	616.67	616.67
Reserves and Surplus	11840.99	12656.17
Financial Liabilities	31126.03	8980.74

Revenue

Your Company reported an increase in Revenue from Rs.15,717.02 lakhs during the previous year to Rs. 37729.62 Lakhs during the year. The profit after tax declined from Rs. 980.96 lakhs in the previous year to Rs. 814.37 Lakhs during the year under review. The other expenses of the Company have been relatively increased by Rs. 492.36 Lakhs as compared to the previous year expenses.

The Company has not been able to perform well during the year in terms of total sales turnover due to various factors like fluctuations in the exchange rate of US Dollar vis-à-vis Indian Rupee and volatile prices of iron and steel products and volatile market conditions prevalent in the steel sector throughout the year.

Operating Profit (EBITDA)

The Operating Profit of the Company, including other income and finance income is Rs. 1,103.92 Lakhs (previous year Rs. 1,460.89 Lakhs).

Finance Cost

The Finance cost of the Company has considerably reduced during the year and Rs. 77.79 Lakhs as compared to Rs.390.75 Lakhs in previous year.

Depreciation and Amortization Expenses

During the year, depreciation and amortization expenses increased to Rs. 50.41 Lakhs from Rs. 45.33 Lakhs in previous year.

DETAILS OF VARIOUS PLANTS/ SEGMENTS:

Ship Breaking & Trading (Bhavnagar)

During the financial year 2018-19, ship breaking at Alang Ship Breaking Yard and Trading Unit have performed well. 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 & Investment Unit (Mumbai - HO)

During the year under review, the Mumbai Trading Unit has not carried out any trading activities due to various factors like fluctuations in the exchange rate of US Dollar vis-à-vis Indian Rupee and volatile prices of Iron and steel products and volatile market conditions prevalent in the steel sector throughout the year.

The activities of the company viz. trading in Ferrous and Non Ferrous Metals, Scrap etc. 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 95% share) for the manufacture and supply of Industrial Oxygen Gas. Moreover, the partnership firm has started trading activities in ferrous and non ferrous metals. During the year the firm has performed well in terms of Sales Turnover as Revenue from operations for the year were Rs. 1683.92 Lakhs against Rs. 92.95 Lakhs for the preceding financial year. Consequently, the firm was able to increase its profit margin as well. Net profit after tax of the firm was Rs. 121.74 Lakhs. Further, with proximity to Alang Ship Breaking Yard and huge captive consumption requirements of group companies, the firm expects good long term benefits from the said partnership venture.

Real Estate & Construction:

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

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 has completed 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. Firm has completed plot development work in December 2016 and already booked 342 plots till 31.03.2018. The company’s share of profit from the firm is Rs. 190.84 Lakhs for the year ended on March 31, 2018.

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 apartments. The company’s share of profit from the firm is Rs. 523.93 Lakhs for the year ended on March 31, 2018.

The company has also entered into partnership and formed a partnership firm “Goyal Hariyana Realty” (with 50% share). Presently firm is having one Project at Bellandur. This location is situated at Bellandur Village, Varthur Hobli. Bangalore East Taluk. Total 336 Apartments, of 2 BHK and 3 BHK. The Project has already been completed and ready to give possession, and firm has already booked 274 apartments and Registration done for 262 apartments till 31.03.2018. The company’s share of profit from the firm is Rs. 154.21 Lakhs for the year ended on March 31, 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 loss from the firm is Rs. 8.59 for the year ended on March 31, 2018.

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.

Indian Ship-recycling Industry:

In India, full-fledged ship breaking practices started around 1980s in Mumbai and Kolkata and later Alang in Bhavnagar district, Gujarat was developed for ship breaking owing to its various advantages listed below and is considered the world’s largest ship breaking facility. Alang became centre of ship breaking activities in the world post 1991-92. The shipyards at Alang recycle approximately half of all ships salvaged around the world. It accounts for 98% of total ships recycled in India.

1. The site falls in the high tide zone where the highest tide reaches up to 10 to 11 meters. This is considered to be most favorable for beaching purpose.
2. This site is located in the Gulf of Khambhat and whose harbors are protected areas during rainy season which allows ship breaking activity.
3. The coast of Alang is sloping and has a long dry area which facilities reaching up vessels.

4. The seabed at Alang dries up very quickly even during monsoon, thus facilitating the handling of all kinds of material and equipment.
5. The area along the coast at Alang is free from other competitive users, like merchant shipping, fishing and salt work.

Alang is witnessing a drastic shift especially towards green ship recycling and it is reimagining its outlook by following all the certification, upgrading infrastructure, safety standards, and being environmentally conscious. Ship recycling in India contributes around 1 to 2% for domestic steel demand and most of dismantled ship scraps are recycled and reused.

The ship breaking industry at Alang in Gujarat witnessed a 12 per cent drop in business during the just-ended fiscal 2017-18, as a two-year-old ship recycling policy struggled to infuse fresh life into a sector that is increasingly being challenged by competition from neighbouring Pakistan and Bangladesh.

Factors Affecting Indian Ship-recycling Industry:

1. Movement in Freight Prices:

Majorly, the current earnings and future expectations drive the ship recycling industry. The movement in the freight prices is indicated by the Baltic Dry Index (BDI). BDI is basically shipping and a trade index created by London Based Baltic Index. Other indexes include Baltic Dirty Tanker Index and Baltic Clean tanker index which is linked to freight prices of Oil tankers. These indexes specify the cost of transportation to ship owners. The cyclical nature in the ship breaking industry is inherent with its negative correlation with the Baltic indexes. Better availability of ships are expected at the time of recession when the freight rates are lower as ship owners find it economical to send the ship for the purpose of recycling rather than using the ship further. Ship breaking at Alang had declined significantly over the years impacted by the availability of ship with rise in Baltic Indexes

2. Scrap Prices vis-à-vis steel price movement:

Profitability of ship breakers is susceptible to steel scrap prices which are linked to global steel prices while post ship purchase ship recycler/breaker have to bear the price risk. The scrap prices hold less importance for ship owner when it comes to deciding whether a ship should be scrapped or not. The ship breaking industry contributes a small proportion to steel industry viz. around 1.5% of the steel requirement and so the scrap prices are affected by the market scrap steel price rather than demand and supply of ship. The volatility in steel prices driven by demand and supply conditions in the global as well as local markets exposes ship-recycling companies to any adverse price movement on the uncut ship inventory as well as unsold inventory of steel scrap held by them. In past steel scrap prices had remained volatile in nature

3. Competition from the global peers:

Indian ship-recycling yards face intense competition from the neighbour countries like Bangladesh and Pakistan due to availability of low wage labour, lax occupational health and environment related regulations, and partial enforcement. Furthermore, the currency also plays a key role in determining competitiveness of Indian ship breakers.

4. Forex Risk and high hedging cost:

Majority of the ship breakers purchase ships by way of Letter of Credit (LC) and tenure for the same depends upon the size of the ships and its recycling period which normally ranges from anywhere between 90-270 days. Since, the transaction is denominated in foreign currency at time of purchase of ship and there is time lag in actual sales after ship breaking leading to exposure of their profitability to forex risk. Banks normally keep 10%

as FD margin and require ship breakers to keep their sales receipts after meeting expenses as FD till full repayment. Furthermore, due to high hedging cost compared to low profitability, ship breakers are often resistant to hedge its cash flow.

5. Regulatory Risk:

The ship-breaking industry is highly regulated with strict working and safety standards to be maintained by the ship-breakers for their labourers and environmental compliance. Furthermore, the industry is prone to risks related to pollution as it involves dismantling of ships which contain various hazardous substances like lead, asbestos, acids, hazardous paints, etc. that have to be properly disposed-off as per the regulatory guidelines. The key areas include ground pollution, water pollution and health and safety of workforce. Over the period importance of green ship recycling procedures had increased significantly even for seller there are pressures for selling ships to the green certified yards. There are various certification agencies which certify the recycling facilities compliance to the Hong Kong International Convention guidelines. The Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships adopted by the International Maritime Organization (IMO) in May 2009 and the European Regulation No. 1257 adopted by European Parliament and Council in November 2013, provide a legally binding instrument which ensures that the process of ship recycling does not pose risks to human health, safety and to the environment. The certification agency have its guideline regarding the waste disposal, effluent treatment, safety of workers and maintenance of records.

6. Industry's Initiative/ Structure and Developments

A proposed eco-friendly law may further boost the prospects of ship-breaking industry, as it returns to a buoyant business cycle. India has begun cleaning up its tarnished ship-breaking industry. Accordingly, the Union government has drafted a law to implement the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships. This convention was adopted by the International Maritime Organization (IMO) in 2009.

A draft legislation to implement the Hong Kong Convention to make the ship-recycling industry safe for its workers and the environment is now undergoing pre-legislative consultations. The Hong Kong convention is yet to come into force as it has not been ratified by 15 countries, representing 40 per cent of the world's merchant shipping by gross tonnage. Only six countries - Norway, Congo, France, Belgium, Panama and Denmark - have ratified it so far. The proposed Safe and Environmentally Sound Recycling of Ships Bill, 2016 aims to give effect to the provisions of the Hong Kong Convention. The Bill makes it mandatory for ships to carry out all recycling activities in a safe manner and according to global practices. Any violation in this regard could attract a fine of Rs 10 lakh and a six-month imprisonment.

Since 2015, the around Rs 10,000-crore Indian ship-recycling industry has voluntarily started adopting global best practices in dismantling discarded ships. The industry has taken up this clean-and-green initiative even before the legislation was enacted. Some 55 of the 120 working yards have won the Hong Kong Convention's compliance certificates from global ship classification societies. Another 15 other yards are being audited for certification.

As Alang gets its clean-up act together, ship-breaking companies are betting big on brightening business prospects. The deserted scrapping beaches are now full with ships. The ship-breaking yards are buzzing with activity as huge vessels are dismantled by scores of workers. Back in Bhavnagar, about 50 km from Alang, ship-recycling companies are busy firming up deals with scrap dealers, steel re-rollers, logistics suppliers and buyers of second-hand electrical items, furniture, computer and kitchen cabinets.

Business Overview

The company is in the business of ship breaking, trading and investment activities.

During the financial year 2018-19, witnessed frequent fluctuation in the prices of old ship in the international market and also heavy dollar exchange rate fluctuations. In such an uncertain market environment in Iron and Steel industry, the management took cautious approach to the prevalent affairs and avoided any venturesome business decision in the interest of the company which resulted in increased profit margin of the unit. Moreover, the management hope that the trading unit will show an increase in terms of sales as well as profits in the coming years.

Moreover, the prices in Iron and steel industry are gradually getting stabilized, but foreign currency and fluctuations in value of Indian Rupee vis-à-vis US Dollar remains a concerning area for the company even in the current year. The management is exercising caution in purchase of ships for breaking to optimize the profit margin and minimize the possibilities of losses, if so happens.

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 gains. 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.

Segmental Review

During the financial year 2018-19, ship-breaking & trading unit is expected to grow substantially in coming years. Due to fluctuating and volatile prices of old Ships, Iron and Steel products coupled with fluctuations in value of Indian Rupee vis-à-vis US Dollar during the year, the net profit margins of this segment has been affected. 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 & Trading (Bhavnagar):

During the year under consideration, total sales were Rs.37,729.62 Lakhs as against Rs. 15,717.02 Lakhs. Ship-breaking unit at Alang Ship Breaking Yard has outperformed and shown a growth.

Trading & Investments (HO-Mumbai) :

During the financial year 2018-19, the company has not performed any trading activities due to fluctuating and volatile prices of Iron and Steel products and other metals. The management is of the view that, in the coming years the iron and steel industry will be stable and with huge budgetary allocations by the Central as well State Governments for Infrastructure Development Projects, it is expected that this will be boosting factor for the economy and the requirement of iron and steel will increase which will help the company to move towards its sustained path of growth.

Segment-wise Standalone Ind AS Financial Results

(Rs. in Lakhs)

Particulars	Trading & Investment (Mumbai)	Ship-Breaking & Trading (Bhavnagar)	Total
a) Revenue from External Source	-	37729.63	37729.63
b) Segment Results Before Interest and Taxes	154.53	898.98	1053.51
c) Segment Assets	15101.84	11383.54	26485.38
d) Segment Liabilities	3687.02	9525.53	13212.55

Standalone Cash Flow Analysis

(Rs. in Lakhs)

Particulars	March 31, 2018	March 31, 2019
- Net Cash Flow from Operating Activities	184.85	(4239.03)
- Net Cash Outflow from Investing Activities	5130.30	(381.29)
- Net Cash Outflow from Financing Activities	(899.82)	225.85
- Net Cash Inform/(Outflow)	4415.33	(4394.47)

Risk Management

Effective governance and risk management form the bedrock of a company's sustained performance. Risk management aims to identify and then manage threats that could severely impact the organization. Generally, this involves reviewing operations of the organization, identifying potential threats to the organization and the likelihood of their occurrence and then taking appropriate actions to address the most likely threats. The objectives are to optimize business performance, minimize adverse impact on the business, protect it from damages, frauds and enhance stakeholder value.

The framework revolves around rigorous implementation of standardized policies and processes and development of strong internal control systems. Your Company has set up internal controls and policies related to financial reporting of transactions and efficient business operations in compliance with relevant laws and regulations. Internal reporting systems are in place for effective measurement of various business parameters related to revenue, expenses and reporting, in line with the provisions of the Act.

The Company operates in an interconnected world with stringent regulatory and environmental requirements, increased geopolitical risks and fast-paced technological disruptions that could have a material impact across the value chain of the organisation. 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 fluctuation in the price of the iron and steel affects the profitability of the Company. Thus, 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 ships which are purchased from the international market on credit ranging up to 180 days to 360 days. The Company is adopting policy of 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.

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. The Company, through its risk management process, aims to contain the risks within its risk appetite. There are no risks which in the opinion of the Board threaten the existence of the Company.

Outlook – Way Forward

Your Company expects FY 2019-20 to be better as the after-effects of demonetisation and GST implementation seem to have subsided. As per economic surveys, India continues to be the fastest growing economies in the world, and is expected to continue in FY2019-20 as well. This is supported well by favourable factors such as policy reforms. The Company expects to take advantage of the growth opportunity provided by the Indian economy.

India will be the brightest spot for the steel sector over the next 12-18 months, according to Moody's Investors Service. A Moody's statement said India's steel consumption is rising at least 5.5 per cent to 6 per cent every year, tracking strong GDP growth of 7.3 per cent to 7.5 per cent. Profitability, as measured by average EBITDA per tonne for our rated steel companies, will grow slightly over the next 12 months — following a strong improvement in 2017 — underpinned by steady regional demand. "China's capacity cuts and stringent environmental protection measures will also support profitability. The profitability of rated Japanese and Korean companies will diverge because of their differing exposures to various end-markets, and China Baowu Steel Group Corporation Ltd's EBITDA per tonne will fall slightly because of an expected decline in demand and prices.

Asian steel demand will remain steady over the next 12 months to June 2019, because solid growth in 2018 will offset a likely softening in 2019. The expected softening in demand in 2019 is because China's apparent demand will likely decrease by a low-single-digit percentage, reflecting likely slowdowns in the growth of the property sector and in infrastructure investments, the statement added. The expected decline in China's steel demand also factors in the ongoing US-China trade dispute, given the indirect impact through supply chains.

Your directors see a very positive and bright future prospects ahead for the company looking to the prevailing upward trend in the Iron and Steel sector in India and internationally.

The 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.

**References: The Indian Express, The Economic Times, Media reports, Press releases, Press Information Bureau (PIB), Joint Plant Committee (JPC), S&P Global Platts.*

Internal financial controls and its adequacy

Internal financial control systems of the Company are commensurate with its size and nature of its operations. These have been designed to provide reasonable assurance with regard to the orderly and efficient conduct of its business including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and the timely preparation of reliable financial information and disclosures.

Systems and procedures are periodically reviewed and these are routinely tested by Statutory as well as Internal Auditors and cover all functions and business areas. The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems. During the year under review, no material or serious observation has been received from the Statutory Auditors and the Internal Auditors of the Company on the inefficiency or inadequacy of such controls.

Human Resources

Your Company treats its "human resources" as one of its most important assets.

We continuously invest in attraction, retention and development of talent on an ongoing basis. Our thrust is on the promotion of talent internally through job rotation and job enlargement. We believe in harnessing its leadership and people capabilities through sharp focus and initiatives on talent development.

We review our talent based on their performance and potential to assess their readiness for future roles of higher scale and complexity. We believe in developing our employees through multiple experiences requiring them to handle scale and complexity. We have instituted this through varied job rotation and project roles. We have put in place various recognition initiatives for our employees to reward them on their noteworthy performance and contribution.

Our Company is committed to providing work environment that ensures every employee is treated with dignity and respect and afforded equitable treatment. The Company is also dedicated at promoting a work environment that is conducive to the professional growth of its employees and encourages equality of opportunity. To foster a positive workplace environment, free from harassment of any nature, we have institutionalized the Anti Sexual Harassment Framework through which we address complaints of sexual harassment at the workplace. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land where we operate. We have also constituted Complaints Committee to consider and address sexual harassment complaints in accordance with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Consolidated Financial Statement

As per applicable provisions of the Companies Act, 2013 ("the Act"), if any read with the Rules issued thereunder and in accordance with principles and procedures as set out in the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015, the Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 have been prepared.

The Consolidated Financial Statements together with the Auditors' Report form part of this Annual Report.

Details of Subsidiary/Joint Ventures/Associate Companies

The Company has no subsidiary, associate companies or joint venture companies within the meaning of Section 2(6) and 2(87) of the Act and thus, pursuant to the provisions of Section 129(3) of the Act, the statement containing the salient features of financial statements of the Company's subsidiaries in Form AOC-1 is not required to be attached to the financial statements of the Company.

Secretarial Standards

The Directors state that applicable Secretarial Standards, i.e. SS-1 and SS-2, relating to 'Meetings of the Board of Directors' and 'General Meetings', respectively, have been duly followed by the Company.

Dividend

Your Directors have considered it financially prudent in the long term interest of the Company to reinvest the profits into the business of the Company, to build strong reserve base, meet the funds requirement and grow the business of the Company. Thus, your Board of Directors regret their inability to recommend any dividend for the year ended March 31, 2019.

Loans, Guarantee & Investments

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 as on March 31, 2019, if any, form part of the *Notes to the Standalone Financial Statements* provided in this Annual Report.

Contracts or Arrangements with Related Parties

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 Listing Regulations, all contracts/arrangements/transactions entered by the Company with Related Parties were in ordinary course of business and at arm's length basis.

All Related Party Transactions entered into during the year under review were approved by the Audit Committee and the Board, from time to time and the same are disclosed in the Financial Statements of your Company for the year under review.

Further, pursuant to the provisions of the Act and the SEBI Listing Regulations, the 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.

Further during the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material in accordance with the policy of the Company on materiality of related party transactions. There were no materially significant related party transactions which could have potential conflict with interest of the Company at large.

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 to the Board's Report.

Directors and Key Managerial Personnel (KMP)

Inductions

Mr. Kirti Desai was appointed as the Chief Financial Officer of the Company with effect from 26.10.2018.

Ms. Swati Chauhan resigned as the Company Secretary of the Company with effect from 28th February 2019. Ms. Kanika Jain was appointed on her behalf with effect from 8th March 2019, however, she too resigned with effect from 13th April 2019.

Re-appointments

In accordance with the provisions of the Act and the Articles of Association of the Company, Mrs. Unnati Reniwal, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, seeks re-ap-

pointment. The Board of Directors on the recommendation of the Nomination and Remuneration Committee has recommended his re-appointment at the forthcoming Annual General Meeting.

All the Independent Directors of the Company have given their respective declarations stating that they meet the criteria of Independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as an independent director during the year. During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company.

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

Performance Evaluation of the Board

In terms of the provisions of the Act, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Nomination Policy of the Company, NARC and the Board have approved a framework, which lays down a structured approach, guidelines and processes to be adopted for carrying out an evaluation of the performance of the Board, its Committees and individual Directors.

During the year under review, the Board carried out the evaluation of its own performance and that of its Committees and the individual Directors.

The evaluation process focused on various aspects of the functioning of the Board and its Committees, such as composition of the Board and Committees, attendance of Directors at Board and committee meetings, acquaintance with business, communicating inter se board members, effective participation, domain knowledge, compliance with code of conduct, vision and strategy, experience and competencies, performance of specific duties and obligations, governance issues etc. The Board also carried out the evaluation of the performance of individual directors based on criteria such as contribution of the director at the meetings, strategic perspective or inputs regarding the growth and performance of the Company etc.

Outcome of the Evaluation

Board:

The Board carried out an annual performance evaluation of the Board, Committees, Individual Directors and the Chairman alongwith assessing the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties. The performance evaluation of the Board is carried out taking into account the various parameters like composition of Board, process of appointment to the Board, common understanding amongst Directors of their role and responsibilities, timelines and content of Board papers, strategic directions, advice and decision making, etc. The Board also notes the actions undertaken, pursuant to the outcome of previous evaluation exercises.

The performance evaluation of the Independent Directors was carried out by the entire Board excluding the independent director being evaluated.

The Chairman of the respective Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board, based on report on evaluation received from respective Committees.

The report on performance evaluation of the Individual Directors was reviewed by the Chairman of the Board and feedback was given to Directors.

Committees of the Board :

The Committee's self-assessment is carried out based on 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 Independent Director(s) also evaluated the performance of Non-Independent Directors, the Chairman of the Board and the Board as a whole at the meeting of Independent Director(s) held on March 31, 2019. The outcome and feedback from Directors was discussed at the respective meetings of Board, Committees of Board and meetings of Independent Directors.

The overall performance evaluation exercise was completed to the satisfaction of the Board. The Board of Directors deliberated on the outcome and necessary steps will be taken going forward.

The details of the evaluation process are set out in the Corporate Governance Report which forms a part of this Annual Report.

Number of meetings of the Board

During the year 9 (Nine) Board 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.

Committees of the Board

A. AUDIT COMMITTEE:

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 read with the Rules issued there under and Regulation 18 of the Listing Regulations.

All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company.

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

B. NOMINATION AND REMUNERATION COMMITTEE ('NARC'):

Your Company has a duly constituted NARC, with its composition, quorum, powers, role and scope in line with the applicable provisions of the Act and SEBI Listing Regulations. The detailed information with respect to the NARC is disclosed in the Corporate Governance Report forming part of this Annual Report.

Nomination Policy and Remuneration Policy/ Philosophy

The Board has, on recommendation of the NARC, adopted a Nomination Policy, which enumerates your Company's policy on appointment of Directors and Key Managerial Personnel ("KMP"), including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Act.

The Nomination Policy is enacted mainly to deal with the following matters, falling within the scope of the NARC:

- to institute processes which enable the identification of individuals who are qualified to become Directors and who may be appointed as KMP and/or in senior management and recommend to the Board of Directors their appointment and removal from time to time;

- to devise a policy on Board Diversity;
- to review and implement the succession and development plans for Managing Director, Executive Directors and Senior Managers;
- to formulate the criteria for determining qualifications, positive attributes and independence of Directors; and
- to establish evaluation criteria of Board, its Committees and each Director.

Further, the Board has, on recommendation of the NARC, also adopted a policy entailing Remuneration Philosophy, which covers the Directors, KMP and employees included in Senior Management of the Company.

While formulating this policy, the NARC has considered the factors laid down under Section 178(4) of the Act, which are as under:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Both the aforesaid policies are available on the website of the Company i.e. www.hariyanagroup.com.

C. STAKEHOLDERS' RELATIONSHIP & SHARE TRANSFER COMMITTEE:

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

D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE ("CSR COMMITTEE"):

In terms of the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has a duly constituted CSR Committee comprising the following members:

Sr. No	Name of Member	Designation
1	Mr. Rakesh Reniwal	Chairman
2	Mr. Pradeep Bhatia	Member
3	Mr. Tejas Thakker	Member

Mr. Shantisarup Reniwal, Chairman and Executive Director of the Company, is the Permanent Invitee to the CSR Committee Meetings.

Policy on Corporate Social Responsibility ("CSR")

The Board has, with a vision "to actively contribute to the social and economic development of the communities in which your Company operates and in doing so, build a better, sustainable way of life for the weaker sections of society and raise the country's human development index", adopted a CSR Policy and the same is available on the website of the Company i.e. www.hariyanagroup.com.

The CSR Policy of the Company also mentions the process to be implemented with respect to the identification of projects and philosophy of the Company, alongwith key endeavours and goals i.e.,

- Education - to spark the desire for learning and knowledge;
- Health care - to render quality health care facilities to people living in the villages and elsewhere;
- Sustainable Livelihood - to provide livelihood in a locally appropriate and environmentally sustainable manner;
- Infrastructure Development - to set up essential services that form the foundation of sustainable development; and
- Social Cause - to bring about the Social Change we advocate and support.

Corporate Social Responsibility (CSR) initiatives taken during the year

In terms of section 135 and Schedule VII of the Act, the Corporate Social Responsibility Committee (CSR Committee) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board.

The CSR Policy may be accessed on the Company's website i.e., www.hariyanagroup.com.

Your Company's CSR activities are mainly focused towards Literacy, Education, Skilling, Health and Sanitation.

During the financial year ended March 31, 2019, based on these rules the Company to be spent was Rs. 16,17,694/- of which Company incurred Rs. 16,18,000 (Rupees Sixteen Lakhs Eighteen Thousand only) towards Corporate Social Responsibility.

The Company's CSR policy statement and annual report on the CSR activities undertaken during the financial year ended March 31, 2019, in accordance with Section 135 of the Companies Act, 2013 and Companies (Corporate Social Responsibility Policy) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) is set out in the **Annexure-I** to this report.

Extract of Annual Return

The extract of the Annual Return of the Company as on March 31, 2019 in Form MGT - 9 in accordance with Section 134(3)(a), Section 92 (3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, is appended as **Annexure-II** to the Board's Report.

Corporate Governance

A separate section on Corporate Governance forming part of the Board's Report and is included in the Annual Report as **Annexure-III** to the Board's Report.

Auditors and Auditors' Report

Joint Statutory Auditors

M/s. P. D. Goplani & Associates, Chartered Accountants, Bhavnagar, having ICAI Firm Registration No. 118023W, were appointed as Auditors of the Company, at the Annual General Meeting held on September 30, 2017, for a term of 5 (five) consecutive years i.e. to hold office from the conclusion of 36th Annual General Meeting until the conclusion of 41st Annual General Meeting of the Company to be held in the financial year 2022.

M/s. Lahoti Navneet & Co., Chartered Accountants, Mumbai, having ICAI Firm Registration No. 116870W, were appointed as Auditors of the Company, at the Annual General Meeting held on September 29, 2018, for a term of 4 (four)

consecutive years i.e. to hold office until the conclusion of 41st Annual General Meeting of the Company to be held in the financial year 2022.

Further, the Joint Statutory Auditors have confirmed that they are not disqualified to act as Auditors and are eligible to hold office as Auditors of your Company for financial year 2019-20.

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments. The Auditors' Report does not contain any qualification, reservation, adverse remark or disclaimer. Also, no frauds in terms of the provisions of Section 143(12) of the Act, have been reported by the Statutory Auditors in their report for the year under review.

Secretarial Auditors

The Board had appointed M/s. Dilip Bharadiya & Associates, Practicing Company Secretaries, to conduct Secretarial Audit for the FY 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith marked as **Annexure-IV** to this Report.

The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

Further, pursuant to provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014; the Board of the Company at its meeting held on May 30, 2019 has re-appointed M/s. Dilip Bharadiya & Associates, Practicing Company Secretaries (Certificate of Practice No. 7956), to undertake the Secretarial Audit of the Company for the financial year 2019-20.

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, state that:

- (i) in the preparation of the annual accounts for the financial year ended March 31, 2019, the applicable accounting standards and Schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;
- (ii) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit and loss of the Company for the financial year ended March 31, 2019;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) the annual accounts have been prepared on a going concern basis;
- (v) proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and operating effectively;
- (vi) proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems are adequate and operating effectively.

Conservation of energy, technology absorption, foreign exchange earnings and outgo

The Company makes all efforts towards conservation of energy, protection of environment and ensuring safety.

HARIYANA SHIP BREAKERS LIMITED

The particulars 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 as follows:

- A. Health, Safety and Environment:** The Company aims to provide a safe and healthy workplace to our employees, visitors and contract workers and achieve high standards of environment protection. We are certified to the following:

Certificate No./ Standard	Description/Compliance/Requirement
ISO 9001:2008 Quality Management System	Sale of steel, recyclable items from ship and machineries derived from ship recycling and handling of hazardous and non- hazardous material
ISO 14001:2004 Environmental Management System	Selection of vessel for ship recycling, ship recycling including all material on Board of the ship, handling and disposal of hazardous (including asbestos, PCB, oily waste) and non- hazardous wastes and sale of items derived from ship recycling including ferrous and non-ferrous metal, reusable machineries, equipments materials (insulation oil, batteries)
ISO 30000:2009 Ship and Marine Technology- Ship Recycling Management Systems	Safe Environmentally Sound and Green Ship Recycling including hazardous (including asbestos, PCBs, oily waste) and non- hazardous material handling. Also, sale of steels, equipments, machines obtained from the ship
OHSAS 18001:2007 Occupational Health and Safety Management System	Selection of vessel for ship recycling, ship recycling including all material on Board of the ship, handling and disposal of hazardous (including asbestos, PCB, oily waste) and non- hazardous wastes and sale of items derived from ship recycling including ferrous and non- ferrous metal, reusable machineries, equipments materials (insulation oil, batteries)
SHIP-MS-48	Certifying compliance with the standard ISO 30000:2009 Ship Recycling Activities and Sale of Recyclable Material such as steel, equipment, machineries and other materials obtained from ship
EU SRR 034	Certifying compliance with the requirements set out in Article 13 of Regulation (EU) No. 1257/2013 of the European Parliament and of the Council 20 November 2013 on ship recycling and amending Regulation (EC) No. 1013 2006 and Directive 2009/16/EC
IRQS/1721605	Statement of compliance under the provisions of Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009

Also, the Company has been confirmed as a firm engaged in ship recycling and that the operations and procedures that are in place at the facility are in accordance with IMO Resolution MEPC. 210(63) – 2012 Guidelines for Safe and Environmentally Sound Ship Recycling, giving recommendation for the Safe and Environmentally Sound Recycling of Ships and implementation of the Hong Kong International Convention 2009.

The Company has been compliant under applicable provisions of the Water (Prevention and Control of Pollution) Act, 1974, Air (Prevention and Control of Pollution) Act, 1981 and Hazardous Waste (Management Handling and Transboundary Movement) Rules 2008.

Further, the Company is a valid member of Gujarat Enviro Protection & Infrastructure Ltd. (Unit Alang) for Integrated Common Hazardous Waste Management Facility.

B. Conservation of energy:

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

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

In light of the global challenges concerning energy security, the Company considers energy management as one of the key components of its responsible business strategy. 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, trading in metal scrap, graphite electrodes and other industrial inputs. 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.

(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.

C. Technology absorption:

The Company continues to adopt and use the latest technologies to improve the productivity and quality of its services and products. The Company's operations do not require significant absorption of technology. There has been no import of technology in FY 2018-19.

D. Foreign exchange earnings and Outgo:

Particulars	Current Year			Previous Year		
	INR	USD	EUR	INR	USD	EUR
Foreign Exchange Earnings	—	—	—	—	—	—
Foreign Exchange Outgo	4232147121	57679393.69	2764585.72	1,31,99,39,450	1,48,02,816.89	44,22,976.49

Vigil Mechanism

The Whistleblower Policy has been approved and adopted by Board of Directors of the Company in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations which provides a formal mechanism to the employees, business associates and stakeholders of the Company to, inter-alia, report any instances of financial irregularities, breach of code of conduct, abuse of authority, disclosure of financial/ price sensitive information, unethical / unfair actions concerning Company vendors/ suppliers, malafide manipulation of company data/records, actual or suspected fraud or discrimination to the Company's Code of Conduct in an anonymous manner.

The policy of vigil mechanism is available on the Company's website i.e. www.hariyanagroup.com.

Particulars of Employees

A) The information required under Section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- a. Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2018-19; and
- b. Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, if any, for the Financial Year 2018-19:

Sr. No.	Name	Designation	Remuneration for the Financial Year 2018-19	Percentage Increase / (Decrease) in remuneration in the Financial Year 2018-19 (%)	Ratio of Remuneration of each Director to Median Remuneration of Employees
1.	Rakesh Reniwal	Managing Director	12,00,000	90%	-
2.	Swati Chauhan	Company Secretary	5,50,000	25%	-

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

There is no increase in the remuneration of employees in the financial year and hence the information cannot be furnished.

- d. **Number of permanent employees on the rolls of Company:** 05

- e. **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:**

Percentile increase in the managerial remuneration (i.e. Managing Director) cannot be calculated as remuneration has been paid to him in capacity of Managing Director from October 01, 2017 upto March 31, 2018, whereas during the previous year, he has not been paid any remuneration. Hence, the remuneration paid to him during the year under review is strictly not comparable with the previous year. While the average remuneration of the employees of the Company other than Managerial Personnel has no change and hence the information cannot be furnished. Further, such increase/ decrease is not comparable for the reasons as mentioned in Notes to Point No. (a) and (b) above.

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

It is hereby affirmed that the remuneration paid to:

- Directors, KMP and members of Senior Management is as per Remuneration Philosophy/Policy of the Company; and
- other employees of the Company is as per the Human Resource Philosophy of the Company.

B) The information required under Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

Details as required under Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, with respect to information of employees of the Company will be provided upon request by a Member.

Having regard to the provisions of Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. The said information is available for inspection on all working days, during business hours, at the Registered Office of the Company 21 days before the AGM and upto the date of the ensuing AGM. Any member interested in obtaining such information may write to the Company Secretary and the same will be furnished on request.

Familiarization Programme

The Company conducts Familiarization Programme for the Independent Directors to enable them to be familiarized with the Company, its management and its operations to gain a clear understanding of their roles, rights and responsibilities for enabling their contribution to the Company. They are provided a platform to interact with multiple levels of management and are provided with all the documents required and/or sought by them to have a good understanding of Company's operations, businesses and the industry as a whole.

Further, when a new Director is inducted on the Board, they are provided with necessary documents/ brochures, reports, internal policies, strategy and such other operational information to enable them to familiarise with the Company's procedures and practices. Site visits to various plant locations are organised for the Independent Directors to enable them to understand and acquaint with the operations of the Company.

Periodic presentations are made at the Board and Committee meetings on business and performance updates of the Company, global business environment, business strategy and risks involved. Detailed presentations on the Company's business segments are made at the separate meetings of the Independent Directors from time to time.

The details of such familiarisation programmes for Independent Directors are put up on the Company's website and can be accessed at www.hariyanagroup.com.

Sexual harassment of women at workplace

Your Company is committed towards providing a work environment that is professional and mature, free from animosity and one that reinforces our value of 'integrity' that includes respect for the individual. The Company is committed to providing a safe and conducive work environment to all of its employees and associates.

In line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, your Company has adopted a Policy on Prevention of Sexual Harassment at Workplace. This policy is applicable to all employees, irrespective of their level and it also includes 'Third Party Harassment' cases i.e. where sexual harassment is committed by any person who is not an employee of the Company. The said policy is available on the website of the Company i.e. www.hariyanagroup.com. Internal Complaints Committees have also been set up to redress complaints received regarding sexual harassment.

The Company has not received any complaint of sexual harassment during the financial year 2018-19.

Other Disclosures

In terms of the applicable provisions of the Act and SEBI Listing Regulations, your Company additionally discloses that, during the year under review:

- there was no change in the nature of business of your Company;
- your Company has not accepted any fixed deposits from the public falling under Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Thus, as on March 31, 2019, there were no deposits which were unpaid or unclaimed and due for repayment, hence, there has been no default in repayment of deposits or payment of interest thereon;
- your Company has not issued any shares with differential voting rights;
- your Company has not any Sweat Equity Shares; and
- no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status operations of your Company in future.

It is further disclosed that:

- There is no plan to revise the Financial Statements or Directors' Report in respect of any previous financial year.
- No Material changes and commitments have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the report affecting the financial position of the Company.
- Your Company does not engage in Commodity hedging activities.

Corporate Governance

Your Company is committed to follow the best practices of Corporate Governance and the Board is responsible to ensure the same, from time to time.

Your Company has duly complied with the Corporate Governance requirements as set out under Chapter IV of the SEBI Listing Regulations, from time to time and the Statutory Auditors of the Company, vide their certificate dated May 30, 2019, have confirmed that the Company is and has been compliant with the conditions stipulated in the Chapter IV of the SEBI Listing Regulations. The said certificate is annexed as **Annexure-V** to this Report.

Cautionary Statement

Statements in the Board's Report and the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to your Company's operations include global and Indian demand supply conditions, finished goods prices, feed stock availability and prices, cyclical demand and pricing in your Company's principal markets, changes in Government regulations, tax regimes, economic developments within India and the countries within which your Company conducts business and other factors such as litigation and your Company is not obliged to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent development, information or events or otherwise. The "Management's Discussion and Analysis" does not constitute a prospectus, offering circular or offering memorandum or an offer to acquire any shares and should not be considered as a recommendation that any investor should subscribe for or purchase any of the Company's securities.

Acknowledgement

The Board of Directors would like to express their sincere gratitude for the assistance and co-operation received from the financial institutions, banks, Government authorities, customers, vendors and members during the year under review.

The Board of Directors also wish to place on record its deep sense of appreciation for the committed services by the Company's executives, staff and workers at all levels. Our consistent growth was made possible by their hard work, solidarity, co-operation and support.

For and on behalf of the Board of Directors

Hariyana Ship- Breakers Limited

Sd/-

Rakesh Reniwal

Managing Director

(DIN 00029332)

Sd/-

Shantisarup Reniwal

Chairman & Executive Director

(DIN 00040355)

Date : May 30, 2019

Place : Mumbai

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR 2018-19

1	A brief outline of the Company's CSR Policy, including overview of projects or programmes proposed to be taken and a reference to the web link to the CSR Policy and projects or programmes			<ul style="list-style-type: none"> To actively contribute to the social and economic development of the communities in which the Company operates. In doing so, build a better, sustainable way of life for the weaker sections of society, to contribute effectively towards inclusive growth and raise the country's human development index. Projects of the Company focus on education, eradicating hunger and poverty, promoting gender equality, employment, healthcare & sanitation and sustainable livelihood, epitomising a holistic approach to inclusive growth. The Company's CSR Policy can be accessed on www.hariyanagroup.com. 			
2	Composition of the CSR Committee			<ul style="list-style-type: none"> Mr. Rakesh Reniwal, Chairman Mr. Pradeep Bhatia, Member Mr. Tejas Thakker, Member Mr. Shantisarup Reniwal, Permanent Invitee 			
3	Average net profit of the Company for the last three Financial years (In Rs.)			8,08,84,706			
4	Prescribed CSR expenditure (2% of the amount as mentioned in point 3 above) (In Rs.)			16,17,694			
5	Details of CSR expenditure during the year – Total amount to be spent for the Financial Year – Amount unspent, if any – Manner in which amount spent during the Financial Year 2018-19 ("FY 2018-19")			As per the provisions of Section 135 of the Companies Act, 2013, a company is required to spend, in every Financial Year, atleast 2% of the average net profit of the Company made during the three immediately preceding Financial Years, in pursuance of its CSR Policy. The Company spent in excess of the mandated amount i.e., Rs. 16,18,000/- during the year under review. Thus, there is no amount remaining unspent. CSR expenditure incurred by the Company, during FY 2018-19, is tabled below:			
6	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount on CSR						
Sr. No.	CSR Projects or Activities identified	Sector in which project is covered	Project or Programmes 1) Local Area or Others 2) Specify the State and District where the projects or programmes are undertaken	Amount Outlay (Budget) Project or Programme wise	Amount Spent on Project or Programmes Subheads: (1) Direct expenditure on projects/ programmes (2) Overheads	Cumulative Expenditure up to Reporting Period	Amount Spent: Direct or through implementation Agency
1	Preventive Health, Curative Health care, Health Infrastructure	Health Care	Igatpuri, Nashik District (Maharashtra)	16,18,000	16,18,000	16,18,000	Sau Mathurabai Bhausahab Thorat Sevabhavi Trust
7	Responsibility Statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company			The implementation and monitoring of CSR Policy are in compliance with CSR objectives and Policy of the Company.			

Date: May 30, 2019

Place: Mumbai

Rakesh Reniwal

Managing Director and Chairman of the CSR Committee

FORM No. MGT-9**EXTRACT OF ANNUAL RETURN****as on financial year ended March 31, 2019**

[Pursuant to Section 92(3) of the Companies act, 2013 read with the Companies (Management and Administration) Rules, 2014]

A. REGISTRATION AND OTHER DETAILS

CIN	L61100MH1981PLC024774
Registration Date	09.07.1981
Name of the Company	Hariyana Ship-Breakers Limited
Category / Sub-Category of the Company	Company Limited by Shares
Address of the Registered office and contact details	156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021 Tel: 22043211/12 /14 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. C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400 083.Tel: 2851 5606/ 2851 5644 Fax: 2851 2885 E-mail: support@sharexindia.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
a.	Trading in ferrous and non ferrous metals, HR coils etc.	4662 & 4669	69.43
b.	Dismantling / Breaking of old and used ships	3830	30.57

C. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	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 01-04-2018				No. of Shares held at the end of the year 31-03-2019				%Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
(1) INDIAN									
(a) Individual	4621814	0	4621814	74.95	4621814	0	4621814	74.95	0
(b) Central Government	0	0	0						
(c) State Government	0	0	0						
(d) Bodies Corporates	0	0	0						
(e) Financial Institutions/ Banks	0	0	0						
(f) Any Other	0	0	0						
Sub-total (A) (1):-	4621814	0	4621814	74.95	4621814	0	4621814	74.95	0
(2) FOREIGN									
(a) Individual NRI / Foreign Individuals	0	0	0						
(b) Other Individual	0	0	0						
(c) Bodies Corporates	0	0	0						
(d) Banks / FI	0	0	0						
(e) Qualified Foreign Investor	0	0	0						
(f) Any Other Specify	0	0	0						
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A) (1) + (A) (2)	4621814	0	4621814	74.95	4621814	0	4621814	74.95	0
(B) (1) PUBLIC SHAREHOLDING									
(a) Mutual Funds	0	0	0.00						
(b) Banks / FI	0	0	0.00						
(c) Central Government	0	0	0.00						
(d) State Government	0	0	0.00						
(e) Venture Capital Funds	0	0	0.00						
(f) Insurance Companies	0	0	0.00						
(g) FIs	0	0	0.00						
(h) Foreign Venture Capital Funds	0	0	0.00						
(i) Others (specify)- HUF	0	0	0	0	0	0	0	0.00	0.00
Sub-total (B)(1):-	0	0	0	0	0	0	0	0.00	0.00
2. Non-Institutions									
(a) BODIES CORPORATES									
(i) Indian	123853	2200	126053	2.04	83427	2000	85427	1.39	-0.65
(ii) Overseas	0	0	0.00						
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.2 lakh	871567	71200	942767	15.29	880297	47700	927997	15.05	-0.24
(ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	436151	0	436151	7.07	328961	0	328961	5.33	-1.74
(c) Other (specify)									
Non Resident Indians	6164	0	6164	0.1	6563	0	6563	0.11	0.01
Overseas Corporate Bodies	0	0	0.00						
Foreign Nationals	0	0	0.00						
Clearing Members	33718	0	33718	0.55	5059	0	5059	0.08	-0.47
Trusts/ IEPF	0	0	0	0	21581	0	21581	0.35	0.35
Foreign Boodies - D R/ others	0								
HUF	0	0	0	0	168265	1000	169265	2.74	2.74
Sub-total (B)(2):-	1471453	73400	1544853	25.05	1494153	49700	1544853	25.05	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1471453	73400	1544853	25.050	1494153	49700	1544853	25.050	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0.000						
Grand Total (A+B+C)	6093267	73400	6166667	100.00	6115967	49700	6166667	100.00	0

ii) Shareholding of promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of 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	% changes in share holding during the year
1	RAJEEV SHANTISARUP RENIWAL	1539009	24.96	0	1539009	24.96	0	0
2	RAKESH SHANTISARUP RENIWAL	858230	13.92	0	858230	13.92	0	0
3	SHANTISARUP RENIWAL & SONS HUF	625178	10.14	0	625178	10.14	0	0
4	SANJEEV S. RENIWAL	438267	7.11	0	438267	7.11	0	0
5	LALITADEVI S RENIWAL	414800	6.73	0	414800	6.73	0	0
6	UNNATI R. RENIWAL	400000	6.49	0	400000	6.49	0	0
7	SHANTISARUP R. RENIWAL	172080	2.79	0	172080	2.79	0	0
8	SHALINI S. RENIWAL	123100	2.00	0	123100	2.00	0	0
9	SWEETY R. RENIWAL	51150	0.83	0	51150	0.83	0	0

iii) Change in Promoter's Shareholding (Please specify, if there is no change): NO CHANGE

Sr. No	Shareholder's Name	Shareholding at the Beginning of the Year			Shareholding at the end of the Year			
		No. of Shares at the beginning / end of the Year	% of the Shares of the company	Date	Increase/ Decrease in share holding	Reason	No. of shares	% of total Shares of the company

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 / end of the Year	% of the Shares of the company	Date	Increase/ Decrease in share holding	Reason	No. of shares	% of total Shares of the company
1	JAGDISH CHANDER BANSAL HUF -Closing Balance	117378	1.90	01-04-2018 31-03-2019		No Change	117378	1.90
2	SUBRAMANIAN P -Closing Balance	112800	1.83	01-04-2018 31-03-2019		No Change	112800	1.83
3	DHEERAJ KUMAR LOHIA -Closing Balance	55000	0.89	01-04-2018 31-03-2019	8188	Buy	63188	1.03
4	MAHENDRA GIRDHARILAL -Closing Balance	46631	0.76	01-04-2018 31-03-2019	1000	Buy	47631	0.77
5	SEETHA KUMARI -Closing Balance	43157	0.7	01-04-2018 31-03-2019		No Change	43157	0.7
6	SANJAY DOSI -Closing Balance	36500	0.592	01-04-2018 31-03-2019		No Change	36500	0.59
7	ABBAS NAZIRBHAI VALIKARIMWALA -Closing Balance	24685	0.40	01-04-2018 31-03-2019	1000	Buy	25685	0.42
8	RAJASTHAN GLOBAL SECURITIES PRIVATE LIMITED -Closing Balance	25503	0.41	01-04-2018 31-03-2019		No Change	25503	0.41
9	ALI ASGARMANSURBHAI BODELIWALA -Closing Balance	18265	0.30	01-04-2018 31-03-2019	821	Buy	19086	0.31
10	HEMAL RITESH RATHI -Closing Balance	17000	0.28	01-04-2018 31-03-2019		No Change	17000	0.28

v) Shareholding of Directors and Key Managerial Personnel:

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Cumulative ShareHolding at the end of 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	% changes in share holding during the year
1	SHANTISARUP R. RENIWAL -Closing Balance	172080	2.79	01-04-2018 31-03-2019	Nil	NA	172080	2.79
2	RAKESH SHANTISARUP RENIWAL	858230	13.917	-	Nil	NA	858230	13.917
3	UNNATI R. RENIWAL	400000	6.486	-	Nil	NA	400000	6.486
4	MANOHAR WAGH	2	0	-	Nil	NA	2	0

E. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due	3104704770	0	0	3104704770
Total (i+ii+iii)	3104704770	0		3104704770
Change in Indebtedness during the financial year				
• Addition	2091529935			2091529935
• Reduction	4298683653	0		4298683653
Net Change	-2207153718	0		-2207153718
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not	897551052	0	0	897551052
Total (i+ii+iii)	897551052	0.000	0	897551052

F. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

i) Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Rakesh Reniwal	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,200,000	1,200,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	- as % of profit	0	0
	- others, specify...	0	0
5	Others, please specify	0	0
	Total (A)	1,200,000	1,200,000
	Ceiling as per the Act		

ii) Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount
1.	Independent Directors		
	• Fee for attending board / committee meetings		
	• Commission		
	• Others, please specify		
	Total (1)		
2.	Other Non-Executive Directors		
	• Fee for attending board / committee meetings		
	• Commission		
	• Others, please specify		
	Total (2)		
	Total (B)=(1+2)		
	Total Managerial Remuneration		
	Overall Ceiling as per the Act		

iii) REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
			Company Secretary	CFO\$ Kirti Desai	Total
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		550,000		550,000
2	Stock Option				
3	Sweat Equity				
4	Commission- as % of profit- others, specify...				
5	Others, please specify				
	Total		550,000		550,000

\$ CFO was appointed wef 26.10.2018 and remuneration would be paid from the FY 2019-2020

G. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT/ COURT]
A. COMPANY				
Penalty NONE Punishment Compounding			NONE	
B. DIRECTORS				
Penalty NONE Punishment Compounding			NONE	
C. OTHER OFFICERS IN DEFAULT				
Penalty NONE Punishment Compounding			NONE	

CORPORATE GOVERNANCE REPORT

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. Our goal is to promote and protect the long-term interest of all stakeholders, and to that end, our philosophy of Corporate Governance is built on a foundation of ethical and transparent business operations and is designed to inspire trust among all stakeholders, strengthen the Board and management accountability.

The governance philosophy of your Company rests on five basic tenets viz. Board's accountability to the Company and the Stakeholders, strategic guidance and effective monitoring by the Board, protection of minority interests and rights, equitable treatment to all Stakeholders, as well as superior transparency and timely disclosure.

In line with the above philosophy, your Company continuously endeavours for excellence and focuses on enhancement of long-term Stakeholders' value through adoption of and adherence with the best governance practices, in true spirit at all times.

Following principles supplement the core of the Company's philosophy on Corporate Governance:

- **TRANSPARENCY** in all decision making processes;
- High levels of **DISCLOSURES**;
- High standards of **ETHICS**;
- Regular **REVIEW** of processes and management systems for improvement; and
- **APPROPRIATE CONTROL SYSTEM** to enable the Board to efficiently conduct the business and discharge its responsibilities to its Stakeholders.

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.

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

Your Company is in compliance with the Corporate Governance requirements as enshrined in the Companies Act, 2013 read with the Rules made thereunder ("Act"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and other applicable laws.

Also, your Company shall ensure that its governance framework incorporates the amendments introduced by the Securities and Exchange Board of India ("SEBI") in the SEBI Listing Regulations, pursuant to the recommendations made by the Kotak Committee on Corporate Governance and the same are complied with, on or before their effective date.

Your Company presents this report, prepared in terms of the SEBI Listing Regulations (including the amendments to the extent applicable), enumerating the current Corporate Governance systems and processes at the Company.

BOARD OF DIRECTORS

The Board of Directors of your Company ("Board") is at the core of the Corporate Governance system of the Company. The Board is responsible for and committed to sound principles of Corporate Governance in the Company and plays a crucial role in overseeing how the Management serves the short-term & long-term interests of Members and other

Stakeholders. This belief is reflected in our governance practices, under which we strive to maintain an effective, informed and independent Board.

Committees of the Board handling specific responsibilities mentioned under the applicable laws viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee, empower the functioning of the Board through flow of information amongst each other and by delivering a focused approach and expedient resolution of diverse matters.

Also, while discharging its fiduciary duties and in ensuring effective functioning of your Company, the Board is duly supported by the Managing Director, Key Managerial Personnel ("KMP") and the Senior Management. It operates within the framework of well-defined responsibility matrix, which enables it to oversee how the Management of the Company serves and protects the long-term interests of all the Members and other Stakeholders of the Company.

A. Composition of Board of Directors

An independent and well-informed Board goes a long way in protecting the Stakeholders' interest and simultaneously maximise long-term corporate values.

In compliance with the requirements under the relevant provisions of the Act & SEBI Listing Regulations and with a strong belief that the Board needs to have an appropriate blend of Directors to maintain its diversity and independence, the Board of your Company has an optimum combination of such number of Executive, Non-Executive and Independent Directors, including a Woman Director.

The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with the statutory as well as business requirements and it separates the roles of governance and management.

The composition of the Board is in conformity with Section 149 of the Act and Regulation 17 of the SEBI Listing Regulations.

As on March 31, 2019, your Company's Board comprises 6 Directors, categorised as below:

Category	Name of the Director	DIN
Executive Director (including one Woman Director)	Mr. Rakesh Reniwal	00029332
	Mr. Shantisarup Reniwal	00040355
	Mrs. Unnati Reniwal	00041306
Independent Non-Executive Director	Mr. Manohar Wagh	02622648
	Mr. Pradeep Bhatia	02903984
	Mr. Tejas Thakker	03017277

Mrs. Unnati Reniwal retires by rotation in the ensuing 38th Annual General Meeting of the Company. Details of Directors retiring or being appointed/ re-appointed form part of the Notice of the said AGM.

The important and key decisions are taken after due discussion and deliberation with the Board and it is ensured that the relevant information prescribed to be provided under the SEBI Listing Regulations alongwith such other information, as may be deemed necessary for effective decision making, is presented to the Board.

In terms of the provisions of Section 184 of the Act and Regulation 26 of the SEBI Listing Regulations, the Directors present necessary disclosures regarding the positions held by them on the Board and/or Committees of other public and/or private companies, from time to time. On basis of such disclosures, it is confirmed that as on the date of this Report, none of the Directors of your Company:-

- a) hold directorships in more than 10 public limited companies (listed or unlisted); and
- b) is a member of more than 10 Committees (considering only Audit Committee and Stakeholders Relationship Committee) or Chairperson of more than 5 Committees across all the public companies (listed or unlisted) in which he/ she is a Director.

The details of each Director alongwith the number of Directorships/ Committee Memberships/ Chairmanships and their shareholding in the Company as on March 31, 2019, alongwith the date of joining the Board, are provided hereinbelow:

Name of the Director	Date of joining	Shareholding in the Company	Directorships in other Companies ⁽¹⁾	No. of other Companies Board Committees ⁽²⁾ in which Chairperson/ Member	
				Chairperson	Member
Mr. Rakesh Reniwal	01 / 02 / 1993	8,58,230	Nil	Nil	Nil
Mr. Shantisarup Reniwal	09 / 07 / 1981	1,72,080	Nil	Nil	Nil
Mrs. Unnati Reniwal	02 / 06 / 2014	4,00,000	Nil	Nil	Nil
Mr. Manohar Wagh	28 / 04 / 2009	01	Nil	Nil	Nil
Mr. Pradeep Bhatia	25 / 12 / 2009	0	Nil	Nil	Nil
Mr. Tejas Thakker	12 / 04 / 2010	0	Nil	Nil	Nil

Notes:

- (1) In terms of the provisions of Regulation 26 of the SEBI Listing Regulations, total number of Directorships exclude directorships in the Company, Foreign Companies, Private Limited Companies, Companies formed under Section 25 of the erstwhile Companies Act, 1956 and under Section 8 of the Act.
- (2) In terms of the provisions of Regulation 26 of the SEBI Listing Regulations, Chairmanship/ Membership of Committee only includes the Audit Committee and Stakeholders Relationship Committee in other Indian Public Companies (Listed and Unlisted).

B. Details of Meetings of the Board of Directors and Annual General Meeting held during the period under review, alongwith attendance of Directors at each meeting

The Board meets at regular intervals to discuss and decide on strategies, policies and reviews the financial performance of the Company. The meetings of the Board are pre-scheduled and a tentative annual calendar of the meeting is circulated to the Directors well in advance to facilitate them to plan their schedules accordingly. In case of business exigencies, the Board's approval is taken through circular resolutions and the same are noted at the subsequent meeting of the Board and/or Committees.

The notice and detailed agenda alongwith the relevant notes and other material information are sent in advance separately to each Director and in exceptional cases tabled at the Meeting with the approval of the Board. This ensures timely and informed decisions by the Board. The Board also reviews the performance of the Company vis-à-vis the budgets/ targets.

Video-conferencing facilities are made available to facilitate Directors travelling abroad or present at other locations, in case they wish to participate in the meetings. The same is conducted in compliance with the applicable laws.

The Board meets atleast 4 times in a year (one meeting in every calendar quarter) and the maximum gap between any two consecutive meetings is less than 120 days, as stipulated under Section 173(1) of the Act, Regulation 17(2) of the SEBI Listing Regulations and the Secretarial Standards issued by Institute of Company Secretaries of India.

Additional meetings are held as and when necessary.

The Board of your Company met 9 times during the year under review i.e. on 10th April 2018, 30th May 2018, 9th July 2018, 14th August 2018, 25th October 2018, 14th November 2018, 18th January 2019, 13th February 2019 and 8th March 2019 (each meeting being consecutively numbered from 1 to 9). The details of attendance of Directors at each such meeting of the Board and at the 37th Annual General Meeting of the Company held on September 29, 2018, are provided hereinbelow:

Meetings of the Board for the Financial Year 2018-19	Name of the Director					
	Mr. Rakesh Renawal	Mr. Shantisarup Renawal	Mrs. Unnati Renawal	Mr. Manohar Wagh	Mr. Pradeep Bhatia	Mr. Tejas Thakker
	Held during the tenure					
	9	9	9	9	9	9
1	P	P	A	P	A	A
2	P	P	P	P	P	P
3	P	P	P	P	P	P
4	P	P	P	P	P	P
5	P	P	P	P	P	P
6	P	P	P	P	P	P
7	P	P	P	P	P	P
8	P	P	P	P	P	P
9	P	P	P	P	P	P
37th Annual General Meeting	P	P	P	A	A	A

*P: Present

A: Leave of Absence

C. Independent Directors

All Independent Directors on the Board are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations. The maximum tenure of the Independent Directors is in compliance with the Act. All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

In compliance with the SEBI Listing Regulations, the Directors of the Company do not serve as an Independent Director in more than seven listed companies.

The Independent Directors on the Board of your Company are experienced, competent and highly respected individuals in their respective fields, which brings an ideal mixture of expertise, professionalism, knowledge and experience to the table.

Further, as provided in the Act, a formal letter of appointment has been issued to the Independent Directors and the same is also disclosed on website of the Company i.e. www.hariyanagroup.com.

Separate meeting of Independent Directors

The Independent Directors met once during the year on March 31, 2019, without the presence of Executive Directors or Management representatives, inter alia, to discuss the performance of Non-Independent Directors & the Board as a whole and to assess the quality, quantity & timeliness of flow of information between the Management of the Company and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors were present for the meeting.

D. Appointment and Tenure

The Directors of the Company are appointed/ re-appointed by the Board on the recommendations of the Nomination and Remuneration Committee and approval of the Members at the Annual General Meeting ("AGM"). In accordance with the Articles of Association of the Company, all Directors, except the Managing Director and Independent Directors of the Company, are liable to retire by rotation at the AGM each year and, if eligible, offer themselves for re-election. The Executive Directors on the Board have been appointed in terms of the provisions of the Act and serve in accordance with the terms of their contract of service with the Company.

As regards the appointment and tenure of the Independent Directors, the Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Act and the SEBI Listing Regulations.

E. Board Induction, Training and Familiarisation

In terms of the provisions of Regulation 25 of the SEBI Listing Regulations, your Company has framed a Familiarisation Programme for Independent Directors of the Company, structured into two parts i.e. 'Induction' and 'Ongoing Interaction'. This Programme aims to provide insights into the business of the Company, to enable the Independent Directors to understand their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, its business in depth and contribute significantly to the Company.

At the time of appointing an Independent Director, a formal letter of appointment is given to him/ her, which inter alia explains the role, function, duties and responsibilities expected from him/ her as an Independent Director of the Company. The Directors are also provided with necessary documents, reports and internal policies of the Company, to enable them to familiarise with the Company's procedures and practices. The compliances applicable to them, in terms of the provisions of the Act, SEBI Listing Regulations and other applicable laws, are explained to them and an affirmation is obtained from them, in that regard.

Further, on an ongoing basis as a part of the agenda of meetings of the Board/ Committee(s), presentations are regularly made to the Independent Directors on various matters inter alia covering the Company's businesses & operations, strategy, risk management framework, industry & regulatory updates and other relevant matters.

These presentations enable one-on-one interaction between the Independent Directors and the Senior Management of the Company/ Statutory Auditor/ Internal Auditor of the Company. Additionally, visits to the divisions and plant locations of the Company etc. are also arranged to apprise them of the actual operations of the Company.

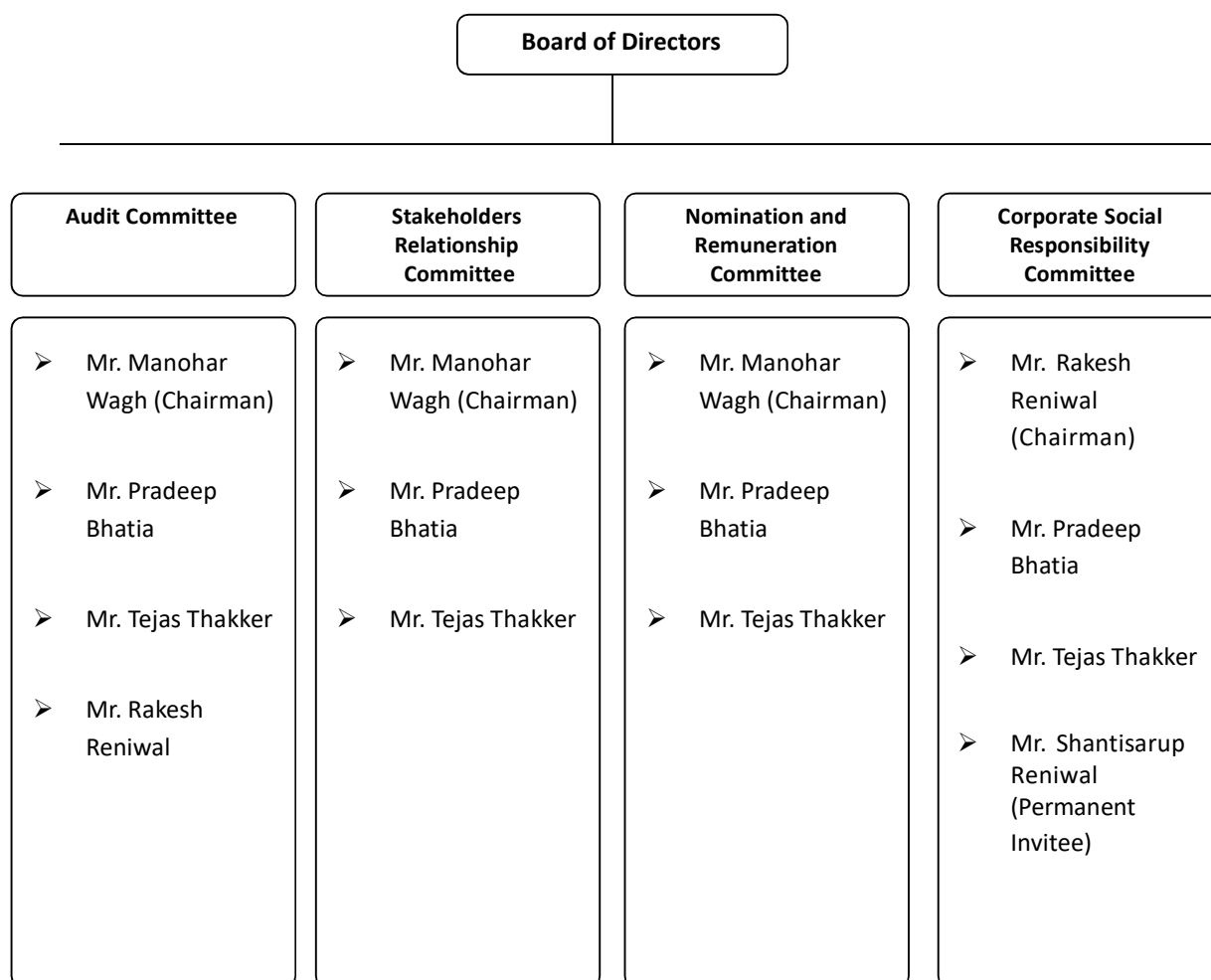
The details of the Familiarisation Programmes for Independent Directors are also available on the website of the Company i.e. www.hariyanagroup.com.

COMMITTEES OF THE BOARD

The Committees of the Board (“Committees”) play a crucial role in the governance structure of the Company. They have been constituted under the formal approval of the Board to carry out clearly defined roles. Members of the Committees possess expertise in relevant areas and functions, which enables better handling and expedient resolution of diverse matters. Terms of reference of all the committees are laid down in line with the requirements of the Act and the SEBI Listing Regulations, to deal with specific areas/ activities which concern the Company and need a closer review and to carry out clearly defined roles.

The Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. There is seamless flow of information between the Board and its Committees, as the Committees report their recommendations and opinions to the Board, which in turn supervises the execution of respective responsibilities by the Committees. The minutes of the meetings of all the Committees are placed before the Board for its review.

Composition of Committees as on March 31, 2019



A. Audit Committee

Your Company has a qualified and independent Audit Committee, which acts as a link between the management, the statutory and internal auditors and the Board. Its composition, quorum, powers, role and scope are in accordance with the provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. All the members of the Audit Committee are financially literate. The Committee is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process.

(i) Composition:

The Committee comprises 4 Directors as its Members, out of which 3 are Non-Executive Independent Directors and one is Executive Director.

Mr. Manohar Wagh, Independent Director, is the Chairman of the Audit Committee.

(ii) Brief Description of Terms of Reference:

The Board has framed the Audit Committee Charter for the purpose of effective compliance of provisions of Section 177 of the Act and Regulation 18 of the SEBI Listing Regulations. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

In terms of the applicable provisions of the Act and in terms of Regulation 18 read with Part C of Schedule II of the SEBI Listing Regulations, the scope, functions and terms of reference of the Audit Committee inter alia cover the following matters:

a. Financial Matters:

- Overseeing the Company's financial reporting process and the disclosure of financial information to ensure that the Financial Statements are correct, sufficient and credible;
- Reviewing with the Management, the Quarterly Unaudited Financial Statements and Annual Audited Financial Statements alongwith Limited Review Report/ Auditor's Report thereon before submission to the Board for the approval. Reviewing of Annual Financial Statements inter alia including reviewing changes in Accounting Policies, if any, major accounting entries involving estimates, significant adjustments made in Financial Statements, qualifications in draft Audit Report, if any etc.;
- Reviewing Management Discussion and Analysis of financial condition and results of operations; and
- Scrutinising the inter-corporate loans and investments.

b. Internal Controls, Audit and Auditors:

- Recommending the terms of appointment/ re-appointment, remuneration and any other terms and conditions pertaining to the appointment/ re-appointment, if required, replacement or removal of auditors, fixation of statutory audit fees and approval of payment for any other services rendered by the Statutory Auditors, as permitted under applicable laws;
- Reviewing and monitoring the Auditor's independence and performance and effectiveness of audit process;
- Reviewing the adequacy of internal audit function and internal control systems including internal financial controls;
- Evaluating the Internal Financial Controls, Risk Management Systems of the Company;

- Discussing with the Internal Auditors of any significant findings and follow-up thereon; and
- Reviewing significant audit findings, if any, from the statutory and internal audits.

c. Other Matters:

- Approving all Related Party Transactions;
- Approving appointment of Chief Financial Officer of the Company; and
- Reviewing the functioning of Vigil/ Whistle Blower Mechanism.

(iii) Meetings and Attendance during the year:

The Committee met 7 times during the year under review i.e. on May 30, 2018; July 9, 2018; August 14, 2018; October 25, 2018; November 14, 2018; January 18, 2019 and February 13, 2019 (each meeting being consecutively numbered from 1 to 7), to deliberate on various matters.

The details of attendance of the Members of the Committee at each meeting, are provided hereinbelow:

Name of the Member	Meetings of Committee for the Financial Year 2018-19							
	Held during the tenure	1	2	3	4	5	6	7
Mr. Manohar Wagh	7	P	P	P	P	P	P	P
Mr. Pradeep Bhatia	7	P	P	P	P	P	P	P
Mr. Tejas Thakker	7	P	P	P	P	P	P	P
Mr. Rakesh Reniwal	7	P	P	P	P	P	P	P

*P: Present

A: Leave of Absence

Chief Financial Officer, representatives of the Statutory Auditors and Internal Auditors of your Company are also invited to the Audit Committee Meetings. In addition, other Senior Management Personnel are also invited to the Committee meeting from time to time, for providing such information as may be necessary.

B. Nomination and Remuneration Committee

The Board of your Company has constituted a Nomination and Remuneration Committee (“NARC”) in terms of the provisions of Section 178 of the Act. Its composition, quorum, powers, role and scope are in accordance with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations.

The Committee is inter alia entrusted with the responsibility of formulating criteria for determining the qualifications, positive attributes and independence of the present and proposed Directors as well as recommending a policy to the Board relating to the remuneration of Directors, KMP and other employees. It also specifies the methodology for effective evaluation of performance of the Board, its Committees and individual Directors.

(i) Composition:

The Committee comprises 3 Non-Executive Directors as its Members, all 3 are Independent Directors.

Mr. Manohar Wagh, Independent Director, is the Chairman of the NARC.

(ii) Brief Description of Terms of Reference:

The broad terms of reference of the NARC, as approved by the Board in terms of the Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, inter alia, include the following:

- a. Identifying persons who are qualified to become Directors and who may be appointed at Senior Management positions in accordance with the criteria laid down and recommending to the Board their appointment and removal;
- b. Recommending the remuneration/ revision in remuneration of Managing Director and Executive Directors to the Board for approval and review;
- c. Formulating criteria for determining qualifications, positive attributes and independence of a Director and recommending to the Board a policy relating to the remuneration for the Directors, KMP and other employees;
- d. Formulating criteria for evaluation of Board, its Committees and each Director and reviewing its implementation and compliance;
- e. Devising a policy on Board diversity; and
- f. Recommending to the Board the extension or continuation of term of appointment of the Independent Director, on the basis of the report of performance evaluation of the Independent Directors.

(iii) Meetings and Attendance during the year:

NARC met 3 times during the year under review i.e. on May 30,2018; July 9,2018 and October 25,2018 each meeting being consecutively numbered from 1 to 3), to deliberate on various matters.

The details of attendance of Members of the Committee at each meeting are provided hereinbelow:

Name of the Member	Meetings of Committee for the Financial Year 2018-19			
	Held during the tenure	1	2	3
Mr. Manohar Wagh	3	P	P	P
Mr. Pradeep Bhatia	3	P	P	P
Mr. Tejas Thakker	3	P	P	P

(iv) Performance Evaluation Criteria for Independent Directors:

The performance of the Independent Directors of the Company is evaluated on the following criterias, more particularly as to how an Independent Director:

- Invests time in understanding the Company and its unique requirements;
 - Brings in external knowledge and perspective to the table for discussions at the meetings;
 - Expresses his/ her views on the issues discussed at the Board; and
 - Keeps himself/ herself current on areas and issues that are likely to be discussed at the Board level.
- (v) Nomination Policy and Remuneration Philosophy/ Policy:

In terms of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations, the Board of your Company had, on recommendation of the NARC, adopted a Nomination Policy, which inter alia enumerates the Company's policy on appointment of Directors and KMP. Further, the Board has, on recommenda-

tion of NARC, also adopted a policy entailing Remuneration Philosophy, which covers remuneration philosophy covering the Directors, KMP and employees included in Senior Management of the Company.

Both the aforesaid policies are available on the website of the Company i.e. www.hariyanagroup.com.

The Company's remuneration policy is intended to attract and retain the individuals in order to achieve the Company's objective. Further, the Company has a system where all the Directors and employees included in the Senior Management of the Company are required to disclose all pecuniary relationships or transactions with the Company. No severance fees are paid to the Directors of the Company.

a. **Remuneration to Non-Executive Directors:**

The Non-Executive Directors/ Independent Directors were not paid any remuneration during the year under review.

The Non-Executive Directors/ Independent Directors do not have any material pecuniary relationship or transactions with the Company.

b. **Remuneration to Executive Directors:**

In terms of the provisions of the Act and in line with the Nomination Policy and Remuneration Philosophy/ Policy of the Company, the appointment and remuneration of Executive Directors is approved by the Board and the Members of the Company, on recommendation of the NARC. The appointment of Executive Directors is subject to termination by either party by giving one months' notice of such termination in writing by either side or salary in lieu thereof or by mutual consent. The remuneration paid to the Managing Director comprises salary, allowances, perquisites, stock options, performance linked income/ bonus and other Retirement Benefit Funds, as approved by the Members at the Annual General Meeting.

Annual increments are linked to performance and are decided by the NARC and recommended to the Board for approval thereof. The Performance Review System is primarily based on competencies and values. The Company closely monitors growth and development of top talent in the Company to align personal aspirations with the organisational goals and objectives.

The details of remuneration paid to the Executive Director(s), during the year under review, are mentioned hereinbelow:

Name of Director	Remuneration Paid(Amount in Rs. lakhs)
Rakesh Reniwal	12

c. **Stock Options:**

The Company does not grant any Employee Stock Option Scheme.

C. **Stakeholders Relationship Committee**

The Board of your Company has constituted a Stakeholders' Relationship Committee ("SRC") in terms of the provisions of Section 178 of the Act. Its composition, quorum, powers, role and scope are in accordance with the provisions of Section 178 of the Act and Regulation 20 of the SEBI Listing Regulations.

The Committee is inter alia entrusted with the responsibility of considering and resolving the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends, if any.

(i) **Composition :**

The Committee comprises 3 Non-Executive Directors as its Members, all 3 are Independent Directors.

Mr. Manohar Wagh, Independent Director, is the Chairman of the SRC.

(ii) Brief Description of Terms of Reference:

In terms of the applicable provisions of the Act and Regulation 20(4) read with Part D of Schedule II of the SEBI Listing Regulations, the scope, functions and terms of reference of the SRC inter alia cover the following matters:

- Reviewing of complaints relating to transfer of shares, transmission of shares, issue of duplicate share certificates, non-receipt of Annual Report, non-receipt of declared dividends and any other shareholder related queries/ complaints;
- Reviewing of status of requests i.e., processing of complaints within statutory timelines;
- Approving transfer and transmission of shares, issue of duplicate share certificates, etc.; and
- Overseeing the performance of Registrar and Transfer Agent.

(iii) Meetings and Attendance during the year:

SRC met 5 times during the year under review i.e. on May 30,2018; August 14,2018; November 14,2018; January 18,2019 and February 13,2019 to deliberate on various matters with respect to Stakeholders of the Company.

The details of attendance of Members of the Committee at each meeting are provided hereinbelow:

Name of the Member	Meetings of Committee for the Financial Year 2018-19					
	Held during the tenure	1	2	3	4	5
Mr. Manohar Wagh	5	P	P	P	P	P
Mr. Pradeep Bhatia	5	P	P	P	P	P
Mr. Tejas Thakker	5	P	P	P	P	P

(iv) Shareholders' complaints:

During the year under review, your Company did not receive any complaints from the Shareholders.

D. Corporate Social Responsibility Committee

The Board of your Company has constituted a Corporate Social Responsibility Committee ("CSR Committee") in terms of the provisions of Section 135 of the Act. Its composition, quorum, powers, role and scope are in accordance with the provisions of Section 135 of the Act.

The Committee is inter alia entrusted with the responsibility of monitoring and implementation of the CSR projects/ programmes/ activities of your Company and also for approving the annual CSR Budget, implementation of CSR projects and other related activities.

(i) Composition:

The Committee comprises 3 Directors as its Members, out of which 2 are Non-Executive Independent Directors. Mr. Rakesh Reniwal, Managing Director, is the Chairman of the CSR Committee.

Mr. Shantisarup Reniwal, Executive Director, is the permanent invitee to the meetings of CSR Committee.

(ii) Brief Description of Terms of Reference:

The scope and functions of the CSR Committee are in accordance with the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 and terms of reference of CSR Committee, inter alia includes following:

- Reviewing and finalising the annual CSR Budget of the Company (including any specific project driven budgets) for undertaking the CSR activities for and on behalf of the Company and thereafter to recommend the said CSR Budget to the Board for its approval and to implement the same post approval of the Board;

- Authorising any officer and/or other person for and on behalf of the Company to form collaborative partnerships with the Government, the District or local authorities or agencies, village panchayats, NGOs and other like-minded Stakeholders, so as to enable the Company to widen its CSR reach and also to leverage upon their collective expertise, wisdom and experience which such partnerships shall bring to the table and taking all further actions and steps and doing all acts, deeds and things, which may be required to be done and performed from time to time in above connections; and
- Performing such other acts, deeds, things and powers as may be delegated to the Committee by the Board from time to time.

(iii) **Meetings and Attendance:**

CSR Committee met on February 13, 2019, to review expenditure on corporate social responsibility (CSR) activities for the Financial Year 2018-19; to approve the Annual Report on the CSR activities of the Company for the year under review and to review and approve the plan and budget for the CSR activities of the Company for the Financial Year 2019-20. All the Members of the Committee were physically present at the meeting.

GENERAL BODY MEETINGS

A. Annual General Meetings

Details of the last 3 AGMs of the Members of the Company alongwith the details of Special Resolutions passed at each such AGM, are tabled hereinbelow:

Financial year	AGM	Date	Location	Time	Particulars of Special Resolution(s) passed
2015-16	35 th	September 30, 2016	156, Maker Chambers VI, 220, Jamnalal Bajaj Marg, Nariman Point, Mumbai – 400021	9.00 a.m.	None
2016-17	36 th	September 30, 2017	156, Maker Chambers VI, 220, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021	9.30 a.m.	Appointment of Mr. Rakesh Reniwal (DIN: 00029332) as Managing Director of the Company
2017-18	37 th	September 29, 2018	156, Maker Chambers VI, 220, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021	9.30 a.m.	<ol style="list-style-type: none"> 1. approve the revision in remuneration of Mr. Rakesh Reniwal (DIN: 00029332), Managing Director of the Company. 2. approve payment of remuneration to Mr. Shantisarup Reniwal (DIN: 00040355), Executive Director of the Company. 3. Re-appointment of Mr. Manohar Wagh (DIN: 02622648) as an Independent Director of the Company. 4. To advance any loan including any loan represented by book debt, or give any guarantee or provide any security in connection with any loan taken. 5. To approve continuation of holding of office of Executive Director and Chairman by Mr. Shantisarup Reniwal (DIN: 00040355) who is over the age of 70 (Seventy) years

B. Postal Ballot

Provisions of Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws and Regulations, the Company has issued the Notice of Postal Ballot (including remote e-voting) dated October 25, 2018 to obtain approval from the shareholders through postal ballot on the following resolutions:

1. Related Party Transactions – Ordinary Resolution
2. Increase in the Limits applicable for making investments/ extending loans and giving guarantees or providing securities in connection with loans to Persons/ Bodies Corporate- Special Resolution

Out of the Total valid votes polled, 90.19% of the votes were casted in favour of the resolution and the Ordinary and Special Resolution was passed with overwhelming majority.

The result of Postal Ballot (including remote e-voting) was declared by the Chairman of the Company at **04.00 p.m. on Monday, December 3, 2018** at the registered office of the Company located at 156 Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai 400 021. The result was communicated to the BSE Limited, Stock Exchange, where the shares of the Company are listed. The same was also displayed on the website of the Company at www.hariyanagroup.com and subsequently published in the newspapers.

MEANS OF COMMUNICATION

The quarterly/ half yearly/ annual results (“said results”) alongwith the Limited Review/ Auditor’s Report thereon are filed with the BSE Limited (referred to as “Stock Exchange”) at its electronic platform i.e. BSE Corporate Compliance & Listing Centre, so as to enable it to display the same on its website. The said results are simultaneously uploaded on the website of the Company i.e. www.hariyanagroup.com, for the ease of reference of the Members of the Company. The aforesaid results are also published in “Free Press Journal” and “Navshakti” (a regional daily newspaper published from Mumbai) within the stipulated timelines.

A separate dedicated “Investors section”, on the website of the Company, gives information on the aforesaid results, shareholding pattern and other relevant information of interest to the investors/ public.

In addition to the above, the Company has designated E-mail ID viz. contact@hariyanagroup.com, for Investor Relations and Shareholders assistance and the same is prominently displayed on the website of the Company.

GENERAL SHAREHOLDER INFORMATION

The Company has provided the details required under this as a separate section on “General Shareholder Information”, which forms a part of this Annual Report.

OTHER DISCLOSURES

- a. **Details of materially significant related party transactions that may have potential conflict with the interests of the Company at large**

All the Related Party Transactions (“RPTs”) entered into by your Company, during the Financial Year 2018-19, were at arm’s length and in the ordinary course of business of the Company. All such transactions had prior approval of the Audit Committee and the Board.

However, there were no material significant RPTs that had/ may have potential conflict with the interests of your Company at large.

b. Details of non-compliance by the Company, penalties and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years

Your Company has complied with all applicable provisions of the SEBI Listing Regulations and all other applicable regulations and guidelines issued by SEBI and Stock Exchange. Consequently, there has been no instance of non-compliance with any legal requirements and hence, no penalties or strictures are imposed on your Company by SEBI or the Stock Exchange or any statutory authority on any matter related to the capital markets during the last 3 years.

c. Vigil Mechanism/ Whistle Blower Policy and affirmation that no personnel have been denied access to the Audit Committee

Your Company has in place a Vigil Mechanism/ Whistle Blower Policy which facilitates for direct access to the Management and the Audit Committee of the Board to all Stakeholders to report concerns about any unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The mechanism provides adequate safeguards against any victimisation of the persons who use this mechanism. It is hereby affirmed that no personnel has been denied access to the Audit Committee.

Also, the Company has adopted "Policy for Prevention of Sexual Harassment at Workplace". This ensures a work environment that is professional and mature, free from animosity and one that reinforces Company's value of integrity, which includes respect for the individual.

d. Other Policies, Programmes and Codes of the Company

(i) Corporate Social Responsibility Policy:

In terms of the provisions of Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014, your Company has adopted Corporate Social Responsibility policy having the following scope:

- i. Planning project or programmes which a Company plans to undertake falling within the purview of Schedule VII of the Act; and
- ii. Monitoring process of such project or programmes.

(ii) Policy on Related Party Transactions:

In terms of the provisions of Regulation 23 of the SEBI Listing Regulations, your Company has framed a Policy on RPTs to regulate transactions of the Company with its related parties (as defined and identified under the Act, SEBI Listing Regulations), to ensure high standards of Corporate Governance while dealing with related parties and also to ensure optimum compliance with applicable laws prescribed for RPTs. The policy is also available on the website of the Company i.e. www.hariyanagroup.com.

(iii) 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 your Company as defined under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as may be amended from time to time. This Code is effective from March 8 2018 subsequent to which the previous Code of Conduct was substituted by this revised Code of Conduct.

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 persons connected with the Company, which they should imbibe and practice, both in letter and spirit, while trading in listed or proposed to be listed securities of the Company.

(iv) Code of Conduct for Board Members and Senior Management of Hariyana Ship-Breakers Limited:

This Code of Conduct has been framed and adopted by your Company in compliance with the provisions of 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 along with integrity and to work to the best of their ability and judgement.

(v) Policy on Preservation of Documents:

In terms of the provisions of Regulation 9 of the SEBI Listing Regulations, your Company has adopted this policy for preservation of documents w.e.f. April 25, 2016.

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

(vi) Policy for Determining of Material Subsidiary Companies:

Your Company does not have any Subsidiary as on the date of this report and accordingly, it does not have any policy for determining the "Material Subsidiary".

(vii) Policy for Determination of Materiality of Information or Event:

In terms of 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 w.e.f. April 25, 2016. This policy acts as a guidance for determining materiality of such price sensitive information and with the objective to ensure prompt disclosure of material price sensitive information/ event to the Stock Exchange, 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 your Company and to avoid creation of false market in the securities of the Company. The policy is also available on the website of the Company i.e. www.hariyanagroup.com.

(viii) Policy for Archival of Documents:

In terms of the provisions of Regulation 30 of the SEBI Listing Regulations, your Company has adopted this Policy for the archival of documents of the Company, to comply with the provisions of the SEBI Listing Regulations w.e.f. April 25, 2016. The policy provides that beyond the Mandatory Hosting Period (i.e. 5 years from the date of each disclosure on the website of your Company), the disclosed information shall be archived for such other additional period as may be required considering the requirement of various statutes, law, regulations etc. and other legal and administrative aspects. The policy is also available on the website of the Company i.e. www.hariyanagroup.com.

(ix) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information:

This Code of Conduct has been framed and adopted by the Company in compliance with the provisions of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 “SEBI PIT Regulations”, to adhere to each of the Principles of Fair Disclosure for the 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.

e. Commodity Price Risk and Commodity Hedging Activities

Your Company does not engage in Commodity hedging activities.

f. Details of compliance with mandatory requirements and adoption of non-mandatory requirements

Your Company has complied with all the mandatory requirements of the SEBI Listing Regulations relating to Corporate Governance.

In addition to the same, your Company also strives to adhere and comply with the following discretionary requirement specified under Regulation 27(1) and Part E of the Schedule II of the SEBI Listing Regulations, to the extent applicable:

- (i) Reporting of Internal Auditor: The Internal Auditor of your Company directly reports to the Audit Committee on functional matters.

g. Disclosure of Accounting Treatment

The Company has followed all applicable and relevant Accounting Standards while preparing the Financial Statements.

h. Proceeds from Public Issues, Right Issues, Preferential Issues, etc.

During the year, your Company has not raised any proceeds from public issue, rights issue, preferential issues, etc. and hence, there are no unutilised issue proceeds during the year under review.

i. Management

The Management Discussion and Analysis is prepared in accordance with the requirements laid out in Regulation 34 read with Section B of Schedule V of the SEBI Listing Regulations and forms part of the Report of the Board of Directors.

No material transaction has been entered into by your Company with the Promoters, Directors or the Management or relatives, etc. that may have a potential conflict with interests of the Company.

j. Shareholders

According to the Articles of Association, one-third of the Directors retire by rotation and if eligible, seek re-appointment at the AGM. Accordingly, Mrs. Unnati Reniwal will retire in the ensuing 38th AGM of the Company and is eligible for re-appointment. Accordingly the Board has recommended his re-appointment in the said AGM. The detailed profile of Mrs. Unnati Reniwal is provided in the notice convening the said AGM.

SUBSIDIARY COMPANIES

As on March 31, 2019, your Company does not have any subsidiary.

CEO/ CFO CERTIFICATION

As required under the provisions of Regulation 33 of the SEBI Listing Regulations, Mr. Rakesh Reniwal, Managing Director and Mr. Shantisarup Reniwal, Executive Director and Mr. Kirti Desai – Chief Financial Officer have reviewed the Audited Financial Results and Cash Flow Statements for the Financial Year ended March 31, 2019 and accordingly have provided a certificate, which is enclosed separately at the end of this Report.

REPORT ON CORPORATE GOVERNANCE

As required under Regulation 27 of the SEBI Listing Regulations, your Company has been duly submitting the quarterly compliance report in the prescribed format and within the required timelines to the Bombay Stock Exchange and the same is available on its website. The said report is also available on the website of the Company i.e. www.hariyanagroup.com.

The Compliance Certificate received from the Statutory Auditors i.e. M/s. P.D. Goplani & Associates, Chartered Accountants regarding compliance of Corporate Governance requirements is annexed as **Annexure-V** to the Report of the Board of Directors.

Further, your Company has complied with the Corporate Government requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Sub-regulation (2) of Regulation 46 and the same has been disclosed in this Report.

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

To
The Board of Directors
Hariyana Ship-Breakers Limited
Mumbai

We have reviewed Audited Financial Statements and the cash flow statement of Hariyana Ship- Breakers Limited ('Company') for the year ended March 31, 2019 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 Financial Year ended on March 31, 2019 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 Financial Year ended on March 31, 2019;
 - ii. significant changes, if any, in accounting policies made during the Financial Year ended on March 31, 2019 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/-
Rakesh Shantisarup Reniwal
Managing Director

Sd/-
Shantisarup Reniwal
Executive Director

Sd/-
Kirti Desai
CFO

Place : Mumbai
Date : May 30, 2019

DECLARATION

As provided under the provisions of Schedule II and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all the Directors and Senior Management Personnel of the Company have affirmed the Compliance with the Code of Conduct for the year ended March 31, 2019.

Sd/-
Rakesh Shantisarup Reniwal
Managing Director

Place : Mumbai
Date : May 30, 2019

GENERAL SHAREHOLDER INFORMATION

In terms of the provisions of Point No. 9 of Part C of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), General Information of your Company for reference of the Shareholders is provided as under:

(i) Thirty Eighth Annual General Meeting:

Thirty Eighth Annual General Meeting (Day, Date, Time and Venue)	Monday, September 30, 2019 at 9.30 a.m.156, Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai- 400021
Book Closure Date	Monday, September 23, 2019 to Sunday, September 29, 2019 (both days inclusive)
Cut-off date for e-voting	Monday, September 23, 2019

As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Directors seeking appointment/ re-appointment at Annual General Meeting ("AGM") are given in the Annexure to the Notice of this AGM.

(ii) Financial Year:

Your Company follows April-March as the Financial Year.

Calendar of the Financial Year ended on March 31, 2019:

The meetings of Board of Directors for approval of quarterly/ half-yearly/ annual financial results for the Financial Year ended on March 31, 2019, were held on the following dates:

Sr. No.	Particulars of the Quarter	Date of Meetings
1.	Results for the quarter ended June 30, 2018	September 12, 2018
2.	Results for the quarter and six months ended September 30, 2018	December 14, 2018
3.	Results for the quarter and nine months ended December 31, 2018	February 12, 2019
4.	Results for the quarter and year ended March 31, 2019	May 30, 2019

Tentative calendar for the Financial Year ending March 31, 2020:

The tentative months for the quarterly meetings of the Board of Directors for consideration of quarterly/ half-yearly/ annual financial results for the Financial Year ending March 31, 2020, are as under:

Sr. No.	Particulars of the Quarter	Date of Meetings
1.	Results for the quarter ended June 30, 2019	July/ August, 2019
2.	Results for the quarter and six months ended September 30, 2019	October/ November, 2019
3.	Results for the quarter and nine months ended December 31, 2019	January/ February, 2020
4.	Results for the quarter and year ended March 31, 2020	April/ May, 2020

Further, the tentative months for the Thirty Ninth AGM of the Company for the Financial Year ending March 31, 2020 shall be August/ September, 2020.

(iii) Dividend Payment Date:

Not Applicable

(iv) Stock Exchanges where Securities of the Company are listed:

Your Company's Shares are listed on the following Stock Exchange:

Listing on Stock Exchange	BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001
Stock Code & ISIN	BSE:526931 & ISIN : INE400G01011

(v) Payment of Annual Listing/ Custody/ Issuer Fees:

Annual Listing Fees for the Financial Year 2019-20 have been paid to the Stock Exchange.

Annual Custody/ Issuer Fees have been paid to National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") for the Financial Year 2019-20.

Further, in terms of circular no. IMD/FPIC/CIR/P/2018/61 dated April 5, 2018, issued by Securities and Exchange Board of India ("SEBI"), your Company has appointed NSDL as the "Designated Depository" for the purpose of monitoring of Foreign Investment limits on behalf of the Company.

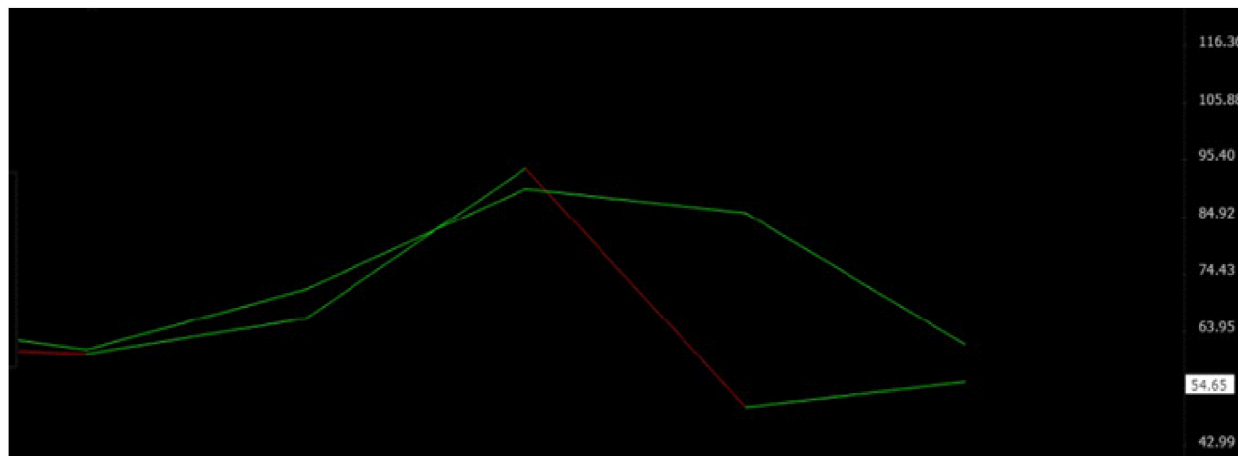
(vi) Stock Market Price Data:

The stock market price data and volume of the Company's shares traded on the BSE during the Financial Year 2018-19 were as under:

Month - Year	High Price (in Rs.)	Low Price(in Rs.)	Close Price(in Rs.)	Total Traded Volume (No. of shares)
April-18	106	92.35	97.30	74,90,333
May-18	104.10	78.25	88.15	65,26,224
June-18	97.40	72.50	80.00	28,61,966
July-18	83.40	64.00	81.75	28,24,652
August-18	84.00	67.60	73.70	15,98,306
September-18	77.00	55.05	60.00	22,30,465
October-18	64.80	50.45	57.80	24,11,256
November-18	75.00	55.10	55.50	22,43,679
December-18	61.95	48.00	50.05	22,76,457
January-19	58.00	48.25	52.05	18,62,035
February-19	62.90	45.00	55.00	33,17,800
March-19	66.90	53.30	60.40	11,83,886

(vii) Stock Performance:

in comparison to broad-based indices viz. BSE SENSEX during the Financial Year 2018-19 were as under



(viii) Distribution of Shareholding as on March 31, 2019:

Distribution Schedule on Scrip Value as on March 31, 2019				
Share of Nominal Value	Number of Holders	(%) of Holders	Total Amount	% of Amount
UPTO TO 5000	1580	79.079	2282650	3.702
5001 TO 10000	197	9.860	1598880	2.593
10001 TO 20000	101	5.055	1532090	2.484
20001 TO 30000	36	1.802	929570	1.507
30001 TO 40000	18	0.901	657200	1.066
40001 TO 50000	11	0.551	503610	0.817
50001 TO 100000	29	1.451	2008100	3.256
100001 TO ABOVE	26	1.301	52154570	84.575
TOTAL	1998	100.00	6,16,66,670.00	100.000

Distribution Schedule on Number of Shares as on March 31, 2019				
Share	Number of Holders	(%) of Holders	Total Shares	% of Shares
UPTO TO 100	977	48.899	58073	0.942
101 TO 200	294	14.715	52843	0.857
201 TO 500	309	15.465	117349	1.903
501 TO 1000	197	9.860	159888	2.593
1001 TO 5000	166	8.308	362247	5.874
5001 TO 10000	29	1.451	200810	3.256
10001 TO 100000	16	0.801	414615	6.723
100001 TO ABOVE	10	0.501	4800842	77.851
TOTAL	1998	100.00	61,66,6670	100.00

Category-wise Shareholding Pattern of the Company as on March 31, 2019:

Sr. no.	Category	Folio Count	No. of Shares held	% of Share holding
1.	Promoter and Promoter Group	9	46,21,814	74.95
2.	Private Corporate Bodies & NBFCs registered with RBI	43	85427	1.38
3.	Indian Public	1839	1256958	20.38
4.	HUF	85	169265	2.75
5.	NRI	8	6563	0.11
6.	Clearing Members	13	5059	0.08
7.	IEPF	1	21581	0.35
	Total	1998	61,66,667	100.00

Details of Shares held by Directors as on March 31, 2019:

Name of Directors	No. of Shares Held
Mr. Shantisarup Reniwal (DIN: 00040355)	1,72,080
Mrs. Unnati Reniwal (DIN: 00041306)	4,00,000
Mr. Rakesh Reniwal (DIN: 00029332)	8,58,230
Mr. Manohar Wagh (DIN: 02622648)	01
Mr. Pradeep Bhatia (DIN: 02903984)	0
Mr. Tejas Thakker (DIN: 03017277)	0

(ix) Dematerialisation of Shares and Liquidity

As on March 31, 2019, 99.18% of the total Equity Share Capital of the Company was held in dematerialised form with NSDL and CDSL under International Securities Identification Number (“ISIN”) - INE400G01011.

The break-up of Equity Shares held in dematerialised and physical mode as on March 31, 2019, is as under:

Particulars	No. of Shares	%
Physical	50,700	0.82
Dematerialised Mode ⁽¹⁾ :		
CDSL	29,42,028	47.71
NSDL	31,73,939	51.47
Total	61,66,667	100

Note:

(1) Entire shareholding of the Promoter and Promoter Group is in Dematerialised form.

(x) Reconciliation of Share Capital Audit:

As stipulated under Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, M/s. Dilip Bharadiya & Associates, Company Secretaries, carry out a quarterly audit for the purpose of reconciliation of the total issued capital, listed capital and the capital held by the depositories in dematerialised form, the details of changes in the Share Capital during each quarter.

Further, an audit report issued in that regard is submitted to the Stock Exchange on quarterly basis and the same is also placed before the Board.

(xi) Outstanding Global Depository Receipts (“GDRs”)/ American Depository Receipts (“ADRs”)/ Warrants or any convertible instruments, conversion date and likely impact on equity:

Your Company has not issued any GDRs/ ADRs/ Warrants/ convertible instruments and hence, there are no outstanding GDRs/ ADRs/ Warrants or any convertible instruments pending for conversion as on March 31, 2019.

(xii) Commodity Price Risk/ Foreign Exchange Risk and Hedging Activities:

Your Company does not engage in commodity hedging activities. The foreign currency exposure of the Company, in respect of its imports, borrowings and export receivables, if any, is hedged as per the Forex Policy of the Company. The Company uses a mix of various derivative instruments like forward covers, currency swaps, interest rate swaps or a mix of all.

(xiii) Share Transfer System:

Your Company has an appropriate share transfer system. Requests for transfer of shares held in physical form can be lodged with the RTA of the Company. If documents are complete in all aspects then the request is generally processed within 15 days of the receipt of the documents.

Transfers in electronic form are much simpler and quicker as the Shareholders have to approach their respective Depository Participants and the transfers are processed by NSDL/ CDSL, as the case may be, with no requirement of any separate communication to be made to the Company.

RTA of your Company ensures compliance with all the procedural requirements with respect to transfer, trans-

mission and transposition of shares and formalities with respect to name deletion, sub-division, consolidation, renewal, exchange and endorsement of share certificates. Further, as stipulated under Regulation 40(9) of the SEBI Listing Regulations, the RTA also obtains a half yearly certificate in that regard from M/s. Dilip Bharadiya & Associates, Company Secretaries and the same is filed with the stock exchange.

(xiv) Investor Service and Grievance Handling Mechanism:

A robust mechanism is established by your Company which ensures efficient service to the investors, pro-active handling of investor correspondences and redressal of grievances in an expeditious manner. This mechanism is handled by the Compliance Officer of your Company and the RTA.

During the Financial Year 2018-19, the Company did not receive any complaints.

(xv) Company's Recommendations to the Shareholders:

a. Open Demat Account and Dematerialise your shares

Shareholders may consider converting their physical holdings into dematerialised form and avail the benefits of dealing in Shares in demat form. There are various other benefits such as immediate transfer of shares, no stamp duty payable on transfer of shares held in dematerialised form and avoidance of risks associated with physical certificates such as forged transfers, fake certificates and bad deliveries.

b. Consolidation of folios and avoidance of multiple mailing

In order to enable the Company to reduce costs and duplicity of efforts for providing services, Shareholders who have more than one folio/ demat account in the same order of names, are requested to consolidate their holdings under one folio/ demat account. They may write to the RTA/ Depository Participant ("DP") in that regard. This would facilitate one-stop tracking of all corporate benefits on the shares and would reduce time and efforts required to monitor and service multiple folios/ demat accounts.

c. Submit Nomination Form

Shareholders shall register their nominations with the Company, in case of physical shares and with their DP, in case of dematerialised shares, to ensure that their shares are transmitted to their respective nominees without any hassles. They must ensure that nomination made is in the prescribed form and must be witnessed by two witnesses in order to be effective. The said form is available for download from the "Investor Relations" section on the website of the Company i.e. www.hariyanagroup.com.

d. Furnish/ update bank account particulars with the Company/ DP

Shareholders holding the shares in physical form shall furnish/ update their latest bank account number and other details with the Company and those holding the shares in dematerialised form should ensure that correct and updated particulars of their bank account are available with the DP. This would facilitate in receiving direct credits of dividends, refunds etc., from companies and avoid events such as postal delays and loss in transit.

e. Intimate/ update contact details

In order to receive communications on corporate actions and other information of the Company, the Investors may consider intimating their contact details (including address) and changes therein, if any, to the Company/ RTA, if shares are held in physical mode or to their DP, if the holding is in electronic mode.

f. Service of documents through electronic means

Your Company holds its Green Initiative in high regard. Pursuant to Section 101 and Section 136 of the Act, Companies can serve Annual Reports and other communications through electronic mode to those Shareholders who have registered their E-mail address either with the Company or with the DPs.

Accordingly, Shareholders who have not registered their e-mail addresses so far, are requested to register their E-mail address for receiving all communications including Annual Report, Notices, Circulars etc. from the Company electronically, by submitting a duly filled E-Communication Registration Form available on the website of the Company i.e. www.hariyanagroup.com, to RTA or to the Company on its designated E-mail Id i.e. contact@hariyanagroup.com.

g. Exercise caution

Shareholders shall keep the Company/ DP updated on any change with respect to their holdings, to avoid likelihood of fraudulent transfers in case of folios with no movement or where the shareholder has either expired or is not residing at the address registered with the Company.

h. Deal with Registered Intermediaries

Shareholders should transact through a registered intermediary, who is subject to regulatory discipline of SEBI, as it will be responsible for its activities and in case the intermediary does not act professionally, the matter can be taken up with SEBI/ Stock Exchanges.

i. Monitor holdings regularly

Demat account should not be kept dormant for a long period of time. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified. Where the Shareholder is likely to be away for a long period of time and where the securities are held in electronic form, the Shareholder can make a request to the DP to keep the account frozen, so that there can be no debit to the account till the instruction for freezing the account is countermanded by the Shareholder.

j. Mode of Postage

Share certificates and high value dividend/ interest warrants/ cheques/ demand drafts should not be sent by ordinary post. It is recommended that such instruments are by registered post or courier.

(xvi) Plants/ Divisions of the Company with their locations:

1. Ship Breaking Yard

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

2. Bhavnagar Division:

Hariyana House, 2165/A-2, 2nd Floor, Sanskar Mandal Chowk, Bhavnagar 364 002, (Gujarat)

(xvii) Address for Correspondence:

- All Members' correspondence should be forwarded to Sharex Dynamic (India) Pvt Ltd, the Registrar and Transfer Agent of the Company or to the Company Secretary at the Registered Office of the Company at the addresses mentioned below.
- The Company's dedicated e-mail address for Members' Complaints and other communications is contact@hariyanagroup.com.

- As stated in the SEBI circular dated March 26, 2018, whereby SEBI has issued new policy measures with respect to SEBI Complaints Redress System (SCORES), Members are requested to approach the Company directly at the first instance for their grievances.

Registrar and Share Transfer Agents (R&TA)

Sharex Dynamic (India) Pvt Ltd

Unit: Hariyana Ship-Breakers Limited

Unit-1, Luthra Ind. Premises, Safed Pool

Andheri Kurla Road, Andheri (E)

Mumbai – 400 072

Ph: 28515606, 28515644

Fax: 28512885

Email: sharexindia@vsnl.com

Registered Office

Hariyana Ship-Breakers Limited

156, Maker Chambers VI, 220 Jamnalal Bajaj Marg,

Nariman Point, Mumbai- 400021

Ph: +91 22 22043211

Fax: +91 22 22043215

E-mail: contact@hariyanagroup.com

Website: www.hariyanagroup.com

With Effect from 18th May 2019, the address of the **Registrar and Share Transfer Agents (R&TA)**

Sharex Dynamic (India) Pvt Ltd

Unit: Hariyana Ship-Breakers Limited

C-101, 247 Park

L.B.S. Marg, Vikhroli (W)

Mumbai – 400 083

Ph: 28515606, 28515644

Fax: 28512885

Email: sharexindia@vsnl.com

Investors are requested to make a note of the same.

(xviii) Feedback:

Your feedback is valuable to us to help us serve you better. Members are requested to give us their valuable suggestions, if any, for enhancement of our Investor Services by writing to us/ RTA at the address provided hereinabove.

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

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

To,
The Members,

HARIYANA SHIP-BREAKERS LIMITED

We 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 us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification 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, we hereby report that in our opinion, the Company has during the audit period covering the Financial Year ended on March 31, 2019 ("period under review"), 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. We 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 period under review, according to the applicable provisions of:
 - (i) The Companies Act, 2013 ("the Act") and the rules made thereunder and the Companies Act, 1956 (*to the extent applicable*);
 - (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 (*to the extent 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, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client; and
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. We have relied on the representations made by the Company and its officers and report of the Internal Auditor for systems and mechanism formed by the Company for compliances under other applicable Laws. The list of other laws applicable to the Company is given in **Annexure - B**.
3. We 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 BSE Limited ("BSE/ Stock Exchange"), from time to time and the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that

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

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 of all Directors at the meeting.

All Resolutions including Circular Resolutions of the Board of Directors and its Committees are approved by the requisite majority and are duly recorded in the respective minutes.

Majority decision is carried through, while the dissenting views of the Directors/ Members, if any, are captured and recorded as part of the minutes.

We further report that

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

We further report that

There were no events/ actions in pursuance of:

- (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (c) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (d) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- (e) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

We further report that during the period under review there were no instances of:

- (a) Public/ Rights Issue of Equity Shares & Equity Warrants/ Debentures/ Sweat Equity;
- (b) Redemption/ Buy- back of securities;
- (c) Merger/ Amalgamation/ Reconstruction, etc.; and
- (d) Foreign Technical Collaborations

This report is to be read with our letter of even date, which is annexed as Annexure - C to this report.

Sd/-

DILIP BHARADIYA

Proprietor

DILIP BHARADIYA & ASSOCIATES

FCS No.: 7956., C P No.: 6740

Place : Mumbai

Date : May 30, 2019

Annexure - A

List of documents verified

1. Memorandum and Articles of Association of the Company.
2. Annual Report for the Financial Year ended March 31, 2018.
3. Minutes and Attendance Registers of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, held during the period under review.
4. Circular Resolutions approved by the Board of Directors and its Committees from time to time.
5. Minutes of General Body Meetings held during the period under review.
6. Statutory Registers viz.
 - Register of Members;
 - Register of Directors and Key Managerial Personnel and their Shareholding;
 - Register of loans, guarantee, security and acquisition made by the Company;
 - Register of Charge;
 - Register of Contracts with Related Party and contracts and bodies, etc. in which directors are interested.
7. Agenda papers submitted to all the Directors / Members for the Board and Committee Meetings.
8. Declarations received from the Directors of the Company pursuant to the provisions of Section 184(1), Section 164(2), Section 149(3) and Section 149(7) of the Act.
9. Intimations received from Directors under the Code of Conduct for Trading in Listed or Proposed to be Listed Securities of the Company.
10. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Act, alongwith the attachments thereof, during the period under review.
11. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Listing Agreements entered into by the Company with the Stock Exchange, from time to time during the period under review.

Annexure - B

List of applicable laws to the Company

- (i) Gujarat Maritime Board Act, 1981;
- (ii) The Factories Act, 1948;
- (iii) The Contract Labour Act, 1970; and
- (iv) The Hazardous Wastes (Management & Handling) Rules, 1989 under Gujarat Pollution Control Board

Annexure - C

To,
The Members,
HARIYANA SHIP-BREAKERS LIMITED

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and 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.

Sd/-
DILIP BHARADIYA
Proprietor
DILIP BHARADIYA & ASSOCIATES
FCS No.: 7956., C P No.: 6740

Place: Mumbai
Date : May 30, 2019

Annexure-V

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To

The Members of HARIYANA SHIP BREAKERS LIMITED

1. We have examined the compliance of conditions of Corporate Governance by HARIYANA SHIP BREAKERS LIMITED (hereinafter the "Company"), for the year ended March 31, 2019, as stipulated in provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria').

Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representation provided by the Management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 1 above.
8. We 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/-
CA Prem Goplani
Partner
Membership No.103765

For **Lahoti Navneet & Co. Chartered Accountants**
Firm Reg. No.116870W
Sd/-
CA Sanjay Soni
Partner
Membership No.114835

Date : May 30, 2019

Place : Mumbai

CERTIFICATE FROM PRACTICING COMPANY SECRETARY

To,
The Members,
HARIYANA SHIP-BREAKERS LIMITED

This certificate is being issued to the Members of Hariyana Ship-Breakers Limited, bearing Corporate Identification Number (CIN) - L61100MH1981PLC024774, having its registered office at 156, Maker Chambers VI 220 Jamnalal Bajaj Marg, Nariman Point Mumbai – 400 021 (“the Company”) in terms of Regulation 34(3) read with schedule V para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

We believe it is the responsibility of directors to submit relevant documents with complete and accurate information in accordance with the provisions of the Act and SEBI Listing Regulations.

We have examined the documents and disclosures provided by the following Directors, pursuant to the requirements under the Act and the SEBI Listing Regulations for the purpose of this Certificate, more particularly as under:

- i) Declaration as on April 1, 2019, as required under section 164 of the Act, from all the directors self-certifying their non-disqualification;
- ii) Disclosure of their concern/interests as required under section 184 of the Act as on April 1, 2019; (hereinafter referred to as “relevant documents”)

Directors of the Company as on May 14, 2019

Sr. No.	Name of director	DIN
1	Mr. Rakesh Reniwal	00029332
2	Mr. Shantisarup Reniwal	00040355
3	Ms. Unnati Reniwal	00041306
4	Mr. Manohar Wagh	02622648
5	Mr. Pradeep Bhatia	02903984
6	Mr. Tejasbhai Thakker	03017277

Based on our examination of relevant documents made available to us by the Company and such other verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] carried out by us as deemed necessary and adequate, in our opinion and to the best of our information and knowledge and according to the explanations provided by the Company, its officers and authorized representatives, ***we certify that as on date of this Certificate, none of the directors on the Board of the Company, as listed hereunder, have been debarred or disqualified from being appointed or continuing as Directors of the Company by Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority.***

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

For **DILIP BHARADIYA & ASSOCIATES**

Sd/-

DILIP BHARADIYA

Proprietor

FCS No.: 7956., C P No.: 6740

Place : Mumbai
Date : May 30, 2019

Lahoti Navneet & Co.

Chartered Accountants

516, Summit Business Bay, Opp. Cinemax,
Chakala, Andheri (E), Mumbai-400093**P. D. Goplani & Associates**

Chartered Accountants

A/104-105, Leela Efcce, Waghawadi Road,
Bhavnagar – 364002

INDEPENDENT AUDITOR'S REPORT

To

The members of **Hariyana Ship Breakers Limited**

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying standalone Ind AS financial statements of **Hariyana Ship Breakers Limited**, (“the Company”) which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 (“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 March 31, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor’s Response
<u>Evaluation of uncertain tax positions</u> The Company has material uncertain tax positions including matters under dispute which involves significant judgment to	<u>Principal Audit Procedures</u> – Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management.

determine the possible outcome of these disputes.	<ul style="list-style-type: none"> - Obtained understanding of key uncertain tax positions. - Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions. - Assessed management's estimates of the possible outcome of the disputed cases.
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Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and those charged with governance for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 standalone Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud

or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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 balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the cash flow statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, and except for the effects of our qualified opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. on the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report; and
 - g. 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 which could materially impact its financial statements - *Refer Note 3.10 of the standalone Ind AS financial statements*
 - ii. the Company has made provisions wherever applicable for material foreseeable losses, if any, on long term contracts. The company did not have any long term derivative contracts as at March 31, 2019.
 - iii. there has been no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For Lahoti Navneet & Co.

Chartered Accountants

FRN : 116870W

Sd/-

CA Sanjay Soni

Partner

M. No. 114835

Mumbai

May 30, 2019

For P. D. Goplani & Associates

Chartered Accountants

FRN : 118023W

Sd/-

CA Prem Goplani

Partner

M. No. 103765

Annexure A to the Independent Auditors' Report.

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended March 31, 2019, 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 that the said immovable properties were owned and acquired by the company in the scheme of merger, however, the title deeds of the same are still in the name of erstwhile merging companies. Moreover, in case of Green Plot Development (Alang), the company has done redevelopment work on a lease hold plot at Alang (Alang Ship Breaking Yard, Alang).
- 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 deposits as per the provisions of section 73 to 76 of the act.
- 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:

Name of the authority (where the dispute is pending)	Related period	Nature	Amount
Hon. ITAT, Mumbai	AY 2007-08	Income Tax	Rs.3,96,780
Hon. CIT (Appeal)-8, Mumbai	AY 2014-15	Income Tax	Rs.98,53,510

- 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 standalone Ind AS 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.
- 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 Lahoti Navneet & Co.

Chartered Accountants

FRN : 116870W

Sd/-

CA Sanjay Soni

Partner

M. No. 114835

For P. D. Goplani & Associates

Chartered Accountants

FRN : 118023W

Sd/-

CA Prem Goplani

Partner

M. No. 103765

Mumbai

May 30, 2019

Annexure 1 to Companies Auditors Report (CARO 2016)**Details of Para 3(i) (c) : Immovable Properties**

Sr. No.	Particulars	Gross Block Value as at 31.03.2018 (Rs.)	Net Block Value as at 31.03.2018(Rs.)	Remarks
1	Godown 1929, Iron & Steel Market Yard, Kalamboli, Dist: Raigad	48,17,420	27,42,931	Held in the name of director of the company.

Annexure B to the Independent Auditors' 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 with reference to financial statements of **Hariyana Ship Breakers Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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") issued by the Institute of Chartered Accountant of India 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. 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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.

For Lahoti Navneet & Co.**Chartered Accountants**

FRN : 116870W

Sd/-

CA Sanjay Soni**Partner**

M. No. 114835

Mumbai

May 30, 2019

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

FRN : 118023W

Sd/-

CA Prem Goplani**Partner**

M. No. 103765

HARIYANA SHIP BREAKERS LIMITED

Standalone Balance Sheet as at March 31, 2019

in (lakhs)

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
ASSETS			
Non-Current Assets			
Property, Plant And Equipment	1.1	645.14	603.33
Capital Work - in - Progress	1.2	69.60	8.77
Investment Property	1.3	249.85	257.02
Other Intangible Assets	1.4	0.31	0.70
Financial Assets			
(i) Investments	1.5	13,077.89	10,707.53
Other Non Current Asset	1.6	97.93	89.64
		14,140.71	11,667.00
Current Assets			
Inventories	1.7	9,334.54	26,972.10
Financial Assets			
(i) Trade Receivable	1.8	9.41	16.89
(ii) Cash And Cash Equivalents	1.9	64.82	4,459.30
(iii) Loans	1.10	1,319.00	1,985.57
(iv) Other Financial Assets	1.11	29.17	28.97
Other Current Assets	1.12	1,587.74	1,730.03
		12,344.67	35,192.84
Total Assets			
		26,485.38	46,859.84
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	1.13	616.67	616.67
Other Equity	1.14	12,656.17	11,840.99
		13,272.84	12,457.66
Non-Current Liabilities			
Provisions	1.15	4.22	3.45
Deferred Tax Liabilities (Net)	1.16	65.92	59.67
Other Non Current Liabilities	1.17	13.40	13.40
		83.53	76.52
Current Liabilities			
Financial Liabilities			
(i) Borrowings	1.18	647.06	343.41
(ii) Trade Payables	1.19	8,333.68	30,782.62
Other Current Liabilities	1.20	3,973.97	3,148.88
Provisions	1.21	13.44	8.82
Current Tax Liabilities (Net)		160.86	41.94
		13,129.01	34,325.67
Total Equity and Liabilities			
		26,485.38	46,859.84

The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date

For **Lahoti Navneet & Co.**

Chartered Accountants

FRN : 116870W

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

Chartered Accountants

FRN : 118023W

For and on behalf of the Board

Hariyana Ship Breakers Limited

Sd/-

CA Sanjay Soni

Partner

Membership No. 114835

Sd/-

CA Prem Goplani

Partner

Membership No. 103765

Sd/-

Shantisarup Reniwal

Director

DIN: 00040355

Sd/-

Rakesh Reniwal

Director

DIN: 00029332

Sd/-

Kirti Desai

Chief Financial Officer

Place : Mumbai

Date : May 30, 2019

Place : Mumbai

Date : May 30, 2019

Standalone Statement of Profit and Loss for the year ended March 31, 2019

in (lakhs)

Particulars	Note No.	Year ended	
		March 31, 2019	March 31, 2018
Income			
Revenue from operations	2.1	37,729.63	15,717.02
Other Income	2.2	2,079.63	2,087.60
Total Income		39,809.26	17,804.62
Expenses			
Cost of raw materials consumed	2.3	11,805.86	5,360.34
Purchase of Stock-in-trade	2.4	10,108.59	23,404.46
Changes in the inventories of Finished Goods, Stock In Trade and Work - In Progress	2.5	14,859.03	(13,887.59)
Employee benefits expense	2.6	254.28	178.79
Excise Duty		-	102.52
Finance costs	2.7	77.80	390.75
Depreciation and amortisation expense	1.1, 1.3, 1.4	50.41	45.33
Other Expenses	2.8	1,677.57	1,185.21
Total expenses		38,833.54	16,779.81
Profit before tax		975.71	1,024.81
Exceptional Items			
Profit before tax		975.71	1,024.81
Tax Expenses :			
Current Tax	3.1	155.51	51.67
Deferred Tax		5.84	(7.82)
		161.34	43.84
Profit for the year		814.37	980.96
Other comprehensive income			
(i) Items that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans		1.22	0.65
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(0.41)	(0.19)
Total other comprehensive income		0.81	0.46
Total comprehensive income for the year		815.18	981.42
Earning per equity share [face value Rs.10/- each]			
Basic		13.22	15.91
Diluted		13.22	15.91
(Refer Note 3.3)			

The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date

For **Lahoti Navneet & Co.**
Chartered Accountants
FRN : 116870WFor **P. D. Goplani & Associates**
Chartered Accountants
FRN : 118023WFor and on behalf of the Board
Hariyana Ship Breakers LimitedSd/-
CA Sanjay Soni
Partner
Membership No. 114835Sd/-
CA Prem Goplani
Partner
Membership No. 103765Sd/-
Shantisarup Reniwal
Director
DIN: 00040355Sd/-
Rakesh Reniwal
Director
DIN: 00029332Sd/-
Kirti Desai
Chief Financial OfficerPlace : Mumbai
Date : May 30, 2019Place : Mumbai
Date : May 30, 2019

HARIYANA SHIP BREAKERS LIMITED

Standalone statement of Cash flow for the year ended on March 31, 2019

in (lakhs)

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Cash flow from operating activities		
Profit before tax	976.93	1,025.46
Adjustment for :		
Depreciation and amortisation expense	50.41	45.33
Finance cost	77.80	390.75
Interest income	(1,250.94)	(849.95)
Bad debts	565.51	643.34
Provision for doubtful debts	(0.44)	(2.30)
Gain on sale of units of Mutual Funds	(238.14)	(224.45)
(Profit)/ Loss from partnership firms	(544.42)	(976.05)
Operating profit before working capital changes	(363.29)	52.12
Adjustments for working capital changes:		
Decrease / (Increase) in Trade and other receivables	141.73	831.52
Decrease / (Increase) in Inventories	17,637.56	(25,109.39)
(Decrease) / Increase in Trade and other payables	(21,499.53)	24,462.28
Cash generated/ (used) in operations	(4,083.53)	236.52
Extraordinary item	—	—
Direct taxes paid	(155.51)	(51.67)
Net Cash generated from/(used in) operating activities [A]	(4,239.03)	184.85
Cash Flow from investing activities		
Purchase of fixed assets (including capital advances)	(149.57)	(50.90)
Proceeds from sale of fixed assets	4.10	—
(Purchase) / Proceeds of non - current investments (Net)	(2,370.36)	(3,760.05)
Proceeds/ Repayment of current loans, net	101.05	6,890.79
Gain on sale of units of Mutual Funds	238.14	224.45
(Profit)/ Loss from partnership firms	544.42	976.05
Interest received	1,250.94	849.95
Net cash generated from/(used in) investing activities [B]	(381.29)	5,130.30
Cash flow from financing activities		
Proceeds from long term borrowings, net	—	(697.62)
Proceeds from short term borrowings, net	303.65	188.55
Finance cost	(77.80)	(390.75)
Net cash generated from/(used in) financing activities [C]	225.85	(899.82)
Net increase/(decrease) in cash & cash equivalents [A+B+C]	(4,394.47)	4,415.33
Cash & cash equivalents at the beginning of the year	4,459.30	43.97
Cash & cash equivalents at the end of the year	64.82	4,459.30

Notes :

- The above cashflow statement has been prepared under the 'indirect method' as set out in the Indian Accounting Standard - 7 "Statement of Cash Flows".
- Figures of previous year have been regrouped, wherever necessary, to make them comparable.

The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date

For **Lahoti Navneet & Co.**
Chartered Accountants
FRN : 116870W

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

For and on behalf of the Board
Haryana Ship Breakers Limited

Sd/-
CA Sanjay Soni
Partner
Membership No. 114835

Sd/-
CA Prem Goplani
Partner
Membership No. 103765

Sd/-
Shantisarup Reniwal
Director
DIN: 00040355

Sd/-
Rakesh Reniwal
Director
DIN: 00029332

Sd/-
Kirti Desai
Chief Financial Officer

Place : Mumbai
Date : May 30, 2019

Place : Mumbai
Date : May 30, 2019

Statement of Changes in Equity for the year ended March 31, 2019

A) Equity Share Capital

Particulars	Amount
Balance as at April 1, 2017	616.67
Changes in Equity share capital during the year	-
Balance as at March 31, 2018	616.67
Balance as at April 1, 2018	616.67
Changes in Equity share capital during the year	-
Balance as at March 31, 2019	616.67

B) Other Equity

Particulars	Attributable to the equity holders of the Company					
	Reserve and Surplus					Total
	Securities Premium	Capital Reserves	General Reserves	Capital Redemption Reserves	Retained Earnings	
Balance as at 1st April, 2017	140.38	893.61	374.25	500.00	8,951.32	10,859.57
Additions during the year:						
Profit for the year	-	-	-	-	980.96	980.96
Items of OCI for the year, net of tax-						
Remeasurement benefit of defined benefit plans (net of taxes)	-	-	-	-	0.46	0.46
Balance as at 31st March, 2018	140.38	893.61	374.25	500.00	9,932.74	11,840.99
Balance as at 1st April, 2018	140.38	893.61	374.25	500.00	9,932.74	11,840.99
Additions during the year:						
Profit for the year	-	-	-	-	814.37	814.37
Items of OCI for the year, net of tax-						
Remeasurement benefit of defined benefit plans (net of taxes)	-	-	-	-	0.81	0.81
Balance as at 31st March, 2019	140.38	893.61	374.25	500.00	10,747.92	12,656.17

The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date

For **Lahoti Navneet & Co.**
Chartered Accountants
FRN : 116870W

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

For and on behalf of the Board
Hariyana Ship Breakers Limited

Sd/-
CA Sanjay Soni
Partner
Membership No. 114835

Sd/-
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Partner
Membership No. 103765

Sd/-
Shantisarup Reniwal
Director
DIN: 00040355

Sd/-
Rakesh Reniwal
Director
DIN: 00029332

Sd/-
Kirti Desai
Chief Financial Officer

Place: Mumbai
Date : May 30, 2019

Place : Mumbai
Date : May 30, 2019

Notes to the Standalone Financial Statements

Note 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.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on May 30, 2019.

Note 2 : Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The standalone financial statements have been prepared on a historical cost basis, on the accrual basis of accounting except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Note 3 : Significant accounting policies and key accounting estimates

(A) Significant accounting policies

1 Current / non-current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification. An asset is treated as current when it is:

- a) expected to be realised or intended to be sold or consumed in normal operating cycle;
- b) held primarily for the purpose of trading;
- c) expected to be realised within twelve months after the reporting period; or
- d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

- a) expected to be settled in normal operating cycle;
- b) held primarily for the purpose of trading;
- c) due to be settled within twelve months after the reporting period; or
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets/materials for processing and their realisation in cash and cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

2 Foreign currencies

The Company's standalone financial statements are prepared in Indian Rupee ("Rupee") which is the also the Company's functional currency.

Transactions and balances

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction, i.e. spot rate.

Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

3 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

- c) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved, wherever required, for valuation of significant assets, such as properties, unquoted financial assets and significant liabilities. Involvement of external valuers is decided upon by the Company after discussion with and approval by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Company, after discussions with its external valuers, determines which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value measurement. Other fair value related disclosures are given in the relevant notes.

4 Property, plant and equipment

All the items of property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

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

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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

5 Leases

The determination of whether an arrangement is (or contains) a lease or not is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrange-

ment is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. The Company does not have any arrangement during or at the reporting period that can be classified as finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except in the case where incremental lease reflects inflationary effect in which case, lease expense is accounted by actual rent for the period.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

7 Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

8 Intangible assets

Intangible assets acquired separately are measured, on initial recognition, at cost. Following the initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The amortisation expense on intangible assets is recognised in the statement of profit and loss.

Intangible assets are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

9 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is any indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Company bases its impairment calculation on detailed budgets and forecast calculations.

Impairment losses are recognised in the statement of profit or loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses on assets no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

10 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products

Revenue from the sale of products is recognised when the significant risks and rewards of ownership of the products have passed to the buyer, usually on delivery of the products. Revenue from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Rendering of services

The Company is providing management consulting towards various operational and strategic activities and certain other shared services to some of its subsidiaries. Income from such management consultancy and shared services are recognised in the statement of profit and loss in which such services are rendered.

Interest income

For all financial assets measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in 'Other Income' in the statement of profit and loss.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

11 Financial instruments

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

*Financial assets**Initial recognition and measurement*

All financial assets, except investment in subsidiaries and associate, are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Investments in subsidiaries and associate are carried at cost as per Ind AS 27 'Separate Financial Statements'. In case, the investments are classified as held for sale, such investments are accounted for in accordance with Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations'.

Subsequent measurement

For purposes of subsequent measurement, financial assets are primarily classified in three categories:

- a) Debt instruments at amortised cost;
- b) Debt instruments at fair value through other comprehensive income (FVTOCI); and
- c) Other financial instruments measured at fair value through profit or loss (FVTPL).

a) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

- ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to trade and other receivables.

b) Debt instruments at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met: i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

c) Other financial instruments measured at fair value through profit and loss (FVTPL)

Any financial asset that does not qualify for amortised cost measurement or measurement at FVTOCI must be measured subsequent to initial recognition at FVTPL.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when the rights to receive cash flows from the asset have expired.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;
- b) Financial assets that are debt instruments and are measured as at FVTOCI;
- c) Lease receivables under Ind AS 17; and
- d) Financial guarantee contracts which are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that

there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or as those measured at amortised cost.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a) **Financial liabilities at fair value through profit or loss**

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

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to the statement of profit & loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

b) **Financial liabilities at amortised cost**

Financial liabilities at amortised cost include loans and borrowings and payables.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

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

12 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

13 Taxes

Current taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

14 Employee benefits

Retirement benefit in the form of contribution to provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company's liabilities towards gratuity and leave encashment payable to its employees are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of: a) The date of the plan amendment or curtailment, and b) The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the standalone statement of profit and loss:

- a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- b) Net interest expense or income.

15 Earnings Per Share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing dilutive earnings per share, only potential equity shares that are dilutive and that would, if issued, either reduce future earnings per share or increase loss per share, are included.

16 Provisions & contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability arises when the Company has:

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recorded in the financial statement but, rather, are disclosed in the note to the financial statements.

(B) Key accounting estimates

1 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value are measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments - Refer note 3.7 for detailed disclosure.

2 Defined benefit plan

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

The parameter that is subject to change the most is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are after considering the expected future inflation rates for the country.

Refer to Note 3.2 for further details.

3 Property, Plant and Equipment

Refer to Note 6 for the estimation of useful life of Property, Plant and Equipment. The carrying values of Property, plant and equipment have been disclosed in Note 1.1.

4 Allowance for doubtful trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Estimated irrecoverable amounts are derived based on a provision matrix which takes into account various factors such as customer specific risks, geographical region, product type, currency fluctuation risk, repatriation policy of the country, country specific economic risks, customer rating, and type of customer, etc.

Individual trade receivables are written off when the management deems them not to be collectable.

Note 4 :Recent Indian Accounting Standards (Ind AS)

(a) Standards issued but not yet effective

The Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the following new and amendments to existing standards. These amendments are effective for annual periods beginning from 1st April, 2019. The Company will adopt these new standards and amendments to existing standards once it become effective and are applicable to it.

1. Ind AS 116 – Leases : Ind AS 116 ‘Leases’ replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessee to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The accounting from Lessor perspective largely remain unchanged from the existing standard – i.e. lessor will continue to classify the leases as finance or operating leases.

(b) Amendment to existing issued Ind AS

The MCA has carried amendments to the following existing standards which will be effective from 1st April, 2019. The Company is not expecting any significant impact in the financial statements from these amendments.

- (i) Ind AS 12 - Income Taxes
- (ii) Ind AS 19 - Employee Benefits

Application of above standards are not expected to have any significant impact on the Company’s financial statements.

Notes to the Standalone Financial Statements

Note No:- 1.1		Property Plant and Equipment															
ASSETS	Factory Land	Building Premises	Godown	Green Plot Development (Alang)	Flat- Madhav Hill	Factory Building	Plant & Machineres	Crane & Commercial Vehicles	Office Equipments	Oxygen Tank	Mobiles	Furniture	Computer	Vehicules	Fire Fighting Equipments	Weight bridge	Total
Gross carrying amount																	
As at April 1, 2017	235.30	2.36	8.07	11.36	12.65	135.07	58.93	87.14	4.15	21.01	0.56	1.76	0.87	41.37	0.67	8.34	629.61
Additions	4.64	-	-	16.39	-	-	6.87	2.90	1.02	-	0.20	0.36	0.37	8.51	-	-	41.27
Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	239.94	2.36	8.07	27.75	12.65	135.07	65.80	90.04	5.17	21.01	0.78	2.12	1.24	49.88	0.67	8.34	670.88
As at April 1, 2018	239.94	2.36	8.07	27.75	12.65	135.07	65.80	90.04	5.17	21.01	0.78	2.12	1.24	49.88	0.67	8.34	670.88
Additions	12.13	-	-	-	-	-	6.12	7.56	0.42	-	0.08	-	-	62.43	-	-	88.74
Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	9.86	-	-	9.86
As at March 31, 2019	252.07	2.36	8.07	27.75	12.65	135.07	71.92	97.60	5.59	21.01	0.85	2.12	1.24	102.45	0.67	8.34	749.76
Accumulated depreciation																	
As at April 1, 2017	-	0.09	0.75	-	-	6.26	5.84	13.14	0.39	1.10	0.13	0.51	0.25	5.77	0.14	1.44	35.81
Depreciation for the year	-	0.09	0.75	0.26	-	-	6.27	13.39	0.58	1.33	0.26	0.13	0.37	6.72	0.14	1.44	31.73
Deduction / Adjustment Writtent back	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	-	0.18	1.49	0.26	-	6.26	12.11	26.53	0.97	2.43	0.38	0.65	0.62	12.49	0.29	2.88	67.54
As at April 1, 2018	-	0.18	1.49	0.26	-	6.26	12.11	26.53	0.97	2.43	0.38	0.65	0.62	12.49	0.29	2.88	67.54
Depreciation for the year	-	0.09	0.75	0.88	-	5.92	6.83	11.94	0.61	1.33	0.27	0.63	0.33	11.68	0.14	1.44	42.84
Deduction / Adjustment Writtent back	-	-	-	-	-	-	-	-	-	-	-	-	-	5.76	-	-	5.76
As at March 31, 2019	-	0.21	2.24	1.14	-	12.18	18.94	38.48	1.59	3.76	0.66	1.27	0.95	18.41	0.43	4.31	104.62
Net Carrying Amounts																	
As at March 31, 2018	239.94	2.18	6.58	27.49	12.65	128.81	53.68	63.51	4.20	18.58	0.40	1.47	0.62	37.39	0.38	5.47	603.33
As at March 31, 2019	252.07	2.09	5.84	26.61	12.65	122.89	52.98	59.13	4.00	17.25	0.20	0.84	0.30	84.04	0.24	4.03	645.14

Notes :

1. Green Plot Development at Alang Ship Breaking Yard valued at Rs. 26.61 Lakhs is on a leasehold land plot.
2. Title of Agricultural Land Plots at Hassan valued at Rs. 49.44 Lakhs are not in the name of the company. However, registered power of attorney have been made.
3. Title of Godown situated at 1929, Iron & Steel Market Yard, Kalamboli, Dist: Raigad and valued at Rs. 27.43 Lakhs is in the name of director of the company.

Note 1.2 : Capital Work In Progress

Particulars	Green Plot Development (Alang)
Gross carrying amount	
As at April 1, 2017	11.36
Additions	8.77
Deductions (<i>Transferred to Property, Plant & Equipments</i>)	11.36
As at March 31, 2018	8.77
As at April 01, 2018	8.77
Additions	60.83
Deductions (<i>Transferred to Property, Plant & Equipments</i>)	—
As at March 31, 2019	69.60
Net carrying amount	—
As at March 31, 2018	8.77
As at March 31, 2019	69.60

Note 1.3 : Investment Property

Particulars	Premises (Other than Factory)	Warehouse (Leasehold)	Total
Gross carrying amount			
As at April 1, 2017	247.91	29.72	277.64
Additions	—	—	—
Inter Transfers	—	—	—
Recoupment / Adjustment	—	—	—
Deductions	—	—	—
As at March 31, 2018	247.91	29.72	277.64
As at April 1, 2018	247.91	29.72	277.64
Additions	-	-	-
Inter Transfers	-	-	-
Recoupment / Adjustment	-	-	-
Deductions	-	-	-
As at March 31, 2019	247.91	29.72	277.64
Accumulated depreciation			
As at April 1, 2017	6.41	0.76	7.18
Depreciation for the year	12.67	0.76	13.43
Inter Transfers	—	—	—
Impairment for the year	—	—	—
Deductions	—	—	—
As at March 31, 2018	19.08	1.53	20.61
As at April 1, 2018	19.08	1.53	20.61
Depreciation for the year	6.41	0.76	7.18
Inter Transfers	—	—	—
Impairment for the year	—	—	—
Deductions	—	—	—
As at March 31, 2019	25.49	2.29	27.79
Net carrying amount			
As at March 31, 2018	228.83	28.19	257.02
As at March 31, 2019	222.42	27.43	249.85

(a) Information regarding income and expenditure of Investment property

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rental income derived from Investment Property	38.31	36.43
Direct operating expenses (including repairs and maintenance) generating rental income	2.31	1.44
Direct operating expenses (including repairs and maintenance) that did not generate rental income	—	—
	—	—
Profit arising from investment property before depreciation and indirect expenses	36.01	34.99
Less : Depreciation	7.18	13.43
Profit arising from investment property before indirect expenses	28.83	21.56

The Company has no restrictions on the realisability of its investment property and no contractual obligations to construct or develop investment property or for repairs, maintenance and enhancements.

(b) Fair value of the Investment property are as under:

Fair value	Premises (Other than Factory)	Warehouse (Leasehold)	Total
As at April 1, 2017	241.50	28.96	270.46
Changes in fair value	(12.67)	(0.76)	(13.43)
Purchases	—	—	—
As at March 31, 2018	228.83	28.19	257.02
Changes in fair value	(6.41)	(0.76)	(7.18)
Purchases	—	—	—
As at March 31, 2019	222.42	27.43	249.85

Note 1.4 : Other Intangible Assets

Particulars	Website
Gross carrying amount	
As at April 1, 2017	0.22
Additions	0.86
Disposal	-
As at March 31, 2018	1.08
As at April 1, 2018	1.08
Additions	-
Disposal	-
As at March 31, 2019	1.08
Accumulated depreciation	-
As at April 1, 2017	0.22
Depreciation for the year	0.17
Deduction / Adjustment /Writtent back	-
As at March 31, 2018	0.38
As at April 1, 2018	0.38
Depreciation for the year	0.39
Deduction / Adjustment /Writtent back	-
As at March 31, 2019	0.77
Net Carrying Amounts	-
As at March 31, 2018	0.70
As at March 31, 2019	0.31

Note No:- 1.5 Investments Non - Current

Particulars	As at	
	March 31, 2019	March 31, 2018
(A) Investment at Cost		
- In Partnership Firms *	13,077.89	10,626.84
- In Equity Shares (Unquoted)		
- The Cuffe Persepolis premises of Co-Operative Ltd. 1 (PY 1.00) share of Rs.10/- each paid up	0.00	0.00
(B) Investment at Fair value through profit and loss (FVTPL):		
- Mutual Funds (Quoted)		
Axis Liquid Fund (Edelweiss) Nil (PY 1411.2020) Units fully paid up	—	27.11
PNB Principal Low Duration Direct Growth Plan 3605.617 (PY 1874.501) Units fully paid up	—	53.57
- Investment in Shares (Quoted)	0.00	0.00
Inducto Steel Ltd 10 (PY 10) share of Rs. 10/- each paid up		
Total	13,077.89	10,707.53

Note:

(a) Aggregate value of quoted investments and market value thereof	0.00	80.69
(b) Aggregate value of unquoted investments	13,077.89	10,626.84

* Details of Investment in Partnership Firms

Particulars	Share in Profit/ (Loss)	As at	
		March 31, 2019	March 31, 2018
In Partnership Firms			
Fixed Capital			
Orchid Lakeview Developers Fixed	33.33%	1.00	1.00
White Mountain Fixed	25.00%	0.25	0.25
Shree Balaji Associates Fixed	5.00%	0.25	0.25
Goyal Hariyana Realty Fixed	50.00%	0.50	0.50
Current A/c			
Whitefield Projects	40.00%	4.20	4.20
Swastik Developers	33.33%	602.99	538.39
Orchid Lakeview Developers	33.33%	1,995.62	1,617.99
White Mountain	25.00%	2,626.08	2,364.36
Goyal Hariyana Realty	50.00%	7,656.41	4,606.36
Shree Balaji Associates	5.00%	—	1,301.96
Hariyana Air Products	95.00%	190.58	191.58
		13,077.89	10,626.84

Note No:- 1.6 Other Non-Current Asset

Particulars	As at	
	March 31, 2019	March 31, 2018
(Unsecured, Considered Good)		
a) Security Deposits	1.41	6.71
b) Balance with Revenue Authorities	91.51	82.93
c) FDRs (having maturity of more than 12 months)	5.00	—
Total	97.93	89.64

Note No:- 1.7 Inventories

Particulars	As at	
	March 31, 2019	March 31, 2018
(As verified, valued and certified by management)		
a) Raw Materials	9,334.54	12,113.06
- Uncut Ship	—	—
b) Semi Finished Goods	—	14,859.03
Total	9,334.54	26,972.10

Notes :

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/ Traded Goods are stated at lower of cost or net realizable value.

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.

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

Note No:- 1.8 Current Financial Assets - Trade Receivables

Particulars	As at	
	March 31, 2019	March 31, 2018
Trade Receivable - Unsecured		
Considered Good	9.41	16.89
Considered Doubtful	0.43	0.87
	9.84	17.76
Less : Allowance for doubtful debts	0.43	0.87
Total	9.41	16.89
Age analysis of trade receivables		
Outstanding for more than six months from the date they are due	8.58	17.42
Others	1.26	0.34
	9.84	17.76

Notes:**1. Summary of movement in allowance for doubtful trade receivables**

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Balance at the beginning of the year	0.87	3.17
Movement during the year	(0.44)	(2.30)
Less : Write off of bad debts	—	—
Balance at the end of the year	0.43	0.87

2. The trade receivables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair values.

Note No:- 1.9 Cash and Cash Equivalents

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Cash in Hand <i>(As verified and certified by management)</i>	17.39	25.59
Balances with scheduled banks		
- In current accounts	5.53	7.26
- In deposit accounts	41.90	4,426.45
Total	64.82	4,459.30

Notes :

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

Particulars	As at	
	March 31, 2019	March 31, 2018
In current account		
- Punjab National Bank (Mumbai) CC 1040	0.69	0.17
- Punjab National Bank CC-2793	1.63	4.00
- Punjab National Bank CC-2809	0.94	2.59
- Punjab National Bank (52134)	0.25	0.25
- Punjab National Bank (CA)	2.02	0.25
In term deposit account		
- FD-Punjab National Bank	41.90	4,426.45
Total	47.43	4,433.70

Note No:- 1.10 Current Financial Assets - Loans

Particulars	As at	
	March 31, 2019	March 31, 2018
(Unsecured, Considered good)		
Loans & Advances		
- Advance against proposed business venture	1,319.00	1,985.57
Total	1,319.00	1,985.57

HARIYANA SHIP BREAKERS LIMITED

Note No:- 1.11 Other Current Financial Assets

Particulars	As at	
	March 31, 2019	March 31, 2018
(Unsecured, considered good)		
Advances recoverable in cash or kind	29.17	28.97
Total	29.17	28.97

Note No:- 1.12 Other Current Assets

Particulars	As at	
	March 31, 2019	March 31, 2018
(Unsecured, considered good)		
a) Security Deposit	2.82	2.67
b) Staff Advances	7.07	5.68
c) Balance with Revenue Authorities	1,530.86	1,671.85
d) Advance to Suppliers	46.44	43.73
e) Margin Money	—	2.45
f) Pre-paid Expenses	0.55	3.65
Total	1,587.74	1,730.03

Note No:- 1.13 Equity Share Capital

Particulars	As at	
	March 31, 2019	March 31, 2018
AUTHORISED CAPITAL:		
Equity Shares of Rs. 10/- Each	650.00	650.00
4% Redeemable Preference Share Of Rs. 10/- Each	500.00	500.00
ISSUED SUBSCRIBED SHARES CAPITAL		
Equity Shares of Rs. 10/- Each	616.67	616.67
SUBSCRIBED & PAID UP CAPITAL		
Equity Shares of Rs. 10/- Each fully paid up	616.67	616.67
Total	616.67	616.67

Notes :

a) The reconciliation of the number of outstanding shares is set out below :

Particulars	March 31, 2019		March 31, 2018	
	Number	Amount	Number	Amount
At the beginning of the year	6,166,667	616.67	6,166,667	616.67
<u>Add:</u> Shares issued during the year	-	-	-	-
<u>Less:</u> Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	6,166,667	616.67	6,166,667	616.67

b) The details of shareholder holding more than 5% shares is set out below:

Name of Shareholders	March 31, 2019		March 31, 2018	
	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.

c) Terms/rights attached to equity shares :

- The company has only one class of equity shares having a par value of Rs.10/-. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting.
- During the period ended 31st March 2019, the amount of per share dividend recognized as distributions to equity shareholder was NIL per share (PY 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.

Note No:- 1.14 Other Equity

Particulars	Note No.	As at	
		March 31, 2019	March 31, 2018
a) Securities Premium	I	140.38	140.38
b) Capital Reserves	II	893.61	893.61
c) General Reserves	III	374.25	374.25
d) Capital Redemption Reserves	IV	500.00	500.00
e) Retained Earnings	V	10,747.92	9,932.74
	Total	12,656.17	11,840.99

Refer Statement of Changes in Equity for additions / deletions in each reserve.

Notes :

- I. Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.
- II. Capital reserve represents reserve created pursuant to the business combinations.
- III. General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.
- IV. Capital redemption reserves represents created out of buyback or redemption of its own equity/preference shares, from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the shares bought back.
- V. Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to the shareholders.

Note No:- 1.15 Non - Current Provisions

Particulars	As at	
	March 31, 2019	March 31, 2018
Provision for Gratuity	4.22	3.45
Total	4.22	3.45

Refer to Note - 3.2 for detailed disclosure

Note 1.16 Deferred Tax Liabilities (net)

Particulars	As at	
	March 31, 2019	March 31, 2018
a) Deferred tax liabilities	67.34	60.93
b) Deferred tax (assets)	(1.42)	(1.26)
Total	65.92	59.67

Refer Note 3.1 for details of deferred tax liabilities and assets.

Note No:- 1.17 Other Non Current Liabilities

Particulars	As at	
	March 31, 2019	March 31, 2018
Other Payables		
Security Deposit From Tenants	13.40	13.40
Total	13.40	13.40

Note No:- 1.18 Current Financial Liabilities - Borrowings

Particulars	As at	
	March 31, 2019	March 31, 2018
Secured Borrowings		
1 Loan from banks (includes CC, OD etc.)	647.06	343.41
Total	647.06	343.41

Notes:

1. Details of the secured short-term borrowings:

Particulars	As at	
	March 31, 2019	March 31, 2018
Working Capital Loan from banks:		
a Punjab National Bank OD-376097	643.73	331.78
b Punjab National Bank OD	3.33	11.63
	647.06	343.41

2. Details of Security:

- a. Cash Credit facility from Punjab National Bank 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 & personal guarantee of the associated concern & relatives of the key management personnels.
- b. Bank overdraft facility from Punjab National Bank is secured by way of equitable mortgage of immovable property of the company & associated concern as collateral security & personal guarantee of the associated concern & relatives of the key management personnels.

Note No:- 1.19 Current Financial Liabilities - Trade Payables

Particulars	As at	
	March 31, 2019	March 31, 2018
– For Goods	8,328.45	30,703.64
– For Other Supplies	5.23	78.98
Total	8,333.68	30,782.62

Notes:

- Trade payables are recognized at their original invoiced amounts which represent their fair value on initial recognition. The trade payables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair values.
- The management is of the opinion that none of their suppliers constitute micro, small and medium enterprises as per Micro, Small & Medium Enterprises Development Act, 2006. Hence, no separate disclosure has been made.

Note No:- 1.20 Other Current Liabilities

Particulars	As at	
	March 31, 2019	March 31, 2018
a) Capital Overdrawn from Shree Balaji Associates	2,649.55	—
b) Brokerage Payable	160.17	—
c) Statutory dues payable	9.45	8.16
d) Expenses Payable	28.42	25.51
e) Margin money of customer	19.00	119.00
f) Advance from Customers	986.05	2,874.88
g) Advance against Proposed JV	121.33	121.33
Total	3,973.97	3,148.88

Note No:- 1.21 Provisions

Particulars	As at	
	March 31, 2019	March 31, 2018
Provision for Employee Benefits		
Salary & Incentives	11.01	7.37
Contribution to Provident Funds	1.60	1.03
ESIC Payable	0.83	0.42
Total	13.44	8.82

HARIYANA SHIP BREAKERS LIMITED

Note No:- 2.1 REVENUE FROM OPERATIONS

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
a) Sale of products		
- Manufactured	11,535.05	5,774.12
- Traded	26,194.58	9,942.89
Total	37,729.63	15,717.02

Note No:- 2.2 OTHER INCOME

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
a) Interest Income		
i. From Banks	59.46	40.96
ii. From Others	1,169.13	792.98
iii. FDR	0.30	—
iv. From Partnership Firm (Hariyana Air Product)	22.05	16.01
b) Income from Investments		
i. Share of Profit/ (Loss) from Partnership Firm	544.42	976.05
ii. Short Term Capital Gain on Mutual Fund (STT not paid)	238.14	224.45
c) Other Income :		
i. Rent & Compensation	38.31	36.43
ii. MTM Gain on Fair value of Mutual Fund/ Quoted Equity Shares (FVTPL)	—	0.69
iii. Foreign Exchange Gain (net)	5.56	—
iv. Other Income	2.26	0.03
Total	2,079.63	2,087.60

Note No:- 2.3 COST OF CONSUMPTION OF RAW MATERIALS

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Inventory at the Beginning of the Year	12,113.06	891.26
Add: Ship Purchase for Recycling	9,027.33	16,582.15
	21,140.40	17,473.41
Less: Inventory at the end of the Year	9,334.54	12,113.06
Cost of Consumption of Raw Materials	11,805.86	5,360.34

Note No:- 2.4 PURCHASE OF STOCK - IN - TRADE

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Purchases	10,108.59	23,404.46
Total	10,108.59	23,404.46

Note No:- 2.5 CHANGES IN INVENTORIES

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Inventory at the Beginning of the Year	14,859.03	971.45
Less : Inventory at the End of the Year	—	14,859.03
Total	14,859.03	(13,887.59)

Note No:- 2.6 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Salaries & Wages	202.48	144.12
Salary to Directors	17.40	3.15
Bonus Expenses	14.64	10.50
Contribution to Provident Funds	8.06	11.19
Contribution to ESIC	8.81	6.07
Staff Welfare Expenses	0.91	1.89
Gratuity Expenses	1.99	1.87
Total	254.28	178.79

Note No:- 2.7 FINANCE COSTS

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
a) Bank Charges		
Bank Commission & Charges	35.09	61.01
LC Charges	22.26	104.56
b) Interest Expenses		
Borrowing from Bank	4.16	3.01
Late payment of Statutory Dues	0.61	1.16
Others	-	86.30
LC Usance Interest	-	134.71
Shortfall in payment of advance Income Tax	15.68	-
Total	77.80	390.75

HARIYANA SHIP BREAKERS LIMITED

Note No:- 2.8 OTHER EXPENSES

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Gases & Carbide	148.62	86.54
Consumable Expenses	21.82	16.30
Plot Rent & Development Charges	25.54	25.18
Repair & Maintenance	3.51	2.63
Power & Fuel Expenses	6.04	5.33
Pollution Control Expenses	0.68	1.67
Other Manufacturing Expenses	7.97	0.15
Advertisements	0.73	0.46
Accounting Charges	3.90	3.90
Bad Debts written off*	565.51	643.34
Computer Charges	0.37	0.51
CSR Expenditure	16.18	19.00
Donation	0.72	0.77
Electricity Charges	1.59	0.89
Fees & Subscription	0.80	7.80
Foreign Currency Transaction Variation	520.84	189.89
Filing Fees	0.16	0.23
General Office Expenses	0.16	0.25
Insurance Expenses	11.67	5.14
Legal & Professional Expenses	32.64	48.07
Listing Fees	2.81	3.57
Loss on sale of assets	0.41	-
Other Expenses	0.95	1.26
Payment to Auditors	4.65	1.92
Postage & Courier	1.48	0.82
Printing & Stationery	1.57	0.85
Professional Tax	0.02	0.02
Rent, Rates & Taxes	2.51	7.51
Repairs and Maintenance Expenses	2.00	-
Society Maintenance & Repairs	2.56	2.13
Security Charges	0.47	1.04
Service Tax Expenses	-	1.35
Sundry Balances Written off	8.84	-
Supervision Charges	-	6.00
Telephone Expenses	1.54	1.66
Travelling Expenses	24.01	10.43
Vehicle Running & Maintenance	10.37	8.66
Warehousing Charges	56.27	41.00
Provision for Doubtful Debts	(0.44)	(2.30)
Brokerage & Commission Expenses	188.08	41.21
Total	1,677.57	1,185.21

*Management is of the opinion that brought forward business advances amounting to Rs.6,66,55,521/- due from Roxina Real Estate Private Limited and Business advances payable to Akshta Mercantile Private Limited amounting to Rs.1,00,00,000/- is no longer payable or receivable, hence the same were written off in the books of account. It includes other advances amounting Rs.1,04,140/- which are no longer receivable .

Note 3.1 : Income taxes**1) Components of Income tax expense**

The major component of Income tax expense for the year ended on March 31, 2019 and March 31, 2018 are as follows:

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Statement of Profit and Loss		
Current tax		
Current income tax	155.51	51.67
Adjustment of tax relating to earlier periods	—	—
Deferred tax		
Deferred tax expense	5.84	(7.82)
	161.34	43.84
Other comprehensive income		
Deferred tax on		
Net loss/(gain) on actuarial gains and losses	0.41	—
	0.41	—
Income tax expense as per the statement of profit and loss	161.75	43.84

2) Reconciliation of effective tax

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Profit before tax	975.71	1,024.81
Applicable Tax Rate	33.384%	34.608%
Tax expense / (benefit)	325.73	354.66
<i>Adjustments for:</i>		
Expenses not allowed as deduction	15.36	27.38
Deferred tax rate being different from current tax	-	(1.50)
Income being taxed at lower rate	(3.84)	(3.78)
Exempt Income	(181.75)	(337.79)
Provision for Gratuity and Doubtful Debts	(0.57)	(0.22)
Difference of Depreciation	6.40	5.10
Tax expense / (benefit)	161.34	43.84
Effective Tax Rate	16.54%	4.28%

3) Movement in Deferred Tax Assets and Liabilities

(i) For the year ended on March 31, 2018

Particulars	As at April 1, 2017	Credit/(charge) in the Statement of Profit and Loss in Income	Credit/(charge) Other Comprehensive	As at March 31, 2018
Deferred Tax Liabilities/ (Assets)				
Property, Plant and Equipment	68.98	(8.25)	-	60.73
Fair Value of financial instruments	-	0.20	-	0.20
Allowance for Doubtful Debts	(0.98)	0.73	-	(0.25)
Retirement Benefit Plans	(0.69)	(0.50)	0.19	(1.00)
	67.31	(7.82)	0.19	59.67

(ii) For the year ended on March 31, 2019

Particulars	As at April 1, 2018	Credit/(charge) in the Statement of Profit and Loss in Income	Credit/(charge) Other Comprehensive	As at March 31, 2019
Deferred Tax Liabilities/ (Assets)				
Property, Plant and Equipment	60.73	6.40	-	67.14
Fair Value of financial instrument	0.20	-	-	0.20
Allowance for Doubtful Debts	(0.25)	0.14	-	(0.11)
Retirement Benefit Plans	(1.00)	(0.71)	0.41	(1.30)
	59.67	5.84	0.41	65.92

4) Current tax assets and liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current tax assets	—	—
Current tax liabilities	160.86	41.94

Note 3.2 : Employee benefits

A. Defined contribution plans:

Eligible employees of the Company are entitled to receive benefits in respect of provident fund, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions are made to the provident fund as set up by Government.

Amount of Rs. 16.87 Lakhs (FY 2017-18 : Rs. 17.26 Lakhs) is recognised as expenses and included in Note 2.6 "Employee benefit expense".

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Provident fund	8.06	11.19
ESIC	8.81	6.07
	16.87	17.26

B. Defined benefit plans:

The Company has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for payment to vested employees at retirement, death while in employment or on termination of employment in accordance with the scheme of the company. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

1. The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate (per annum)	7.70%	7.80%
Expected rate of salary increase	10% for first three years and 7% thereafter	10% for first three years and 7% thereafter
Attrition rate	Up to 30 Years - 3% 31-44 Years - 2% Above 44 Years - 1%	Up to 30 Years - 3% 31-44 Years - 2% Above 44 Years - 1%
Mortality rate during employment (% of IALM 06-08)	100%	100%

2. Movements in present value of obligation and plan assets

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Opening defined benefit obligation	3.45	2.23
Current service cost	1.72	1.70
Interest cost	0.27	0.17
Actuarial (gain)/loss arising from changes in financial assumptions (0.09)		0.15
Actuarial (gain)/loss arising from experience adjustments	(1.37)	(0.56)
Closing defined benefit obligation	4.22	3.45

3. Amounts recognised in other comprehensive income in respect of these defined benefit plans are as follows:

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Remeasurement on the net defined benefit liability comprising:		
- Actuarial (gain)/loss arising from changes in financial assumptions	0.15	(0.09)
- Actuarial (gain)/loss arising from experience adjustments	(1.37)	(0.56)
Components of defined benefit costs recognised in other comprehensive income	(1.22)	(0.65)

4. Sensitivity analysis of significant assumptions are as follows:

Particulars	Sensitivity level	Defined benefit obligation	
		March 31, 2019	March 31, 2018
Defined benefit obligation (Base)		4.22	3.45
Discount Rate	1% increase	3.69	2.95
	1% decrease	4.86	4.07
Salary Growth Rate	1% increase	4.86	4.07
	1% decrease	3.68	2.95
Attrition Rate	1% increase	4.19	3.43
	1% decrease	4.24	3.46
Mortality Rate	1% increase	4.22	3.45
	1% decrease	4.21	3.45

5. The followings are the expected cash flows for the defined benefit obligation (based on undiscounted value) :

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Gratuity		
Within the next 12 months (next annual reporting period)	0.59	0.46
Between 2 and 5 years	0.33	0.29
Beyond 5 years	15.06	16.55
Total expected payments	15.98	17.30

6. Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Weighted average duration	14 Years	17 Years

C. Other Long term employee benefit plans

Company does not have any other Long term employee benefit plans for the aforesaid period.

Note 3.3 : Earnings per Share (EPS)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Earning per share		
- Basic	13.22	15.91
- Diluted	13.22	15.91
Face value per share	10	10
Basic & Diluted EPS		
Profit for the year attributable to equity shareholders	815.18	981.42
Weighted average number of equity shares used in the calculation of earnings per share	61.67	61.67

Note 3.4 : Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise return to stakeholders through the optimisation of the debt and equity balance.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes, within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

Particulars	As at	
	March 31, 2019	March 31, 2018
Borrowings	647.06	343.41
Trade Payables	8,333.68	30,782.62
Less: cash and cash equivalent	64.82	4,459.30
Net debt	8,915.92	26,666.73
Equity share capital	616.67	616.67
Other equity	12,656.17	11,840.99
Total capital	13,272.84	12,457.66
Capital and net debt	22,188.75	39,124.39
Gearing ratio (%)	40%	68%

Note 3.5 : Financial risk management

In course of its business, the Company is exposed to certain financial risks that could have significant influence on the Company's business and operational/ financial performance. These include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings. In line with the overall risk management framework and policies, the management monitors and manages risk exposure through an analysis of degree and magnitude of risks.

Market Risk

Market risk is the risk that changes in market prices, liquidity and other factors that could have an adverse effect on realizable fair values or future cash flows to the Company. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy.

The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Change in basis points	Effect on profit before tax
March 31, 2019		
Rupee borrowings	+50	(4.32)
	-50	4.32
March 31, 2018		
Rupee borrowings	+50	(0.87)
	-50	0.87

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

Foreign currency risk

The Company undertakes transactions denominated in foreign currencies and thus it is exposed to exchange rate fluctuations. The Company actively manages its currency rate exposures, arising from transactions entered and denominated in foreign currencies, through a centralised treasury division and uses derivative instruments such as foreign currency forward contracts to mitigate the risks from such exposures. The company does not use derivative instruments to hedge risk exposure.

Given below is the foreign currency exposure arising from the non derivative financial instruments:

Particulars	Foreign Currency Amount		Reporting Currency Amount (Rupees)	
	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Accounts Payable				
USD	120.04	472.45	8,328.45	30,703.64

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Change in USD rate	Effect on profit before tax
March 31, 2019	5%	(416.42)
	-5%	416.42
March 31, 2018	5%	(1,535.18)
	-5%	1,535.18

Equity price risk

The Company's investments in various mutual funds are susceptible to equity price risk arising from the uncertainty about future values / future NAV values of such mutual funds. The Company manages such risk through diversification of such investments. Reports on the the investment portfolio are submitted to the Company's senior management on a regular basis that helps the senior management to take investment decisions. The equity shares held by company are not for trading purposes.

Sensitivity impact

Particulars	Change in NSE/BSE index	Effect on profit before tax
March 31, 2019		
Investment in mutual funds	10%	—
	-10%	—
March 31, 2018		
Investment in mutual funds	10%	8.07
	-10%	(8.07)

Credit Risk

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

Trade receivables

Customer credit risk is managed by the Company's internal policies, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on market feedback and credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in independent markets.

Trade receivables are non-interest bearing and are generally on 14 days to 90 days credit term. Credit limits are established for all customers based on internal rating criteria. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

Liquidity Risk

The Company monitors its risk of shortage of funds through using a liquidity planning process that encompasses an analysis of projected cash inflow and outflow.

The Company's objective is to maintain a balance between continuity of funding and flexibility largely through cashflow generation from its operating activities and the use of bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile remaining contractual maturity period at the balance sheet date for its financial liabilities based on the undiscounted cash flows.

HARIYANA SHIP BREAKERS LIMITED

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
As at year ended						
March 31, 2019						
Borrowings	647.06	—	—	—	—	647.06
Trade & other payables	—	5.23	8,328.45	—	—	8,333.68
March 31, 2018						
Borrowings	343.41	—	—	—	—	343.41
Trade & other payables	—	78.98	30,703.64	—	—	30,782.62

Note 3.6 : Categories of Financial assets and liabilities:

Particulars	As at	
	March 31, 2019	March 31, 2018
Financial Assets		
a. Measured at cost:		
Investments		
- Partnership Firms	13,077.89	10,626.84
- Equity Shares (Unquoted)	0.00	0.00
b. Measured at amortised cost:		
Cash & cash equivalents (including other bank balances)	64.82	4,459.30
Trade receivables	9.41	16.89
Loans	1,319.00	1,985.57
Others	29.17	28.97
c. Mandatorily measured at fair value through profit or loss (FVTPL) / other comprehensive income (OCI):		
Investments		
- Equity shares (Quoted)	0.00	0.00
- Mutual Funds	—	80.69
Financial Liabilities		
a. Measured at amortised cost:		
Borrowings	647.06	343.41
Trade payables	8,333.68	30,782.62

Note 3.7 : Fair value measurements:

Except for the following, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the standalone financial statements approximate their fair values:

(A) Quantitative disclosures fair value measurement hierarchy for assets :

Particulars	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
March 31, 2019				
Assets measured at fair value				
FVTPL investments				
Equity shares - Quoted	0.00	—	—	0.00
Mutual Funds - Quoted	—	—	—	—
Assets disclosed at fair value				
Investment properties	—	—	249.85	249.85
March 31, 2018				
Assets measured at fair value				
FVTPL investments				
Equity shares - Quoted	0.00	—	—	0.00
Mutual Funds - Quoted	80.69	—	—	80.69
Assets disclosed at fair value				
Investment properties	—	—	257.02	257.02

(B) Quantitative disclosures fair value measurement hierarchy for liabilities :

Company does not have any financial liability which is measured either at Fair value through profit and loss account or measured at Fair value through other comprehensive income.

Note 3.8 : Segment information

The Company has presented segment information in the consolidated financial statements which are presented in this same annual report. Accordingly, in terms of Ind AS 108 'Operating segments', no disclosures relating to segments are presented in these standalone financial statements.

Note 3.9: Related Party transactions

Related party disclosures, as required by Ind AS 24, "Related Party Disclosures", are given below.

(A) Particulars of related parties and nature of relationships

A. Companies over which Key Management Personnel and their relatives are able to exercise significant influence

1. Orchid Lakeview Developers
2. Swastik Developers
3. White Mountain
4. Whitefield Projects
5. Goyal and Company (Construction) Pvt. Ltd.
6. Goyal Hariyana Realty
7. Shree Balaji Associates
8. Goyal Hariyana Construction
9. Inducto Steel Limited

B. Key Management Personnel

Managing Director

1. Rakesh Reniwal

Executive directors

2. Shanti Sarup Reniwal
3. Unnati Reniwal

Non Executive directors

4. Rajeev Reniwal

Company Secretary

5. Swati Chauhan

(B) Related party transactions and balances

The details of material transactions and balances with related parties (including those pertaining to discontinued operations) are given below:

a) Transactions during the year	Year ended	
	March 31, 2019	March 31, 2018
Sales and other operating income		
(i) Sales		
Hariyana Air Product	-	596.33
Inducto Steel Limited	4,242.11	-
	4,242.11	596.33
(ii) Other operating income / Other income		
Interest Income		
White Mountain	268.77	263.04
Orchid Lakeview Developers	193.61	148.11
Swastik Developers	64.61	57.68
Goyal Hariyana Realty	641.31	303.10
Goyal Hariyana Construction	-	18.65
Hariyana Air Products	22.05	16.01
	1,190.33	806.59
<u>Share of Profit/(Loss) from the firms</u>		
Orchid Lakeview Developers	289.02	523.93
Shree Balaji Associates	(0.01)	(8.59)
Goyal Hariyana Realty	57.75	154.21
White Mountain	142.95	190.84
Hariyana Air Products	54.71	115.66
	544.42	976.05
<u>Purchases</u>		
<u>Oxygen Gas Purchases</u>		
Hariyana Air Products	45.98	1.15
	45.98	1.15
<u>Interest paid</u>		
Shree Balaji & Associates	-	27.33
Tanmay Trilokchand Agarwal	-	5.48
Shivshankar Agarwal	-	5.16
Sandeep Agarwal	-	5.10
	-	43.07
<u>Remuneration Paid</u>		
Swati Chouhan	5.50	4.40
Rakesh Reniwal	12.00	3.15
Unnati Reniwal	5.40	-
	22.90	7.55

HARIYANA SHIP BREAKERS LIMITED

<u>Advances granted during the period</u>		
Goyal and Company (Construction) Pvt. Ltd.	-	125.00
	-	125.00
<u>Advances repaid during the period</u>		
Goyal and Company (Construction) Pvt. Ltd.	-	3.67
Tanmay Trilokchand Agarwal	-	237.13
Shivshankar Agarwal	-	237.19
Sandeep Agarwal	-	237.13
	-	715.12
<u>Investment in Partnership Firms</u>		
<u>Capital Introduced</u>		
Orchid Lakeview Developers	-	80.00
Shree Balaji Associates	29,118.50	30,905.23
White Mountain	-	1,180.00
Goyal Hariyana Realty	2,855.00	3,170.00
Hariyana Air Products	133.45	130.32
	32,106.95	35,465.56
<u>Capital Withdrawn</u>		
Orchid Lakeview Developers	105.00	2,025.00
Shree Balaji Associates	33,070.00	30,168.50
Goyal Hariyana Construction	-	485.40
Goyal Hariyana Realty	504.00	80.00
White Mountain	150.00	500.00
Hariyana Air Products	211.21	282.60
	34,040.21	33,541.50
b) Balances at the end of the year		
	As at	
	March 31, 2019	March 31, 2018
<u>Advance Received</u>		
Goyal and Company (Construction) Pvt. Ltd.	121.33	121.33
	121.33	121.33
<u>Investments Balance at the end of the period</u>		
<u>- In Fixed Capital</u>		
Orchid Lakeview Developers	1.00	1.00
White Mountain	0.25	0.25
Shree Balaji Associates	0.25	0.25
Goyal Hariyana Realty	0.50	0.50
<u>- In Current Capital</u>		
Whitefield Projects	4.20	4.20
Swastik Developers	602.99	538.39
Orchid Lakeview Developers	1,995.62	1,617.99
White Mountain	2,626.08	2,364.36
Goyal Hariyana Realty	7,656.41	4,606.36
Shree Balaji Associates	(2,649.55)	1,301.96
Hariyan Air Products	190.58	191.58
	10,428.34	10,626.84

Note 3.10 : Contingent Liabilities

Particulars	As at	
	March 31, 2019	March 31, 2018
To the extent not acknowledged as debts :		
a. Disputed demand under :		
(i) Income tax	200.58	200.58

Notes:

- The company do not anticipate any liability on account of counter guarantees given to bank for various loan facility availed by associated concerns.
- The company does not anticipate any liability except above on account of pending income tax and sales tax assessments.

Note 3.11 : Leases

The Company has entered into agreements for taking on lease and license basis office/ godown premises including furniture and fittings therein, as applicable, for a period of 60 years. The specified disclosure in respect of these agreements is given below:

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Lease payments recognized in the statement of profit and loss	0.16	0.12

Note 3.12 : Other Information (including foreign currency transactions)

(Amt. in INR)

Particulars	Year ended	
	March 31, 2019	March 31, 2018
1. Information regarding Imports (CIF)		
a) Raw materials and components	8,720.99	16,020.79
b) Traded Goods	9,981.57	21,801.45
	18,702.56	37,822.24
2. Auditors' remuneration		
Included under Other Expenses		
i) For financial audit	2.90	1.74
ii) For taxation matters	0.25	0.18
iii) For other services - review of accounts, certification work, etc.	1.50	-
	4.65	1.92

Note 3.13 : Expenditure for corporate social responsibility

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Gross amount required to be spent by the company during the year as per Section 135 of the Companies Act, 2013 read with schedule VII	16.18	18.73
Amount spent during the year on :		
(a) Construction / Acquisition of any asset	-	
(b) On Purpose other than (a) above	16.18	19.00
(c) Non utilized amount		-

Notes:

1. Above includes a contribution of Rs.16.18 Lakhs (FY 2017-18 Rs.10 Lakhs) to Sau Mathurabai Bhausahab Thorat Sevabhavi is registered trust under section 80G(5)(vi) of the Income Tax Act, 1961 for running charitable hospital in the Taluka of Igatpuri in Nashik District and Rs. Nil (FY 2017-18 Rs. 9.00 Lakhs) to Priyadarshani Foundation is registered trust under section 80G(5)(vi) of the Income Tax Act, 1961 for quality education to tribal children in the taluka of Igatpuri in Nashik District.
2. The Company does not carry any provisions for Corporate Social Responsibility expenses for current year and previous year.

Note 3.14 : Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

The management is of the opinion that none of their suppliers constitute micro, small and medium enterprises as per Micro, Small & Medium Enterprises Development Act, 2006. Hence, no separate disclosure has been made.

Note 3.15 : Other Notes

- i) The figures for the previous year have been reclassified/ regrouped wherever necessary for better understanding and comparability.
- ii) The Balance of Sundry Creditors, Sundry Debtors, Loans & Advances are unsecured, considered goods and subject to confirmation.

As per our report of even date

For **Lahoti Navneet & Co.**
Chartered Accountants
FRN : 116870W

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

For and on behalf of the Board
Hariyana Ship Breakers Limited

Sd/-
CA Sanjay Soni
Partner
Membership No. 114835

Sd/-
CA Prem Goplani
Partner
Membership No. 103765

Sd/-
Shantisarup Reniwal
Director
DIN: 00040355

Sd/-
Rakesh Reniwal
Director
DIN: 00029332

Sd/-
Kirti Desai
Chief Financial Officer

Place : Mumbai
Date : May 30, 2019

Place : Mumbai
Date : May 30, 2019

Lahoti Navneet & Co.

Chartered Accountants
516, Summit Business Bay, Opp. Cinemax,
Chakala, Andheri (E), Mumbai-400093

P. D. Goplani & Associates

Chartered Accountants
A/104-105, Leela Efcce, Waghawadi Road,
Bhavnagar – 364002

INDEPENDENT AUDITOR'S REPORT

To

The members of **Hariyana Ship Breakers Limited**

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **Hariyana Ship Breakers Limited**, (hereinafter referred to as 'the Company') its one subsidiary and six associates (refer Note 3.11 to the attached consolidated Ind AS financial statements) (the company, its subsidiary and associates together referred to as 'the group'), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit And Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the Consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group as at March 31, 2019, and consolidated total comprehensive income (comprising of profit and consolidated other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their report referred to in Other Matters below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p><u>Evaluation of uncertain tax positions</u> The Company has material uncertain tax positions including matters under dispute which involves significant judgment to determine the possible outcome of these disputes.</p>	<p><u>Principal Audit Procedures</u></p> <ul style="list-style-type: none"> - Obtained details of completed tax assessments and demands for the year ended March 31, 2019 from management. - Obtained understanding of key uncertain tax positions. - Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions. - Assessed management's estimates of the possible outcome of the disputed cases.

Information Other than the Consolidated Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed and the reports of other auditors furnished to us (refer Other Matters paragraph below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and those charged with governance for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for preparation and presentation of these consolidated Ind AS financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. The Board of Directors of the Company and management of its subsidiary and associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 consolidated Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Board of Directors of the company as aforesaid.

In preparing the consolidated Ind AS financial statements, the Board of Directors of the company and management of its subsidiary and associates are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Company and management of its subsidiary and associates are also responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company, its subsidiary and associates have adequate internal financial controls with reference to consolidated Ind AS financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding financial information of the entities or business activities of the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the company included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most

significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 486.91 Lakhs for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of five associates, whose financial statements/ financial information have been audited by the other auditors whose reports have been furnished to us by the Management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid associates are based solely on the reports of the other auditors.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with regard to our reliance on the work done and the reports of the other auditors and the Ind AS financial statements/ financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on the financial statements/ financial information of the associates of the company referred to above in sub-paragraph of the Other Matters paragraph above, we report, to the extent applicable, 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 of the aforesaid consolidated Ind AS financial statements;
 - b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and report of the other auditors referred in Other Matters paragraph above;
 - c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated Ind AS financial statements and the financial information of the associates of the Company;
 - d. in our opinion, and based on the consideration of the report of the other auditors referred to in Other Matters paragraph above, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act;
 - e. on the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors of the Company, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f. with respect to the adequacy of the internal financial controls with reference to the financial statements of the Company, its subsidiary and its associates and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" to this report; and
 - g. 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 consolidated Ind AS financial statements disclose the impact, if any, of pending litigations as on March 31, 2019 which could materially impact on its consolidated financial statements – Refer Note 3.12 of consolidated Ind AS financial statements.

- ii. the Company has made provisions wherever applicable for material foreseeable losses, if any on long term contracts. The company did not have any long term derivative contracts as at March 31, 2019.
- iii. there has been no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For Lahoti Navneet & Co.
Chartered Accountants
FRN : 116870W

Sd/-
CA Sanjay Soni
Partner
M. No. 114835

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

Sd/-
CA Prem Goplani
Partner
M. No. 103765

Place : Mumbai
Date : May 30, 2019

Annexure A to the Independent 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")

In conjunction with our audit of the Consolidated Ind AS financial statements of the company as of and for the year ended March 31, 2019, we have audited, the internal financial controls over financial reporting of **Hariyana Ship Breakers Limited** (hereinafter referred to as 'the Company'), its subsidiary and associates. Reporting under clause (i) of sub-section 3 of section 143 of the Act in respect of adequacy of internal financial controls with reference to financial statements is not applicable to subsidiary namely Hariyana Air Products, and five associates namely Goyal Hariyana Realty, Orchid Lakeview Developers, White Mountain, Whitefield Projects and Swastik Developers, pursuant to MCA notification.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the company 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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") issued by the Institute of Chartered Accountant of India 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. 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements 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 with reference to financial statements 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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.

For Lahoti Navneet & Co.
Chartered Accountants
FRN : 116870W

Sd/-
CA Sanjay Soni
Partner
M. No. 114835

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

Sd/-
CA Prem Goplani
Partner
M. No. 103765

Place : Mumbai
Date : May 30, 2019

HARIYANA SHIP BREAKERS LIMITED

Consolidated Balance Sheet as at March 31, 2019

(in lakhs)

Particulars	Note No.	Year ended March 31, 2019	Year ended March 31, 2018
ASSETS			
Non-Current Assets			
Property, Plant And Equipment	1.1	831.55	809.87
Capital Work - in - Progress	1.2	69.60	8.77
Investment Property	1.3	249.85	257.02
Other Intangible Assets	1.4	0.31	0.70
Financial Assets			
(i) Investments	1.5	12,901.20	10,532.65
Other Non Current Asset	1.6	112.15	187.27
		14,164.67	11,796.29
Current Assets			
Inventories	1.7	9,334.54	26,972.10
Financial Assets			
(i) Trade Receivable	1.8	9.41	16.89
(ii) Cash And Cash Equivalents	1.9	73.23	4,463.73
(iii) Loans	1.10	1,409.03	1,985.57
(iv) Other Financial Assets	1.11	29.17	38.53
Other Current Assets	1.12	1,602.10	1,730.03
		12,457.47	35,206.84
Total Assets		26,622.14	47,003.13
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	1.13	616.67	616.67
Other Equity	1.14	12,744.25	11,938.44
Equity attributable to owners of the Company		13,360.92	12,555.11
Non controlling interest		14.30	10.95
		13,375.22	12,566.06
Non-Current Liabilities			
Provisions	1.15	4.22	3.45
Deferred Tax Liabilities (Net)	1.16	95.18	92.40
Other Non Current Liabilities	1.17	13.40	13.40
		112.80	109.25
Current Liabilities			
Financial Liabilities			
(i) Borrowings	1.18	647.06	343.41
(ii) Trade Payables	1.19	8,333.71	30,782.62
Other Current Liabilities	1.20	3,977.23	3,151.03
Provisions	1.21	15.26	8.82
Current Tax Liabilities (Net)		160.86	41.94
		13,134.12	34,327.82
Total Equity and Liabilities		26,622.14	47,003.13

The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date

For **Lahoti Navneet & Co.**
Chartered Accountants
FRN : 116870W

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

For and on behalf of the Board
Haryana Ship Breakers Limited

Sd/-
CA Sanjay Soni
Partner
Membership No. 114835

Sd/-
CA Prem Goplani
Partner
Membership No. 103765

Sd/-
Shantisarup Reniwal
Director
DIN: 00040355

Sd/-
Rakesh Reniwal
Director
DIN: 00029332

Sd/-
Kirti Desai
Chief Financial Officer

Place : Mumbai
Date : May 30, 2019

Place : Mumbai
Date : May 30, 2019

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

(in lakhs)

Particulars	Note No.	Year ended	
		March 31, 2019	March 31, 2018
Income			
Revenue from operations	2.1	39,031.93	16,803.45
Other Income	2.2	1,514.12	1,094.27
Total Income		40,546.05	17,897.72
Expenses			
Cost of raw materials consumed	2.3	11,805.86	5,360.34
Purchase of Stock-in-trade	2.4	11,202.82	24,221.09
Changes in the inventories of Finished Goods, Stock In Trade and Work - In Progress	2.5	14,859.03	(13,887.59)
Employee benefits expense	2.6	275.71	198.07
Excise Duty		-	102.52
Finance costs	2.7	78.66	390.84
Depreciation and amortisation expense	1.1, 1.3, 1.4	70.68	61.48
Other Expenses	2.8	1,774.77	1,293.25
Total expenses		40,067.54	17,740.00
Profit before tax		478.51	157.72
Exceptional Items		-	-
Profit before tax		478.51	157.72
Tax Expenses :			
Current Tax		3.1	155.51
51.67			
Deferred Tax		2.38	(10.51)
		157.88	41.16
Profit/(loss) after tax but before share of profit/ (loss) from associates		320.63	116.56
Share of profit/ (loss) from associates		486.91	865.82
Profit for the year		807.53	982.38
Other comprehensive income			
(i) Items that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans		1.22	0.65
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		(0.41)	(0.19)
Total other comprehensive income		0.81	0.46
Total comprehensive income for the year		808.34	982.84
Total comprehensive income for the year attributable to :			
- Owners of the Company		805.81	976.83
- Non controlling interest		2.53	6.01
Earning per equity share [face value Rs.10/- each]			
Basic		13.11	15.94
Diluted		13.11	15.94

(Refer Note 3.3)

The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date

For **Lahoti Navneet & Co.**
Chartered Accountants
FRN : 116870W

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

For and on behalf of the Board
Hariyana Ship Breakers Limited

Sd/-
CA Sanjay Soni
Partner
Membership No. 114835

Sd/-
CA Prem Goplani
Partner
Membership No. 103765

Sd/-
Shantisarup Reniwal
Director
DIN: 00040355

Sd/-
Rakesh Reniwal
Director
DIN: 00029332

Sd/-
Kirti Desai
Chief Financial Officer

Place : Mumbai
Date : May 30, 2019

Place : Mumbai
Date : May 30, 2019

HARIYANA SHIP BREAKERS LIMITED

Consolidated statement of Cash flow for the year ended on March 31, 2019

(in lakhs)

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Cash flow from operating activities		
Profit before tax	478.51	157.72
Adjustment for :		
Depreciation and amortisation expense	70.68	61.48
Finance cost	78.66	390.84
Interest income	(1,229.85)	(836.78)
Bad debts	565.51	643.34
Provision for doubtful debts	(0.44)	(2.30)
Gain on sale of units of Mutual Funds	(238.14)	(224.45)
Share of profit/ (loss) from associates	486.91	865.82
Other comprehensive income	1.22	0.65
(Profit)/ Loss from partnership firms	0.01	8.59
Operating profit before working capital changes	213.06	1,064.91
Adjustments for working capital changes:		
Decrease / (Increase) in Trade and other receivables	220.33	826.69
Decrease / (Increase) in Inventories	17,637.56	(25,109.39)
(Decrease) / Increase in Trade and other payables	(21,496.57)	24,463.52
Cash generated/ (used) in operations	(3,425.62)	1,245.72
Extraordinary item	—	—
Direct taxes paid	(155.51)	(51.67)
Net Cash generated from/(used in) operating activities [A]	(3,581.13)	1,194.05
Cash Flow from investing activities		
Purchase of fixed assets	(149.72)	(59.64)
Proceeds from sale of fixed assets	4.10	5.81
(Purchase) / Proceeds of non - current investments (Net)	(2,368.55)	(3,777.50)
Proceeds/ Repayment of current loans, net	11.02	6,890.79
Gain on sale of units of Mutual Funds	238.14	224.45
(Profit)/ Loss from partnership firms	(0.01)	(8.59)
Interest received	1,229.85	836.78
Net cash generated from/(used in) investing activities [B]	(1,035.17)	4,112.11
Cash flow from financing activities		
Proceeds from long term borrowings, net	—	(697.62)
Proceeds from short term borrowings, net	303.65	188.55
Change in non controlling interest	0.81	0.05
Finance cost	(78.66)	(390.84)
Net cash generated from/(used in) financing activities [C]	225.80	(899.87)
Net increase/(decrease) in cash & cash equivalents [A+B+C]	(4,390.49)	4,406.30
Cash & cash equivalents at the beginning of the year	4,463.73	57.43
Cash & cash equivalents at the end of the year	73.23	4,463.73

Notes :

- The above cashflow statement has been prepared under the 'indirect method' as set out in the Indian Accounting Standard - 7 "Statement of Cash Flows".
- Figures of previous year have been regrouped, wherever necessary, to make them comparable.

The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date

For **Lahoti Navneet & Co.**
Chartered Accountants
FRN : 116870W

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

For and on behalf of the Board
Haryana Ship Breakers Limited

Sd/-
CA Sanjay Soni
Partner
Membership No. 114835

Sd/-
CA Prem Goplani
Partner
Membership No. 103765

Sd/-
Shantisarup Reniwal
Director
DIN: 00040355

Sd/-
Rakesh Reniwal
Director
DIN: 00029332

Sd/-
Kirti Desai
Chief Financial Officer

Place : Mumbai
Date : May 30, 2019

Place : Mumbai
Date : May 30, 2019

Statement of Changes in Equity for the year ended March 31, 2019

A) Equity Share Capital

Particulars	Amount
Balance as at April 1, 2017	616.67
Changes in Equity share capital during the year	-
Balance as at March 31, 2018	616.67
Balance as at April 1, 2018	616.67
Changes in Equity share capital during the year	-
Balance as at March 31, 2019	616.67

B) Other Equity

Particulars	Attributable to the equity holders of the Company					
	Reserve and Surplus					Total
	Securities Premium	Capital Reserves	General Reserves	Capital Redemption Reserves	Retained Earnings	
Balance as at 1st April, 2017	140.38	893.61	374.25	500.00	9,053.36	10,961.61
Additions during the year:						
Profit for the year	-	-	-	-	976.37	976.37
Items of OCI for the year, net of tax-						
Remeasurement benefit of defined benefit plans (net of taxes)	-	-	-	-	0.46	0.46
Balance as at 31st March, 2018	140.38	893.61	374.25	500.00	10,030.19	11,938.44
Balance as at 1st April, 2018	140.38	893.61	374.25	500.00	10,030.19	11,938.44
Additions during the year:						
Profit for the year	-	-	-	-	805.00	805.00
Items of OCI for the year, net of tax-						
Remeasurement benefit of defined benefit plans (net of taxes)	-	-	-	-	0.81	0.81
Balance as at 31st March, 2019	140.38	893.61	374.25	500.00	10,836.00	12,744.25

The accompanying notes are an integral part of the Standalone financial statements

As per our report of even date

For **Lahoti Navneet & Co.**
Chartered Accountants
FRN : 116870W

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

For and on behalf of the Board
Hariyana Ship Breakers Limited

Sd/-
CA Sanjay Soni
Partner
Membership No. 114835

Sd/-
CA Prem Goplani
Partner
Membership No. 103765

Sd/-
Shantisarup Reniwal
Director
DIN: 00040355

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Rakesh Reniwal
Director
DIN: 00029332

Sd/-
Kirti Desai
Chief Financial Officer

Place: Mumbai
Date : May 30, 2019

Place : Mumbai
Date : May 30, 2019

Notes to the consolidated Financial Statements

Note 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.

The standalone financial statements were authorised for issue in accordance with a resolution of the directors on May 30, 2019.

Note 2 : Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015.

The standalone financial statements have been prepared on a historical cost basis, on the accrual basis of accounting except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Note 3 : Significant accounting policies and key accounting estimates

(A) Significant accounting policies

1 Current / non-current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification. An asset is treated as current when it is:

- a) expected to be realised or intended to be sold or consumed in normal operating cycle;
- b) held primarily for the purpose of trading;
- c) expected to be realised within twelve months after the reporting period; or
- d) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when it is:

- a) expected to be settled in normal operating cycle;
- b) held primarily for the purpose of trading;
- c) due to be settled within twelve months after the reporting period; or
- d) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets/materials for processing and their realisation in cash and cash equivalents. As the Company's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

2 Foreign currencies

The Company's standalone financial statements are prepared in Indian Rupee ("Rupee") which is also the Company's functional currency.

Transactions and balances

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing at the time of the transaction, i.e. spot rate.

Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

3 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a) In the principal market for the asset or liability, or
- b) In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved, wherever required, for valuation of significant assets, such as properties, unquoted financial assets and significant liabilities. Involvement of external valuers is decided upon by the Company after discussion with and approval by the Company's management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Company, after discussions with its external valuers, determines which valuation techniques and inputs to use for each case.

At each reporting date, the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the Company verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents. The Company also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value measurement. Other fair value related disclosures are given in the relevant notes.

4 Property, plant and equipment

All the items of property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

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

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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

5 Leases

The determination of whether an arrangement is (or contains) a lease or not is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. The Company does not have any arrangement during or at the reporting period that can be classified as finance lease.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term except in the case where incremental lease reflects inflationary effect in which case, lease expense is accounted by actual rent for the period.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

6 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

7 Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

8 Intangible assets

Intangible assets acquired separately are measured, on initial recognition, at cost. Following the initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The amortisation expense on intangible assets is recognised in the statement of profit and loss.

Intangible assets are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

9 Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is any indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's

(CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Company bases its impairment calculation on detailed budgets and forecast calculations.

Impairment losses are recognised in the statement of profit or loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses on assets no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

10 Revenue recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Based on Ind AS 18 issued by the ICAI, the Company has assumed that recovery of excise duty flows to the Company on its own account. This is for the reason that it is a liability of the manufacturer which forms part of the cost of production, irrespective of whether the goods are sold or not. Since the recovery of excise duty flows to the Company on its own account, revenue includes excise duty.

However, sales tax/ value added tax (VAT) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of products

Revenue from the sale of products is recognised when the significant risks and rewards of ownership of the products have passed to the buyer, usually on delivery of the products. Revenue from the sale of products is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

Rendering of services

The Company is providing management consulting towards various operational and strategic activities and certain other shared services to some of its subsidiaries. Income from such management consultancy and shared

services are recognised in the statement of profit and loss in which such services are rendered.

Interest income

For all financial assets measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in 'Other Income' in the statement of profit and loss.

Dividends

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

11 Financial instruments

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

Financial assets

Initial recognition and measurement

All financial assets, except investment in subsidiaries and associate, are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Investments in subsidiaries and associate are carried at cost as per Ind AS 27 'Separate Financial Statements'. In case, the investments are classified as held for sale, such investments are accounted for in accordance with Ind AS 105 'Non-current Assets Held for Sale and Discontinued Operations'.

Subsequent measurement

For purposes of subsequent measurement, financial assets are primarily classified in three categories:

- a) Debt instruments at amortised cost;
- b) Debt instruments at fair value through other comprehensive income (FVTOCI); and
- c) Other financial instruments measured at fair value through profit or loss (FVTPL).

a) Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss. This category generally applies to trade and other receivables.

b) Debt instruments at fair value through other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met: i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognises interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

c) Other financial instruments measured at fair value through profit and loss (FVTPL)

Any financial asset that does not qualify for amortised cost measurement or measurement at FVTOCI must be measured subsequent to initial recognition at FVTPL.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when the rights to receive cash flows from the asset have expired.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance;
- b) Financial assets that are debt instruments and are measured as at FVTOCI;
- c) Lease receivables under Ind AS 17; and
- d) Financial guarantee contracts which are not measured as at FVTPL.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that

there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or as those measured at amortised cost.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a) **Financial liabilities at fair value through profit or loss**

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

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to the statement of profit & loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

b) **Financial liabilities at amortised cost**

Financial liabilities at amortised cost include loans and borrowings and payables.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Derecognition

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

12 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

13 Taxes

Current taxes

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. The management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred taxes

Deferred tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

14 Employee benefits

Retirement benefit in the form of contribution to provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company's liabilities towards gratuity and leave encashment payable to its employees are determined using the projected unit credit method which considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Remeasurements, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of: a) The date of the plan amendment or curtailment, and b) The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the standalone statement of profit and loss:

- a) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- b) Net interest expense or income.

15 Earnings Per Share

The basic earnings per share is computed by dividing the net profit attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing dilutive earnings per share, only potential equity shares that are dilutive and that would, if issued, either reduce future earnings per share or increase loss per share, are included.

16 Provisions & contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability arises when the Company has:

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- b) a present obligation that arises from past events but is not recognised because:
 - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recorded in the financial statement but, rather, are disclosed in the note to the financial statements.

(B) Key accounting estimates

1 Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value are measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments - Refer note 3.7 for detailed disclosure.

2 Defined benefit plan

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

The parameter that is subject to change the most is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases are after considering the expected future inflation rates for the country.

Refer to Note 3.2 for further details.

3 Property, Plant and Equipment

Refer to Note 6 for the estimation of useful life of Property, Plant and Equipment. The carrying values of Property, plant and equipment have been disclosed in Note 1.1.

4 Allowance for doubtful trade receivables

Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Estimated irrecoverable amounts are derived based on a provision matrix which takes into account various factors such as customer specific risks, geographical region, product type, currency fluctuation risk, repatriation policy of the country, country specific economic risks, customer rating, and type of customer, etc.

Individual trade receivables are written off when the management deems them not to be collectable.

Note 4 :Recent Indian Accounting Standards (Ind AS)

(a) Standards issued but not yet effective

The Ministry of Corporate Affairs (“MCA”) through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 has notified the following new and amendments to existing standards. These amendments are effective for annual periods beginning from 1st April, 2019. The Company will adopt these new standards and amendments to existing standards once it become effective and are applicable to it.

1. Ind AS 116 – Leases : Ind AS 116 ‘Leases’ replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessee to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The accounting from Lessor perspective largely remain unchanged from the existing standard – i.e. lessor will continue to classify the leases as finance or operating leases.

(b) Amendment to existing issued Ind AS

The MCA has carried amendments to the following existing standards which will be effective from 1st April, 2019. The Company is not expecting any significant impact in the financial statements from these amendments.

- (i) Ind AS 12 - Income Taxes
- (ii) Ind AS 19 - Employee Benefits

Application of above standards are not expected to have any significant impact on the Company’s financial statements.

Notes to the Standalone Financial Statements

Note No. - I	Property, Plant and Equipment														Total												
	Factory Land	Building Premises	Godown	Green Plot Development (Kang)	Fita - Nohay Hill	Factory Building	Plant & Machinery	Crane & Commercial Vehicles	Office Equipments	Oxygen Tank	Holders	Furniture	Computer	Vehicles		Fire Fighting Equipments	Land	Shed & Building	Office Furniture	Air Conditioner	Electrification Equipments	Office Equipments	Plant & Machinery	Mobile	Oxygen Cylinders	Computers	
ASSET'S	235.30	2.36	8.07	11.36	12.65	135.97	58.93	87.14	4.15	21.01	0.38	1.76	0.87	0.37	0.67	8.24	102.02	48.01	0.26	0.16	8.66	0.07	91.94	0.28	78.57	0.45	888.39
As at April 1, 2017	(4.69)	-	-	16.39	-	-	6.87	2.90	1.02	-	0.20	0.36	0.37	8.51	-	1.96	-	-	-	-	-	4.38	-	-	-	50.00	
ASSET'S	239.94	2.36	8.07	27.75	12.65	135.07	65.80	90.04	5.17	21.01	0.78	2.12	1.24	0.68	0.67	8.34	147.77	48.01	0.26	0.16	8.66	0.07	96.33	0.28	78.57	0.45	918.39
As at April 1, 2018	235.94	2.36	8.07	27.75	12.65	135.07	65.80	90.04	5.17	21.01	0.78	2.12	1.24	0.68	0.67	8.34	147.77	48.01	0.26	0.16	8.66	0.07	96.33	0.28	78.57	0.45	918.39
Additions	12.13	-	-	-	-	-	6.12	7.55	0.42	-	0.08	-	-	-	-	-	-	-	-	-	-	-	0.15	-	-	-	88.89
Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9.86
As at March 31, 2019	252.07	2.36	8.07	27.75	12.65	135.07	71.92	97.60	5.59	21.01	0.85	2.12	1.24	10.45	0.67	8.34	147.77	48.01	0.26	0.16	8.66	0.07	96.48	0.28	78.57	0.45	997.69
Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at April 1, 2017	-	-	0.09	0.15	-	6.66	5.84	13.14	0.39	1.10	0.13	0.51	0.25	5.77	0.14	1.44	-	1.86	0.05	0.08	1.68	0.01	8.82	0.03	7.54	0.43	56.23
As at April 1, 2018	-	-	0.09	0.15	-	5.32	6.83	11.94	0.61	1.33	0.27	0.63	0.33	10.68	0.18	1.44	-	1.86	0.05	0.08	1.68	0.01	9.38	0.03	7.54	0.43	52.29
Depreciation for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversal / Adjustment / Withheld tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	-	-	1.48	0.26	-	6.16	12.11	26.53	0.97	2.43	0.38	0.65	0.62	21.49	0.28	2.88	-	3.71	0.19	0.08	3.36	0.01	18.20	0.05	15.08	0.43	108.52
As at April 1, 2018	-	-	1.49	0.26	-	6.16	12.11	26.53	0.97	2.43	0.38	0.65	0.62	21.49	0.28	2.88	-	3.71	0.19	0.08	3.36	0.01	18.20	0.05	15.08	0.43	108.52
Depreciation for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversal / Adjustment / Withheld tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	-	1.48	0.26	-	6.16	12.11	26.53	0.97	2.43	0.38	0.65	0.62	21.49	0.28	2.88	-	3.71	0.19	0.08	3.36	0.01	18.20	0.05	15.08	0.43	108.52
Net Carrying Amounts	239.94	2.18	6.88	27.49	12.65	128.61	59.86	63.51	4.20	18.98	0.40	1.47	0.62	30.29	0.48	5.47	147.77	44.30	0.15	0.08	5.30	0.06	78.11	0.23	63.48	0.02	889.27
As at March 31, 2019	252.07	2.09	5.84	26.61	12.65	127.89	52.96	59.13	4.00	17.25	0.20	0.94	0.30	28.04	0.28	4.03	147.77	42.46	0.11	0.08	3.61	0.05	69.17	0.20	55.95	0.02	891.55

Notes :

- Green Plot Development at Alang Ship Breaking Yard valued at Rs. 26.61 Lakhs is on a leasehold land plot.
- Title of Agricultural Land Plots at Hassan valued at Rs. 49.44 Lakhs are not in the name of the company. However, registered power of attorney have been made.
- Title of Godown situated at 1929, Iron & Steel Market Yard, Kalamboli, Dist: Raigad and valued at Rs. 27.43 Lakhs is in the name of director of the company.

Note 1.2 : Capital Work In Progress

Particulars	Green Plot Development (Alang)
Gross carrying amount	
As at April 1, 2017	11.36
Additions	8.77
Deductions (Transferred to Property, Plant & Equipments)	11.36
As at March 31, 2018	8.77
As at April 01, 2018	8.77
Additions	60.83
Deductions (Transferred to Property, Plant & Equipments)	—
As at March 31, 2019	69.60
Net carrying amount	—
As at March 31, 2018	8.77
As at March 31, 2019	69.60

Note 1.3 : Investment Property

Particulars	Premises (Other than Factory)	Warehouse (Leasehold)	Total
Gross carrying amount			
As at April 1, 2017	247.91	29.72	277.64
Additions	—	—	—
Inter Transfers	—	—	—
Recoupment / Adjustment	—	—	—
Deductions	—	—	—
As at March 31, 2018	247.91	29.72	277.64
As at April 1, 2018	247.91	29.72	277.64
Additions	-	-	-
Inter Transfers	-	-	-
Recoupment / Adjustment	-	-	-
Deductions	-	-	-
As at March 31, 2019	247.91	29.72	277.64
Accumulated depreciation			
As at April 1, 2017	6.41	0.76	7.18
Depreciation for the year	12.67	0.76	13.43
Inter Transfers	—	—	—
Impairment for the year	—	—	—
Deductions	—	—	—
As at March 31, 2018	19.08	1.53	20.61
As at April 1, 2018	19.08	1.53	20.61
Depreciation for the year	6.41	0.76	7.18
Inter Transfers	—	—	—
Impairment for the year	—	—	—
Deductions	—	—	—
As at March 31, 2019	25.49	2.29	27.79
Net carrying amount			
As at March 31, 2018	228.83	28.19	257.02
As at March 31, 2019	222.42	27.43	249.85

(a) Information regarding income and expenditure of Investment property

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Rental income derived from Investment Property	38.31	36.43
Direct operating expenses (including repairs and maintenance) generating rental income	2.31	1.44
Direct operating expenses (including repairs and maintenance) that did not generate rental income	—	—
	—	—
Profit arising from investment property before depreciation and indirect expenses	36.01	34.99
Less : Depreciation	7.18	13.43
Profit arising from investment property before indirect expenses	28.83	21.56

The Company has no restrictions on the realisability of its investment property and no contractual obligations to construct or develop investment property or for repairs, maintenance and enhancements.

(b) Fair value of the Investment property are as under:

Fair value	Premises (Other than Factory)	Warehouse (Leasehold)	Total
As at April 1, 2017	241.50	28.96	270.46
Changes in fair value	(12.67)	(0.76)	(13.43)
Purchases	—	—	—
As at March 31, 2018	228.83	28.19	257.02
Changes in fair value	(6.41)	(0.76)	(7.18)
Purchases	—	—	—
As at March 31, 2019	222.42	27.43	249.85

Note 1.4 : Other Intangible Assets

Particulars	Website
Gross carrying amount	
As at April 1, 2017	0.22
Additions	0.86
Disposal	-
As at March 31, 2018	1.08
As at April 1, 2018	1.08
Additions	-
Disposal	-
As at March 31, 2019	1.08
Accumulated depreciation	
As at April 1, 2017	0.22
Depreciation for the year	0.17
Deduction / Adjustment /Writtent back	-
As at March 31, 2018	0.38
As at April 1, 2018	0.38
Depreciation for the year	0.39
Deduction / Adjustment /Writtent back	-
As at March 31, 2019	0.77
Net Carrying Amounts	
As at March 31, 2018	0.70
As at March 31, 2019	0.31

Note No:- 1.5 Investments Non - Current

Particulars	As at	
	March 31, 2019	March 31, 2018
(A) Investment at Cost		
- In Associates (as per the Equity Method)		
Goyal Hariyana Realty	7,668.70	4,621.11
Orchid Lakeview Developers	1,996.56	1,618.93
White Mountain	2,628.49	2,367.12
Whitefield Projects	4.20	4.20
Swastik Developers	602.99	538.39
- In Other Partnership Firms *	0.25	1,302.21
- In Equity Shares (Unquoted)	—	—
- The Cuffe Persepolis premises of Co-Operative Ltd.	0.00	0.00
1 (PY 1.00) share of Rs.10/- each paid up	—	—
(B) Investment at Fair value through profit and loss (FVTPL):	—	—
- Mutual Funds (Quoted)	—	—
Axis Liquid Fund (Edelweiss)	—	27.11
Nil (PY 1411.2020) Units fully paid up	—	—
PNB Principal Low Duration Direct Growth Plan	—	53.57
3605.617 (PY 1874.501) Units fully paid up	—	—
- Investment in Shares (Quoted)	0.00	0.00
Inducto Steel Ltd	—	—
10 (PY 10) share of Rs. 10/- each paid up	—	—
Total	12,901.20	10,532.65
Note:		
(a) Aggregate value of quoted investments and market value thereof	0.00	80.69
(b) Aggregate value of unquoted investments	12,901.20	10,451.97

* Details of Investment in Partnership Firms

Particulars	Share in Profit/ (Loss)	As at	
		March 31, 2019	March 31, 2018
In Partnership Firms			
<u>Fixed Capital</u>			
Shree Balaji Associates	5.00%	0.25	0.25
<u>Current A/c</u>		—	—
Shree Balaji Associates	5.00%	—	1,301.96
		0.25	1,302.21

Note No:- 1.6 Other Non-Current Asset

Particulars	As at	
	March 31, 2019	March 31, 2018
(Unsecured, Considered Good)		
a) Security Deposits	15.64	13.11
b) Balance with Revenue Authorities	91.51	84.23
c) FDRs (having maturity of more than 12 months)	5.00	—
d) Others	—	89.93
Total	112.15	187.27

Note No:- 1.7 Inventories

Particulars	As at	
	March 31, 2019	March 31, 2018
(As verified, valued and certified by management)		
a) Raw Materials	9,334.54	12,113.06
- Uncut Ship	—	—
b) Semi Finished Goods	—	14,859.03
Total	9,334.54	26,972.10

Notes :

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/ Traded Goods are stated at lower of cost or net realizable value.

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.

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

Note No:- 1.8 Current Financial Assets - Trade Receivables

Particulars	As at	
	March 31, 2019	March 31, 2018
Trade Receivable - Unsecured		
Considered Good	9.41	16.89
Considered Doubtful	0.43	0.87
	9.84	17.76
Less : Allowance for doubtful debts	0.43	0.87
Total	9.41	16.89
Age analysis of trade receivables		
Outstanding for more than six months from the date they are due	8.58	17.42
Others	1.26	0.34
	9.84	17.76

Notes:**1. Summary of movement in allowance for doubtful trade receivables**

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Balance at the beginning of the year	0.87	3.17
Movement during the year	(0.44)	(2.30)
Less : Write off of bad debts	—	—
Balance at the end of the year	0.43	0.87

2. The trade receivables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair values.**Note No:- 1.9 Cash and Cash Equivalents**

Particulars	As at	As at
	March 31, 2019	March 31, 2018
Cash in Hand <i>(As verified and certified by management)</i>	19.43	28.46
Balances with scheduled banks	—	—
- In current accounts	11.90	8.82
- In deposit accounts	41.90	4,426.45
Total	73.23	4,463.73

Notes :

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

Particulars	As at	
	March 31, 2019	March 31, 2018
In current account		
- Punjab National Bank (Mumbai) CC 1040	0.69	0.17
- Punjab National Bank CC-2793	1.63	4.00
- Punjab National Bank CC-2809	0.94	2.59
- Punjab National Bank (52134)	0.25	0.25
- Punjab National Bank (CA)	2.02	0.25
- Punjab National Bank (0051002100049352)	6.37	1.57
<u>In term deposit account</u>	—	—
- FD-Punjab National Bank	41.90	4,426.45
Total	53.80	4,435.27

Note No:- 1.10 Current Financial Assets - Loans

Particulars	As at	
	March 31, 2019	March 31, 2018
(Unsecured, Considered good)		
Loans & Advances		
- To Others	90.03	-
- Against proposed business venture	1,319.00	1,985.57
Total	1,409.03	1,985.57

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Note No:- 1.11 Other Current Financial Assets

Particulars	As at	
	March 31, 2019	March 31, 2018
(Unsecured, considered good)		
- Advances recoverable in cash or kind	29.17	28.97
- Balance with Revenue Authorities	-	9.21
- Interest Receivable	-	0.35
Total	29.17	38.53

Note No:- 1.12 Other Current Assets

Particulars	As at	
	March 31, 2019	March 31, 2018
(Unsecured, considered good)		
a) Security Deposit	2.82	2.67
b) Staff Advances	7.07	5.68
c) Balance with Revenue Authorities	1,544.58	1,671.85
d) Advance to Suppliers	46.44	43.73
e) Interest Receivable	0.64	—
f) Margin Money	—	2.45
g) Pre-paid Expenses	0.55	3.65
Total	1,602.10	1,730.03

Note No:- 1.13 Equity Share Capital

Particulars	As at	
	March 31, 2019	March 31, 2018
<u>AUTHORISED CAPITAL:</u>		
Equity Shares of Rs. 10/- Each	650.00	650.00
4% Redeemable Preference Share Of Rs. 10/- Each	500.00	500.00
<u>ISSUED SUBSCRIBED SHARES CAPITAL</u>		
Equity Shares of Rs. 10/- Each	616.67	616.67
<u>SUBSCRIBED & PAID UP CAPITAL</u>		
Equity Shares of Rs. 10/- Each fully paid up	616.67	616.67
Total	616.67	616.67

Notes :

a) The reconciliation of the number of outstanding shares is set out below :

Particulars	March 31, 2019		March 31, 2018	
	Number	Amount	Number	Amount
At the beginning of the year	6,166,667	616.67	6,166,667	616.67
<u>Add:</u> Shares issued during the year	-	-	-	-
<u>Less:</u> Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	6,166,667	616.67	6,166,667	616.67

b) The details of shareholder holding more than 5% shares is set out below:

Name of Shareholders	March 31, 2019		March 31, 2018	
	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.

c) Terms/rights attached to equity shares :

- The company has only one class of equity shares having a par value of Rs.10/-. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of shareholders in the ensuing Annual General Meeting.
- During the period ended 31st March 2019, the amount of per share dividend recognized as distributions to equity shareholder was NIL per share (PY 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.

Note No:- 1.14 Other Equity

Particulars	Note No.	As at	
		March 31, 2019	March 31, 2018
a) Securities Premium	I	140.38	140.38
b) Capital Reserves	II	893.61	893.61
c) General Reserves	III	374.25	374.25
d) Capital Redemption Reserves	IV	500.00	500.00
e) Retained Earnings	V	10,836.00	10,030.19
	Total	12,744.25	11,938.44

Refer Statement of Changes in Equity for additions / deletions in each reserve.

Notes :

- I. Securities premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 (the Act) for specified purposes.
- II. Capital reserve represents reserve created pursuant to the business combinations.
- III. General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend payout, bonus issue, etc.
- IV. Capital redemption reserves represents created out of buyback or redemption of its own equity/preference shares, from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the shares bought back.
- V. Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to the shareholders.

Note No:- 1.15 Non - Current Provisions

Particulars	As at	
	March 31, 2019	March 31, 2018
Provision for Gratuity	4.22	3.45
Total	4.22	3.45

Refer to Note - 3.2 for detailed disclosure

Note 1.16 Deferred Tax Liabilities (net)

Particulars	As at	
	March 31, 2019	March 31, 2018
a) Deferred tax liabilities	96.60	93.66
b) Deferred tax (assets)	(1.42)	(1.26)
Total	95.18	92.40

Refer Note 3.1 for details of deferred tax liabilities and assets.

Note No:- 1.17 Other Non Current Liabilities

Particulars	As at	
	March 31, 2019	March 31, 2018
Other Payables		
Security Deposit From Tenants	13.40	13.40
Total	13.40	13.40

Note No:- 1.18 Current Financial Liabilities - Borrowings

Particulars	As at	
	March 31, 2019	March 31, 2018
Secured Borrowings		
1 Loan from banks (includes CC, OD etc.)	647.06	343.41
Total	647.06	343.41

Notes:

1. Details of the secured short-term borrowings:

Particulars	As at	
	March 31, 2019	March 31, 2018
Working Capital Loan from banks:		
a Punjab National Bank OD-376097	643.73	331.78
b Punjab National Bank OD	3.33	11.63
	647.06	343.41

2. Details of Security:

- a. Cash Credit facility from Punjab National Bank 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 & personal guarantee of the associated concern & relatives of the key management personnels.
- b. Bank overdraft facility from Punjab National Bank is secured by way of equitable mortgage of immovable property of the company & associated concern as collateral security & personal guarantee of the associated concern & relatives of the key management personnels.

Note No:- 1.19 Current Financial Liabilities - Trade Payables

Particulars	As at	
	March 31, 2019	March 31, 2018
– For Goods	8,328.45	30,703.64
– For Other Supplies	5.26	78.98
Total	8,333.71	30,782.62

Notes:

- Trade payables are recognized at their original invoiced amounts which represent their fair value on initial recognition. The trade payables are considered to be of short duration and are not discounted and the carrying values are assumed to approximate their fair values.
- The management is of the opinion that none of their suppliers constitute micro, small and medium enterprises as per Micro, Small & Medium Enterprises Development Act, 2006. Hence, no separate disclosure has been made.

Note No:- 1.20 Other Current Liabilities

Particulars	As at	
	March 31, 2019	March 31, 2018
a) Capital Overdrawn from Shree Balaji Associates	2,649.55	—
b) Brokerage Payable	160.17	—
c) Statutory dues payable	12.29	8.18
d) Expenses Payable	28.84	27.56
e) Margin money of customer	19.00	119.00
f) Advance from Customers	986.05	2,874.96
g) Advance against Proposed JV	121.33	121.33
Total	3,977.23	3,151.03

Note No:- 1.21 Provisions

Particulars	As at	
	March 31, 2019	March 31, 2018
Provision for Employee Benefits		
Salary & Incentives	12.83	7.37
Contribution to Provident Funds	1.60	1.03
ESIC Payable	0.83	0.42
Total	15.26	8.82

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Note No:- 2.1 REVENUE FROM OPERATIONS

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
a) Sale of products		
- Manufactured	11,669.36	5,925.67
- Traded	27,362.57	10,877.78
Total	39,031.93	16,803.45

Note No:- 2.2 OTHER INCOME

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
a) Interest Income		
i. From Banks	59.46	40.96
ii. From Others	1,170.09	795.82
iii. FDR	0.30	-
b) Income from Investments	-	-
i. Share of Profit/ (Loss) from Partnership Firm	(0.01)	(8.59)
ii. Short Term Capital Gain on Mutual Fund (STT not paid)	238.14	224.45
c) Other Income :	-	-
i. Rent & Compensation	38.31	36.43
ii. MTM Gain on Fair value of Mutual Fund/ Quoted Equity Shares (FVTPL)	-	0.69
iii. Foreign Exchange Gain (net)	5.56	-
iv. Other Income	2.26	4.51
Total	1,514.12	1,094.27

Note No:- 2.3 COST OF CONSUMPTION OF RAW MATERIALS

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Inventory at the Beginning of the Year	12,113.06	891.26
Add: Ship Purchase for Recycling	9,027.33	16,582.15
	21,140.40	17,473.41
Less: Inventory at the end of the Year	9,334.54	12,113.06
Cost of Consumption of Raw Materials	11,805.86	5,360.34

Note No:- 2.4 PURCHASE OF STOCK - IN - TRADE

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Purchases	11,202.82	24,221.09
Total	11,202.82	24,221.09

Note No:- 2.5 CHANGES IN INVENTORIES

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Inventory at the Beginning of the Year	14,859.03	971.45
Less : Inventory at the End of the Year	—	14,859.03
Total	14,859.03	(13,887.59)

Note No:- 2.6 EMPLOYEE BENEFIT EXPENSES

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Salaries & Wages	223.91	163.40
Salary to Directors	17.40	3.15
Bonus Expenses	14.64	10.50
Contribution to Provident Funds	8.06	11.19
Contribution to ESIC	8.81	6.07
Staff Welfare Expenses	0.91	1.89
Gratuity Expenses	1.99	1.87
Total	275.71	198.07

Note No:- 2.7 FINANCE COSTS

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
a) Bank Charges		
Bank Commission & Charges	35.13	61.05
LC Charges	22.26	104.56
b) Interest Expenses	—	—
Borrowing from Bank	4.16	3.01
Late payment of Statutory Dues	0.61	1.16
Others	0.81	86.35
LC Usance Interest	—	134.71
Shortfall in payment of advance Income Tax	15.68	—
Total	78.66	390.84

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Note No:- 2.8 OTHER EXPENSES

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Gases & Carbide	102.64	85.38
Consumable Expenses	26.81	20.42
Plot Rent & Development Charges	25.54	25.18
Repair & Maintenance	3.71	2.63
Power & Fuel Expenses	113.95	106.16
Pollution Control Expenses	0.68	1.67
Other Manufacturing Expenses	10.05	2.02
Advertisements	0.73	0.46
Accounting Charges	3.90	3.90
Bad Debts written off*	565.51	643.34
Computer Charges	0.43	0.66
CSR Expenditure	16.18	19.00
Donation	0.72	0.77
Electricity Charges	1.59	0.89
Fees & Subscription	0.80	7.80
Foreign Currency Transaction Variation	520.84	189.89
Filing Fees	0.16	0.23
General Office Expenses	0.16	0.25
Insurance Expenses	11.67	5.16
Legal & Professional Expenses	33.07	48.58
Listing Fees	2.81	3.57
Loss on sale of assets	0.41	0.79
Other Expenses	27.94	1.82
Payment to Auditors	5.08	2.17
Postage & Courier	1.48	0.82
Printing & Stationery	1.65	0.92
Professional Tax	0.04	0.04
Rent, Rates & Taxes	2.51	7.51
Repairs and Maintenance Expenses	2.00	—
Society Maintenance & Repairs	2.56	2.13
Security Charges	0.47	1.04
Service Tax Expenses	—	1.35
Sundry Balances Written off	8.84	—
Supervision Charges	—	6.00
Telephone Expenses	1.54	1.66
Travelling Expenses	24.01	10.43
Vehicle Running & Maintenance	10.37	8.67
Warehousing Charges	56.27	41.00
Provision for Doubtful Debts	-0.44	(2.30)
Brokerage & Commission Expenses	188.08	41.21
Total	1,774.77	1,293.25

*Management is of the opinion that brought forward business advances amounting to Rs.6,66,55,521/- due from Roxina Real Estate Private Limited and Business advances payable to Akshata Mercantile Private Limited amounting to Rs.1,00,00,000/- is no longer payable or receivable, hence the same were written off in the books of account. It includes other advances amounting Rs.1,04,140/- which are no longer receivable .

Note 3.1 : Income taxes**1) Components of Income tax expense**

The major component of Income tax expense for the year ended on March 31, 2019 and March 31, 2018 are as follows:

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Statement of Profit and Loss		
Current tax		
Current income tax	155.51	51.67
Adjustment of tax relating to earlier periods	—	—
Deferred tax		
Deferred tax expense	2.38	(10.51)
	157.88	41.16
Other comprehensive income		
Deferred tax on		
Net loss/(gain) on actuarial gains and losses	0.41	—
	0.41	—
Income tax expense as per the statement of profit and loss	158.29	41.16

2) Reconciliation of effective tax

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
Profit before tax	479	158
Applicable Tax Rate	33.384%	34.608%
Tax expense / (benefit)	159.75	54.58
<i>Adjustments for:</i>		
Expenses not allowed as deduction	15.36	27.38
Deferred tax rate being different from current tax	—	(1.50)
Income being taxed at lower rate	(3.84)	(3.78)
Profit / (Loss) covered on consolidation of subsidiary	(16.92)	(41.61)
Exempt Income	(0.00)	2.97
Provision for Gratuity and Doubtful Debts	(0.57)	(0.22)
Difference of Depreciation	4.11	3.34
Tax expense / (benefit)	157.88	41.16
Effective Tax Rate	33.00%	26.10%

3) Movement in Deferred Tax Assets and Liabilities

(i) For the year ended on March 31, 2018

Particulars	As at April 1, 2017	Credit/(charge) in the Statement of Profit and Loss in	Credit/(charge) Other Comprehensive Income	As at March 31, 2018
Deferred Tax Liabilities/ (Assets)				
Property, Plant and Equipment	104.39	(10.93)	-	93.46
Fair Value of financial instruments	-	0.20	-	0.20
Allowance for Doubtful Debts	(0.98)	0.73	-	(0.25)
Retirement Benefit Plans	(0.69)	(0.50)	0.19	(1.00)
	102.72	(10.51)	0.19	92.40

(ii) For the year ended on March 31, 2019

Particulars	As at April 1, 2018	Credit/(charge) in the Statement of Profit and Loss in	Credit/(charge) Other Comprehensive Income	As at March 31, 2019
Deferred Tax Liabilities/ (Assets)				
Property, Plant and Equipment	93.46	2.94	—	96.40
Fair Value of financial instrument	0.20	—	—	0.20
Allowance for Doubtful Debts	(0.25)	0.14	—	(0.11)
Retirement Benefit Plans	(1.00)	(0.71)	0.41	(1.30)
	92.40	2.38	0.41	95.18

4) Current tax assets and liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Current tax assets	—	—
Current tax liabilities	160.86	41.94

Note 3.2 : Employee benefits

A. Defined contribution plans:

Eligible employees of the Company are entitled to receive benefits in respect of provident fund, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. The contributions are made to the provident fund as set up by Government.

Amount of Rs. 16.87 Lakhs (FY 2017-18 : Rs. 17.26 Lakhs) is recognised as expenses and included in Note 2.6 "Employee benefit expense".

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Provident fund	8.06	11.19
ESIC	8.81	6.07
	16.87	17.26

B. Defined benefit plans:

The Company has following post employment benefits which are in the nature of defined benefit plans:

(a) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for payment to vested employees at retirement, death while in employment or on termination of employment in accordance with the scheme of the company. Vesting occurs upon completion of five years of service. The Company accounts for the liability for gratuity benefits payable in the future based on an actuarial valuation.

1. The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate (per annum)	7.70%	7.80%
Expected rate of salary increase	10% for first three years and 7% thereafter	10% for first three years and 7% thereafter
Attrition rate	Up to 30 Years - 3% 31-44 Years - 2% Above 44 Years - 1%	Up to 30 Years - 3% 31-44 Years - 2% Above 44 Years - 1%
Mortality rate during employment (% of IALM 06-08)	100%	100%

2. Movements in present value of obligation and plan assets

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Opening defined benefit obligation	3.45	2.23
Current service cost	1.72	1.70
Interest cost	0.27	0.17
Actuarial (gain)/loss arising from changes in financial assumptions (0.09)		0.15
Actuarial (gain)/loss arising from experience adjustments	(1.37)	(0.56)
Closing defined benefit obligation	4.22	3.45

3. Amounts recognised in other comprehensive income in respect of these defined benefit plans are as follows:

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Remeasurement on the net defined benefit liability comprising:		
- Actuarial (gain)/loss arising from changes in financial assumptions	0.15	(0.09)
- Actuarial (gain)/loss arising from experience adjustments	(1.37)	(0.56)
Components of defined benefit costs recognised in other comprehensive income	(1.22)	(0.65)

4. Sensitivity analysis of significant assumptions are as follows:

Particulars	Sensitivity level	Defined benefit obligation	
		March 31, 2019	March 31, 2018
Defined benefit obligation (Base)		4.22	3.45
Discount Rate	1% increase	3.69	2.95
	1% decrease	4.86	4.07
Salary Growth Rate	1% increase	4.86	4.07
	1% decrease	3.68	2.95
Attrition Rate	1% increase	4.19	3.43
	1% decrease	4.24	3.46
Mortality Rate	1% increase	4.22	3.45
	1% decrease	4.21	3.45

5. The followings are the expected cash flows for the defined benefit obligation (based on undiscounted value) :

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Gratuity		
Within the next 12 months (next annual reporting period)	0.59	0.46
Between 2 and 5 years	0.33	0.29
Beyond 5 years	15.06	16.55
Total expected payments	15.98	17.30

6. Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Weighted average duration	14 Years	17 Years

C. Other Long term employee benefit plans

Company does not have any other Long term employee benefit plans for the aforesaid period.

Note 3.3 : Earnings per Share (EPS)

Particulars	For the year ended	
	March 31, 2019	March 31, 2018
Earning per share		
- Basic	13.11	15.94
- Diluted	13.11	15.94
Face value per share	10	10
Basic & Diluted EPS		
Profit for the year attributable to equity shareholders	808.34	982.84
Weighted average number of equity shares used in the calculation of earnings per share	61.67	61.67

Note 3.4 : Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise return to stakeholders through the optimisation of the debt and equity balance.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes, within net debt, interest bearing loans and borrowings, trade and other payables, less cash and short-term deposits.

Particulars	As at	
	March 31, 2019	March 31, 2018
Borrowings	647.06	343.41
Trade Payables	8,333.71	30,782.62
Less: cash and cash equivalent	73.23	4,463.73
Net debt	8,907.53	26,662.30
Equity share capital	616.67	616.67
Other equity	12,744.25	11,938.44
Total capital	13,360.92	12,555.11
Capital and net debt	22,268.45	39,217.41
Gearing ratio (%)	40%	68%

Note 3.5 : Financial risk management

In course of its business, the Company is exposed to certain financial risks that could have significant influence on the Company's business and operational/ financial performance. These include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Board of Directors reviews and approves risk management framework and policies for managing these risks and monitors suitable mitigating actions taken by the management to minimise potential adverse effects and achieve greater predictability to earnings. In line with the overall risk management framework and policies, the management monitors and manages risk exposure through an analysis of degree and magnitude of risks.

Market Risk

Market risk is the risk that changes in market prices, liquidity and other factors that could have an adverse effect on realizable fair values or future cash flows to the Company. The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates as future specific market changes cannot be normally predicted with reasonable accuracy.

The sensitivity analysis in the following sections relate to the position as at March 31, 2019 and March 31, 2018.

The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2019 and March 31, 2018.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Change in basis points	Effect on profit before tax
March 31, 2019		
Rupee borrowings	+50	(4.32)
	-50	4.32
March 31, 2018		
Rupee borrowings	+50	(0.87)
	-50	0.87

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment.

Foreign currency risk

The Company undertakes transactions denominated in foreign currencies and thus it is exposed to exchange rate fluctuations. The Company actively manages its currency rate exposures, arising from transactions entered and denominated in foreign currencies, through a centralised treasury division and uses derivative instruments such as foreign currency forward contracts to mitigate the risks from such exposures. The company does not use derivative instruments to hedge risk exposure.

Given below is the foreign currency exposure arising from the non derivative financial instruments:

Particulars	Foreign Currency Amount		Reporting Currency Amount (Rupees)	
	As at		As at	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Accounts Payable				
USD	120.04	472.45	8,328.45	30,703.64

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

Particulars	Change in USD rate	Effect on profit before tax
March 31, 2019	5%	(416.42)
	-5%	416.42
March 31, 2018	5%	(1,535.18)
	-5%	1,535.18

Equity price risk

The Company's investments in various mutual funds are susceptible to equity price risk arising from the uncertainty about future values / future NAV values of such mutual funds. The Company manages such risk through diversification of such investments. Reports on the the investment portfolio are submitted to the Company's senior management on a regular basis that helps the senior management to take investment decisions. The equity shares held by company are not for trading purposes.

Sensitivity impact

Particulars	Change in NSE/BSE index	Effect on profit before tax
March 31, 2019		
Investment in mutual funds	10%	—
	-10%	—
March 31, 2018		
Investment in mutual funds	10%	8.07
	-10%	(8.07)

Credit Risk

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

Trade receivables

Customer credit risk is managed by the Company's internal policies, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on market feedback and credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and operate in independent markets.

Trade receivables are non-interest bearing and are generally on 14 days to 90 days credit term. Credit limits are established for all customers based on internal rating criteria. The Company has no concentration of credit risk as the customer base is widely distributed both economically and geographically.

Liquidity Risk

The Company monitors its risk of shortage of funds through using a liquidity planning process that encompasses an analysis of projected cash inflow and outflow.

The Company's objective is to maintain a balance between continuity of funding and flexibility largely through cashflow generation from its operating activities and the use of bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding.

The table below summarises the maturity profile remaining contractual maturity period at the balance sheet date for its financial liabilities based on the undiscounted cash flows.

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Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
As at year ended						
March 31, 2019						
Borrowings	647.06	—	—	—	—	647.06
Trade & other payables	—	5.26	8,328.45	—	—	8,333.71
March 31, 2018						
Borrowings	343.41	—	—	—	—	343.41
Trade & other payables	—	78.98	30,703.64	—	—	30,782.62

Note 3.6 : Categories of Financial assets and liabilities:

Particulars	As at	
	March 31, 2019	March 31, 2018
Financial Assets		
a. Measured at cost:		
Investments		
- Partnership Firms	0.25	1,302.21
- In Associates	12,900.95	9,149.76
- Equity Shares (Unquoted)	0.00	0.00
b. Measured at amortised cost:	—	—
Cash & cash equivalents (including other bank balances)	73.23	4,463.73
Trade receivables	9.41	16.89
Loans	1,409.03	1,985.57
Others	29.17	38.53
c. Mandatorily measured at fair value through profit or loss (FVTPL) / other comprehensive income (OCI):		
Investments		
- Equity shares (Quoted)	0.00	0.00
- Mutual Funds	—	80.69
Financial Liabilities		
a. Measured at amortised cost:		
Borrowings	647.06	343.41
Trade payables	8,333.71	30,782.62

Note 3.7 : Fair value measurements:

Except for the following, the management considers that the carrying amounts of financial assets and financial liabilities recognised in the standalone financial statements approximate their fair values:

(A) Quantitative disclosures fair value measurement hierarchy for assets :

Particulars	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant observable inputs(Level 2)	Significant unobservable inputs(Level 3)	
March 31, 2019				
Assets measured at fair value				
FVTPL investments				
Equity shares - Quoted	0.00	—	—	0.00
Mutual Funds - Quoted	—	—	—	—
Assets disclosed at fair value				
Investment properties	—	—	249.85	249.85
March 31, 2018				
Assets measured at fair value				
FVTPL investments				
Equity shares - Quoted	0.00	—	—	0.00
Mutual Funds - Quoted	80.69	—	—	80.69
Assets disclosed at fair value				
Investment properties	—	—	257.02	257.02

(B) Quantitative disclosures fair value measurement hierarchy for liabilities :

Company does not have any financial liability which is measured either at Fair value through profit and loss account or measured at Fair value through other comprehensive income.

Note 3.8 : Segment information

The Company has presented segment information in the consolidated financial statements which are presented in this same annual report. Accordingly, in terms of Ind AS 108 'Operating segments', no disclosures relating to segments are presented in these standalone financial statements.

Note 3.9: Related Party transactions

Related party disclosures, as required by Ind AS 24, "Related Party Disclosures", are given below.

(A) Particulars of related parties and nature of relationships

A. Companies over which Key Management Personnel and their relatives are able to exercise significant influence

1. Goyal and Company (Construction) Pvt. Ltd.
2. Shree Balaji Associates
3. Goyal Hariyana Construction
4. Inducto Steel Limited
5. Hariyana International Private Limited

B. Key Management Personnel

Managing Director

1. Rakesh Reniwal

Executive directors

2. Shanti Sarup Reniwal
3. Unnati Reniwal

Non Executive directors

4. Rajeev Reniwal

Company Secretary

5. Swati Chauhan

(B) Related party transactions and balances

The details of material transactions and balances with related parties (including those pertaining to discontinued operations) are given below:

a) Transactions during the year	Year ended	
	March 31, 2019	March 31, 2018
<u>Sales and other operating income</u>		
(i) Sales		
Inducto Steel Limited	4,242.11	—
Hariyana International Private Limited	717.56	—
	4,959.66	—
(ii) Other operating income / Other income		
<u>Interest Income</u>		
Goyal Hariyana Construction	—	18.65
	—	18.65
<u>Share of Profit/(Loss) from the firms</u>		
Shree Balaji Associates	(0.01)	(8.59)
	(0.01)	(8.59)
<u>Purchases</u>		
<u>Interest paid</u>		
Shree Balaji & Associates	—	27.33
Tanmay Trilokchand Agarwal	—	5.48
Shivshankar Agarwal	—	5.16
Sandeep Agarwal	—	5.10
	—	43.07
<u>Remuneration Paid</u>		
Swati Chouhan	5.50	4.40
Rakesh Reniwal	12.00	3.15
Unnati Reniwal	5.40	—
	22.90	7.55
<u>Advances granted during the period</u>		
Goyal and Company (Construction) Pvt. Ltd.	—	125.00
	—	125.00
<u>Advances repaid during the period</u>		
Goyal and Company (Construction) Pvt. Ltd.	—	3.67
Tanmay Trilokchand Agarwal	—	237.13
Shivshankar Agarwal	—	237.19
Sandeep Agarwal	—	237.13
	—	715.12
<u>Investment in Partnership Firms</u>		
<u>Capital Introduced</u>		
Shree Balaji Associates	29,118.50	30,905.23
	29,118.50	30,905.23

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<u>Capital Withdrawn</u>		
Shree Balaji Associates	33,070.00	30,168.50
Goyal Hariyana Construction	—	485.40
	33,070.00	30,653.90
b) Balances at the end of the year	As at	
	March 31, 2019	March 31, 2018
<u>Advance Received</u>		
Goyal and Company (Construction) Pvt. Ltd.	121.33	121.33
	121.33	121.33
<u>Investments Balance at the end of the period</u>		
<u>- In Fixed Capital</u>		
Shree Balaji Associates	0.25	0.25
<u>- In Current Capital</u>		
Shree Balaji Associates	(2,649.55)	1,301.96
	(2,649.30)	1,302.21

Note 3.10 : Segment information

The Group's business segments are identified based on the geographic locations of its units and the internal business reporting system as per Ind AS 108. Business segments of the company are primarily categorized as: *Mumbai and Bhavnagar*. This Consolidated Segment Information includes Industrial Oxygen & Trading Segment pertains to subsidiary of the company.

(Rs. in Lakhs)

Particulars	Mumbai	Bhavnagar	Industrial Oxygen & Trading	Total
i. Segment Revenue				
Gross Revenue	—	37,729.63	1,348.28	39,077.91
	—	15,717.02	1,683.92	17,400.94
Less: Intersegmental revenue	—	—	45.98	45.98
	—	596.33	1.15	597.49
Revenue from operations	—	37,729.63	1,302.30	39,031.93
	—	15,120.69	1,682.77	16,803.45
Other Income (after inter segment eliminations)				1,514.12
				1,094.27
ii. Segment Results				
Total Segment Profit before Interest and Tax	(335.18)	822.26	70.09	557.17
	(139.52)	554.47	133.61	548.56
Interest Expenses				78.66
				390.84
Share of profit / (loss) of associates				486.91
				865.82
Profit before Tax				965.42
				1,023.54
Taxes				157.88
				41.16

Profit after Tax (including share of profit / (loss) of associates)				807.53
				982.38
iii. Segment Assets	15,115.74	11,192.96	313.45	26,622.14
	<i>17,672.19</i>	<i>29,012.78</i>	<i>318.16</i>	<i>47,003.13</i>
Investment in Equity Accounted Associates (included in above segment assets)				12,900.95
				9,149.76
iv. Segment Liabilities	3,687.02	9,525.53	34.38	13,246.92
	<i>691.23</i>	<i>33,710.95</i>	<i>34.88</i>	<i>34,437.06</i>

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

Notes:

- Revenue from external sources includes income from sale of manufactured goods.
- Carrying amount of segment assets comprises of non-current assets and current assets identified to respective segments.
- The figures of segment results include inter segment interest income/ expense.

Operating Revenue

(Rs. in Lakhs)

2) Reconciliation of effective tax

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
- From Outside India		
- From India	39,031.93	16,803.45

Productwise Revenue

(Rs. in Lakhs)

Particulars	For the Year ended March 31, 2019	For the Year ended March 31, 2018
- Waste & Scrap of Iron and Steel	11,548.61	6,061.43
- Hot Rolled Coils	26,957.55	7,490.84
- Industrial Oxygen Gas	134.31	151.54
- Hot Rolled Carbon Steel Strips	—	3,099.64
- Waste & Scrap of Aluminum Bronze	391.46	—

Note 3.11 : Basis of consolidation

- The Consolidated Financial Statements relate to Hariyana Ship Breakers Limited (the Parent Company) and its subsidiary (the Parent Company and its subsidiaries together constitute "the Group"), its associates.
- Principles of consolidation**
 - The Consolidated Financial Statements have been prepared in accordance with Indian Accounting Standard 110 (IND AS 110) "Consolidated Financial Statements", Indian Accounting Standard 28 (IND AS 28) "Investments in Associates and Joint Ventures" prescribed under Section 133 of the Companies Act, 2013.
 - The Consolidated Financial Statements of the Group have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits have been fully eliminated.
 - Non-controlling interests in the net assets of consolidated subsidiary consists of the amount of equity attributable to the non controlling shareholders at the dates on which investments are made by the Parent Company in the subsidiary partnership firm and further movements in their share in the equity, subsequent to the dates of investments as stated above.

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d) The following subsidiary is considered in the Consolidated Financial Statements:

Sr. No.	Name of the Subsidiary	Country of Incorporation	% of ownership interest	
			March 31, 2019	March 31, 2018
1	Hariyana Air Products	India	95.00%	95.00%

e) The following associates have been considered in the preparation of Consolidated Financial Statements of the Group in accordance with IND AS 28 "Investments in Associates and Joint Ventures" (as per the Equity Method):

Sr. No.	Name of the Subsidiary	Country of Incorporation	% of ownership interest	
			March 31, 2019	March 31, 2018
1	Goyal Hariyana Realty	India	50.00%	50.00%
2	Orchid Lakeview Developers	India	33.33%	33.33%
3	White Mountain	India	25.00%	25.00%
4	Whitefield Projects	India	40.00%	40.00%
5	Swastik Developers	India	33.33%	33.33%

3 Additional Information, as required under Schedule III to the Companies Act, 2013 entities consolidated as subsidiary and associates :

(Rs. in Lakhs)

Sr. No.	Name of the Entity	Net Assets		Share of Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		As % Consolidated Net Assets	Amount	As % Consolidated Profit or (Loss)	Amount	As % Consolidated Profit or (Loss)	Amount	As % Consolidated Profit or (Loss)	Amount
1	Hariyana Ship Breakers Limited Indian Subsidiary	1.69	225.98	37.24	300.72	100.00	0.81	37.30	301.53
2	Hariyana Air Products Indian Associates (Investment as per the equity method)	2.09	279.07	6.28	50.68	0.00	-	6.27	50.68
3	Goyal Hariyana Realty	57.34	7,668.70	6.85	55.28	0.00	-	6.84	55.28
4	Orchid Lakeview Developers	14.93	1,996.56	35.79	289.02	0.00	-	35.75	289.02
5	White Mountain	19.65	2,628.49	17.66	142.61	0.00	-	17.64	142.61
6	Whitefield Projects	0.03	4.20	0.00	-	0.00	-	0.00	-
7	Swastik Developers	4.51	602.99	0.00	-	0.00	-	0.00	-
	Sub Total	100.23	13406.00	103.81	838.31	100.00	0.81	103.81	839.12
	Add/ (Less): Effect of intercompany adjustments/ eliminations	-0.23	(30.78)	-3.81	(30.78)	0.00	-	(3.81)	(30.78)
	Total	100.00	13375.22	100.00	807.53	100.00	0.81	100.00	808.34

Notes:

Net Assets and Share of Profit or Loss for Parent Company, Subsidiaries, and Associates are as per the Standalone/ Consolidated Financial Statements of the respective entities .

Note 3.12 : Contingent Liabilities

Particulars	As at	
	March 31, 2019	March 31, 2018
To the extent not acknowledged as debts :		
a. Disputed demand under :		
(i) Income tax	200.58	200.58

Notes:

- The company do not anticipate any liability on account of counter guarantees given to bank for various loan facility availed by associated concerns.
- The company does not anticipate any liability except above on account of pending income tax and sales tax assessments.

Note 3.13 : Leases

The Company has entered into agreements for taking on leave and license basis office/ godown premises including furniture and fittings therein, as applicable, for a period of 60 years. The specified disclosure in respect of these agreements is given below:

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Lease payments recognized in the statement of profit and loss	0.16	0.12

Note 3.14 : Other Information (including foreign currency transactions)

(Amt. in INR)

Particulars	Year ended	
	March 31, 2019	March 31, 2018
1. Information regarding Imports (CIF)		
a) Raw materials and components	8,720.99	16,020.79
b) Traded Goods	9,981.57	21,801.45
	18,702.56	37,822.24
2. Auditors' remuneration		
Included under Other Expenses		
i) For financial audit	3.28	1.99
ii) For taxation matters	0.30	0.18
iii) For other services - review of accounts, certification work, etc.	1.50	-
	5.08	2.17

Note 3.15 : Expenditure for corporate social responsibility

Particulars	Year ended	
	March 31, 2019	March 31, 2018
Gross amount required to be spent by the company during the year as per Section 135 of the Companies Act, 2013 read with schedule VII	16.18	18.73
Amount spent during the year on :		
(a) Construction / Acquisition of any asset	-	
(b) On Purpose other than (a) above	16.18	19.00
(c) Non utilized amount		-

Notes:

1. Above includes a contribution of Rs.16.18 Lakhs (FY 2017-18 Rs.10 Lakhs) to Sau Mathurabai Bhausaheb Thorat Sevabhavi is registered trust under section 80G(5)(vi) of the Income Tax Act, 1961 for running charitable hospital in the Taluka of Lgatpuri in Nashik District and Rs. Nil (FY 2017-18 Rs. 9.00 Lakhs) to Priyadarshani Foundation is registered trust under section 80G(5)(vi) of the Income Tax Act, 1961 for quality education to tribal children in the taluka of Igatpuri in Nashik District.
2. The Company does not carry any provisions for Corporate Social Responsibility expenses for current year and previous year.

Note 3.16 : Disclosures required under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

The management is of the opinion that none of their suppliers constitute micro, small and medium enterprises as per Micro, Small & Medium Enterprises Development Act, 2006. Hence, no separate disclosure has been made.

Note 3.17 : Other Notes

- i) The figures for the previous year have been reclassified/ regrouped wherever necessary for better understanding and comparability.
- ii) The Balance of Sundry Creditors, Sundry Debtors, Loans & Advances are unsecured, considered goods and subject to confirmation.

As per our report of even date

For **Lahoti Navneet & Co.**
Chartered Accountants
FRN : 116870W

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

For and on behalf of the Board
Hariyana Ship Breakers Limited

Sd/-
CA Sanjay Soni
Partner
Membership No. 114835

Sd/-
CA Prem Goplani
Partner
Membership No. 103765

Sd/-
Shantisarup Reniwal
Director
DIN: 00040355

Sd/-
Rakesh Reniwal
Director
DIN: 00029332

Sd/-
Kirti Desai
Chief Financial Officer

Place : Mumbai
Date : May 30, 2019

Place : Mumbai
Date : May 30, 2019

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

Web Site: - www.hariyanagroup.com