



HARIYANA

SHIP BREAKERS LTD

September 07, 2020

To,
BSE Limited
Corporate Relations Department,
PhirozeJeejeebhoy Towers,
Dalal Street,
Mumbai – 400001

Scrip Code: 526931
ISIN: INE400G01011
Script Name: HRYNSHP

Sub: Submission of the Annual Report for the financial year ended March 31, 2020.

Ref: Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Dear Sir/Madam,

The Thirty Ninth Annual General Meeting ("AGM") of the Company is scheduled to be held on Wednesday, September 30, 2020 at 09.00 a.m. (1ST) through Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the businesses, set out in the Notice convening the AGM in compliance with all applicable provisions of the Companies Act, 2013 (the "Act") and the Rules made thereunder read with Ministry of Corporate Affairs (MCA). General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "listing Regulations") and SEBI Circular No. SEBI/HO/CFD/ CMDI/CIR/P/2020/79 dated May 12, 2020.

Pursuant to Regulation 34 of the Listing Regulations, we enclose herewith a copy of the Annual Report along with Notice of the AGM and other Statutory Reports for the financial year ended March 31, 2020, which is also being sent through electronic mode to those Members whose e-mail addresses are registered with the Company/Registrar and Transfer Agent/ Depositories.

The Annual Report for the financial year 2019-20 along with Notice of the 39th AGM is uploaded on the website of the Company at <http://www.hariyanagroup.com/>

The above is for your information and record.

Thanking you.

Yours faithfully,
For **HARIYANA SHIP- BREAKERS LIMITED**

Rakesh Shantisarup
Renawal

Digitally signed by Rakesh Shantisarup Renawal
DN: cn=Rakesh Shantisarup Renawal, c=IN,
st=Maharashtra, o=Personal,
serialNumber=70eebedac4bdf6210259197b6d
2c1ee748ecd0b4ae773bd4d4b62545b287
Date: 2020.09.07 13:59:07 +05'30'

RAKESH SHANTISARUP RENIWAL
MANAGING DIRECTOR
DIN: 00029332

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

Tel: 022 – 22043211; Fax- 22043215 E-mail: secretarial.hariyana@gmail.com

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

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



HARIYANA
SHIP BREAKERS LTD

2019-20

39TH ANNUAL

REPORT

GO GREEN TODAY

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

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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: secretarial.hariyana@gmail.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 S Desai	Chief Financial Officer
Ms. Kanika Jain	Company Secretary – (from 08.03.2019 till 13.04.2019)
Ms. Shalinder Kaur Saddal	Company Secretary – (Appointed w.e.f. 07.10.2019)
Mr. Sanjeev Shantisarup Reniwal	Chief Executive Officer – (Appointed w.e.f. 24.02.2020)

Joint Statutory Auditors	M/s. P. D. Goplani & Associates Chartered Accountant [ICAI Firm Registration No. 118023W]	M/s. Lahoti Navneet & Co Chartered Accountants [ICAI Firm Registration No. 116870W]
Secretarial Auditors	M/s. Dilip Bharadiya & Associates, Company Secretaries	
Registrar and Share Transfer Agent	Sharex Dynamic (India) Private Limited	

BANKER(S)

Punjab National Bank

BRANCH OFFICE

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

With effect from 1st July, 2020, Company's branch Office has been shifted to: Hariyana Ship Breakers Limited, Atlanta Building, Plot No 2171-72/C, Opp Joggers Park, G-1 Attabhai Road, Bhavnagar- 364991, Gujarat

SHIP BREAKING YARD

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

NOTICE

Notice is hereby given that the **39th Annual General Meeting** (*"the Meeting"*) of the members of **Haryana Ship- Breakers Limited** (*"the Company"*) (CIN: L61100MH1981PLC024774) will be held on **Wednesday, September 30, 2020 at 09.00 a.m.** through Video Conferencing (*"VC"*) / Other Audio Visual Means (*"OAVM"*) 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, 2020 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, 2020 alongwith the reports of the Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted."

2. To re-appoint Mr. Shantisarup Ramkumar Reniwal (DIN: 00040355), who retires by rotation as a Director and being eligible, offers himself 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. Shantisarup Ramkumar Reniwal (DIN: 00040355), who retires by rotation at this meeting be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS

3. To approve the re-appointment of Mr. Rakesh Reniwal (DIN: 00029332), as the Managing Director of the Company and in this regard, pass the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board in its meeting held on 13th February, 2020 and subject to the provisions of Sections 196, 197, 198 and 203 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable provisions, if any, of the Companies Act, 2013 (*"the Act"*), the relevant provisions of the Articles of Association of the Company and subject to such other approvals, as may be necessary, the Company hereby approves the re-appointment and terms of remuneration of Mr. Rakesh Reniwal (DIN: 00029332) as the Managing Director of the Company for a period of 5 years w.e.f. 01st April, 2020 and upon the terms and conditions as detailed in the explanatory statement attached hereto including remuneration with further liberty to the Board of Directors of the Company (hereinafter referred to as *"the Board"* which term shall be deemed to include any Committee constituted / to be constituted by the Board) from time to time to alter the said terms and conditions of appointment and remuneration of Mr. Rakesh Reniwal in the best interests of the Company and as may be permissible at law.

RESOLVED FURTHER THAT the remuneration payable to Mr. Rakesh Reniwal, shall not exceed the overall ceiling of the total managerial remuneration as provided under Section 197 of the Companies Act, 2013 or such other limits as may be prescribed from time to time.”

4. To re-appoint Mr. Pradeep Bhatia (DIN: 02903984) as Non-executive Independent Director and in this regard, pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), amendment(s), variation(s) or re-enactment(s) thereof for the time being in force), Mr. Pradeep Bhatia (DIN: 02903984), who was appointed as Non-executive Independent Director seeks approval of the Members for a further period (for the second term”) and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation for a second term to hold office from the conclusion of 39th Annual General Meeting till the conclusion of 43rd Annual General Meeting of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to the above resolution and for matters connected therewith or incidental thereto.”

5. To re-appoint Mr. Tejasbhai Thakker (DIN: 03017277) as Non-executive Independent Director and in this regard, pass the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), amendment(s), variation(s) or re-enactment(s) thereof for the time being in force), Mr. Tejasbhai Thakker (DIN: 03017277), who was appointed as Non-executive Independent Director seeks approval of the Members for a further period (for the second term”) and being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation for a second term to hold office from the conclusion of 39th Annual General Meeting till the conclusion of 43rd Annual General Meeting of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary, desirable, proper or expedient for the purpose of giving effect to the above resolution and for matters connected therewith or incidental thereto.”

6. To consider and if thought fit, to pass, with or without modification(s), the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-

enactment(s) thereof, for the time being in force), M/s. Kewlani & Associates, Cost Accountants (Firm Registration No. 003362), appointed by the Board of Directors to conduct the audit of the cost records of the Company be paid a remuneration for the financial year ending 31st March, 2021 of Rs. 25,000/- plus taxes as may be applicable and out of pocket expenses as may be incurred by them in connection with the aforesaid audit.

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: September 01, 2020
Place: Mumbai

NOTES

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. An Explanatory 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, 3, 4 and 5 of the Notice, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment / re-appointment.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to dilipbcs@gmail.com with a copy marked to evoting@nsdl.co.in
5. Pursuant to Section 91 of the Companies Act, 2013 and Rule 10 of the Companies (Management and Administration) Rules, 2014 read with Regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Register of Members and the Share Transfer Books of the Company will remain close from Wednesday, September 23, 2020 to Wednesday, September 30, 2020 (both days inclusive).
6. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.hariyanagroup.com , website of the Stock Exchange i.e. BSE Limited at www.bseindia.com and on the website of NSDL <https://www.evoting.nsdl.com>
7. The Register of Directors and Key Managerial Personnel and their Shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested under Section 189 of the Companies Act, 2013 will be available for inspection in electronic mode. Members can inspect the same by sending an e-mail to secretarial.hariyana@gmail.com
8. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.

The Company has on August 17, 2020 sent notices to the shareholders whose dividend remains unpaid and unclaimed for the Financial Year 2012-13 requesting them to claim the dividend, failing which the said dividend shall be credited to the Investor Education and Protection Fund (IEPF) established by the Central Government. The Company has given public notice to the shareholders of the company and public at large on August 20, 2020, informing them about the provisions of the Companies Act, wherein the shares in respect of which dividend had remained unpaid or unclaimed for seven consecutive years are liable to be transferred to the IEPF Authority.

The list of unpaid and unclaimed dividend for the year 2012-13 has been uploaded on the website of the Company and the same can be accessed through the link: <http://www.hariyanagroup.com/investor-relations-hsbl.html>

Adhering to the various requirements set out in the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the Company has, informed the shareholders that the shares in respect of which dividend had remained unpaid or

unclaimed for seven consecutive years are liable to be transferred to the IEPF Authority. The details of shares transferred likely to IEPF Authority are available on the website of the Company and the same can be accessed through the link: <http://www.hariyanagroup.com/investor-relations-hsbl.html>

Members may note that shares as well as unclaimed dividends transferred to IEPF Authority can be claimed back from them. Concerned members/investors are advised to visit the weblink: <http://iepf.gov.in/IEPFA/refund.html> or contact Sharex Dynamic (India) Private Limited, for lodging claim for refund of shares and / or dividend from the IEPF Authority.

Further the Due dates for transfer of unclaimed/unpaid dividends for the financial year 2010-11 and thereafter to IEPF are as follows:

FY ended	Declaration Date	Due Date
March 31, 2011	September 30, 2011	November 05, 2018
March 31, 2012	September 28, 2012	November 03, 2019
March 31, 2013	September 30, 2013	November 04, 2020

9. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
10. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
11. Instructions for e-voting and joining the AGM are as follows:

A. 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 39th 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 remote e-voting period will commence on Sunday, September 27, 2020 (9:00 a.m.) and will end on Tuesday, September 29, 2020 (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., Wednesday, September 23, 2020*, 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.

- c. The Company has appointed Mr. Dilip Bharadiya (holding Membership No. FCS 7956), Proprietor of M/s. Dilip Bharadiya & Associates, Practicing Company Secretaries, Mumbai, to act as the Scrutinizer and to scrutinize the entire e-voting process in a fair and transparent manner.
- d. Members who are present in the meeting through VC / OAVM and have not casted their vote on resolutions through remote e-voting, shall be allowed to vote through e-voting system during the meeting.
- e. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- f. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. Wednesday, September 23, 2020.
- g. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
- h. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- i. 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 way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

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

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

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' 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, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

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.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

Details on Step 2 is given below:

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

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

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 with a copy marked to evoting@nsdl.co.in.

- | |
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| <ol style="list-style-type: none">2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Ms. Pallavi Mhatre at evoting@nsdl.co.in |
|--|

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to secretarial.hariyana@gmail.com
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to secretarial.hariyana@gmail.com

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting

instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at secretarial.hariyana@gmail.com same will be replied by the company suitably.

B. OTHER INFORMATION:

- a. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- b. The results alongwith the Consolidated Scrutinizer's Report shall be placed on the website of the Company www.hariyanagroup.com and on the website of NSDL, www.evoting.nsdl.com immediately after the results are declared by the Chairman or a person authorised by him in writing. The same shall be communicated by the Company to the stock exchange i.e. BSE Limited

C. DEMATERIALISATION 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) Private Limited, for assistance in this regard.
- d. Transfer of securities only in demat form will improve ease; facilitate convenience and safety of transactions for investors.

D. 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) Private Limited.
 - 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) Private Limited, 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) Private Limited with respect to all requests pertaining to transfer of shares, deletion of name, transmission of shares and transposition of shares.
- E.** 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 documentary evidence, to their Depository Participants - in case the shares are held by them in dematerialised form and to the Company or Sharex Dynamic (India) Private Limited - in case the shares are held by them in physical form.
- F.** 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) Private Limited.
- G.** 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) Private Limited, quoting their Folio No. or DP ID-Client ID, as the case may be.
- H.** Any Member desirous of receiving any information on the Financial Statements or Operations of the Company is requested to forward his/her queries to the Company at least seven working days prior to the AGM through e-mail on secretarial.hariyana@gmail.com. The same shall be replied by the Company suitably.
- I.** Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID / folio number, PAN, mobile number at Company's email ID secretarial.hariyana@gmail.com at least 7 days in advance. Those Members who have registered

themselves as a speaker will only be allowed to express their views / ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

- J. Members who would like to express their views or ask questions during the AGM may send their questions at least 7 days in advance to company at secretarial.hariyana@gmail.com mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at mention Company's email ID. The questions will be suitably replied by the company.
- K. Shareholders who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, circulars etc. from the Company electronically.
- L. Non-Resident Indian Members are requested to immediately inform the Company or Sharex Dynamic (India) Private Limited 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.
- M. 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 2019-20.

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: September 01, 2020
Place: Mumbai

EXPLANATORY STATEMENT

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

Item No. 3:

Based on the recommendation of the Nomination and Remuneration Committee and approval of Board in its meeting held on 13th February, 2020 and subject to the approval of the members, Mr. Rakesh Reniwal (DIN: 00029332) is proposed to be re-appointed as Managing Director of the Company for a term of 5 years with effect from 01st April, 2020 on the condition that Remuneration shall be paid to the Managing Director in consideration of the performance of his duties are as follows:

Salary & Perquisites:

- (i) Salary to the maximum: Rs. 2,00,000/- per month w.e.f. 01st April, 2020.
- (ii) Increments: Such increments as may be fixed by the Board of Directors from time to time in the salary range of Rs. 20,000/- to Rs. 50,000/- per month.
- (iii) Bonus for the financial year, at the discretion of the Company.
- (iv) Commission: Not exceeding 1.5 (one and half) percent of net profit in an accounting year of the Company subject to availability of profit and applicable provisions of law.
- (v) Provident Fund: Company's contribution not to exceed 12% of salary.
- (vi) Housing: The Company to provide rent free partially furnished, air-conditioned, residential accommodation with telephone, gas and electricity, the monetary value of which may be evaluated as per the Income-tax Rules, 1962.
- (vii) Medical Aid: Medical aid benefits for self and family as applicable to the Officers of the Company, subject to the condition that the cost of medical benefits to the Company shall not exceed Rs. 35,000/- per year.
- (viii) Personal accidents and Mediclaim Insurance Policy, premium not to exceed Rs. 1,00,000/- per annum as per the Income-tax Rules, 1962.
- (ix) Free use of the Company's car and fuel expenses for use on the Company's business as well as for own use. If car is leased from an external agency or from spouse, lease rental and fuel expenses will be paid as per rules of the Company.
- (x) Reimbursement of salary of driver and his meal coupons as per rules of the Company.
- (xi) Reimbursement of medical and hospitalization expenses of the Managing Director and his family subject to a ceiling of one month salary in a year.
- (xii) The Company to pay the premium for the Group Insurance Policy taken for Mr. Rakesh Reniwal as per rules of the Company.
- (xiii) The Company to pay fees for one Club (including admission or entrance fees and monthly or annual subscriptions).
- (xiv) Leave on full pay and allowances as per rules of the Company for such number of days of leave as may be granted to other employees of the Company.
- (xv) Reimbursement of actual travelling and entertainment expenses incurred on behalf of the Company, subject to such ceiling on entertainment expenses as may be imposed as per Company policy from time to time.
- (xvi) Reimbursement of expenses on mobile phone and landline phone at residence as per rules of the Company.
- (xvii) Reimbursement of expenses incurred by him in purchase of newspapers, magazines, books and periodicals in accordance with the Company's policy.

- (xviii) Reimbursement of expenses incurred by him on account of business of the Company in accordance with the Company's policy.
- (xix) Reimbursement of any other expenses properly incurred by him in accordance with the rules and policies of the Company.
- (xx) Other benefits like Gratuity, Provident Fund, Leave etc. as applicable to the employees of the Company.

All the above perquisites shall be evaluated as per Income-tax Rules, wherever applicable. In the absence of any such Rule, perquisites shall be evaluated at actual cost.

Other Terms and Conditions:

Sitting fees, if any paid to the Managing Director for attending meeting of the Board of Directors or any committee thereof shall be as per the company rules and as permissible at law.

Keeping in view that Mr. Rakesh Reniwal has rich and varied experience in the Industry and has been involved in the operations of the Company over a long period of time; it would be in the interest of the Company to designate him as the Managing Director of the Company.

Further, the Company has received a notice pursuant to Section 160 of the Companies Act, 2013 from a Member signifying his intention to propose the re-appointment of Mr. Rakesh Reniwal as Managing Director of the Company.

In compliance with the provisions of Sections 196, 197, 198 and 203 read with Schedule V and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), the terms of re-appointment and remuneration of the Managing Director as specified above are now being placed before the members for their approval.

Mr. Rakesh Reniwal is a Chairman of the Company's Corporate Social Responsibility Committee and Member of the Audit Committee.

Mr. Rakesh Reniwal is interested in the resolution set out at Item No. 3 of the Notice. Mr. Shantisarup Reniwal and Mrs. Unnati Rakesh Reniwal, being related to Mr. Rakesh Reniwal may be deemed to be interested in the said resolution.

The other relatives of Mr. Rakesh Reniwal may be deemed to be interested in the said resolution of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Special Resolution set out at Item No. 3 of the Notice for approval by the members.

Item No. 4:

Mr. Pradeep Bhatia (DIN: 02903984) was appointed as Non-executive Independent Director of the Company. The NARC Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Pradeep Bhatia as Non-executive Independent Director for a second term to hold office from the conclusion of 39th Annual General Meeting till the conclusion of 43rd Annual General Meeting of the Company.

The Board, based on the performance evaluation and as per the recommendation of the NARC Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. Pradeep Bhatia would be beneficial to the Company and it is desirable to continue to avail his services as Non-executive Independent Director.

Accordingly, it is proposed to re-appoint Mr. Pradeep Bhatia as Non-executive Independent Director of the Company, not liable to retire by rotation, for a second term to hold office from the conclusion of 39th Annual General Meeting till the conclusion of 43rd Annual General Meeting of the Company.

Mr. Pradeep Bhatia is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received declaration from Mr. Pradeep Bhatia that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mr. Pradeep Bhatia fulfils the conditions for appointment as Non-executive Independent Director as specified in the Act and the Listing Regulations. Mr. Pradeep Bhatia is independent of the management.

Details of Mr. Pradeep Bhatia, in terms of Regulations 26(4) and 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Clause 1.2.5 of Secretarial Standards on General Meetings, also form part of this Notice.

Copy of draft letter of re-appointment of Mr. Pradeep Bhatia setting out the terms and conditions of re-appointment is available for inspection by the members at the registered office of the Company.

Mr. Pradeep Bhatia is interested in the resolution set out at Item No. 4 of the Notice with regard to his reappointment. Relatives of Mr. Pradeep Bhatia may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board commends the Special Resolution set out at Item No. 4 of the Notice for approval by the members.

Item No. 5:

Mr. Tejasbhai Thakker (DIN: 03017277) was appointed as Non-executive Independent Director of the Company. The NARC Committee of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Mr. Tejasbhai Thakker as Non-executive Independent Director for a second term to hold office from the conclusion of 39th Annual General Meeting till the conclusion of 43rd Annual General Meeting of the Company.

The Board, based on the performance evaluation and as per the recommendation of the NARC Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. Tejasbhai Thakker would be beneficial to the Company and it is desirable to continue to avail his services as Non-executive Independent Director.

Accordingly, it is proposed to re-appoint Mr. Tejasbhai Thakker as Non-executive Independent Director of the Company, not liable to retire by rotation, for a second term to hold office from the conclusion of 39th Annual General Meeting till the conclusion of 43rd Annual General Meeting of the Company.

Mr. Tejasbhai Thakker is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has also received declaration from Mr. Tejasbhai Thakker that he meets the criteria of independence as prescribed both under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In the opinion of the Board, Mr. Tejasbhai Thakker fulfils the conditions for appointment as Non-executive Independent Director as specified in the Act and the Listing Regulations. Mr. Tejasbhai Thakker is independent of the management.

Details of Mr. Tejasbhai Thakker, in terms of Regulations 26(4) and 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Clause 1.2.5 of Secretarial Standards on General Meetings, also form part of this Notice.

Copy of draft letter of re-appointment of Mr. Tejasbhai Thakker setting out the terms and conditions of re-appointment is available for inspection by the members at the registered office of the Company.

Mr. Tejasbhai Thakker is interested in the resolution set out at Item No. 5 of the Notice with regard to his reappointment. Relatives of Mr. Tejasbhai Thakker may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

This statement may also be regarded as an appropriate disclosure under the Act and the Listing Regulations.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

Item No. 6:

The Board, on the recommendation of the Audit Committee, has approved the appointment of the Cost Auditor, M/s. Kewlani & Associates, Cost Accountants (Firm Registration No. 003362), to conduct the audit of the cost records of the Company at Rs. 25,000/- plus taxes as may be applicable to be paid as remuneration for the financial year ending 31st March, 2021.

In terms of the provisions of Section 148 of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 (including any amendments thereto or any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March, 2021.

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

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT IN THE THIRTY NINTH ANNUAL GENERAL MEETING, AS SET OUT IN ITEM NO. 2, 3, 4 & 5 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:**a) Mr. Shantisarup Reniwal:**

Mr. Shantisarup Reniwal (DIN: 00040355), Chairman & Executive Director, forayed into the corporate corridors of power way back in 1981, with an initial start-up in the Ship Recycling Business. A pioneer and front runner, Shantisarup Reniwal leads the group actively involved in the Finance, Tax Planning & development of the group. With over 45 years of vast experience he captains the Iron & Steel Trading Business of the group till date epitomizing the spirit of “dare to dream and learn to excel”.

Hairyana Group is a living testimony to his indomitable will, single-minded dedication and an unrelenting commitment to his goals.

Mr. Shantisarup Reniwal has above 45 years of rich and varied experience in the operations of the Company. He has worked with several businesses of the Group and has richly contributed in many major initiatives of the Group with his widely acknowledged financial acumen and analytical skills. He played an important role by bringing in wider managerial perspectives and leadership experiences, into reviewing the development, growth and operations of the Group’s businesses.

Believing in leading by example, he is involved in the strategic development and expansion of the Ship recycling and real estate investments business. An initiator and risk taker, he drives the group’s expansion and business stratagem which has led to the group’s scaling heights today.

b) Mr. Rakesh Reniwal:

Mr. Rakesh Reniwal (DIN: 00029332), aged 45 years, has completed his MBA in Finance, and Managing Director of Hariyana Ship-Breakers Limited “(HSBL)”, is widely recognized for his path breaking and visionary contributions to spearhead Ship Breaking Industry. His excellent entrepreneurial skills have lead HSBL to climb new heights year after year.

Mr. Rakesh Reniwal has experience of 15 years in re-cycling of ship breaking with Hariyana Group.

His visionary efforts and leader lead approach, together with time tested techniques, have enabled HSBL to lead on every front and stay ahead of time.

Further, he declared that he is not debarred from holding office of director by virtue of any SEBI order or any such authority.

c) Mr. Pradeep Bhatia:

Mr. Pradeep Bhatia (DIN: 02903984), residing in Gujarat and graduated in Bachelor of Arts from Delhi university in the year 1995. He is very active in community and social causes.

He has over 20 years of vast experience as Trading Commission Agent and possesses appropriate skills, experience and knowledge in fields of finance, management, sales, marketing, administration and corporate governance.

Presently, he is an Independent Director on Board of the Company and the Member of Nomination and Remuneration committee, Audit committee, Stakeholders’ Relationship & Share Transfer Committee and Corporate Social Responsibility Committee.

d) Mr. Tejasbhai Thakker:

Mr. Tejasbhai Thakker (DIN: 03017277), residing in Gujarat and completed his H.S.C degree from Kerala People Education School in the year 1998. He is very active in community and social causes.

He has over 20 years of vast experience as Iron & Steel Broker and possesses appropriate skills, experience and knowledge in fields of finance, management, sales, marketing, administration and corporate governance.

Presently, he is an Independent Director on Board of the Company and the Member of Nomination and Remuneration committee, Audit committee, Stakeholders’ Relationship & Share Transfer Committee and Corporate Social Responsibility Committee.

B. Other Details:

Name of Director	Mr. Shantisarup Reniwal	Mr. Rakesh Reniwal	Mr. Pradeep Bhatia	Mr. Tejasbhai Thakker
Director Identification Number (DIN)	00040355	00029332	02903984	03017277
Date of Birth	03/03/1941	20/07/1974	05/07/1954	24/11/1981
Date of First Appointment	09/07/1981	01/02/1993	25/12/2009	12/04/2010
Qualification and Experience	B.A. Vast experience in Ship Recycling Business	MBA in Finance 15 years in re-cycling of ship breaking with Hariyana Group	B.A. 20 years of vast experience as Trading Commission Agent	H.S.C 20 years of vast experience as Iron & Steel Broker
Terms and conditions of appointment/ re-appointment	He was reappointed as the Executive Director, liable to retire by rotation every year	He is proposed to be reappointed as Managing Director of the Company for a period of 5 years from 01 st April, 2020 to 31 st March, 2025	He is proposed to be reappointed as Non-executive Independent Director of the Company for a second term to hold office from the conclusion of 39th Annual General Meeting till the conclusion of 43rd Annual General Meeting of the Company.	He is proposed to be reappointed as Non-executive Independent Director of the Company for a second term to hold office from the conclusion of 39th Annual General Meeting till the conclusion of 43rd Annual General Meeting of the Company.
Past Remuneration drawn from the Company	NIL	Rs. 6 Lacs p.a	NIL	NIL
Remuneration sought to be paid	NIL		As per the resolution at item no. 4 of the Notice convening this Meeting read with explanatory statement thereto	As per the resolution at item no. 5 of the Notice convening this Meeting read with explanatory statement thereto
Shareholding in the Company as on March 31, 2020	1,72,080 Equity Shares 2.79%	8,58,230 Equity Shares 13.92%	NIL	NIL

Relationship with the other Directors, Manager and Other Key Managerial Personnel of the Company	(i) Rakesh Shantisarup Reniwal (Son) (ii) Unnati Reniwal (Daughter-in-Law) and not related to any other Director / Key Managerial Personnel	(i) Mr. Shantisarup Ramkumar Reniwal (Father) (ii) Unnati Reniwal (Wife) and not related to any other Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel	Not related to any Director / Key Managerial Personnel
No. of Board Meetings attended during the Financial Year 2019-20	9	9	9	9
List of other Indian Public Limited Companies in which Directorships held⁽¹⁾	NIL	NIL	NIL	NIL
Chairperson/ Member of Committee(s) of Board of Directors of the Company⁽²⁾	NIL	He is a Member of the Audit Committee of the Company	He is the Member of the Audit Committee and Stakeholders' Relationship and Share Transfer Committee of the Company	He is the Member of the Audit Committee and Stakeholders' Relationship and Share Transfer Committee of the Company
Chairperson/ Member of the Committee(s) of Board of Directors of other Companies in which he is a Member/ Chairperson⁽²⁾	NIL	NIL	NIL	NIL

Notes:

(1) This excludes directorships in the Company, Foreign Companies, Private Companies, Companies incorporated under Section 25 of the erstwhile Companies Act, 1956 and Companies incorporated under Section 8 of the Act.

(2) In terms of the provisions of Regulation 26 of the SEBI Listing Regulations, Memberships/ Chairmanships in only two committees' viz. Audit Committee and Stakeholders' Relationship and Share Transfer Committee of Public Limited Companies are considered.

**HARIYANA SHIP- BREAKERS LIMITED
(CIN: L61100MH1981PLC024774)**

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

Website: www.hariyanagroup.com; Email: secretarial.hariyana@gmail.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

E - COMMUNICATION REGISTRATION FORM							
Folio	No.	/	DP	ID	and	Client	ID:
.....							
Name	of		1 st	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.

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 Ninth (39th) Annual Report and the Company's audited financial statements (standalone and consolidated) for the financial year ended March 31, 2020 ("year under review/ FY 2019-20").

1. MANAGEMENT DISCUSSION AND ANALYSIS

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

- **Global Overview:**

Ship breaking is the process of dismantling decommissioned ships and similar vessels to extract scrap metal and demolish the huge ship structure. It is also known as ship demolition, ship cracking, or even ship recycling, at times. Global trade and shipping has consistently increased over the past years due to globalization and industrialization, which has led to substantial rise in ship building. However, the average life of a ship is quoted to be around 25 to 30 years. Post this age, the ship needs to be decommissioned for safety and economic concerns, may be sometimes due to accidents and mishaps of the ship. The process of decommissioning is usually followed by an auction of the ship, after which it is moved to the breaking yards to break it down. The breakdown is labour intensive, and the time required for breaking the ship down varies according to the size and type of vessel.

In terms of geography, the global ship breaking market can be segmented into Asia Pacific, Europe, North America, Latin America, and Middle East & Africa. The dynamics of the ship breaking market differ from developing and underdeveloped countries to developed countries. In developed regions, such as Europe and North America, the breaking of a ship is cost intensive and stringent rules, regulations, and standard operating procedures need to be followed, making the entire process economically unviable. On the other hand, in developing countries such as, China, India, and Bangladesh, the scenario is quite the opposite, the ship breaking market is expanding due to lack of regulations. Hence, Asia Pacific is a prominent market for ship breaking globally, with India, China, Bangladesh, and Pakistan topping the market. Turkey is also a major market outside Asia Pacific. Key ship graveyards are primarily located in India, China, Bangladesh, and Pakistan. They are Chittagong Ship Breaking yard, Alang Ship Breaking Yard, Gadani Ship Breaking Yard, Aliaga Ship Breaking Yard, and Changjiang Ship Breaking Yard.

Globally, the ship-breaking industry has been concentrated mainly in top five countries — India, Pakistan, Bangladesh, China, and Turkey. These countries have regularly shared 97–98% of the end-of-life tonnage for the last 15–20 years. At present, the South Asian yards (comprising India, Pakistan and Bangladesh) have emerged as the hub (~80% of the global ship-breaking output) aided by the natural geographical advantage, cheap manpower cost and less stringent regulations. During CY2016 to CY2018, while India scrapped the highest number of ships, Bangladesh fared better in terms of gross tonnage (GT), indicating it as the preferred destination for large vessels. However, Bangladesh overtook India's position in CY 2019 and broke the

highest number of ships as well as tonnage due to high demand from its secondary steel manufacturers, leading to favourable scrap prices.

The availability of ships for recycling is inversely correlated to the freight rate of shipping vessels, which in turn is a function of the global demand for seaborne transport and supply of new vessels. A major portion of a ship breaker's revenue comes from the sale of ferrous or mild steel (MS) scrap, the prices of which continue to remain subdued in the domestic market. The total tonnage demolished by India fell by 37% in CY2019 to ~14 lakh LDT against ~22 lakh LDT in CY2018. Further, stressing on the demand-supply dynamics, Mr. Suprio Banerjee, Vice President and Head, Mid-Corporate ratings, ICRA, said: "The ship-breaking activity remained tepid in India during CY2019 due to subdued demand and depressed scrap prices. While it gathered momentum at the start of CY2020 following the implementation of the International Maritime Organisation (IMO) regulations from January 2020, weakness in the international shipping markets further aggravated by the coronavirus, has dampened sentiments. The outbreak of coronavirus has not only exacerbated the freight market but has also placed restrictions on vessels coming in and out of virus hit nations, as well as the trade routes; and deliveries in the region, thus adding to ship owners and buyers' woes. The outlook for the sector has accordingly turned negative. Any meaningful recovery of scrap prices in the domestic market and stable foreign exchange rates thus remain important, given that the freight markets are expected to continue to suffer leading to steady flow of tonnage for recycling in the near term."

- **Domestic Overview:**

India's economic growth moderated in FY 2019-20 to 4.2% from 6.1% a year earlier due to weak domestic consumption, sluggish manufacturing, subdued investments, and extended monsoon, among others. In addition, continued stress in the banking sector, especially non-banking financial companies (NBFCs), weighed heavily on system credit growth. The central government announced a slew of counter-cyclical measures, with the Reserve Bank of India (RBI) staying largely accommodative in its monetary policy stance. The RBI halted the rate cut cycle in December 2019, due to increasing upward pressure on inflation expectations. The central bank also indicated that for further monetary policy actions the growth-inflation dynamics will have to turn favourable.

The outbreak of Coronavirus has not only exacerbated the freight market but has also placed restrictions on vessels coming in and out of virus hit nations, as well as the trade routes; and deliveries in the region, thus adding to ship owners and buyers' woes. The outlook for the sector has accordingly turned negative. Any meaningful recovery of scrap prices in the domestic market and stable foreign exchange rates thus remain important, given that the freight markets are expected to continue to suffer leading to steady flow of tonnage for recycling in the near term.

The only solace for the thousands of workers engaged in ship recycling is that there are no lay-offs and they are being paid wages.

In these tough times, the ship recycling industry in Alang is aiding its workforce by ensuring zero lay-offs. In addition, wages will be paid to the workforce during the lockdown period. This indirectly addresses the interests of those organisations who use false labour rights allegations to defame the entire ship-recycling industry.

Regarding the financials, the operating profit margin for the Indian ship breakers has remained low (average 1-2%) during the past few years because of the low value addition, stiff competition from the domestic as well as the competing countries' players and volatile scrap prices. The margin is also vulnerable to foreign exchange rate fluctuations as purchase transactions are denominated in the USD.

Purchase of ships is generally backed by a Letter of Credit (LC) in India. Tightening of banking norms for issuance of LCs to purchase ships, is further adding up to the challenges faced by the Indian ship recyclers.

The industry players are facing turbulent times currently with volatile scrap/steel plates prices, unfavourable foreign exchange rates and restriction on beaching of vessels, which will lead to increase in the procurement cost. This coupled with unsettling sales/scrap prices, the margins for ship breakers are expected to remain under pressure in the near term. However, enactment of the Ship Recycling Act, has proved to be a silver lining. In the near to medium term, the compliance and capex cost for recyclers to comply with the HKC may increase, but the same is expected to be neutralised by higher volumes and competitive procurement costs in the long term.

- **Government Initiatives:**

The Government of India ratified the Hong Kong Convention (HKC) in November 2019 and the Ship Recycling Act was enacted in India to give effect to the provisions of the HKC in December 2019. The implementation of this Act will streamline existing ship-recycling norms and help in the restriction/proper treatment of hazardous materials on board and the waste produced, post recycling. It will raise the profile of the Indian ship-recycling industry as being environment-friendly, and safety conscious and will go a long way in establishing India's position as the market leader.

With a new legislation in place, India eyes to garner at least 60 per cent of the global ship recycling business and emerge as a key destination for recycling warships and other ships. The contribution from ship recycling activities to the country's GDP would reach \$2.2 billion, almost double compared to the current level.

Gujarat's Alang, the world's biggest shipyard, is ready to cater to projected increase in the number of ships for recycling. Currently, India recycles around 300 of the 1,000 ships which are demolished per annum globally. However, countries like Japan, Europe and the US were not sending their ships for recycling to India in the absence of ratification of a global convention. That scenario is set to change with the Recycling of Ships Act, 2019.

The Act ratifies the Hong Kong convention and facilitating environment friendly recycling process of ships and adequate safety of the yard workers. The US and other countries do not send their ships to India for recycling but now that we have ratified the Hong Kong conventions, we expect the numbers to swell. India, Bangladesh, China and Pakistan account for recycling about 90 per cent of the global ships.

India's share at present stands at 30 per cent or 70 lakh gross tonnage of ships per annum which is bound to go to at least 60 per cent given 95 of the 131 plots at Alang (are) developing these as per Hong Kong conventions, paving way for ships from Europe, Japan, US and other countries to be recycled here.

- **Concerted efforts to revive economic growth:**

Returning to power with an even bigger mandate, the National Democratic Alliance (NDA) government reiterated its commitment to continue structural reforms. This was evidenced by a steep cut in corporate tax rates; continued rationalisation of the GST structure; speeding up of insolvency proceedings; financial restructuring of public sector banks (PSBs); boost to real estate, auto, housing and export industries; and easing funding pressure for NBFCs. With the target of making India a US\$ 5 trillion economy by FY 2024-25, the National Infrastructure Pipeline (NIP) was announced in the Union Budget 2020-21 with a spending commitment of US\$ 1.4 trillion. The NIP will create jobs, enhance ease of living, and provide equitable access to infrastructure. Of the total outlay, 42% projects by value are under implementation, 32% are at the conceptualisation stage and the rest are under development. The core sectors to benefit from the NIP are Energy (24% of total spending), Roads (19%), Urban (16%), and Railways (13%), while irrigation, rural infrastructure and others are to receive single-digit allocation.

- **External Environment:**

- 1) Macroeconomic Condition:**

Global headwinds and challenges in the domestic financial sector moderated the growth of Indian economy in 2019-20. The real GDP growth moderated to 5.0 percent in 2019-20 as compared to 6.8 percent in 2018-19. Despite a temporary moderation in the Gross Domestic Product (GDP) growth in 2019-20, the fundamentals of Indian economy remain strong and GDP growth is expected to rebound from the first quarter of 2020-21. Fiscal situation remained close to the consolidation path and consumer price inflation was within the targeted limits set by the monetary policy committee of Reserve Bank of India (RBI). Despite continuing sluggishness in global demand the Current Account Deficit (CAD) narrowed to 1.5 percent of GDP in first half (H1) of 2019-20 from 2.1 percent in 2018-19. Global confidence in the Indian economy improved as reflected in growing inflows of net Foreign Direct Investment (FDI) and an all-time high accumulation of foreign exchange reserves of US\$ 457.5 billion as in end December, 2019. India moving up by 14 positions to 63rd rank in 2019 World Bank's Ease of Doing Business 2020 Report, has among others, contributed to the increase in global confidence in Indian economy. India has emerged as an important player in the world on the back of high GDP growth and announcement/implementation of critical measures in the current year and last few years.

The measures announced/implemented in 2019-20 include- hike in minimum support price of agricultural crops for 2019-20; reduction in corporate tax rate; policy initiatives for development of textiles & handicrafts and electric vehicles; outreach programme for growth, expansion and facilitation of micro, small and medium enterprises; incentives for start-ups in India; scheme to provide a one-time partial credit guarantee to public sector banks (PSBs) for purchase of pooled assets of financially sound non-banking financial companies (NBFCs); recapitalization of public sector banks, relaxation of external

commercial borrowing guidelines for affordable housing; realty fund worth Rs. 25,000 crore for stalled housing projects; additional tax deduction of interest for affordable housing; merger of 10 public sector banks into four entities; revised Priority Sector Lending (PSL) norms for exports; and streamlining of many labour laws at the central government level. Apart from this, various steps were taken to boost manufacturing; employment generation; financial inclusion; digital payments; improving ease of doing business via schemes such as Make in India, Skill India and Direct Benefit Transfer. Government has also announced the National Infrastructure Pipeline (NIP) of projects worth Rs. 102 lakh crore, which will commence in phases from 2020-21 to 2024-25.

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	- 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	Being physically sound, but no longer profitable to remain in service due to increased competitiveness by a more efficient ship
Regulatory Obsolescence	- 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 2019-20. 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 hereinbelow.

- **Financial Performance and Analysis:**

The Company's financial performance for the year ended March 31, 2020 is summarized below:

- **Standalone Ind AS Financial Results: Review and Analysis:**

(Rs. in Lakhs)

Particulars	For the Financial Year ended	
	March 31, 2020	March 31, 2019
Revenue from operations	12,650.84	37,729.63
Other Income	1,150.91	2,079.63
Total Revenue	13,801.75	39,809.26
Cost of raw materials consumed	10,616.39	11,805.86
Purchase of Stock – in - Trade	2,714.49	10,108.59
Changes in inventories of finished goods, stock – in – trade, work – in – process	-	14,859.03
Employee benefits expenses	252.78	254.28
Finance costs	131.29	77.80
Excise Duty		
Depreciation and amortization expenses	56.48	50.41
Other expenses	679.28	1,677.57
Total Expenses	14,450.71	38,833.54
Profit / (Loss) before Exceptional Items and Tax	(648.96)	975.71
Exceptional Items	-	-
Profit / (Loss) before tax	(648.96)	975.71
Less: Current Tax	11.27	155.51
Less: Deferred Tax	24.40	5.84
Profit / (Loss) after tax	(684.63)	814.37
Other Comprehensive Income	1.92	0.81
Total Comprehensive Income for the year	(682.71)	815.18
Earnings Per Share (Face Value of Rs. 10/- each)		

-Basic	(11.10)	13.21
-Diluted	(11.10)	13.21

➤ **Business Overview:**

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

During the financial year 2019-20, witnessed frequent fluctuation in the prices of old ship in the international market and also heavy dollar exchange rate fluctuations. This has adversely affected the sales turnover of the company. However, in such an uncertain market environment in Iron and Steel industry, the management took cautious approach to the prevalent affairs and avoided any venturous business decision in the interest of the company.

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.

Whenever, there is no immediate payment liability against old ship purchased for breaking, the surplus funds available with the Company are given as loan on short term basis. The Company is hopeful that the Company can earn reasonable return on this loans/investments.

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.

Details of Partnership Firms:

- **Orchid Lakeview Developers**

Orchid Lakeview Developers is Partnership Firm having four partners i.e., *Goyal & Company Constructions Private Limited (33.33% Share)*, *HN Safal Infra Space Pvt Ltd., (16.67% Share)*, *HN Safal Infra Developers Pvt Ltd (16.67% Share)* and *Hariyana Ship Breakers Limited (33.33% Share)*. Presently firm is having one Project at Bellandur. This location is situated at Bellandur Village, Varthur Hobli. Bangalore East Taluk. Total Saleable Area is Approx.521298 Sq. Feet, Total Carpet Area is Approx. 365146 Sq. Feet. Total 336 Apartments, out of which 168 Nos. are having 2 BHK and 168 Nos. are having 3 BHK. The Company has started the construction on February.2013. The Project has already been completed and Registration done for 336 Nos. Apartments till 31.03.2019. There was no inventory left on 01.04.2019 hence no sales and no operational revenue in the FY 2019-20.

- **White Mountain**

White Mountain is Partnership Firm having Five partners i.e., *Hariyana Ship Breakers Limited (25% Share)*, *Goyal & Company Constructions Private Limited (25% Share)*, *Value and Assets Holdings Private Limited (10% Share)*, *Mr.Vijay Singh (20% Share)* and *Dr.Ajay Singh (20% Share)*. Presently firm is having one project situated at Thindlu, Indrasanahalli & Singrahalli Village, Kundana Hobli, Devanahalli Taluk. Total Saleable Area is 1017849.76 Sq. Feet in all measuring 44 Acre and 20 Guntas. Total is having 384 Developed plots in various sizes. Firm started the construction on October, 2012 and completed in December.2016. We have already booked 367 plots having 9,16,555.00 Sq. Feet and registration is done for 363 plots having 8,98,320.00 till 31.03.2020.

- **Goyal Hariyana Realty**

Goyal Hariyana Realty is Partnership Firm having Two Partners i.e., *Goyal & Company Constructions Private Limited (50% Share)* and *Hariyana Ship Breakers Limited (50% Share)*. Presently firm is having Two Projects at Bangalore (Karnataka):

1. Alanoville – In this firm is engaged in development of Residential Villa on the land of “M/s.Value and Assets Holdings Private Limited, Bangalore” by a Joint Venture Agreement. The Location is situated at Survey No.122/2 and 122/3, Kannur Village, Bidarahalli Hobli, Bangalore East Taluk. Total Saleable Area is 2,37,168.00 Sq. Feet. Total 76 Villas in the Projects. Firm has started the construction on October.2015 and received the Occupancy Certificate on 16.01.2019. We have already booked 49 Villas having 1,56,725.00 Sq. Feet till 31.03.2020.
2. Orchid Greens – In this firm is engaged in development of Residential Apartments on the land of “M/s.Value and Assets Holdings Private Limited, Bangalore” by a Joint Venture Agreement The Location is Situated at Survey No.122/2 and 122/3, Kannur Village, Bidarahalli Hobli, Bangalore East Taluk. Total Saleable Area is 2,88,436.00 Sq. Feet. Total 214 Apartments in the Project. Firm has started the Construction on February.2016 and received the Occupancy Certificate on 12.02.2019. We have already booked 136 Apartments having 1,78,168.00 Sq. Feet till 31.03.2020.

➤ **Revenue:**

Your Company reported revenue of Rs. 12,650.84 lakhs during the year under review as compared to Rs. 37,729.63 lakhs in the previous year.

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 finance cost and depreciation is Rs. (461.19) Lakhs (previous year Rs. 1103.92 Lakhs).

➤ **Finance Cost:**

The Finance cost of the Company has considerably increased during the year under review, which amounted to Rs. 131.29 Lakhs as compared to Rs. 77.80 Lakhs in previous year).

➤ **Depreciation and Amortization Expenses:**

During the year, depreciation and amortization expenses increased to Rs. 56.48 Lakhs from Rs. 50.41 Lakhs in previous year.

➤ **Consolidated Ind AS Financial Results: Review and Analysis:**

Particulars	(Rs. In Lakhs)	
	For the Financial Year ended	
	March 31, 2020	March 31, 2019
Revenue from operations	12,801.62	39,031.93
Other Income	1,810.09	1,514.12
Total Revenue	14,611.71	40,546.05
Cost of raw materials consumed	10,616.39	11,805.86
Purchase of Stock – in - Trade	2,714.49	11,202.82
Changes in inventories of finished goods, stock – in – trade, work – in – process	-	14,859.03
Employee benefits expenses	274.52	275.71
Finance costs	131.31	78.66
Depreciation and amortization expenses	71.01	70.68
Other expenses	913.81	1,774.77
Total Expenses	14,721.53	40,067.54
Profit / (Loss) before Exceptional Items and Tax	(109.83)	478.51
Exceptional Items	-	-
Profit / (Loss) before tax	(109.83)	478.51
Less: Current Tax	11.27	155.51
Less: Deferred Tax	10.21	2.38
Profit / (Loss) after tax but before share of profit/ (loss) from associates	(131.31)	320.63
Share of profit/ (loss) from associates	(592.34)	486.91
Profit for the year	(723.64)	807.53
Other Comprehensive Income	1.92	0.81
Total Comprehensive Income for the year	(721.72)	808.34

Earnings Per Share (Face Value of Rs. 10/- each)		
-Basic	(11.73)	13.10
-Diluted	(11.73)	13.10

➤ **Segmental Review:**

During the financial year 2019-20, 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. This has adversely affected the sales turnover of the company. No trading activities were carried out during the year under review. 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.

➤ **Segment-wise Standalone Ind AS Financial Results:**

(Rs. in Lakhs)

Particulars		Trading & Investment (Mumbai)	Ship-Breaking & Trading (Bhavnagar)	Total
a)	Revenue	-	12,650.84	12,650.84
b)	Segment Results Before Interest and Taxes	530.76	(1,048.43)	(517.67)
c)	Segment Assets	14,369.09	2,130.22	16499.31
d)	Segment Liabilities	855.70	3053.48	3909.18

➤ **Standalone Cash Flow Analysis (Standalone):**

(Rs. in Lakhs)

Particulars	March 31, 2020	March 31, 2019
- Net Cash Flow from Operating Activities	(1,394.08)	(4,239.03)
- Net Cash Outflow from Investing Activities	1,440.37	(381.29)
- Net Cash Outflow from Financing Activities	(131.29)	(77.80)
- Net Cash Inform/(Outflow)	(85.01)	(4,698.12)

• **DETAILS OF VARIOUS PLANTS/ SEGMENTS:**

➤ **Ship Breaking & Trading (Bhavnagar):**

During the financial year 2019-20, 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.

Ship recycling activities at Alang-Sosiya in Gujarat's Bhavnagar district – home to the world's largest stretch of ship breaking beaches was ground to a complete halt after India announced a three-week lockdown beginning March 24, 2020 to slow the spread of Corona Virus.

All ships scheduled to arrive but were yet to beach at Alang was therefore ordered to halt before entering port limits. Moreover, no-objection certificates to enter was not issued by the port authorities, especially as ship recycling is not considered an essential industry to keep operational during the lockdown.

South Asian yards (comprising India, Pakistan and Bangladesh) have emerged as the hub (about 80 per cent of the global ship-breaking output) aided by the natural geographical advantage and cheap manpower cost.

The availability of ships for recycling is inversely correlated to the freight rate of shipping vessels, which in turn is a function of the global demand for seaborne transport and supply of new vessels. A major portion of a ship breaker's revenue comes from the sale of ferrous or mild steel (MS) scrap, the prices of which continue to remain subdued in the domestic market.

➤ **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.

➤ **Indian Ship-recycling Industry**

Ship breaking activity is as old as ship building. European Union (EU) defines "Ship breaking" as the traditional process of taking an old ship apart including beaching. In this process obsolete vessel is totally dismantled after anchoring down on shore to recover its useful components which are about 99% of its light displacement tonnage (LDT). Ship breaking was a major onshore business in USA and some European countries before 1960's. Thereafter, these activities have been shifted to Asian countries and Turkey owing to possibility of more profitable business.

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 facilitates reaching up vessels.
4. The seabed at Alang dries up very quickly even during monsoon, thus facilitating the handling as all kinds of material and equipment.
5. The area along the coast as 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.

➤ **Opportunities for Indian Ship Breaking Industry:**

Typically, merchant vessels are decommissioned after 20-25 years of service. However, following accidental sinking of a couple of single hull tankers like Erika and Prestige off European coasts that caused massive oil spills, European Commission proposed to introduce a scheme for accelerated phasing out of single hull tankers. This scheme is for tankers in EU water with end dates for the operation of single hull tankers similar to those in the US Oil Pollution Act of 1990 (OPA 90) which was driven by the Exxon Valdez disaster in 1989.

Marine Pollution (MARPOL) Convention with a phase out scheme and the EU adopted Regulation 417/2002 making the scheme mandatory. Subsequently, the IMO decided to amend the phase out scheme of MARPOL for all the concerned single hull tankers in the world along the same lines.

The trading of ships for the scrapping industry is therefore subject to the Basel Convention on the "Control of Trans-boundary Movements of Hazardous Wastes and their Disposal". Thus EU along with IMO is looking for 'environmentally-sound' or 'green' ship recycling options i.e. following Safety, Health and Environment (SHE) norms.

Therefore, aligning with this global effort to promote environmentally-sound Ship breaking activities, Indian ship scrapping industry has an opportunity to upgrade its practices with proper management plan to remain a competent player in the global market.

The ship breaking practices in India is still economically viable due to low wages, low expenses for environmental protection. However, with competition from Bangladesh and

China and enforcement of strict international as well as local regulations over SHE issues, the economy of Ship breaking industry is going to change.

In view of the opportunities available to transform the Ship breaking industry into a green industry, innovative ventures are needed to explore the application of specific recycling technologies which will produce commercially viable end products. Having substantial percentage of silica in asbestos, electronics as well as construction may be the target industries.

However, as per latest trend of sustainable corporate practices, QSH&E (Quality, Safety, Health and Environment) guidelines should be followed to make the process environmentally sound and commercially viable. There is a pressing need to develop such technologies that are economically viable and has social and political acceptability to have best practices towards sustainable Ship breaking industry in India.

➤ **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 index 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 cyclicity 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 contribute 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 yard 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 table elaborates on the major certification agencies with prominence in Indian ship breaking industry. Normally, above certifications are issued to ship-recycling facilities that they are in compliance with Hong Kong convention, after confirming the ship recycling facility plan meet the requirement of the convention. However, above 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.

- **Outlook – Way Forward**

India remains the biggest ship breaking market, with the Alang-Sosiya ship breaking yard in Gujarat handling at least 450 ships every year. By making the country's ship recycling sector more environmentally sound, the government expects to increase ship recycling capacity by 2024 to more than nine million gross tonnage.

Ship breaking industry in India is a part of the global ship recycling practices. This industry, like others, has many challenges and opportunities. With the back drop of sustainability issues, this industry has the potential to be the prime economic activity in India. There are many opportunities in this industry, if one practices innovative strategies using a sustainable collaboration among technicians, regulating authorities and ship breakers. Implementation of internationally accepted guidelines for waste handling, workers' health protection etc. would lead Ship breaking industry towards sustainable development. However, establishment of recycling industries for the bulk wastes would be able to cater the increasing cost of obsolete vessels due to competitions from other countries and cost of environmental protection.

The novel coronavirus (COVID-19) has affected life and livelihood across the globe. The pandemic is estimated to have severely impacted both supply and demand sides of businesses. As production and global trade has been curtailed around the world, many sectors will experience shortage of inputs and a severe consumption slowdown.

The COVID-induced near halt in economic activities is expected to result in demand-side issues for all the major sectors, including the steel industry which can lead to pressure on steel spreads. That said, the government, along with the RBI, has been bold, proactive and decisive in

combating the crisis. It stepped in to ease compliance burden on companies and boost domestic production and consumption with a clarion call for being 'vocal for local'.

Global economic growth is projected to contract sharply from 3.3% in 2019 to -3%²² in 2020, much worse than during the 2008-09 financial crisis. Rolling lockdowns and social distancing restrictions on account of the pandemic are expected to significantly impact economic activity in all major markets, and cause demand compression.

Notwithstanding the ensuing risks to the economy, India has the capacity and scale to expand its share in the global supply chain, which has been disrupted by COVID-19. Industry leaders see significant opportunities for Indian manufacturers to corner a fair share in the world trade, as global corporations look for alternative sourcing destinations to lower their dependence on China.

Your directors see a staying positive and are having 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.

2. 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, 2020 have been prepared.

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

3. THE DISRUPTION FROM THE CORONAVIRUS PANDEMIC

- **COVID-19 Impact:**

In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity. For the Company, the focus immediately shifted to ensuring the health and well-being of all employees. As of March 31, 2020, work from home was enabled to work remotely and securely. This response has reinforced customer confidence and many of them have expressed their appreciation and gratitude for keeping their businesses running under most challenging conditions.

The novel coronavirus (COVID-19) has affected life and livelihood across the globe. By the last week of June 2020, over 9.2 million confirmed cases and over 4,70,000 deaths had been reported on account of COVID-19. The pandemic is estimated to have severely impacted both supply and demand sides of businesses. As production and global trade has been curtailed

around the world, many sectors will experience shortage of inputs and a severe consumption slowdown.

- **Largest synchronised global response:**

Globally, governments and central banks, especially the G20, have synchronised their fiscal and monetary policy response to the extent of US\$ 19 trillion to cope with the crisis. Emergency lifelines provided include higher spending and foregone revenues (US\$ 3.3 trillion), public sector loans and equity injections (US\$ 1.8 trillion) and guarantees (US\$ 2.7 trillion). The IMF's executive board agreed on a new round of bilateral borrowing to secure its US\$ 1 trillion lending capacity. The Catastrophe Containment and Relief Trust (CCRT) is being increased to US\$ 1.4 billion to ease debt burdens of low-income member nations.

- **Unprecedented global efforts to create a vaccination:**

The race to find a vaccine for the new coronavirus is well underway. Governments and researchers are aiming to provide billions of people with immunity in eighteen months or less.

4. DIVIDEND

Your Directors have not recommended any dividend for the year ended 31st March, 2020 due to loss incurred during the financial year under review.

5. TRANSFER TO RESERVES

Your Directors do not propose to transfer any amount to the Reserves.

6. LISTING

The Company's Shares are listed on BSE Limited.

7. DEPOSITORY SERVICES

The Company's Equity Shares have been admitted to the depository mechanism of the National Securities Depository Limited (NSDL) and also the Central Depository Services (India) Limited (CDSL). As a result the investors have an option to hold the shares of the Company in a dematerialized form in either of the two Depositories. The Company has been allotted ISIN No. **INE400G01011**. Shareholders therefore are requested to take full benefit of the same and lodge their holdings with Depository Participants [DPs] with whom they have their Demat Accounts for getting their holdings in electronic form.

8. SHARE CAPITAL

The Paid up Equity Share Capital, as at 31st March, 2020 was Rs. 6,16,66,670/- divided into 61,66,667 Equity shares, having face value of Rs. 10/- each fully paid up. During the year under review, the Company has neither issued any shares nor granted any stock options or sweat equity.

9. DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP)

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.

Ms. Kanika Jain resigned as the Company Secretary & Compliance Officer of the Company with effect from 13th April, 2019. Ms. Shalinder Kaur Saddal, an Associate Member of Institute of Company Secretaries of India, was appointed as the Company Secretary & Compliance Officer of the Company with effect from 07th October, 2019.

Mr. Sanjeev Shantisarup Reniwal was appointed as the Chief Executive Officer of the Company with effect from 24th February, 2020.

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

10. RE-APPOINTMENTS

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Shantisarup Reniwal, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, seeks re-appointment. The Board of Directors on the recommendation of the Nomination and Remuneration Committee has recommended his re-appointment at the forthcoming Annual General Meeting.

The term of office of Mr. Pradeep Bhatia and Mr. Tejabhai Thakker, as an Independent Director ended and seeks re-appointment at the ensuing Annual General Meeting. The Board of Directors, on recommendation of the Nomination and Remuneration Committee has recommended re-appointment of Mr. Pradeep Bhatia and Mr. Tejabhai Thakker, as an Independent Director of the Company for second term.

11. 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.

12. HUMAN RESOURCES

Human capital is considered a key driver of economic activity and 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.

13. 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.

14. 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.

15. 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, 2020, if any, form part of the *Notes to the Standalone Financial Statements* provided in this Annual Report.

16. 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.

17. 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, 2020, 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, 2020 and of the profit and loss of the Company for the financial year ended March 31, 2020;
- (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.

18. 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 full hedging or covering the foreign exchange requirement. The Company is regularly monitoring the foreign exchange movement and suitable remedial measures are taken as and when felt necessary. Though the Company is employing such measures, the Company is still exposed to the risk of any heavy foreign exchange fluctuation.

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.

19. 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.

20. 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.

21. 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 February 13, 2020. 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.

22. 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 thereunder 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, 2020, based on these rules the Company was required to spend Rs. 17.89 Lakhs towards Corporate Social Responsibility. The Company is still under the process to find suitable projects for the same.

23. EXTRACT OF ANNUAL RETURN

The extract of the Annual Return of the Company as on March 31, 2020 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-I** to the Board's Report.

24. CORPORATE GOVERNANCE

• Report

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

- **Certificate**

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 July 09, 2020, 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-III** to this Report.

25. STATUTORY 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 2020-21.

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.

- **Observations of Statutory Auditors on Accounts for the year ended 31st March, 2020**

There are no observations in the Auditors report for the financial year ended 31st March, 2020 therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013.

- **Fraud Reporting:**

During the year under review, there were no instances of material or serious fraud falling under Rule 13(1) of the Companies (Audit and Auditors) Rules, 2014, by officers or employees reported by the Statutory Auditors of the Company during the course of the audit.

26. COST AUDITORS:

As per the requirement of the Central Government and pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, your company is required to carry out audit of the cost records.

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. Kewlani & Associates, Cost Accountants (Firm Registration No. 003362) as the Cost Auditors to conduct the audit of the cost records of the Company for the Financial Year 2020-21 at a remuneration of Rs. 25,000/- plus taxes as may be applicable and out of pocket expenses. As required under the provisions of the Companies Act, 2013, a resolution seeking member's approval for remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

27. INTERNAL AUDITORS:

Pursuant to provisions of Section 138 of the Companies Act, 2013 the Board on recommendation of the Audit Committee has appointed Mr. Amol Shah, as Internal Auditor of the Company.

28. SECRETARIAL AUDITORS

The Board had appointed M/s. Dilip Bharadiya & Associates, Practicing Company Secretaries, to conduct Secretarial Audit for the FY 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 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 July 09, 2020 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 2020-21.

29. 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 2019-20; and
- b. Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, if any, for the Financial Year 2019-20:

Sr. No.	Name	Designation	Remuneration for the Financial Year 2019-20	Percentage Increase/ (Decrease) in remuneration	Ratio of Remuneration of each Director to
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				in the Financial Year 2019-20 (%)	Median Remuneration of Employees
1.	Rakesh Renawal	Managing Director	Rs. 6,00,000/-	(50%)	-
2.	Kirti S Desai	Chief Financial Officer	Rs. 6,29,150/-	Nil	-
3.	Shalinder Kaur Saddal	Company Secretary	Rs. 3,85,000/-	Nil	-
4.	Sanjeev Renawal	Chief Executive Officer	Nil	Nil	-

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: 07

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:

Save and except, the payment of remuneration to Mr. Rakesh Renawal, Managing Director of the Company was reduced from Rs. 12,00,000/- to Rs. 6,00,000/- p.a. and Mr. Kirti S Desai, Chief Financial Officer of the Company was paid Rs. Rs. 6,29,150/- p.a.

Managerial Personnel with no percentage increase in remuneration in the financial 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.

30. 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.

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 Standard	No./	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		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

Management System	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 Tran boundary 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 inouts. No significant power consumption is required in ship breaking industry as major portion in production process consist of non mechanical processes. However, industrial gases are used in ship dismantling activities and the Company has taken various measures to control the consumption of fuel and energy.

(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 2019-20.

D. Foreign exchange earnings and Outgo:

Particulars	Current Year			Previous Year		
	INR	USD	EUR	INR	USD	EUR
Foreign Exchange Earnings	-	-	-	-	-	-
Foreign Exchange Outgo						-

31. VIGIL MECHANISM

The Whistle blower 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.

32. 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

33. 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 2019-20.

34. 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, 2020, 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 issued 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.

35. 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.

36. 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: July 09, 2020

Place: Mumbai

FORM No. MGT-9

EXTRACT OF ANNUAL RETURN
financial year ended March 31, 2020

as of
[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) Private Limited 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	21.93
b.	Dismantling / Breaking of old and used ships	3830	78.07

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 01-04-2019				No. of Shares held at the end of the year 31-03-2020				% 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 / FII		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	4621814	0	4621814	74.95	4621814	0	4621814	74.95	0

(B) (1) PUBLIC SHAREHOLDING									
(a) Mutual Funds	0	0				0			0.00
(b) Banks / FI	0	0	0	0.000	100	0	100	0.002	0.00
(c) Central Government	21581	0	21581	0.350	23147	0	23147	0.375	0.025
(d) State Government	0	0				0			0.00
(e) Venture Capital Funds	0	0				0			0.00
(f) Insurance Companies	0	0				0			0.00
(g) FIIs	0	0				0			0.00
(h) Foreign Venture Capital Funds	0	0				0			0.00
(i) Others (specify)- HUF	0	0	0	0	0	0	0	0.00	0.00
Sub-total (B)(1):-	21581	0	21581	0.35	23247	0	23247	0.38	0.03
2. Non-Institutions									
(a) BODIES CORPORATES									
(i) Indian	83427	2000	85427	1.385	26373	2000	28373	0.460	-0.925
(ii) Overseas		0				0			0.00
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	841464	48700	890164	14.435	854833	47000	901833	14.624	0.189
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	536059	0	536059	8.693	582499	0	582499	9.446	0.753
(c) Other (specify)									
Non Resident Indians	6563	0	6563	0.106	7280	0	7280	0.118	0.012
Overseas Corporate Bodies		0				0			0.00
Foreign Nationals		0				0			0.00
Clearing Members	5059	0	5059	0.082	1621	0	1621	0.026	-0.056
Trusts	0	0	0	0	0	0	0	0	0.00
Foreign Boodies - D R/		0							
Sub-total (B)(2):-	1472572	50700	1523272	24.70	1472606	49000	1521606	24.67	-0.03
Total Public Shareholding (B)=(B)(1)+ (B)(2)	1494153	50700	1544853	25.051	1495853	49000	1544853	25.051	0.00
C. Shares held by Custodian for GDRs & ADRs		0				0			0.000
Grand Total (A+B+C)	6115967	50700	6166667	100.00	6117667	49000	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	24.957	0	1539009	24.957	0	0
2	RAKESH SHANTISARUP RENIWAL	858230	13.917	0	858230	13.917	0	0
3	SHANTISARUP RENIWAL & SONS . HUF	625178	10.138	0	625178	10.138	0	0
4	SANJEEV S. RENIWAL	438267	7.107	0	438267	7.107	0	0
5	LALITADEVI S RENIWAL	414800	6.726	0	414800	6.726	0	0
6	UNNATI R. RENIWAL	400000	6.486	0	400000	6.486	0	0
7	SHANTISARUP R. RENIWAL	172080	2.79	0	172080	2.79	0	0
8	SHALINI S. RENIWAL	123100	1.996	0	123100	1.996	0	0
9	SWEETY R. RENIWAL	51150	0.829	0	51150	0.829	0	0

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

Sr.No	Shareholder's Name	Shareholding at the Beginning of the			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 shareholding	Reason	No.Of shares	% of total Shares of the company
	NIL							

iv) Shareholding pattern of top ten Shareholders (other than Directors,promoters and Holders of GDRs and ADR

Sr.No	Name	No.of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increase/ Decrease in shareholding	Reason	No.of shares	% of total Shares of the company
1	JAGDISH CHANDER BANSAL HUF .	117378	1.903	01-04-2019				
	-Closing Balance			31-03-2020		No Change	117378	1.903
2	SANGEETHA S	0	0	01-04-2019				
				08-11-2019	112800	Buy	112800	1.829
	-Closing Balance			31-03-2020			112800	1.829
3	DHEERAJ KUMAR LOHIA	63188	1.025	01-04-2019				
				05-04-2019	-4480	Sold	58708	0.952
				07-06-2019	-10815	Sold	47893	0.777
				06-09-2019	11606	Buy	59499	0.965
	-Closing Balance			31-03-2020			59499	0.965
4	SEETHA KUMARI	43157	0.7	01-04-2019				
				06-03-2020	1844	Buy	45001	0.73
				13-03-2020	3998	Buy	48999	0.795
				20-03-2020	4021	Buy	53020	0.86
	-Closing Balance			31-03-2020			53020	0.86
5	MAHENDRA GIRDHARILAL	47631	0.772	01-04-2019				
				30-08-2019	1	Buy	47632	0.772
				13-09-2019	25	Buy	47657	0.773
				18-10-2019	168	Buy	47825	0.776
	-Closing Balance			31-03-2020			47825	0.776
6	SANJAY DOSI	36500	0.592	01-04-2019				
	-Closing Balance			31-03-2020		No Change	36500	0.592
7	ABBAS NAZIRBHAI VALIKARIMWALA	25685	0.417	01-04-2019				
	-Closing Balance			31-03-2020		No Change	25685	0.417
8	INVESTOR EDUCATION AND PROTECTION FUND	21581	0.35	01-04-2019				
				29-11-2019	1566	Buy	23147	0.375
	-Closing Balance			31-03-2020			23147	0.375
9	PRASHANT VIJAY JOG	3000	0.049	01-04-2019				
				05-04-2019	-2000	Sold	1000	0.016
				12-04-2019	559	Buy	1559	0.025
				19-04-2019	620	Buy	2179	0.035
				26-04-2019	2691	Buy	4870	0.079
				03-05-2019	2712	Buy	7582	0.123
				10-05-2019	3418	Buy	11000	0.178
				17-05-2019	2100	Buy	13100	0.212
				21-06-2019	475	Buy	13575	0.22
				20-03-2020	3834	Buy	17409	0.282
				27-03-2020	3618	Buy	21027	0.341
	-Closing Balance			31-03-2020			21027	0.341
10	CHARUDDATTA DATTATRAY VIBHUTE	10649	0.173	01-04-2019				
				19-07-2019	2	Buy	10651	0.173
				02-08-2019	7208	Buy	17859	0.29
	-Closing Balance			31-03-2020			17859	0.29

v) Shareholding of Directors and Key Managerial Personnel

		Shareholding at the beginning of the year			Cumulative Shareholding at the end of the year			
Sr.No	Name	No.of Shares at the beginning /end of the Year	% of the Shares of the company	Date	Increase/ Decrease in shareholding	Reason	No. of shares	% of total Shares of the company
1	SHANTISARUP R. RENIWAL	172080	2.79	-	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
5	PRADEEP BHATIA	0	0	-	Nil	NA	0	0
6	TEJASBHAI THAKKER	0	0	-	Nil	NA	0	0
7	KIRTI DESAI (CFO)	1	0	-	Nil	NA	1	0
8	SANJEEV RENIWAL (CEO)	438267	7.11%	-	Nil	NA	438267	7.11%
9	SHALINDER KAUR SADDAL (CS)	0	0	-	Nil	NA	0	0

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

Particulars	Secured Loans excluding	Unsecured	Deposits	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount	66045900	0	0	66045900
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	66045900	0	0	66045900
Change in Indebtedness during the financial				
• Addition	5712152	0	0	5712152
• Reduction	0	0	0	0
Net Change	5712152	0	0	5712152
Indebtedness at the end of the financial year				
i) Principal Amount	71758052	0	0	71758052
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	71758052	0	0	71758052

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 (Managing Director)	
1	Gross salary	6,00,000	6,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0	0
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0
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)	6,00,000	6,00,000
	Ceiling as per the Act		

ii) Remuneration to other directors:					
	Particulars of Remuneration	Name of Directors	Total Amount		
	1. Independent Directors	NIL	NIL		
	• Fee for attending board / committee meetings				
	• Commission				
	• Others, please specify				
	Total (1)				
	2. Other Non-Executive Directors	NIL	NIL		
	• 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			
		Kirti Shantilal Desai (Chief Financial Officer)	Shanjeev Reniwal (Chief Executive Officer)	Shalinder Kaur (Company Secretary) - Appointed w.e.f 07.10.2019	Total
1	Gross salary	6,29,150	0	3,85,000	10,14,150
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
5	Others, please specify	0	0	0	0
	Total	6,29,150	0	3,85,000	10,14,150

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				
B. DIRECTORS				
Penalty			NONE	
Punishment				
Compounding				
C. OTHER OFFICERS IN DEFAULT				
Penalty			NONE	
Punishment				
Compounding				

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, 2020, 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

Mr. Shantisarup Reniwal retires by rotation in the ensuing 39th 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, 2020, alongwith the date of joining the Board, are provided herein below:

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	02	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 30th May 2019; 13th August 2019; 16th September 2019; 07th October 2019; 14th November 2019; 28th January 2020; 13th February 2020; 24th February 2020 and 02th March 2020 (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 38th Annual General Meeting of the Company held on 30th September 2019, are provided hereinbelow:

Meetings of the Board for the Financial Year 2019-20	Name of the Director					
	Mr. Rakesh Reniwal	Mr. Shantisarup Reniwal	Mrs. Unnati Reniwal	Mr. Manohar Wagh	Mr. Pradeep Bhatia	Mr. Tejas Thakker
	Held during the tenure					
	9	9	9	9	9	9
1	P	P	P	P	P	P
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
38th Annual General Meeting	P	P	P	P	P	P

*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 February 13, 2020, 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.

F. Board Confirmation regarding Independence of the Independent Directors

All the Independent Directors of the Company have given their respective declaration/ disclosures under Section 149(7) of the Act and Regulation 25(8) of the Listing Regulations and have confirmed that they fulfil the independence criteria as specified under Section 149(6) of the Act and Regulation 16 of the Listing Regulations and have also confirmed that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgement and without any external influence.

In the opinion of the Board based on the disclosures received from all the Independent Directors, the Independent Directors meet the criteria of 'Independence' specified in the Regulation 16(1) of the Listing Regulations and Section 149(6) of the Act and the Rules made thereunder and are independent of the Management as required under Regulation 25 of the Listing Regulations.

G. Resignation of Independent Director(s)

During the year under review, none of the Independent Directors of the Company had resigned before the expiry of their respective tenure(s).

H. The Board has identified the following skills / expertise / competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Sr. No.	Skills/Expertise/ Competence	Particulars
1.	Global Business	Understanding, of global business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
2.	Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments.
3.	Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and

		values.
4.	Finance	An understanding of Finance and Financial Reporting Processes. Understanding and overseeing various risks faced by the Company and ensuring that appropriate policies and procedures are in place to effectively manage risks.

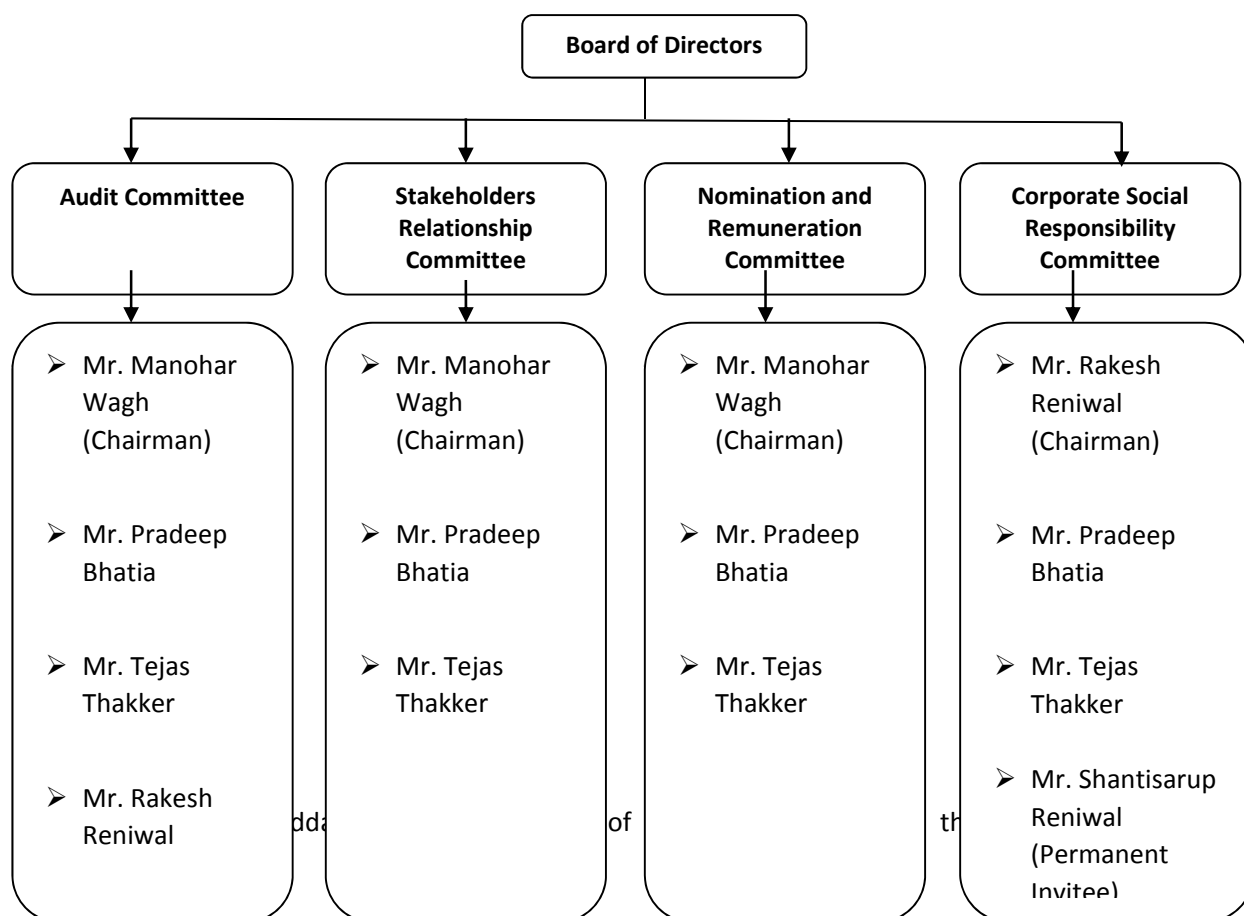
The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. Being an IT service provider, the Company's business runs across different industry verticals, geographical markets and is global in nature. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

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, 2020



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 4 times during the year under review i.e. on 30th May 2019; 13th August 2019; 14th November 2019 and 13th February 2020 (each meeting being consecutively numbered from 1 to 4), to deliberate on various matters.

The details of attendance of the Members of the Committee at each meeting, are provided herein below

:

Name of the Member	Meetings of Committee for the Financial Year 2019-20				
	Held during the tenure	1	2	3	4
Mr. Manohar Wagh	4	P	P	P	P
Mr. Pradeep Bhatia	4	P	P	P	P
Mr. Tejas Thakker	4	P	P	P	P
Mr. Rakesh Reniwal	4	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:

- 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;
- 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 5 times during the year under review i.e. on 30th May 2019; 13th August 2019; 07th October 2019; 14th November 2019; 13th February 2020 and 24th February 2020 each meeting being consecutively numbered from 1 to 5), 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 2019-20					
	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) 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 recommendation 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 herein below:

Name of Director	Remuneration Paid (Amount in Rs. lakhs)
Rakesh Reniwal	Rs. 6,00,000/- p.a.

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 4 times during the year under review i.e. on 30th May 2019; 13th August 2019; 14th November 2019 and 13th February 2020 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 2019-20				
	Held during the tenure	1	2	3	4
Mr. Manohar Wagh	4	P	P	P	P
Mr. Pradeep Bhatia	4	P	P	P	P
Mr. Tejas Thakker	4	P	P	P	P

(iv) Shareholders' complaints:

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

(v) Name and Designation of Compliance Officer:

Ms. Shalinder Kaur Saddal was appointed as the Company Secretary & Compliance Officer of the Company w.e.f 07th October, 2019.

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 13th August 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
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.	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.
2018-19	38 th	September 30, 2019	156, Maker Chambers VI, 220, Jamnalal Bajaj Marg, Nariman Point, Mumbai - 400021	9.30 a.m.	None

B. Postal Ballot

No postal ballot was conducted during the year under review. At present, there is no proposal for passing any Special Resolution through Postal Ballot. None of the business proposed to be transacted at the ensuing Annual General Meeting require passing a special resolution through postal ballot.

MEANS OF COMMUNICATION

- Results:

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 “Active Times” and “Mumbai Lakshdeep” (a regional daily newspaper published from Mumbai) within the stipulated timelines.

A separate dedicated “Investors Relations” 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. secretarial.hariyana@gmail.com, for Investor Relations and Shareholders assistance and the same is prominently displayed on the website of the Company.

- Presentations made to institutional investors or to the analysts

During the year under review, the Board did not made any presentations to the institutional investors and the analysts

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 2019-20, 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:

- a. Planning project or programmes which a Company plans to undertake falling within the purview of Schedule VII of the Act; and
- b. 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. The Company has revised its Code of Conduct for Trading in Listed or Proposed to be Listed Securities of the Company and is in compliance with the Listing Regulations.

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.

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. 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:

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. Certificate from Company Secretary in Practice regarding Non-Debarment and Non-Disqualification of Directors

A certificate from Company Secretary in Practice certifying that none of the Directors on the Board of the Company as on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/Ministry of Corporate Affairs or any such Statutory Authority, is annexed at the end of this Report.

j. Disclosure in relation to recommendation made by any Committee which was not accepted by the Board

During the year under review, there were no such recommendations made by any Committee of the Board that were mandatorily required and not accepted by the Board.

k. 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.

l. 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, Mr. Shantisarup Reniwal will retire in the ensuing 39th 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 Mr. Shantisarup Reniwal is provided in the notice convening the said AGM.

m. Total fees for all services paid to the Statutory Auditors by the Company and its Subsidiaries

Total fees paid by the Company excluding GST thereon, to the Statutory Auditors viz MIS. P.O Goplani & Associates, Chartered Accountants, Bhavnagar (Firm Registration No. 118023W) and M/s. Lahoti Navneet & Co, Chartered Accountants, Mumbai (Firm Registration No. 116870W), be all entities in the network firm/network entity of which the Statutory Auditors is a part, are as follows::

Sr. No.	Particulars	Amount (Rs. in Lakhs)
1	Audit Fees	4.65
2	Limited Review	-
3	Other Services	-
4	Re-imbursement of Expenses	-
	Total	4.65

n. Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for the Financial Year 2019-20

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaint was received by the Internal Complaints Committee during the year under review and pending as at March 31, 2020, pursuant to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

- o.** The Company has also complied with the requirements of Corporate Governance Report of Paras (2) to (10) mentioned in Part 'C' of Schedule V of the Listing Regulations, disclosed the extent to which the discretionary requirements as specified in Part E of Schedule II of the Listing Regulations and disclosed necessary information as specified in Regulation 17 to 27 and Regulation 46(2) (b) to (i) of the Listing Regulations in the respective places in this Report.

SUBSIDIARY COMPANIES

As on March 31, 2020, your Company does not have any subsidiary.

CEO/ CFO CERTIFICATION

As required under the provisions of Regulation 33 of the SEBI Listing Regulations, Mr. Sanjeev Reniwal – Chief Executive Officer and Mr. Kirti Desai – Chief Financial Officer have reviewed the Audited Financial Results and Cash Flow Statements for the Financial Year ended March 31, 2020 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, Bhavnagar (Firm Registration No. 118023W) and M/s. Lahoti Navneet & Co, Chartered Accountants, Mumbai (Firm Registration No. 116870W), regarding compliance of Corporate Governance requirements is annexed as Annexure-III 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, 2020 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, 2020 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, 2020;
 - ii. significant changes, if any, in accounting policies made during the Financial Year ended on March 31, 2020 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/-
Sanjeev Reniwal
Chief Executive Officer

Sd/-
Kirti Desai
Chief Financial Officer

Place: Mumbai
Date: July 09, 2020

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, 2020.

Rakesh Shantisarup Reniwal
Managing Director

Place: Mumbai

Date: July 09, 2020

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:

1) Thirty Ninth (39th) Annual General Meeting:

Thirty Ninth (39th) Annual General Meeting (Day, Date, Time and Mode)	Wednesday, September 30, 2020 at 9.00 a.m. through VC/ OAVM
Book Closure Date	Start Dt: September 23, 2020 End Dt : September 30, 2020
Cut-off date for e-voting	September 23, 2020

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.

2) Financial Year:

Your Company follows April-March as the Financial Year.

3) Calendar of the Financial Year ended on March 31, 2020:

The meetings of Board of Directors for approval of quarterly/ half-yearly/ annual financial results for the Financial Year ended on March 31, 2020, were held on the following dates:

Sr. No.	Particulars of the Quarter	Date of Meetings
1.	Results for the quarter ended June 30, 2019	August 13, 2019
2.	Results for the quarter and six months ended September 30, 2019	November 14, 2019
3.	Results for the quarter and nine months ended December 31, 2019	February 13, 2020
4.	Results for the quarter and year ended March 31, 2020	July 09, 2020

4) Tentative calendar for the Financial Year ending March 31, 2021:

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, 2021, are as under:

Sr. No.	Particulars of the Quarter	Tentative Months
1.	Results for the quarter ended June 30, 2020	August, 2020
2.	Results for the quarter and six months ended September 30, 2020	October/ November, 2020
3.	Results for the quarter and nine months ended December 31, 2020	January/ February, 2021
4.	Results for the quarter and year ended March 31, 2021	April/ May, 2021

Further, the tentative months for the Fortieth (40th) AGM of the Company for the Financial Year ending March 31, 2021 shall be August/ September, 2021.

5) Dividend Payment Date:

Not Applicable

6) 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

7) Payment of Annual Listing/ Custody/ Issuer Fees:

Annual Listing Fees for the Financial Year 2020-21 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 2020-21.

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.

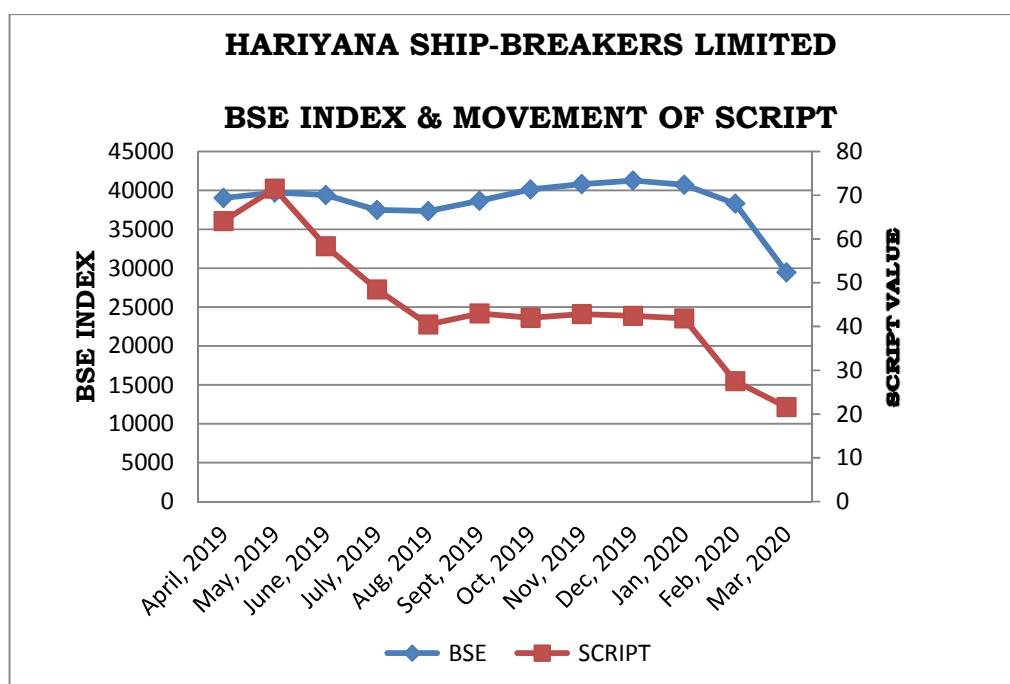
8) Stock Market Price Data:

The stock market price data and volume of the Company's shares traded on the BSE during the Financial Year 2019-20 were as under:

Month - Year	High Price (in Rs.)	Low Price (in Rs.)	Close Price (in Rs.)	Total Traded Volume (No. of shares)
April-19	74.95	57.20	64.10	1,42,470
May-19	78.00	58.50	71.50	1,20,849
June-19	71.50	56.10	58.35	31,886
July-19	63.95	46.30	48.50	31,889
August-19	51.95	37.90	40.45	93,066
September-19	47.20	36.35	43.00	96,282
October-19	44.95	36.20	42.00	13,822
November-19	52.00	37.75	42.85	70,785
December-19	48.75	37.50	42.45	16,285
January-20	54.40	40.15	41.85	1,09,617
February-20	45.00	26.25	27.50	53,283
March-20	29.70	17.80	21.60	53,298

9) Stock Performance:

In comparison to broad-based indices viz. BSE SENSEX during the Financial Year 2019-20 were as under:



10) Registrar and Share Transfer Agents:

Name	Sharex Dynamic (India) Private Limited
Registered Office Address	C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400083
E-mail id	support@sharexindia.com
Tel No.	022 – 2851 5606
Website	www.sharexindia.com
SEBI Registration Number	INR000002102

11) Distribution of Shareholding as on March 31, 2020:

Distribution Schedule on Scrip Value as on March 31, 2020				
Share of Nominal Value	Number of Holders	(%) of Holders	Total Amount	% of Amount
UPTO TO 5000	1613	79.773	2331230	3.780
5001 TO 10000	192	9.496	1569150	2.545
10001 TO 20000	94	4.649	1442330	2.339
20001 TO 30000	41	2.028	1051470	1.705
30001 TO 40000	19	0.940	679160	1.101
40001 TO 50000	11	0.544	489990	0.795
50001 TO 100000	26	1.286	1828740	2.966
100001 TO ABOVE	26	1.286	52274600	84.770
TOTAL	2022	100.00	6,16,66,670.00	100.000

Distribution Schedule on Number of Shares as on March 31, 2020				
Share	Number of Holders	(%) of Holders	Total Shares	% of Shares
UPTO TO 100	976	48.269	57009	0.924
101 TO 200	319	15.776	57129	0.926
201 TO 500	318	15.727	118985	1.929
501 TO 1000	192	9.496	156915	2.545
1001 TO 5000	165	8.160	366295	5.940
5001 TO 10000	26	1.286	182874	2.966
10001 TO 100000	16	0.791	426618	6.918
100001 TO ABOVE	10	0.495	4800842	77.851
TOTAL	2022	100.00	61,66,667.00	100.000

12) Category-wise Shareholding Pattern of the Company as on March 31, 2020:

Sr. no.	Category	Folio Count	No. of Shares held	% of Share holding
1.	Promoter and Promoter Group	9	46,21,814	74.95
2.	Financial Institutions/ Banks	1	100	0.00
3.	Individual shareholders holding nominal share capital up to Rs. 2 lakhs.	1863	9,51,186	15.42
4.	Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.	7	3,56,356	5.78
5.	Clearing Members	5	1,621	0.03
6.	Non-Resident Indian (NRI)	15	7,280	0.12
7.	IEPF	1	23,147	0.38
8.	Bodies Corporate	33	28,373	0.46
9.	HUF	88	1,76,790	2.87
Total		2022	61,66,667	100.00

13) Details of Shares held by Directors as on March 31, 2020:

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)	02
Mr. Pradeep Bhatia (DIN: 02903984)	0
Mr. Tejas Thakker (DIN: 03017277)	0

14) Dematerialisation of Shares and Liquidity:

As on March 31, 2020, 99.21% 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, 2020, is as under:

Particulars	No. of Shares	%
Physical	49,000	0.79
Dematerialised Mode ⁽¹⁾ :		
CDSL	29,43,365	47.73
NSDL	31,74,302	51.48
Total	61,66,667	100

Note:

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

15) 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.

16) 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, 2020.

17) 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.

18) 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, transmission 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.

19) 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 2019-20, the Company did not receive any complaints.

20) 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. secretarial.hariyana@gmail.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.

21) 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

With effect from 1st July, 2020, Company's branch Office has been shifted to: Hariyana Ship Breakers Limited, Atlanta Building, Plot No 2171-72/C, Opp Joggers Park, G-1 Attabhai Road, Bhavnagar- 364991, Gujarat

22) Address for Correspondence:

- All Members' correspondence should be forwarded to Sharex Dynamic (India) Private Limited, 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 secretarial.hariyana@gmail.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) Private Limited

Unit: Hariyana Ship-Breakers Limited

C-101, 247 PARK

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

Mumbai – 400 083

Ph: 28515606, 28515644

Fax: 28512885

Email: support@sharexindia.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: secretarial.hariyana@gmail.com /

contact@hariyanagroup.com

Website: www.hariyanagroup.com

Investors are requested to make a note of the same.

23) 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.

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 Identity Number (CIN) - L61100MH1981PLC024774, having its Registered Office address at 156, Maker Chambers VI 220 Jamnalal Bajaj Marg, Nariman Point Mumbai - 400021 (*"the Company"*) in terms of Regulation 34(3) read with Schedule V para C Clause 10(i) of the Securities Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 (*"SEBI Listing Regulations"*).

We believe it is the responsibility of the 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 in electronic mode, for the purpose of issuing this Certificate, in accordance with the requirements under the Companies Act, 2013 (*"Act"*) and the SEBI Listing Regulations.

Directors of the Company		
Sr. No.	Name of the Director	DIN
1.	RAKESH SHANTISARUP RENIWAL	00029332
2.	SHANTISARUP RAMKUMAR RENIWAL	00040355
3.	UNNATI RAKESH RENIWAL	00041306
4.	MANOHAR HANUMANTS WAGH	02622648
5.	PRADEEP LILARAM BHATIA	02903984
6.	TEJASBHAI HIMMATBHAI THAKKER	03017277

Based on our examination of documents/ information/ explanations provided 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 , **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

F.C.S No. 7956 C.O.P No. 6740

UDIN: F007956B000436637

Place: Mumbai

Date: 09th July, 2020

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 Efcee,
Waghawadi Road, Bhavnagar – 364002**INDEPENDENT AUDITOR'S CERTIFICATE 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 (AS AMENDED)****To****The Members of HARIYANA SHIP BREAKERS LIMITED**

1. The Corporate Governance Report prepared by Hariyana Ship Breakers Limited ("the Company"), contains details as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2020. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulation.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by 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.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures includes but not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.
8. The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us as referred in paragraph 7 and 8 above and according to the information and explanations given to us, we are of the opinion 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, 2020, referred to in paragraph 1 above.

Other Matters and Restriction On Use

10. This Report 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.
11. This Report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this Report for events and circumstances occurring after the date of this Report.

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

Sd/-
CA Sanjay Soni
Partner
M. No. 114835

Mumbai
July 9, 2020

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

Sd/-
CA Prem Goplani
Partner
M. No. 103765

Bhavnagar
July 9, 2020

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

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

To,
The Members,
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.

On account of ongoing pandemic of COVID - 19 and consequent lockdown as directed by the Central and State Government(s), the process of audit has been modified. Documents/ records / returns /minutes relating to the Financial Year were made available to us in electronic mode and were verified based on the representations received from the company for its accuracy and authenticity. 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, 2020 (“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. subject to the provisions of IEPF mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors 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 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.

For **DILIP BHARADIYA & ASSOCIATES**

Sd.-

DILIP BHARADIYA

Proprietor

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

UDIN: F007956B000436692

Place: Mumbai

Date: 09th July, 2020

Annexure - A

List of documents verified

1. Memorandum & Articles of Association of the Company;
2. Annual Report for the Financial Year ended March 31, 2019.
3. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee held during the financial year under review, alongwith the Attendance Registers;
4. Resolutions passed by way of circulation approved by the Board of Directors and its Committees from time to time.
5. Minutes of General Body Meeting held during the financial year under review;
6. Statutory Registers viz.
 - Register of Directors & KMP & Directors Shareholding
 - Register of loans, guarantees and security and acquisition made by the Company
 - Register of Charges
 - Register of Related Party Transaction- Transactions are in the Ordinary Course of Business at Arm's Length Basis.
 - Register of Members;
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 Companies Act, 2013;

9. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956, if any and Companies Act, 2013, as amended from time to time alongwith the attachments thereof, during the financial year under review.
10. 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.

Annexure - B

List of applicable laws to the Company

- Gujarat Maritime Board Act, 1981;
- The Factories Act, 1948;
- The Contract Labour Act, 1970; and
- 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 have obtained management representation about the compliance of laws, rules, regulations, norms and standards and happening of events.
- 5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, norms and standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
- 6) The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **DILIP BHARADIYA & ASSOCIATES**

Sd/-
DILIP BHARADIYA
Proprietor
FCS No.: 7956, C P No.: 6740
UDIN: F007956B000436692

Place: Mumbai
Date: 09th July, 2020

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 Efcee,
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, 2020, 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, 2020, 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>External Confirmations</u> COVID-19 has impacted the procedure of external confirmation request to vendors and customers at the year-end and therefore, positive external confirmation request was sent through electronic mode. However, due to suspension of business activities of the many confirming parties, most confirmations were not received. The Company seeks and had sought confirmations	Our audit procedures included, among others, the following: - Revised assessed risk and modify our audit procedures to mitigate these risks; - Obtained a reliable assurance pertaining to transactions with confirming parties, in sense for accurate and complete process of routine and significant classes of transactions such as revenue, purchases, etc.; - Selected samples and tested the effectiveness of controls related to accuracy and

from vendors and customers during the year. In such events, we auditors performed alternative audit procedures. This matter is considered to be key audit matter given the circumstances of the year-end confirmations under COVID-19.	completeness of transactions in totality considering the frequency and regularity of transactions; - Performed alternative audit procedures like - For accounts receivable balances : scrutiny of ledger accounts and verification of subsequent receipts; - For accounts payable balances : scrutiny of ledger accounts and other documents/records, such as bills from vendors supported by goods received notes.
<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.	Our audit procedures included, among others, the following: - Obtained details of completed tax assessments and demands for the year ended March 31, 2020 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 Standalone Ind AS Financial Statements and Auditor's Report Thereon

The Company's Management and the 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- 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
UDIN: 20114835AAAACW5969

Mumbai
July 9, 2020

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

Sd/-
CA Prem Goplani
Partner
M. No. 103765
UDIN: 20154014AAAAAT4536

Bhavnagar
July 9, 2020

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, 2020, 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. However, as regards stock of raw materials, the company is mainly engaged in ship breaking activities and old and used ships are its main raw materials. Ascertaining actual weight of ship at the time of purchase and thereafter; is not possible due to its nature and size, 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 of raw materials at the close of the year is ascertained by reducing the weight of the scrap sold together with the estimated wastage of the material.
- 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 2012-13	Income Tax	Rs.1,39,71,750
Hon. CIT (Appeal)-8, Mumbai	AY 2014-15	Income Tax	Rs.98,53,510
Hon. CIT (Appeal)-8, Mumbai	AY 2016-17	Income Tax	Rs.85,52,117

- 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
UDIN: 20114835AAAACW5969

Mumbai
July 9, 2020

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

Sd/-
CA Prem Goplani
Partner
M. No. 103765
UDIN: 20154014AAAAAT4536

Bhavnagar
July 9, 2020

Annexure 1 to Companies Auditors Report (CARO 2016)

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

Sr. No.	Particulars	Net Block Value as at 31.03.2020 (Rs.)	Remarks
1	Godown 1929, Iron & Steel Market Yard, Kalamboli, Dist: Raigad	26,66,288	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 **Haryana Ship Breakers Limited** ("the Company") as of March 31, 2020 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, 2020, 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
UDIN: 20114835AAAACW5969

Mumbai
July 9, 2020

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

Sd/-
CA Prem Goplani
Partner
M. No. 103765
UDIN: 20154014AAAAAT4536

Bhavnagar
July 9, 2020

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 Efcee,
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 five 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, 2020, 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, 2020, 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
External Confirmations COVID-19 has impacted the procedure of external confirmation request to vendors and customers at the year-end and therefore, positive external confirmation request was sent through electronic mode. However, due to suspension of business	Our audit procedures included, among others, the following: • Revised assessed risk and modify our audit procedures to mitigate these risks; • Obtained a reliable assurance pertaining to transactions with confirming parties, in

activities of the many confirming parties, most confirmations were not received. The Company seeks and had sought confirmations from vendors and customers during the year. In such events, we auditors performed alternative audit procedures. This matter is considered to be key audit matter given the circumstances of the year-end confirmations under COVID-19.	sense for accurate and complete process of routine and significant classes of transactions such as revenue, purchases, etc.; • Selected samples and tested the effectiveness of controls related to accuracy and completeness of transactions in totality considering the frequency and regularity of transactions; • Performed alternative audit procedures like - For accounts receivable balances : scrutiny of ledger accounts and verification of subsequent receipts; - For accounts payable balances : scrutiny of ledger accounts and other documents/records, such as bills from vendors supported by goods received notes.
<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.	Our audit procedures included, among others, the following: • Obtained details of completed tax assessments and demands for the year ended March 31, 2020 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 management and the 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 loss of Rs. 592.34 Lakhs for the year ended March 31, 2020, 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, 2020 taken on record by the Board of Directors of the Company, none of the directors is disqualified as on March 31, 2020 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, 2020 which could materially impact on its consolidated financial statements – *Refer Note 3.12 of consolidated Ind AS financial statements.*
 - ii. the Group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - 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
UDIN: 20114835AAAACX8465

Mumbai
 July 9, 2020

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

Sd/-
CA Prem Goplani
Partner
 M. No. 103765
UDIN: 20154014AAAAAU6793

Bhavnagar
 July 9, 2020

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, 2020, 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, 2020, 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

UDIN: 20114835AAAACX8465

Mumbai

July 9, 2020

For P. D. Goplani & Associates

Chartered Accountants

FRN : 118023W

Sd/-

CA Prem Goplani

Partner

M. No. 103765

UDIN: 20154014AAAAAU6793

Bhavnagar

July 9, 2020

Standalone Balance Sheet as at March 31, 2020
Rs. In Lakhs

Particulars	Note No.	As at	
		March 31, 2020	March 31, 2019
ASSETS			
Non-Current Assets			
Property, Plant And Equipment	1.1	853.02	645.14
Capital Work - in - Progress	1.2	154.54	69.60
Investment Property	1.3	242.65	249.85
Other Intangible Assets	1.4	0.14	0.31
Financial Assets			
(i) Investments	1.5	12,193.68	13,077.89
Other Non Current Asset	1.6	109.10	97.93
		13,553.13	14,140.71
Current Assets			
Inventories	1.7	1,189.88	9,334.54
Financial Assets			
(i) Trade Receivable	1.8	89.02	9.41
(ii) Cash And Cash Equivalents	1.9	48.04	64.82
(iii) Loans	1.10	1,319.00	1,319.00
(iv) Other Financial Assets	1.11	25.99	29.17
Other Current Assets	1.12	274.26	1,587.74
		2,946.18	12,344.67
Total Assets		16,499.31	26,485.38
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	1.13	616.67	616.67
Other Equity	1.14	11,973.46	12,656.17
		12,590.13	13,272.84
Non-Current Liabilities			
Provisions	1.15	3.39	4.22
Deferred Tax Liabilities (Net)	1.16	91.06	65.92
Other Non Current Liabilities	1.17	2.30	13.40
		96.75	83.53
Current Liabilities			
Financial Liabilities			
(i) Borrowings	1.18	715.28	647.06
(ii) Trade Payables	1.19	2,477.71	8,333.68
Other Current Liabilities	1.20	616.33	3,973.97
Provisions	1.21	3.11	13.44
Current Tax Liabilities (Net)		0.01	160.86
		3,812.43	13,129.01
Total Equity and Liabilities		16,499.31	26,485.38
		0.00	0.00

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/-
Shalinder Kuar Sadal
Company Secretary

Place: Mumbai
Date: July 09, 2020

Sd/-
Kirti Desai
Chief Financial Officer

Place: Mumbai
Date: July 09, 2020

Standalone Statement of Profit and Loss for the year ended March 31, 2020
Rs. In Lakhs

Particulars	Note No.	Year ended	
		March 31, 2020	March 31, 2019
Income			
Revenue from operations	2.1	12,650.84	37,729.63
Other Income	2.2	1,150.91	2,079.63
Total Income		13,801.75	39,809.26
Expenses			
Cost of raw materials consumed	2.3	10,616.39	11,805.86
Purchase of Stock-in-trade	2.4	2,714.49	10,108.59
Changes in the inventories of Finished Goods, Stock In Trade and Work	2.5	-	14,859.03
Employee benefits expense	2.6	252.78	254.28
Excise Duty		-	-
Finance costs	2.7	131.29	77.80
Depreciation and amortisation expense	1.1, 1.3, 1.4	56.48	50.41
Other Expenses	2.8	679.28	1,677.57
Total expenses		14,450.71	38,833.54
Profit before tax		-648.96	975.71
Exceptional Items		-	-
Profit before tax		-648.96	975.71
Tax Expenses :			
Current Tax	3.1	11.27	155.51
Deferred Tax		24.40	5.84
		35.67	161.34
Profit for the year		-684.63	814.37
Other comprehensive income			
(i) Items that will not be reclassified to Profit or Loss			
- Remeasurement of Defined Benefit Plans		2.67	1.22
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-0.74	-0.41
Total other comprehensive income		1.92	0.81
Total comprehensive income for the year		-682.71	815.18
Earning per equity share [face value Rs.10/- each]			
Basic		(11.10)	13.21
Diluted		(11.10)	13.21
<i>(Refer Note 3.3)</i>			

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
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Sd/-
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Chief Financial Officer

Sd/-
Shalinder Kuar Sadal
Company Secretary

Place: Mumbai
 Date: July 09, 2020

Place: Mumbai
 Date: July 09, 2020

Standalone statement of Cash flow for the year ended on March 31, 2020
Rs. In Lakhs

Particulars	Year Ended	
	March 31, 2020	March 31, 2019
Cash flow from operating activities		
Profit before tax	-646.30	976.93
Adjustment for :	-	-
Depreciation and amortisation expense	56.48	50.41
Finance cost	131.29	77.80
Interest income	-1,524.22	-1,250.94
Bad debts	-	565.51
Provision for doubtful debts	0.08	-0.44
Gain on sale of units of Mutual Funds	-	-238.14
(Profit)/ Loss from partnership firms	626.13	-544.42
Operating profit before working capital changes	-1,356.53	-363.29
Adjustments for working capital changes:	-	-
Decrease / (Increase) in Trade and other receivables	1,225.79	141.73
Decrease / (Increase) in Inventories	8,144.66	17,637.56
(Decrease) / Increase in Trade and other payables	-9,396.73	-21,499.53
Cash generated/ (used) in operations	-1,382.82	-4,083.53
Extraordinary item	-	-
Direct taxes paid	-11.27	-155.51
Net Cash generated from/(used in) operating activities [A]	-1,394.08	-4,239.03
Cash Flow from investing activities	-	-
Purchase of fixed assets (including capital advances)	-341.93	-149.57
Proceeds from sale of fixed assets	-	4.10
(Purchase) / Proceeds of non - current investments (Net)	884.21	-2,370.36
Proceeds/ Repayment of current loans, net	-	101.05
Gain on sale of units of Mutual Funds	-	238.14
(Profit)/ Loss from partnership firms	-626.13	544.42
Interest received	1,524.22	1,250.94
Net cash generated from/(used in) investing activities [B]	1,440.37	-381.29
Cash flow from financing activities	-	-
Finance cost	-131.29	-77.80
Net cash generated from/(used in) financing activities [C]	-131.29	-77.80
Net increase/(decrease) in cash & cash equivalents [A+B+C]	-85.01	-4,698.12
Cash & cash equivalents at the beginning of the year	-582.24	4,115.88
Cash & cash equivalents at the end of the year	-667.24	-582.24

Notes :
1. Reconciliation of cash and cash equivalents as per the cash flow statement :

Particulars	March 31, 2020	March 31, 2019
Cash and Cash Equivalents (Note 1.9)	48.04	64.82
Bank Overdrafts (Note 1.18)	-715.28	-647.06
Balances as per the statement of cash flow	-667.24	-582.24

2. The above cashflow statement has been prepared under the 'indirect method' as set out in the Indian Accounting Standard - 7 "Statement of Cash Flows".

3. 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

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Sd/-
Kirti Desai
Chief Financial Officer

Sd/-
Shalinder Kaur Sadal
Company Secretary

Place: Mumbai
Date: July 9, 2020

Place: Mumbai
Date: July 9, 2020

Statement of Changes in Equity for the year ended March 31, 2020
A) Equity Share Capital

Rs. In Lakhs

Particulars	Amount
Balance as at April 1, 2018	616.67
Changes in Equity share capital during the year	-
Balance as at March 31, 2019	616.67
Balance as at April 1, 2019	616.67
Changes in Equity share capital during the year	-
Balance as at March 31, 2020	616.67

B) Other Equity

Rs. In Lakhs

Particulars	Attributable to the equity holders of the Company					Total
	Reserve and Surplus					
	Securities Premium	Capital Reserves	General Reserves	Capital Redemption Reserves	Retained Earnings	
Balance as at April 1, 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 March 31, 2019	140.38	893.61	374.25	500.00	10,747.92	12,656.17
Balance as at April 1, 2019	140.38	893.61	374.25	500.00	10,747.92	12,656.17
Additions during the year:	-	-	-	-	-	-
Profit for the year	-	-	-	-	-684.63	-684.63
Items of OCI for the year, net of tax-	-	-	-	-	-	-
Remeasurement benefit of defined benefit plans (net of taxes)	-	-	-	-	1.92	1.92
Balance as at March 31, 2020	140.38	893.61	374.25	500.00	10,065.22	11,973.46

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
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Membership No. 103765

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Director

DIN: 00040355

Sd/-

Kirti Desai
Chief Financial Officer

Sd/-

Rakesh Reniwal
Director

DIN: 00029332

Sd/-

Shalinder Kaur Sadal
Company

Place: Mumbai

Date: July 9, 2020

Place: Mumbai

Date: July 9, 2020

Notes to the Standalone Financial Statements

Rs. In Lakhs

Note No:- 1.1	Property Plant and Equipment																	RS. IN Lakhs
A S S E T S	Factory Land	Building Premises	Godown	Green Plot Developement (Alang)	Flat - Madhav Hill	Factory Building	Plant & Machineries	Crane & Commercial Vehicles	Office Equipments	Oxygen Tank	Mobiles	Furniture	Computer	Vehilcles	Fire Fighting Equipments	Weigh Bridge	Total	
Gross carrying amount																		
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	
As at April 1, 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	
Additions	-	0.17	-	9.03	-	-	229.12	4.25	0.43	-	-	-	-	14.00	-	-	256.99	
Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
As at March 31, 2020	252.07	2.53	8.07	36.78	12.65	135.07	301.04	101.85	6.02	21.01	0.85	2.12	1.24	116.45	0.67	8.34	1,006.75	
Accumulated depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
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	-	0.28	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	
As at April 1, 2019	-	0.28	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	
Depreciation for the year	-	0.09	0.75	0.97	-	5.62	14.14	12.38	0.74	1.33	-	0.13	0.10	14.64	0.14	0.49	51.54	
Deduction / Adjustment /Writtent back	-	-	-	-	-	-	0.26	-	-	-	-	0.50	-	-	-	1.67	2.43	
As at March 31, 2020	-	0.37	2.99	2.11	-	17.80	32.82	50.86	2.33	5.09	0.66	0.91	1.04	33.05	0.57	3.13	153.73	
Net Carrying Amounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
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	
As at March 31, 2020	252.07	2.16	5.09	34.66	12.65	117.26	268.22	51.00	3.69	15.92	0.20	1.21	0.20	83.40	0.09	5.22	853.02	

Notes :

1. Green Plot Development at Alang Ship Breaking Yard valued at Rs. 34.66 Lakhs is on a leasehold land plot
2. 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

Rs. In Lakhs

Particulars	Building Premises (Aashiana)
Gross carrying amount	
As at April 1, 2018	8.77
Additions	60.83
Deductions (Transferred to Property, Plant & Equipments)	-
As at March 31, 2019	69.60
As at April 01, 2019	69.60
Additions	84.94
Deductions (Transferred to Property, Plant & Equipments)	-
As at March 31, 2020	154.54
Net carrying amount	-
As at March 31, 2019	69.60
As at March 31, 2020	154.54

Note 1.3 : Investment Property

Rs. In Lakhs

Particulars	Premises (Other than Factory)	Warehouse (Leasehold)	Total
Gross carrying amount			
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
As at April 1, 2019	247.91	29.72	277.64
Additions	-	-	-
Inter Transfers	-	-	-
Recoupment / Adjustment	-	-	-
Deductions	-	-	-
As at March 31, 2020	247.91	29.72	277.64
Accumulated depreciation	-	-	-
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
As at April 1, 2019	25.49	2.29	27.79
Depreciation for the year	6.43	0.77	7.20
Inter Transfers	-	-	-
Impairment for the year	-	-	-
Deductions	-	-	-
As at March 31, 2020	31.93	3.06	34.98
Net carrying amount	-	-	-
As at March 31, 2019	222.42	27.43	249.85
As at March 31, 2020	215.99	26.66	242.65

Note 1.4 : Other Intangible Assets

Rs. In Lakhs

Particulars	Website
Gross carrying amount	
As at April 1, 2018	1.08
Additions	-
Disposal	-
As at March 31, 2019	1.08
As at April 1, 2019	1.08
Additions	-
Disposal	-
As at March 31, 2020	1.08
Accumulated depreciation	-
As at April 1, 2018	0.38
Depreciation for the year	0.39
Deduction / Adjustment /Writtent back	-
As at March 31, 2019	0.77
As at April 1, 2019	0.77
Depreciation for the year	0.17
Deduction / Adjustment /Writtent back	-
As at March 31, 2020	0.94
Net Carrying Amounts	-
As at March 31, 2019	0.31
As at March 31, 2020	0.14

Note No:- 1.5 Investments Non - Current		Rs. In Lakhs	
Particulars	As at		
	March 31, 2020	March 31, 2019	
(A) Investment at Cost			
- In Partnership Firms *	12,193.68	13,077.89	
- 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):			
- Investment in Shares (Quoted)	0.00	0.00	
Inducto Steel Ltd	-	-	
10 (PY 10) share of Rs. 10/- each paid up			
Total	12,193.68	13,077.89	

Note:

(a) Aggregate value of quoted investments and market value thereof	0.00	0.00
(b) Aggregate value of unquoted investments	12,193.68	13,077.89

* Details of Investment in Partnership Firms			Rs. In Lakhs
Particulars	Share in Profit/ (Loss)	As at	
		March 31, 2020	March 31, 2019
In Partnership Firms			
<u>Fixed Capital</u>			
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
<u>Current A/c</u>		-	-
Whitefield Projects	40.00%	4.20	4.20
Swastik Developers	33.33%	675.55	602.99
Orchid Lakeview Developers	33.33%	163.92	1,995.62
White Mountain	25.00%	98.94	2,626.08
Goyal Hariyana Realty	50.00%	10,865.87	7,656.41
Shree Balaji Associates	5.00%	296.71	-
Hariyana Air Producsts	95.00%	86.49	190.58
		12,193.68	13,077.89

Note No:- 1.6		Other Non-Current Asset		Rs. In Lakhs
Particulars		As at		
		March 31, 2020	March 31, 2019	
(Unsecured, Considered Good)				
a)	Security Deposits	1.41	1.41	
b)	Balance with Revenue Authorities	102.69	91.51	
c)	FDRs (having maturity of more than 12 months)	5.00	5.00	
Total		109.10	97.93	

Note No:- 1.7		Inventories		Rs. In Lakhs
Particulars		As at		
		March 31, 2020	March 31, 2019	
(As verified, valued and certified by management)				
a)	Raw Materials	1,189.88	9,334.54	
	- Uncut Ship	-	-	
b)	Semi Finished Goods	-	-	
Total		1,189.88	9,334.54	

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	Rs. In Lakhs
----------------------	---	--------------

Particulars	As at	
	March 31, 2020	March 31, 2019
Trade Receivable - Unsecured		
Considered Good	89.02	9.41
Considered Doubtful	0.51	0.43
	89.53	9.84
Less : Allowance for doubtful debts	0.51	0.43
Total	89.02	9.41

Age analysis of trade receivables

Outstanding for more than six months from the date they are due	8.58	8.58
Others	80.95	1.26
	89.53	9.84

Notes:

1. Summary of movement in allowance for doubtful trade receivables Rs. In Lakhs

Particulars	As at	
	March 31, 2020	March 31, 2019
Balance at the beginning of the year	0.43	0.87
Movement during the year	0.08	-0.44
Less : Write off of bad debts	-	-
Balance at the end of the year	0.51	0.43

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	Rs. In Lakhs
----------------------	----------------------------------	--------------

Particulars	As at	
	March 31, 2020	March 31, 2019
Cash in Hand (<i>As verified and certified by management</i>)	15.05	17.39
Balances with scheduled banks	-	-
- In current accounts	17.91	5.53
- In deposit accounts	15.08	41.90
Total	48.04	64.82

Notes :

The details of balances as on balance sheet dates with banks are as follows: Rs. In Lakhs

Particulars	As at	
	March 31, 2020	March 31, 2019
<u>In current account</u>		
- Punjab National Bank (Mumbai) CC 1040	0.16	0.69
- Punjab National Bank CC-2793	0.45	1.63
- Punjab National Bank CC-2809	3.32	0.94
- Punjab National Bank (52134)	0.28	0.25
- Punjab National Bank (CA)	13.70	2.02
<u>In term deposit account</u>		
- FD-Punjab National Bank	15.08	41.90
Total	32.99	47.43

Note No:- 1.10	Current Financial Assets - Loans	Rs. In Lakhs
-----------------------	---	--------------

Particulars	As at	
	March 31, 2020	March 31, 2019
(Unsecured, Considered good)		
Loans & Advances		
- Advance against proposed business venture	1,319.00	1,319.00
Total	1,319.00	1,319.00

Note No:- 1.11	Other Current Financial Assets	Rs. In Lakhs
-----------------------	---------------------------------------	--------------

Particulars	As at	
	March 31, 2020	March 31, 2019
(Unsecured, considered good)		
Advances recoverable in cash or kind	25.99	29.17
Total	25.99	29.17

Note No:- 1.12	Other Current Assets	Rs. In Lakhs
-----------------------	-----------------------------	--------------

Particulars	As at	
	March 31, 2020	March 31, 2019
(Unsecured, considered good)		
a) Security Deposit	2.82	2.82
b) Staff Advances	8.11	7.07
c) GST Balances	241.81	1,530.86
d) Advance to Suppliers	17.56	46.44
e) Balance with Revenue Authority	2.52	-
f) Pre-paid Expenses	1.44	0.55
Total	274.26	1,587.74

Note No:- 1.13 Equity Share Capital		Rs. In Lakhs	
Particulars	As at		
	March 31, 2020	March 31, 2019	
<u>AUTHORISED CAPITAL:</u>			
Equity Shares of Rs. 10/- Each	650.00	650.00	
4% Redeemable Preference Share Of Rs. 10/- E	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, 2020		March 31, 2019	
	Rs. In Lakhs		Rs. In Lakhs	
	Number (in Lakhs)	Amount	Number (in Lakhs)	Amount
At the beginning of the year	61.67	616.67	61.67	616.67
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	61.67	616.67	61.67	616.67

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

Name of Shareholders	March 31, 2020		March 31, 2019	
	Rs. In Lakhs		Rs. In Lakhs	
	No. of Shares (in Lakhs)	% of Holding	No. of Shares (in Lakhs)	% of Holding
1 Rakesh Reniwal	8.58	13.92%	8.58	13.92%
2 Lalitadevi Reniwal	4.15	6.73%	4.15	6.73%
3 Sanjeev Reniwal	4.38	7.11%	4.38	7.11%
4 Shantisarup Reniwal HUF	6.25	10.14%	6.25	10.14%
5 Rajeev Reniwal	15.39	24.96%	15.39	24.96%
6 Unnati Reniwal	4.00	6.49%	4.00	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 2018, 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		Rs. In Lakhs	
Particulars	Note No.	As at	
		March 31, 2020	March 31, 2019
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	10,065.22	10,747.92
	Total	11,973.46	12,656.17

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

Notes :

- 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.
- Capital reserve represents reserve created pursuant to the business combinations.
- 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.
- 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.
- 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		Rs. In Lakhs	
Particulars	As at		
	March 31, 2020	March 31, 2019	
Provision for Gratuity	3.39	4.22	
	-	-	
Total	3.39	4.22	

Refer to Note - 3.2 for detailed disclosure

Note 1.16 Deferred Tax Liabilities (net)		Rs. In Lakhs	
Particulars	As at		
	March 31, 2020	March 31, 2019	
a) Deferred tax liabilities	92.34	67.34	
b) Deferred tax (assets)	-1.28	-1.42	
	-	-	
Total	91.06	65.92	

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

Note No:- 1.17 Other Non Current Liabilities		Rs. In Lakhs	
Particulars	As at		
	March 31, 2020	March 31, 2019	
Other Payables			
Security Deposit From Tenants	2.30	13.40	
Total	2.30	13.40	

Note No:- 1.18 Current Financial Liabilities - Borrowings		Rs. In Lakhs	
Particulars	As at		
	March 31, 2020	March 31, 2019	
Secured Borrowings			
1 Loan from banks (includes CC, OD etc.)	715.28	647.06	
Total	715.28	647.06	

Notes:

1. Details of the secured short-term borrowings:

Particulars	As at		
	March 31, 2020	March 31, 2019	
Working Capital Loan from banks:			
a Punjab National Bank OD-376097	618.30	643.73	
b Punjab National Bank OD	96.98	3.33	
	715.28	647.06	

Note No:- 1.19 Current Financial Liabilities - Trade Payables		Rs. In Lakhs	
Particulars	As at		
	March 31, 2020	March 31, 2019	
- For Goods	2,471.50	8,328.45	
- For Other Supplies	6.21	5.23	
Total	2,477.71	8,333.68	

Notes:

1. 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.

2. 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		Rs. In Lakhs	
Particulars	As at		
	March 31, 2020	March 31, 2019	
a) Capital Overdrawn from Shree Balaji Associates	-	2,649.55	
b) Brokerage Payable	21.83	160.17	
c) Statutory dues payable	2.31	9.45	
d) Expenses Payable	11.34	28.42	
e) Margin money of customer	19.00	19.00	
f) Advance from Customers	440.52	986.05	
g) Advance against Proposed JV	121.33	121.33	
Total	616.33	3,973.97	

Note No:- 1.21 Provisions		Rs. In Lakhs	
Particulars	As at		
	March 31, 2020	March 31, 2019	
Provision for Employee Benefits			
Salary & Incentives	0.26	11.01	
Contribution to Provident Funds	2.26	1.60	
ESIC Payable	0.59	0.83	
Total	3.11	13.44	

Note No:- 2.1	REVENUE FROM OPERATIONS	Rs. In Lakhs
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Particulars	For the year ended	
	March 31, 2020	March 31, 2019
a) Sale of products		
- Manufactured	9,876.60	11,535.05
- Traded	2,774.25	26,194.58
Total	12,650.84	37,729.63

Note No:- 2.2	OTHER INCOME	Rs. In Lakhs
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Particulars	For the year ended	
	March 31, 2020	March 31, 2019
a) Interest Income		
i. From Banks	94.57	59.46
ii. From Others	1,429.33	1,169.13
iii. FDR	0.31	0.30
iv. From Partnership Firm (Hariyana Air Product)	-	22.05
b) Income from Investments	-	-
i. Share of Profit/ (Loss) from Partnership Firm	-626.13	544.42
ii. Short Term Capital Gain on Mutual Fund (STT not paid)	-	238.14
c) Other Income :	-	-
i. Rent & Compensation	18.35	38.31
ii. MTM Gain on Fair value of Mutual Fund/ Quoted Equity Shares (FVTPL)	-0.00	-
iii. Foreign Exchange Gain (net)	-	5.56
iv. Other Income	7.24	2.26
v. Income on Capitalization of Goods	227.24	-
Total	1,150.91	2,079.63

Note No:- 2.3	COST OF CONSUMPTION OF RAW MATERIALS	Rs. In Lakhs
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Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Inventory at the Beginning of the Year	9,334.54	12,113.06
Add: Ship Purchase for Recycling	2,471.73	9,027.33
	11,806.27	21,140.40
Less: Inventory at the end of the Year	1,189.88	9,334.54
Cost of Consumption of Raw Materials	10,616.39	11,805.86

Note No:- 2.4	PURCHASE OF STOCK - IN - TRADE	Rs. In Lakhs
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Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Purchases	2,714.49	10,108.59
Total	2,714.49	10,108.59

Note No:- 2.5	CHANGES IN INVENTORIES	Rs. In Lakhs
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Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Inventory at the Beginning of the Year	-	14,859.03
Less : Inventory at the End of the Year	-	-
Total	-	14,859.03

Note No:- 2.6	EMPLOYEE BENEFIT EXPENSES	Rs. In Lakhs
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Particulars	For the year ended	
	March 31, 2020	March 31, 2019
Salaries & Wages	206.56	202.48
Salary to Directors	6.00	17.40
Bonus Expenses	14.90	14.64
Contribution to Provident Funds	13.63	8.06
Contribution to ESIC	7.38	8.81
Staff Welfare Expenses	2.47	0.91
Gratuity Expenses	1.84	1.99
Total	252.78	254.28

Note No:- 2.7 FINANCE COSTS		Rs. In Lakhs	
Particulars	For the year ended		
	March 31, 2020	March 31, 2019	
a) Bank Charges			
Bank Commission & Charges	65.78	35.75	
LC Charges	16.70	21.60	
b) Interest Expenses	-	-	
Borrowing from Bank	46.32	4.16	
Late payment of Statutory Dues	2.49	0.61	
Shortfall in payment of advance Income Tax	0.00	15.68	
Total	131.29	77.80	

Note No:- 2.8 OTHER EXPENSES		Rs. In Lakhs	
Particulars	For the year ended		
	March 31, 2020	March 31, 2019	
Gases & Carbide	100.68	148.62	
Consumable Expenses	15.66	21.82	
Plot Rent & Development Charges	26.63	25.54	
Repair & Maintenance	4.15	3.51	
Power & Fuel Expenses	6.70	6.04	
Pollution Control Expenses	1.45	0.68	
Other Manufacturing Expenses	3.11	7.97	
Advertisements	2.90	0.73	
Accounting Charges	2.40	3.90	
Bad Debts written off *	-	565.51	
Computer Charges	0.48	0.37	
CSR Expenditure	-	16.18	
Donation	0.08	0.72	
Electricity Charges	1.45	1.59	
Excise Expenses	19.84	-	
Fees & Subscription	0.90	0.80	
Foreign Currency Transaction Variation	380.28	520.84	
Filing Fees	0.27	0.16	
General Office Expenses	0.22	0.16	
Insurance Expenses	2.78	11.67	
Legal & Professional Expenses	35.59	32.64	
Listing Fees	3.34	2.81	
Loss on sale of assets	-	0.41	
Other Expenses	2.24	0.95	
Payment to Auditors	4.65	4.65	
Postage & Courier	0.94	1.48	
Printing & Stationery	1.11	1.57	
Professional Tax	0.02	0.02	
Rent, Rates & Taxes	3.44	2.51	
Repairs and Maintenance Expenses	0.33	2.00	
Society Maintenance & Repairs	1.98	2.56	
Security Charges	0.19	0.47	
Sundry Balances Written off	-	8.84	
Telephone Expenses	1.28	1.54	
Travelling Expenses	9.94	24.01	
Vehicle Running & Maintenance	11.38	10.37	
Warehousing Charges	0.73	56.27	
Provision for Doubtful Debts	0.08	-0.44	
Brokerage & Commission Expenses	32.06	188.08	
Total	679.28	1,677.57	

*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, 2020 and March 31, 2019 are as follows:

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Statement of Profit and Loss		
Current tax		
Current income tax	11.27	155.51
Adjustment of tax relating to earlier periods		
Deferred tax		
Deferred tax expense	24.40	5.84
	35.67	161.34
Other comprehensive income		
Deferred tax on		
Net loss/(gain) on actuarial gains and losses	0.74	0.41
	0.74	0.41
	-	-
Income tax expense as per the statement of profit and loss	36.41	161.75

2) Reconciliation of effective tax

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Profit before tax	-648.96	975.71
Income tax expense at tax rates applicable	-168.73	325.73
<u>Adjustments for:</u>	-	-
Expenses not allowed as deduction	18.63	15.36
Income being taxed at lower rate	-1.43	-3.84
Exempt Income	162.79	-181.75
Provision for Gratuity and Doubtful Debts	-0.60	-0.57
Difference of Depreciation	25.00	6.40
Tax expense / (benefit)	35.67	161.34
Effective Tax Rate	-5.50%	16.54%

3) Movement in Deferred Tax Assets and Liabilities

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

Particulars	As at April 1, 2018	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2019
<u>Deferred Tax Liabilities/ (Assets)</u>				
Property, Plant and Equipment	60.73	6.40	-	67.14
Fair Value of financial instruments	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

(ii) For the year ended on March 31, 2020

Particulars	As at March 31, 2019	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2020
<u>Deferred Tax Liabilities/ (Assets)</u>				
Property, Plant and Equipment	67.14	25.00	-	92.14
Fair Value of financial instrument	0.20	-	-	0.20
Allowance for Doubtful Debts	-0.11	-0.57	-	-0.69
Retirement Benefit Plans	-1.30	-0.03	0.74	-0.59
	65.92	24.40	0.74	91.06

4) Current tax assets and liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current tax assets	-	-
Current tax liabilities	0.01	160.86

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. 21.00 Lakhs (FY 2018-19 : Rs. 16.87 Lakhs) is recognised as expenses and included in Note 2.6 : Employee benefit expense.

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Provident fund	13.63	8.06
ESIC	7.38	8.81
	21.01	16.87

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	
	31-Mar-20	31-Mar-19
Discount rate (per annum)	6.85%	7.70%
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	Year ended	
	31-Mar-20	31-Mar-19
Opening defined benefit obligation	4.22	3.45
Current service cost	1.51	1.72
Interest cost	0.33	0.27
Actuarial (gain)/loss arising from changes in financial assumptions	0.45	0.15
Actuarial (gain)/loss arising from experience adjustments	-3.12	-1.37
Closing defined benefit obligation	3.39	4.22

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

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Remeasurement on the net defined benefit liability comprising:		
- Actuarial (gain)/loss arising from changes in financial assumptions	0.45	0.15
- Actuarial (gain)/loss arising from experience adjustments	-3.12	-1.37
Components of defined benefit costs recognised in other comprehensive income	-2.67	-1.22

4. Sensitivity analysis of significant assumptions are as follows:

Particulars	Sensitivity level	Defined benefit obligation	
		31-Mar-20	31-Mar-19
Defined benefit obligation (Base)		3.39	4.22
Discount Rate	1% increase	2.96	3.69
	1% decrease	3.90	4.86
Salary Growth Rate	1% increase	3.90	4.86
	1% decrease	2.96	3.68
Attrition Rate	1% increase	3.33	4.19
	1% decrease	3.45	4.24
Mortality Rate	1% increase	3.39	4.22
	1% decrease	3.39	4.21

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

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Gratuity		
Within the next 12 months (next annual reporting period)	0.01	0.59
Between 2 and 5 years	0.82	0.33
Beyond 5 years	9.60	15.06
Total expected payments	10.43	15.98

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

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Weighted average duration	14 Years	14 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	Year ended	
	31-Mar-20	31-Mar-19
Earning per share		
- Basic	-11.10	13.21
- Diluted	-11.10	13.21
Face value per share	10	10
Basic & Diluted EPS		
Profit for the year attributable to equity shareholders	-684.63	814.37
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, 2020	March 31, 2019
Borrowings	715.28	647.06
Trade Payables	2,477.71	8,333.68
Less: cash and cash equivalent	48.04	64.82
Net debt	3,144.95	8,915.92
	-	-
Equity share capital	616.67	616.67
Other equity	11,973.46	12,656.17
Total capital	12,590.13	13,272.84
Capital and net debt	15,735.08	22,188.75
Gearing ratio (%)	20%	40%

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.

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, 2020		
Rupee borrowings	+50	(1.60)
	-50	1.60
March 31, 2019		
Rupee borrowings	+50	(0.15)
	-50	0.15

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, 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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Accounts Payable				
USD	32.72	120.04	2,471.50	8,328.45

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, 2020	5%	(123.57)
	-5%	123.57
March 31, 2019	5%	(416.42)
	-5%	416.42

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.

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
As at year ended						
March 31, 2020						
Borrowings	715.28	-	-	-	-	715.28
Trade & other payables	-	6.21	2,471.50	-	-	2,477.71
	-	-	-	-	-	-
March 31, 2019	-	-	-	-	-	-
Borrowings	647.06	-	-	-	-	647.06
Trade & other payables	-	5.23	8,328.45	-	-	8,333.68

Note 3.6 : Categories of Financial assets and liabilities:

Particulars	As at	
	March 31, 2020	March 31, 2019
Financial Assets		
a. Measured at cost:		
Investments		
- Partnership Firms	12,193.68	13,077.89
- Equity Shares (Unquoted)	0.00	0.00
b. Measured at amortised cost:		
Cash & cash equivalents (including other bank balances)	48.04	64.82
Trade receivables	89.02	9.41
Loans	1,319.00	1,319.00
Others	25.99	29.17
c. Mandatorily measured at fair value through profit or loss (FVTPL) / other comprehensive income (OCI):		
Investments		
- Equity shares (Quoted)	0.00	0.00
Financial Liabilities		
a. Measured at amortised cost:		
Borrowings	715.28	647.06
Trade payables	2,477.71	8,333.68

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, 2020				
Assets measured at fair value				
<i>FVTPL investments</i>				
Equity shares - Quoted	0.00	-	-	0.00
Assets disclosed at fair value				
Investment properties	-	-	242.65	242.65
March 31, 2019				
Assets measured at fair value				
<i>FVTPL investments</i>	-	-	-	-
Equity shares - Quoted	0.00	-	-	0.00
Assets disclosed at fair value				
Investment properties	-	-	249.85	249.85

(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. Shanti Sarup Reniwal

Executive directors

2. Rakesh Reniwal
3. Unnati Reniwal

Company Secretary

4. Swati Chauhan (Resigned on 28.02.2019)
5. Shalinder Kaur (Joined on 07.10.2019)

(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	
	31-Mar-20	31-Mar-19
Sales and other operating income		
(i) Sales		
Inducto Steel Limited	-	4,242.11
	-	4,242.11
(ii) Other operating income / Other income		
Interest Income		
White Mountain	300.32	268.77
Orchid Lakeview Developers	130.36	193.61
Swastik Developers	72.56	64.61
Goyal Hariyana Realty	925.32	641.31
Hariyana Air Products	-	22.05
	1,428.55	1,190.33
Share of Profit/ (Loss) from the firms		
Orchid Lakeview Developers	-17.06	289.02
Shree Balaji Associates	0.17	-0.01
Goyal Hariyana Realty	-570.86	57.75
White Mountain	-2.46	142.95
Hariyana Air Products	-35.92	54.71
	-626.13	544.42
Purchases		
Oxygen Gas Purchases		
Hariyana Air Products	23.39	45.98
	23.39	45.98
Remuneration Paid		
Swati Chouhan	-	5.50
Rakesh Reniwal	6.00	12.00
Unnati Reniwal	-	5.40
Shalinder Kaur	3.85	-
Kirti Shantilal Desai	6.29	-
	16.14	22.90
Investment in Partnership Firms		
Capital Introduced		
Shree Balaji Associates	10,762.00	29,118.50
Goyal Hariyana Realty	3,950.32	2,855.00
Hariyana Air Products	146.50	133.45
	14,858.82	32,106.95
Capital Withdrawn		
Orchid Lakeview Developers	1,945.00	105.00
Shree Balaji Associates	7,815.90	33,070.00
Goyal Hariyana Realty	170.00	504.00
White Mountain	2,825.00	150.00
Hariyana Air Products	214.68	211.21
	12,970.58	34,040.21

b) Balances at the end of the year	As at	
	31-Mar-20	31-Mar-19
<u>Advance Received</u>		
Goyal and Company (Construction) Pvt. Ltd.	121.33	121.33
	121.33	121.33
<u>Trade Payables</u>		
Hariyan Air Products	0.12	-
	0.12	-
<u>Expenses Payable</u>		
Shalinder Kaur	0.55	
	0.55	-
<u>Investments Balance at the end of the period</u>		
- In Fixed Capital		
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
- In Current Capital	-	-
Whitefield Projects	4.20	4.20
Swastik Developers	675.55	602.99
Orchid Lakeview Developers	163.92	1,995.62
White Mountain	98.94	2,626.08
Goyal Hariyana Realty	10,865.87	7,656.41
Shree Balaji Associates	296.71	-2,649.55
Hariyan Air Products	86.49	190.58
	12,193.68	10,428.34

Note 3.10 : Contingent Liabilities

Particulars	As at	
	March 31, 2020	March 31, 2019
To the extent not acknowledged as debts :		
a. Disputed demand under :		
- Income tax	327.74	102.50
- Gujarat Maritime Board	25.34	-
- Customs & Excise	18.35	18.35

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 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, 2020	March 31, 2019
Lease payments recognized in the statement of profit and loss	-	0.16

Note 3.12 : Other Information (including foreign currency transactions)

(Amt. in INR)

Particulars	Year ended	
	March 31, 2020	March 31, 2019
1. Information regarding Imports (CIF)		
a) Raw materials and components	2,368.76	8,720.99
a) Traded Goods	1,806.75	9,981.57
	4,175.51	18,702.56
2. Auditors' remuneration		
Included under Other Expenses		
i) For financial audit	2.90	2.90
ii) For taxation matters	0.25	0.25
iii) For other services - review of accounts, certification work, etc.	1.50	1.50
	4.65	4.65

Note 3.13 : Expenditure for corporate social responsibility

Particulars	Year ended	
	March 31, 2020	March 31, 2019
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	17.89	16.18
Amount spent during the year on :		
(a) Construction / Acquisition of any asset		
(b) On Purpose other than (a) above	-	16.18
(c) Non utilized amount		

Notes:

- During FY 2019-20 the company has not spent any amount towards Corporate Social Responsibility. During FY 2018-19 the company has made contribution of Rs.16.18 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. The management and CSR Committee are in the process of finding better avenues of CSR Expenditure to be incurred in near future.
- 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

- The figures for the previous year have been reclassified/ regrouped wherever necessary for better understanding and comparability.
- 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

CA Sanjay Soni
Partner
Membership No. 114835
UDIN :

CA Prem Goplani
Partner
Membership No. 103765
UDIN : 20103765AAAAAX2457

Shantisarup Reniwal
Director
DIN: 00040355

Rakesh Reniwal
Director
DIN: 00029332

Kirti Desai
Chief Financial Officer
Place: Mumbai
Date: July 9, 2020

Shalinder Kaur
Company Secretary

Place: Mumbai
Date: July 9, 2020

Consolidated Balance Sheet as at March 31, 2020
Rs. In Lakhs

Particulars	Note No.	As at	
		March 31, 2020	March 31, 2019
ASSETS			
Non-Current Assets			
Property, Plant And Equipment	1.1	984.66	831.55
Capital Work - in - Progress	1.2	154.54	69.60
Investment Property	1.3	242.65	249.85
Other Intangible Assets	1.4	0.14	0.31
Financial Assets			
(i) Investments	1.5	12,119.13	12,901.20
Other Non Current Asset	1.6	124.64	121.36
		13,625.75	14,173.88
Current Assets			
Inventories	1.7	1,189.88	9,334.54
Financial Assets			
(i) Trade Receivable	1.8	93.76	9.41
(ii) Cash And Cash Equivalents	1.9	51.16	73.23
(iii) Loans	1.10	1,319.00	1,409.03
(iv) Other Financial Assets	1.11	22.12	29.17
Other Current Assets	1.12	279.04	1,592.89
		2,954.96	12,448.27
		-	-
Total Assets		16,580.71	26,622.15
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	1.13	616.67	616.67
Other Equity	1.14	12,026.18	12,744.25
Equity attributable to owners of the Company		12,642.85	13,360.92
Non controlling interest		10.65	14.30
		12,653.50	13,375.22
Non-Current Liabilities			
Provisions	1.15	3.39	4.22
Deferred Tax Liabilities (Net)	1.16	106.14	95.18
Other Non Current Liabilities	1.17	2.30	13.40
		111.83	112.80
Current Liabilities			
Financial Liabilities			
(i) Borrowings	1.18	715.28	647.06
(ii) Trade Payables	1.19	2,478.64	8,333.71
Other Current Liabilities	1.20	618.00	3,977.23
Provisions	1.21	3.47	15.26
Current Tax Liabilities (Net)		0.01	160.86
		3,815.39	13,134.12
		-	-
Total Equity and Liabilities		16,580.71	26,622.15
		-0.00	-0.00

The accompanying notes are an integral part of the Consolidated 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

Sd/-

Shaliner Kaur Sadal
Company Secretary

Place: Mumbai

Date: July 9, 2020

Place: Mumbai

Date: July 9, 2020

Consolidated Statement of Profit and Loss for the year ended March 31, 2020
Rs. In Lakhs

Particulars	Note No.	Year ended	
		March 31, 2020	March 31, 2019
Income			
Revenue from operations	2.1	12,801.62	39,031.93
Other Income	2.2	1,810.09	1,514.12
Total Income		14,611.71	40,546.05
Expenses			
Cost of raw materials consumed	2.3	10,616.39	11,805.86
Purchase of Stock-in-trade	2.4	2,714.49	11,202.82
Changes in the inventories of Finished Goods, Stock In Trade and Work - In Progress	2.5	-	14,859.03
Employee benefits expense	2.6	274.52	275.71
Excise Duty		-	-
Finance costs	2.7	131.31	78.66
Depreciation and amortisation expense	1.1, 1.3, 1.4	71.01	70.68
Other Expenses	2.8	913.81	1,774.77
Total expenses		14,721.53	40,067.54
Profit before tax		-109.83	478.51
Exceptional Items		-	-
Profit before tax		-109.83	478.51
Tax Expenses :			
Current Tax	3.1	11.27	155.51
Deferred Tax		10.21	2.38
		21.48	157.88
Profit/(loss) after tax but before share of profit/ (loss) from associates		-131.31	320.63
Share of profit/ (loss) from associates		-592.34	486.91
Profit for the year		-723.64	807.53
Other comprehensive income			
(i) Items that will not be reclassified to Profit or Loss		-	-
- Remeasurement of Defined Benefit Plans		2.67	1.22
(ii) Income tax relating to items that will not be reclassified to Profit or Loss		-0.74	-0.41
Total other comprehensive income		1.92	0.81
Total comprehensive income for the year		-721.72	808.34
Total comprehensive income for the year attributable to :			
- Owners of the Company		-718.07	805.81
- Non controlling interest		-3.65	2.53
Earning per equity share [face value Rs.10/- each]			
Basic		(11.73)	13.10
Diluted		(11.73)	13.10
<i>(Refer Note 3.3)</i>			

The accompanying notes are an integral part of the Consolidated 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/-
Kirti Desai
Chief Financial Officer

Sd/-
Rakesh Reniwal
Director
DIN: 00029332

Sd/-
Shalinder Kaur Sadal
Company Secretary

Place: Mumbai
Date: July 9, 2020

Place: Mumbai
Date: July 9, 2020

Consolidated statement of Cash flow for the year ended on March 31, 2020

Rs. In Lakhs

Particulars	Year Ended	
	March 31, 2020	March 31, 2019
Cash flow from operating activities		
Profit before tax	-109.83	478.51
Adjustment for :		
Depreciation and amortisation expense	71.01	70.68
Finance cost	131.31	78.66
Interest income	-1,525.64	-1,229.85
Bad debts	-	565.51
Provision for doubtful debts	0.08	-0.44
Gain on sale of units of Mutual Funds	-	-238.14
Share of profit/ (loss) from associates	-592.34	486.91
Other comprehensive income	2.67	1.22
(Profit)/ Loss from partnership firms	-0.17	0.01
Operating profit before working capital changes	-2,022.90	213.06
Adjustments for working capital changes:	-	-
Decrease / (Increase) in Trade and other receivables	1,233.19	220.33
Decrease / (Increase) in Inventories	8,144.66	17,637.56
(Decrease) / Increase in Trade and other payables	-9,398.88	-21,496.57
Cash generated/ (used) in operations	-2,043.94	-3,425.62
Extraordinary item	-	-
Direct taxes paid	-11.27	-155.51
Net Cash generated from/(used in) operating activities [A]	-2,055.20	-3,581.13
Cash Flow from investing activities	-	-
Purchase of fixed assets (including capital advances)	-345.64	-149.72
Proceeds from sale of fixed assets	43.95	4.10
(Purchase) / Proceeds of non - current investments (Net)	782.07	-2,368.55
Proceeds/ Repayment of current loans, net	90.03	11.02
Gain on sale of units of Mutual Funds	-	238.14
(Profit)/ Loss from partnership firms	0.17	-0.01
Interest received	1,525.64	1,229.85
Net cash generated from/(used in) investing activities [B]	2,096.22	-1,035.17
Cash flow from financing activities	-	-
Change in non controlling interest	-	0.81
Finance cost	-131.31	-78.66
Net cash generated from/(used in) financing activities [C]	-131.31	-77.84
Net increase/(decrease) in cash & cash equivalents [A+B+C]	-90.29	-4,694.14
Cash & cash equivalents at the beginning of the year	-573.82	4,120.32
Cash & cash equivalents at the end of the year	-664.12	-573.82

Notes :

1. Reconciliation of cash and cash equivalents as per the cash flow statement :

Particulars	March 31, 2020	March 31, 2019
Cash and Cash Equivalents (Note 1.9)	51.16	73.23
Bank Overdrafts (Note 1.18)	-715.28	-647.06
Balances as per the statement of cash flow	-664.12	-573.82

2. The above cashflow statement has been prepared under the 'indirect method' as set out in the Indian Accounting Standard - 7 "Statement of Cash Flows".

3. Figures of previous year have been regrouped, wherever necessary, to make them comparable.

The accompanying notes are an integral part of the Consolidated 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

Sd/-
Shalinder Kaur Sadal
Company Secretary

Place: Mumbai
Date: July 9, 2020

Place: Mumbai
Date: July 9, 2020

Consolidated Statement of Changes in Equity for the year ended March 31, 2020

A) Equity Share Capital

Rs. In Lakhs

Particulars	Amount
Balance as at April 1, 2018	616.67
Changes in Equity share capital during the year	-
Balance as at March 31, 2019	616.67
Balance as at April 1, 2019	616.67
Changes in Equity share capital during the year	-
Balance as at March 31, 2020	616.67

B) Other Equity

Rs. In Lakhs

Particulars	Attributable to the equity holders of the Company					Total
	Reserve and Surplus					
	Securities Premium	Capital Reserves	General Reserves	Capital Redemption Reserves	Retained Earnings	
Balance as at April 1, 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 March 31, 2019	140.38	893.61	374.25	500.00	10,836.00	12,744.25
Balance as at April 1, 2019	140.38	893.61	374.25	500.00	10,836.00	12,744.25
Additions during the year:	-	-	-	-	-	-
Profit for the year	-	-	-	-	-719.99	-719.99
Items of OCI for the year, net of tax-	-	-	-	-	-	-
Remeasurement benefit of defined benefit plans (net of taxes)	-	-	-	-	1.92	1.92
Balance as at March 31, 2020	140.38	893.61	374.25	500.00	10,117.93	12,026.18

The accompanying notes are an integral part of the Consolidated 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
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Director
DIN: 00029332

Sd/-
Kirti Desai
Chief Financial Officer

Sd/-
Shalinder Kaur Sadal
Company Secretary

Place: Mumbai
Date: July 9, 2020

Place: Mumbai
Date: July 9, 2020

Notes to the Consolidated Financial Statements

Rs. In Lakhs

Note No:- 1.1 Property Plant and Equipment																											
A S S E T S	Factory Land	Building Premises	Godown	Green Plot Development (Alang)	Flat - Madhav Hill	Factory Building	Plant & Machineries	Crane & Commercial Vehicles	Office Equipments	Oxygen Tank	Mobiles	Furniture	Computer	Vehicles	Fire Fighting Equipments	Weigh Bridge	Land	Shed & Building	Office Furniture	Air Conditioner	Electrification	Office Equipments	Plant & Machinery	Mobile	Oxygen Cylinders	Computer	Total
Gross carrying amount																											
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	14.77	48.01	0.26	0.12	8.66	0.07	96.33	0.28	78.57	0.45	918.39
Additions	12.13	-	-	-	-	-	6.12	7.56	0.42	-	0.08	-	-	62.43	-	-	-	-	-	-	-	-	0.15	-	-	-	88.89
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	14.77	48.01	0.26	0.12	8.66	0.07	96.48	0.28	78.57	0.45	997.43
As at April 1, 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	14.77	48.01	0.26	0.12	8.66	0.07	96.48	0.28	78.57	0.45	997.43
Additions	-	0.17	-	9.03	-	-	229.12	4.25	0.43	-	-	-	-	14.00	-	-	-	-	-	-	-	0.25	3.46	-	-	-	260.70
Disposal	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	61.72	-	61.72
As at March 31, 2020	252.07	2.53	8.07	36.78	12.65	135.07	301.04	101.85	6.02	21.01	0.85	2.12	1.24	116.45	0.67	8.34	14.77	48.01	0.26	0.12	8.66	0.32	99.94	0.28	16.85	0.45	1,196.41
Accumulated depreciation																											
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	-	3.71	0.10	0.02	3.36	0.01	18.20	0.05	15.08	0.43	108.52
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	-	1.86	0.05	0.01	1.68	0.01	9.10	0.03	7.54	-	63.12
Deduction / Adjustment /Writtent back	-	-	-	-	-	-	-	-	-	-	-	-	-	5.76	-	-	-	-	-	-	-	-	-	-	-	-	5.76
As at March 31, 2019	-	0.28	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	-	5.57	0.15	0.03	5.05	0.02	27.31	0.08	22.62	0.43	165.87
As at April 1, 2019	-	0.28	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	-	5.57	0.15	0.03	5.05	0.02	27.31	0.08	22.62	0.43	165.87
Depreciation for the year	-	0.09	0.75	0.97	-	5.62	14.14	12.38	0.74	1.33	-	0.13	0.10	14.64	0.14	0.49	-	1.86	0.05	0.01	1.68	0.04	9.25	0.03	1.62	-	66.07
Deduction / Adjustment /Writtent back	-	-	-	-	-	-	0.26	-	-	-	-	0.50	-	-	-	1.67	-	-	-	-	-	-	-	-	17.77	-	20.20
As at March 31, 2020	-	0.37	2.99	2.11	-	17.80	32.82	50.86	2.33	5.09	0.66	0.91	1.04	33.05	0.57	3.13	-	7.42	0.20	0.04	6.73	0.06	36.56	0.11	6.47	0.43	211.75
Net Carrying Amounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	14.77	42.45	0.11	0.08	3.61	0.05	69.17	0.20	55.95	0.02	831.55
As at March 31, 2020	252.07	2.16	5.09	34.66	12.65	117.26	268.22	51.00	3.69	15.92	0.20	1.21	0.20	83.40	0.09	5.22	14.77	40.59	0.06	0.07	1.93	0.26	63.38	0.17	10.38	0.02	984.66

Notes :

1. Green Plot Development at Alang Ship Breaking Yard valued at Rs. 34.66 Lakhs is on a leasehold land plot.
2. 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

Rs. In Lakhs

Particulars	Building Premises (Aashiana)
Gross carrying amount	
As at April 1, 2018	8.77
Additions	60.83
Deductions (Transferred to Property, Plant & Equipments)	-
As at March 31, 2019	69.60
As at April 01, 2019	69.60
Additions	84.94
Deductions (Transferred to Property, Plant & Equipments)	-
As at March 31, 2020	154.54
Net carrying amount	-
As at March 31, 2019	69.60
As at March 31, 2020	154.54

Note 1.3 : Investment Property

Rs. In Lakhs

Particulars	Premises (Other than Factory)	Warehouse (Leasehold)	Total
Gross carrying amount			
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
As at April 1, 2019	247.91	29.72	277.64
Additions	-	-	-
Inter Transfers	-	-	-
Recoupment / Adjustment	-	-	-
Deductions	-	-	-
As at March 31, 2020	247.91	29.72	277.64
Accumulated depreciation			
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
As at April 1, 2019	25.49	2.29	27.79
Depreciation for the year	6.43	0.77	7.20
Inter Transfers	-	-	-
Impairment for the year	-	-	-
Deductions	-	-	-
As at March 31, 2020	31.93	3.06	34.98
Net carrying amount			
As at March 31, 2019	222.42	27.43	249.85
As at March 31, 2020	215.99	26.66	242.65

Note 1.4 : Other Intangible Assets

Rs. In Lakhs

Particulars	Website
Gross carrying amount	
As at April 1, 2018	1.08
Additions	-
Disposal	-
As at March 31, 2019	1.08
As at April 1, 2019	1.08
Additions	-
Disposal	-
As at March 31, 2020	1.08
Accumulated depreciation	
As at April 1, 2018	0.38
Depreciation for the year	0.39
Deduction / Adjustment / Writtent back	-
As at March 31, 2019	0.77
As at April 1, 2019	0.77
Depreciation for the year	0.17
Deduction / Adjustment / Writtent back	-
As at March 31, 2020	0.94
Net Carrying Amounts	
As at March 31, 2019	0.31
As at March 31, 2020	0.14

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Note No:- 1.5 Investments Non - Current		Rs. In Lakhs	
Particulars	As at		
	March 31, 2020	March 31, 2019	
(A) Investment at Cost			
- In Associates			
Whitefield Projects	4.20	4.20	
Swastik Developers	675.55	602.99	
Orchid Lakeview Developers	164.86	1,996.56	
White Mountain	100.18	2,628.49	
Goyal Hariyana Realty	10,877.37	7,668.70	
	-	-	
- In Partnership Firms *			
Shree Balaji Associates Fixed Capital	0.25	0.25	
Shree Balaji Associates Current Capital	296.71	-	
	-	-	
- 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):			
- Investment in Shares (Quoted)	0.00	0.00	
Inducto Steel Ltd	-	-	
10 (PY 10) share of Rs. 10/- each paid up	-	-	
Total	12,119.13	12,901.20	

Note:

(a) Aggregate value of quoted investments and market value thereof	100	123
(b) Aggregate value of unquoted investments	10	10

* Details of Investment in Partnership Firms		Rs. In Lakhs	
Particulars	Share in Profit/ (Loss)	As at	
		March 31, 2020	March 31, 2019
In Partnership Firms			
Fixed Capital			
Orchid Lakeview Developers Fixed	33.33%	1.00	1.00
White Mountain Fixed	25.00%	0.25	0.25
	5.00%	-	-
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%	675.55	602.99
Orchid Lakeview Developers	33.33%	163.86	1,995.56
White Mountain	25.00%	99.93	2,628.24
Goyal Hariyana Realty	50.00%	10,876.87	7,668.20
Shree Balaji Associates	5.00%	-	-
Total		11,822.17	12,900.95

Note No:- 1.6 Other Non-Current Asset		Rs. In Lakhs	
Particulars		As at	
		March 31, 2020	March 31, 2019
(Unsecured, Considered Good)			
a) Security Deposits		16.94	15.64
b) Balance with Revenue Authorities		102.69	100.72
c) FDRs (having maturity of more than 12 months)		5.00	5.00
Total		124.64	121.36

Note No:- 1.7 Inventories		Rs. In Lakhs	
Particulars		As at	
		March 31, 2020	March 31, 2019
<i>(As verified, valued and certified by management)</i>			
a) Raw Materials		1,189.88	9,334.54
- Uncut Ship		-	-
b) Semi Finished Goods		-	-
Total		1,189.88	9,334.54

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		Rs. In Lakhs	
Particulars	As at		
	March 31, 2020	March 31, 2019	
Trade Receivable - Unsecured			
Considered Good	93.76	9.41	
Considered Doubtful	0.51	0.43	
	94.27	9.84	
Less : Allowance for doubtful debts	0.51	0.43	
Total	93.76	9.41	
<i>Age analysis of trade receivables</i>			
Outstanding for more than six months from the date they are due	8.58	8.58	
Others	85.69	1.26	
	94.27	9.84	

Notes:

1. Summary of movement in allowance for doubtful trade receivables

Rs. In Lakhs

Particulars	As at	
	March 31, 2020	March 31, 2019
Balance at the beginning of the year	0.43	0.87
Movement during the year	0.08	-0.44
Less : Write off of bad debts	-	-
Balance at the end of the year	0.51	0.43

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		Rs. In Lakhs	
Particulars	As at		
	March 31, 2020	March 31, 2019	
Cash in Hand (<i>As verified and certified by management</i>)	17.03	19.43	
Balances with scheduled banks	-	-	
- In current accounts	19.05	11.90	
- In deposit accounts	15.08	41.90	
Total	51.16	73.23	

Notes :

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

Rs. In Lakhs

Particulars	As at	
	March 31, 2020	March 31, 2019
<u>In current account</u>		
- Punjab National Bank (Mumbai) CC 1040	0.16	0.69
- Punjab National Bank CC-2793	0.45	1.63
- Punjab National Bank CC-2809	3.32	0.94
- Punjab National Bank (52134)	0.28	0.25
- Punjab National Bank (CA)	13.70	2.02
- Punjab National Bank (0051002100049352)	1.14	6.37
<u>In term deposit account</u>	-	-
- FD-Punjab National Bank	15.08	41.90
Total	34.13	53.80

Note No:- 1.10 Current Financial Assets - Loans		Rs. In Lakhs	
Particulars	As at		
	March 31, 2020	March 31, 2019	
(Unsecured, Considered good)			
Loans & Advances			
- Advance against proposed business venture	1,319.00	1,409.03	
Total	1,319.00	1,409.03	

Note No:- 1.11 Other Current Financial Assets		Rs. In Lakhs	
Particulars	As at		
	March 31, 2020	March 31, 2019	
(Unsecured, considered good)			
Advances recoverable in cash or kind	22.12	29.17	
Total	22.12	29.17	

Note No:- 1.12 Other Current Assets		Rs. In Lakhs	
Particulars	As at		
	March 31, 2020	March 31, 2019	
(Unsecured, considered good)			
a) Security Deposit	2.82	2.82	
b) Staff Advances	8.11	7.07	
c) GST Balances	245.68	1,530.86	
d) Advance to Suppliers	17.56	46.44	
e) Balance with Revenue Authority	2.61	4.52	
f) Pre-paid Expenses	1.46	0.55	
g) Interest Receivable	0.81	0.64	
Total	279.04	1,592.89	

Particulars	As at	
	March 31, 2020	March 31, 2019
AUTHORISED CAPITAL:		
Equity Shares of Rs. 10/- Each	650.00	650.00
4% Redeemable Preference Share Of Rs. 10/- E	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 : Rs. In Lakhs

Particulars	March 31, 2020		March 31, 2019	
	Number (In Lakhs)	Amount	Number (In Lakhs)	Amount
At the beginning of the year	61.67	616.67	61.67	616.67
Add: Shares issued during the year	-	-	-	-
Less: Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	61.67	616.67	61.67	616.67

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

Name of Shareholders	March 31, 2020		March 31, 2019	
	No. of Shares (In Lakhs)	% of Holding	No. of Shares (In Lakhs)	% of Holding
1 Rakesh Reniwal	8.58	13.92%	8.58	13.92%
2 Lalitadevi Reniwal	4.15	6.73%	4.15	6.73%
3 Sanjeev Reniwal	4.38	7.11%	4.38	7.11%
4 Shantisarup Reniwal HUF	6.25	10.14%	6.25	10.14%
5 Rajeev Reniwal	15.39	24.96%	15.39	24.96%
6 Unnati Reniwal	4.00	6.49%	4.00	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 2018, 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.

Particulars	Note No.	As at	
		March 31, 2020	March 31, 2019
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	10,117.93	10,836.00
Total		12,026.18	12,744.25

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		Rs. In Lakhs	
Particulars	As at		
	March 31, 2020	March 31, 2019	
Provision for Gratuity	3.39	4.22	
	-	-	
Total	3.39	4.22	

Refer to Note - 3.2 for detailed disclosure

Note 1.16 Deferred Tax Liabilities (net)		Rs. In Lakhs	
Particulars	As at		
	March 31, 2020	March 31, 2019	
a) Deferred tax liabilities	107.42	96.60	
b) Deferred tax (assets)	-1.28	-1.42	
	-	-	
Total	106.14	95.18	

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

Note No:- 1.17 Other Non Current Liabilities		Rs. In Lakhs	
Particulars	As at		
	March 31, 2020	March 31, 2019	
Other Payables			
Security Deposit From Tenants	2.30	13.40	
Total	2.30	13.40	

Note No:- 1.18 Current Financial Liabilities - Borrowings		Rs. In Lakhs	
Particulars	As at		
	March 31, 2020	March 31, 2019	
Secured Borrowings			
1 Loan from banks (includes CC, OD etc.)	715.28	647.06	
Total	715.28	647.06	

Notes:

1. Details of the secured short-term borrowings:

		Rs. In Lakhs	
Particulars	As at		
	March 31, 2020	March 31, 2019	
Working Capital Loan from banks:			
a Punjab National Bank OD-376097	618.30	643.73	
b Punjab National Bank OD	96.98	3.33	
	715.28	647.06	

Note No:- 1.19 Current Financial Liabilities - Trade Payables		Rs. In Lakhs	
Particulars	As at		
	March 31, 2020	March 31, 2019	
- For Goods	2,471.50	8,328.45	
- For Other Supplies	7.14	5.26	
Total	2,478.64	8,333.71	

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		Rs. In Lakhs	
Particulars	As at		
	March 31, 2020	March 31, 2019	
a) Capital Overdrawn from Shree Balaji Associates	-	2,649.55	
b) Brokerage Payable	21.83	160.17	
c) Statutory dues payable	3.55	12.29	
d) Expenses Payable	11.76	28.84	
e) Margin money of customer	19.00	19.00	
f) Advance from Customers	440.52	986.05	
g) Advance against Proposed JV	121.33	121.33	
Total	618.00	3,977.23	

Note No:- 1.21 Provisions		Rs. In Lakhs	
Particulars	As at		
	March 31, 2020	March 31, 2019	
Provision for Employee Benefits			
Salary & Incentives	0.61	12.83	
Contribution to Provident Funds	2.26	1.60	
ESIC Payable	0.59	0.83	
Total	3.47	15.26	

Note No:- 2.1 REVENUE FROM OPERATIONS		Rs. In Lakhs	
Particulars	For the year ended		
	March 31, 2020	March 31, 2019	
a) Sale of products			
- Manufactured	10,027.37	11,669.36	
- Traded	2,774.25	27,362.57	
Total	12,801.62	39,031.93	

Note No:- 2.2 OTHER INCOME		Rs. In Lakhs	
Particulars	For the year ended		
	March 31, 2020	March 31, 2019	
a) Interest Income			
i. From Banks	94.57	59.46	
ii. From Others	1,430.76	1,170.09	
iii. FDR	0.31	0.30	
b) Income from Investments	-	-	
i. Share of Profit/ (Loss) from Partnership Firm	0.17	-0.01	
ii. Short Term Capital Gain on Mutual Fund (STT not paid)	-	238.14	
c) Other Income :	-	-	
i. Rent & Compensation	18.35	38.31	
ii. MTM Gain on Fair value of Mutual Fund/ Quoted Equity Shares (FVTPL)	-0.00	-	
iii. Foreign Exchange Gain (net)	-	5.56	
iv. Other Income	7.24	2.26	
v. Profit on sale of Oxygen Cylinders	31.46	-	
vi. Income on Capitalization of Goods	227.24	-	
Total	1,810.09	1,514.12	

Note No:- 2.3 COST OF CONSUMPTION OF RAW MATERIALS		Rs. In Lakhs	
Particulars	For the year ended		
	March 31, 2020	March 31, 2019	
Inventory at the Beginning of the Year	9,334.54	12,113.06	
Add: Ship Purchase for Recycling	2,471.73	9,027.33	
	11,806.27	21,140.40	
Less: Inventory at the end of the Year	1,189.88	9,334.54	
Cost of Consumption of Raw Materials	10,616.39	11,805.86	

Note No:- 2.4 PURCHASE OF STOCK - IN - TRADE		Rs. In Lakhs	
Particulars	For the year ended		
	March 31, 2020	March 31, 2019	
Purchases	2,714.49	11,202.82	
Total	2,714.49	11,202.82	

Note No:- 2.5 CHANGES IN INVENTORIES		Rs. In Lakhs	
Particulars	For the year ended		
	March 31, 2020	March 31, 2019	
Inventory at the Beginning of the Year	-	14,859.03	
Less : Inventory at the End of the Year	-	-	
Total	-	14,859.03	

Note No:- 2.6 EMPLOYEE BENEFIT EXPENSES		Rs. In Lakhs	
Particulars	For the year ended		
	March 31, 2020	March 31, 2019	
Salaries & Wages	228.30	223.91	
Salary to Directors	6.00	17.40	
Bonus Expenses	14.90	14.64	
Contribution to Provident Funds	13.63	8.06	
Contribution to ESIC	7.38	8.81	
Staff Welfare Expenses	2.47	0.91	
Gratuity Expenses	1.84	1.99	
Total	274.52	275.71	

Note No:- 2.7 FINANCE COSTS		Rs. In Lakhs	
Particulars	For the year ended		
	March 31, 2020	March 31, 2019	
a) Bank Charges			
Bank Commission & Charges	65.80	35.80	
LC Charges	16.70	21.60	
b) Interest Expenses			
Borrowing from Bank	46.32	4.16	
Others	-	0.81	
Late payment of Statutory Dues	2.49	0.61	
Shortfall in payment of advance Income Tax	0.00	15.68	
Total	131.31	78.66	

Note No:- 2.8 OTHER EXPENSES		Rs. In Lakhs	
Particulars	For the year ended		
	March 31, 2020	March 31, 2019	
Gases & Carbide	77.28	102.64	
Consumable Expenses	20.45	26.81	
Plot Rent & Development Charges	26.63	25.54	
Repair & Maintenance	4.61	3.71	
Power & Fuel Expenses	134.20	113.95	
Pollution Control Expenses	1.45	0.68	
Other Manufacturing Expenses	5.93	10.05	
Advertisements	2.90	0.73	
Accounting Charges	2.40	3.90	
Bad Debts written off *	-	565.51	
Computer Charges	0.54	0.43	
CSR Expenditure	-	16.18	
Donation	0.08	0.72	
Electricity Charges	1.45	1.59	
Excise Expenses	19.84	-	
Fees & Subscription	1.41	0.80	
Foreign Currency Transaction Variation	380.28	520.84	
Filing Fees	0.27	0.16	
General Office Expenses	0.22	0.16	
Insurance Expenses	2.78	11.67	
Legal & Professional Expenses	36.19	33.07	
Listing Fees	3.34	2.81	
Loss on sale of assets	-	0.41	
Other Expenses	32.11	27.94	
Payment to Auditors	5.08	5.08	
Postage & Courier	0.94	1.48	
Printing & Stationery	1.22	1.65	
Professional Tax	0.04	0.04	
Rent, Rates & Taxes	3.44	2.51	
Repairs and Maintenance Expenses	0.33	2.00	
Society Maintenance & Repairs	1.98	2.56	
Security Charges	0.19	0.47	
Sundry Balances Written off	89.93	8.84	
Telephone Expenses	1.47	1.54	
Travelling Expenses	9.94	24.01	
Vehicle Running & Maintenance	11.38	10.37	
Warehousing Charges	0.73	56.27	
Provision for Doubtful Debts	0.08	-0.44	
Brokerage & Commission Expenses	32.69	188.08	
Total	913.81	1,774.77	

*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 Akshita 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, 2020 and March 31, 2019 are as follows:

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Statement of Profit and Loss		
Current tax		
Current income tax	-7.62	155.51
Adjustment of tax relating to earlier periods	-	-
Deferred tax		
Deferred tax expense	10.21	2.38
	2.60	157.88
Other comprehensive income		
Deferred tax on		
Net loss/(gain) on actuarial gains and losses	0.74	0.41
	0.74	0.41
Income tax expense as per the statement of profit and loss	3.34	158.29

2) Reconciliation of effective tax

Particulars	For the Year ended March 31, 2020	For the Year ended March 31, 2019
Profit before tax	-109.83	478.51
Income tax expense at tax rates applicable	-28.55	159.75
<i>Adjustments for:</i>		
Expenses not allowed as deduction	18.63	15.36
Income being taxed at lower rate	-1.43	-3.84
(Profit) / Loss covered on consolidation of subsidiary	18.97	-16.92
Exempt Income	0.04	-0.00
Provision for Gratuity and Doubtful Debts	-0.60	-0.57
Difference of Depreciation	-4.46	4.11
Tax expense / (benefit)	2.60	157.88
Effective Tax Rate	-2.37%	33.00%

3) Movement in Deferred Tax Assets and Liabilities

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

Particulars	As at April 1, 2018	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in 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 instruments	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

(ii) For the year ended on March 31, 2020

Particulars	As at March 31, 2019	Credit/(charge) in the Statement of Profit and Loss	Credit/(charge) in Other Comprehensive Income	As at March 31, 2020
Deferred Tax Liabilities/ (Assets)				
Property, Plant and Equipment	96.40	10.82	-	107.22
Fair Value of financial instrument	0.20	-	-	0.20
Allowance for Doubtful Debts	(0.11)	(0.57)	-	(0.69)
Retirement Benefit Plans	(1.30)	(0.03)	0.74	(0.59)
	95.18	10.21	0.74	106.14

4) Current tax assets and liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current tax assets	-	-
Current tax liabilities	0.01	160.86

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. 21.00 Lakhs (FY 2018-19 : Rs. 16.87 Lakhs) is recognised as expenses and included in Note 2.6 : Employee benefit expense.

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Provident fund	13.63	8.06
ESIC	7.38	8.81
	21.01	16.87

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	
	31-Mar-20	31-Mar-19
Discount rate (per annum)	6.85%	7.70%
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	Year ended	
	31-Mar-20	31-Mar-19
Opening defined benefit obligation	4.22	3.45
Current service cost	1.51	1.72
Interest cost	0.33	0.27
Actuarial (gain)/loss arising from changes in financial assumptions	0.45	0.15
Actuarial (gain)/loss arising from experience adjustments	(3.12)	(1.37)
Closing defined benefit obligation	3.39	4.22

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

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Remeasurement on the net defined benefit liability comprising:		
- Actuarial (gain)/loss arising from changes in financial assumptions	0.45	0.15
- Actuarial (gain)/loss arising from experience adjustments	(3.12)	(1.37)
Components of defined benefit costs recognised in other comprehensive income	(2.67)	(1.22)

4. Sensitivity analysis of significant assumptions are as follows:

Particulars	Sensitivity level	Defined benefit obligation	
		31-Mar-20	31-Mar-19
Defined benefit obligation (Base)		3.39	4.22
Discount Rate	1% increase	2.96	3.69
	1% decrease	3.90	4.86
Salary Growth Rate	1% increase	3.90	4.86
	1% decrease	2.96	3.68
Attrition Rate	1% increase	3.33	4.19
	1% decrease	3.45	4.24
Mortality Rate	1% increase	3.39	4.22
	1% decrease	3.39	4.21

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

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Gratuity		
Within the next 12 months (next annual reporting period)	0.01	0.59
Between 2 and 5 years	0.82	0.33
Beyond 5 years	9.60	15.06
Total expected payments	10.43	15.98

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

Particulars	Year ended	
	31-Mar-20	31-Mar-19
Weighted average duration	14 Years	14 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	Year ended	
	31-Mar-20	31-Mar-19
Earning per share		
- Basic	-11.73	13.10
- Diluted	-11.73	13.10
Face value per share	10	10
Basic & Diluted EPS		
Profit for the year attributable to equity shareholders	(723.64)	807.53
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, 2020	March 31, 2019
Borrowings	715.28	647.06
Trade Payables	2,478.64	8,333.71
Less: cash and cash equivalent	51.16	73.23
Net debt	3,142.76	8,907.53
	-	-
Equity share capital	616.67	616.67
Other equity	12,026.18	12,744.25
Total capital	12,642.85	13,360.92
Capital and net debt	15,785.60	22,268.45
Gearing ratio (%)	20%	40%

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.

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, 2020		
Rupee borrowings	+50	-1.60
	-50	1.60
March 31, 2019		
Rupee borrowings	+50	-0.15
	-50	0.15

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, 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, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Accounts Payable				
USD	32.72	120.04	2,471.50	8,328.45

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, 2020	5%	-123.57
	-5%	123.57
March 31, 2019	5%	-416.42
	-5%	416.42

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.

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
As at year ended						
March 31, 2020						
Borrowings	715.28	-	-	-	-	715.28
Trade & other payables	-	7.14	2,471.50	-	-	2,478.64
March 31, 2019						
Borrowings	647.06	-	-	-	-	647.06
Trade & other payables	-	5.26	8,328.45	-	-	8,333.71

Note 3.6 : Categories of Financial assets and liabilities:

Particulars	As at	
	March 31, 2020	March 31, 2019
Financial Assets		
a. Measured at cost:		
Investments		
- Partnership Firms	296.96	0.25
- In Associates	11,822.17	12,900.95
- Equity Shares (Unquoted)	0.00	0.00
b. Measured at amortised cost:		
Cash & cash equivalents (including other bank balances)	51.16	73.23
Trade receivables	93.76	9.41
Loans	1,319.00	1,409.03
Others	22.12	29.17
c. Mandatorily measured at fair value through profit or loss (FVTPL) / other comprehensive income (OCI):		
Investments		
- Equity shares (Quoted)	0.00	0.00
Financial Liabilities		
a. Measured at amortised cost:		
Borrowings	715.28	647.06
Trade payables	2,478.64	8,333.71

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 :

(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, 2020				
Assets measured at fair value				
<i>FVTPL investments</i>				
Equity shares - Quoted	0.00	-	-	0.00
Assets disclosed at fair value				
Investment properties	-	-	242.65	242.65
March 31, 2019				
Assets measured at fair value				
<i>FVTPL investments</i>				
Equity shares - Quoted	0.00	-	-	0.00
Assets disclosed at fair value				
Investment properties	-	-	249.85	249.85

(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 3.9: 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

B. Subsidiary

1. Hariyana Air Products

C. Associates

1. Orchid Lakeview Developers
2. Swastik Developers
3. White Mountain
4. Whitefield Projects
5. Goyal Hariyana Realty

D. Key Management Personnel**Managing Director**

1. Shanti Sarup Reniwal

Executive directors

2. Rakesh Reniwal
3. Unnati Reniwal

Company Secretary

4. Swati Chauhan (Resigned on 28.02.2019)
5. Shalinder Kaur (Joined on 07.10.2019)

(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	
	31-Mar-20	31-Mar-19
<u>Sales and other operating income</u>		
<u>(i) Sales</u>		
Inducto Steel Limited	-	4,242.11
	-	4,242.11
<u>(ii) Other operating income / Other income</u>		
<u>Interest Income</u>		
White Mountain	300.32	268.77
Orchid Lakeview Developers	130.36	193.61
Swastik Developers	72.56	64.61
Goyal Hariyana Realty	925.32	641.31
	1,428.55	1,168.28
<u>Share of Profit/ (Loss) from the firms</u>		
Shree Balaji Associates	0.17	-0.01
	0.17	-0.01
<u>Remuneration Paid</u>		
Swati Chouhan	-	5.50
Rakesh Reniwal	6.00	12.00
Unnati Reniwal	-	5.40
Shalinder Kaur	3.85	-
Kirti Shantilal Desai	6.29	-
	16.14	22.90
<u>Investment in Partnership Firms</u>		
<u>Capital Introduced</u>		
Shree Balaji Associates	10,762.00	29,118.50
	10,762.00	29,118.50
<u>Capital Withdrawan</u>		
Shree Balaji Associates	7,815.90	33,070.00
	7,815.90	33,070.00

b) Balances at the end of the year	As at	
	31-Mar-20	31-Mar-19
<u>Advance Received</u>		
Goyal and Company (Construction) Pvt. Ltd.	121.33	121.33
	121.33	121.33
<u>Expenses Payable</u>		
Shalinder Kaur	0.55	-
	0.55	-
<u>Investments Balance at the end of the period</u>		
- In Fixed Capital		
Shree Balaji Associates	0.25	0.25
- In Current Capital		
Shree Balaji Associates	296.71	-2,649.55
	296.96	-2,649.30

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	-	12,650.84	174.17	12,825.01
	-	37,729.63	1,348.28	39,077.91
Less: Intersegmental revenue			23.39	23.39
	-	-	45.98	45.98
Revenue from operations	-	12,650.84	150.78	12,801.62
	-	37,729.63	1,302.30	39,031.93
Other Income (after inter segment eliminations)				1,810.09
				1,514.12
ii. Segment Results				
Total Segment Profit before Interest and Tax	1,121.14	(1,012.51)	(87.16)	21.47
	(335.18)	822.26	70.09	557.17
Interest Expenses				131.31
				78.66
Share of profit / (loss) of associates				(592.34)
				486.91
Profit before Tax				(702.18)
				965.42
Taxes				21.48
				157.88
Profit after Tax (including share of profit / (loss) of associates)				(723.66)
				807.53
iii. Segment Assets	14,381.03	2,043.62	156.07	16,580.72
	15,115.74	11,192.96	313.45	26,622.14
Investment in Equity Accounted Associates (included in above segment assets)				11,822.17
				12,900.95
iv. Segment Liabilities	870.78	3,038.28	18.15	3,927.22
	3,687.02	9,525.53	34.38	13,246.92

(* 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)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
- From Outside India	-	-
- From India	12,825.01	39,031.93

Productwise Revenue

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
- Waste & Scrap of Iron and Steel	9,876.60	11,548.61
- Hot Rolled Coils	2,774.25	26,957.55
- Industrial Oxygen Gas	174.17	134.31
- Waste & Scrap of Aluminum Bronze	-	391.46

Note 3.11 : Basis of consolidation

1. 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.

2. 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.
- The following subsidiary is considered in the Consolidated Financial Statements:

Sr. No.	Name of the Subsidiary	Country of Incorporation	% of ownership interest	
			March 31, 2020	March 31, 2019
1	Hariyana Air Products	India	95.00%	95.00%

- 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 Associates	Country of Incorporation	% of ownership interest	
			March 31, 2020	March 31, 2019
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	5.01	634.11	16.26	-117.64	100.00	1.92	16.03	(115.71)
	Indian Subsidiary								
2	Hariyana Air Products	1.09	137.92	10.08	(72.98)	0.00	-	10.11	(72.98)
	Indian Associates (Investment as per the equity method)								
3	Goyal Hariyana Realty	85.96	10,877.37	79.16	-572.82	0.00	-	79.37	(572.82)
4	Orchid Lakeview Developers	1.30	164.86	2.36	-17.06	0.00	-	2.36	(17.06)
5	White Mountain	0.79	100.18	0.34	-2.46	0.00	-	0.34	(2.46)
6	Whitefield Projects	0.03	4.20	0.00	-	0.00	-	0.00	-
7	Swastik Developers	5.34	675.55	0.00	-	0.00	-	0.00	-
	Sub Total	99.53	12594.19	108.20	(782.95)	100.00	1.92	108.22	-781.03
	Add/ (Less): Effect of intercompany adjustments/ eliminations	0.47	59.31	-8.20	59.31	0.00	-	(8.22)	59.31
	Total	100.00	12653.50	100.00	-723.64	100.00	1.92	100.00	-721.72

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, 2020	March 31, 2019
To the extent not acknowledged as debts :		
a. Disputed demand under :		
- Income tax	327.74	102.50
- Gujarat Maritime Board	25.34	-
- Customs & Excise	18.35	18.35

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 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, 2020	March 31, 2019
Lease payments recognized in the statement of profit and loss	-	0.16

Note 3.14 : Other Information (including foreign currency transactions)

(Amt. in INR)

Particulars	Year ended	
	March 31, 2020	March 31, 2019
1. Information regarding Imports (CIF)		
a) Raw materials and components	2,368.76	8,720.99
a) Traded Goods	1,806.75	9,981.57
	<u>4,175.51</u>	<u>18,702.56</u>
2. Auditors' remuneration		
Included under Other Expenses		
i) For financial audit	2.90	2.90
ii) For taxation matters	0.25	0.25
iii) For other services - review of accounts, certification work, etc.	1.50	1.50
	<u>4.65</u>	<u>4.65</u>

Note 3.15 : Expenditure for corporate social responsibility

Particulars	Year ended	
	March 31, 2020	March 31, 2019
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	17.89	16.18
Amount spent during the year on :		
(a) Construction / Acquisition of any asset		
(b) On Purpose other than (a) above	-	16.18
(c) Non utilized amount		

Notes:

1. During FY 2019-20 the company has not spent any amount towards Corporate Social Responsibility. During FY 2018-19 the company has made contribution of Rs.16.18 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. The management and CSR Committee are in the process of finding better avenues of CSR Expenditure to be incurred in near future.

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

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 of 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. Gopani & Associates
Chartered Accountants
FRN : 118023W

For and on behalf of the Board
Hariyana Ship Breakers Limited

CA Sanjay Soni
Partner
Membership No. 114835

CA Prem Gopani
Partner
Membership No. 103765

Shantisarup Reniwal
Director
DIN: 00040355

Rakesh Reniwal
Director
DIN: 00029332

Kirti Desai
Chief Financial Officer

Shalinder Kaur
Company Secretary

Place: Mumbai
Date: July 9, 2020

Place: Mumbai
Date: July 9, 2020