



HARIA APPARELS LIMITED

**7TH ANNUAL REPORT
2017-2018**



BOARD OF DIRECTORS	MR. Kantilal L. Haria	Chairman & Managing Director
	Mr. Utsav Jaisukh Maru	Director
	Mr. Mohit Suddala	Director
	Mr. Nitin V. Oza	Director
	Mrs. Nehaben Joy Kothari	Director
AUDITORS	M/s. Sunderji Gosar & Co.	Chartered Accountants
BANKERS	HDFC Bank	
REGISTERED OFFICE	8, Subhash Road,	Tel. : 91-022-61546154
	Vile Parle (East)	Fax.: 91-022-61546155
	Mumbai - 400 057.	Email: accounts@hariagroup.com
INVESTOR SERVICE CELL	Registrar & transfer Agent	
	M/s. Link Intime India Pvt. Ltd.	
	C-101, 247 Park, L.B.S. Marg,	
	Vikhroli (West),	
	Mumbai- 400 083.	
PLANTS	Tel.: 49186000 Fax.: 49186060	
	Email : Mumbai@linkintime.co.in	
	1) Vapi:	
	Unit No. 1	
	345/358, G.I.D.C.	
	Silvassa Road, Vapi,	
	Gujarat.	

CONTENTS

Page No.

Notice.....	3-7
Director's Report.....	8-32
Corporate Governance Report.....	33-49
Auditor's Report.....	50-55
Balance Sheet.....	56
Statement of Profit and Loss	57
Cash Flow Statement.....	58
Notes of Account.....	59-84
Attendance Slip.....	85
Proxy Form.....	86



NOTICE

NOTICE is hereby given that the **SEVENTH ANNUAL GENERAL MEETING** of the members of **HARIA APPARELS LIMITED** will be held on **Saturday, 29th September, 2018** at 10.00 A.M. at its Registered Office at 8, Subhash Road, Vile Parle (East), Mumbai -400057 to transact the following business:

Ordinary Business:

1. To receive, consider, approve and adopt the Audited Financial Statement of the Company for the year ended March 31, 2018, together with the Reports of the Board of Directors & Auditor thereon.
2. To appoint a Director in place of **Mr. Nitin Vasudev Oza (DIN: 02777627)**, who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.
3. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the appointment of M/s. Sunderji Gosar & Co, Chartered Accountant (FRN.115543W), Chartered Accountants, Mumbai, as Statutory Auditors of the Company to hold office for the period of 5 (Five) years from the conclusion of **FIFTH** Annual General Meeting (AGM) until the conclusion of the Annual General Meeting to be held in the year 2021, to examine and audit the accounts of the Company at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of him and a proxy need not be a member of the company. Proxies, in order to be effective, must be received at the Company's Registered Office not less than 48 hours before the Meeting. Proxies submitted on behalf of companies, societies, partnership firms, etc. must be supported by appropriate resolution/ authority, as applicable, issued on behalf of the nominating organization. Members are requested to note that a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. **Corporate Members:** Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
4. Members/ Proxies should bring the enclosed attendance Slip duly filled in, for attending the Annual General Meeting, along with their copy of the Annual Report. Copies of the Annual Report will not be distributed at the Meeting.

7. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Share Registrars and Transfer Agents. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Share Registrars and Transfer Agents.
8. The SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Share Registrars and Transfer Agents.
9. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company's Share Registrars and Transfer Agents for assistance in this regard.
10. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all workings days except Saturdays and Public Holidays between 11.00 A.M. and 1.00 P.M. up to the date of the Annual General Meeting.
11. Members 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.
12. In terms of and in compliance with the provisions of Section 108 of the Companies Act, 2013, read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to offer remote e-voting facility as an alternate to all its Members to enable them to cast their vote electronically instead of casting the vote at the Meeting. The Members who have cast their votes by remote e-voting may participate in the Meeting even after exercising their right to vote through remote e-voting but shall not be allowed to cast vote again at the Meeting. For this purpose, the Company has entered into an agreement with CDSL for facilitating e-voting to enable the Shareholders to cast their votes electronically. The Company is also providing facility for voting by Ballot at the Annual General Meeting apart from providing remote e-voting facility for all those members who are present at the general meeting but have not cast their votes by availing the remote e-voting facility.
13. The remote e-voting facility shall be opened from, **Wednesday, 26th September, 2018 at 9.00 a.m. to Friday, 28th September, 2018** till 5.00 p.m., both days inclusive. The remote e-voting facility shall not be allowed beyond 5.00 p.m., on **Friday, 28th September, 2018**. During the period when facility for remote e-voting is provided, the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date/entitlement date, may opt for remote e-voting. Provided that once the vote on a resolution is cast by the member, he shall not be allowed to change it subsequently or cast the vote again.
14. The Company has fixed **Friday, September 21, 2018** as the cut-off date for identifying the Shareholders for determining the eligibility to vote by electronic means or in the Meeting by Ballot. Instructions for exercising voting rights by remote e-voting are attached herewith and forms part of this Notice. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off/ entitlement date only shall be entitled to avail the facility of remote e-voting as well as voting at the Annual General Meeting.

15. Any person who becomes a member of the Company after the dispatch of the Notice of the Meeting and holding shares as on the cut-off date i.e., Friday, September 21, 2018. May obtain the User ID and Password by sending an email. Members may also send a request to Mr. Kantilal Haria, Compliance Officer, by writing to him at 8, Subhash Road, Vile Parle (East), Mumbai - 400 057.

16. The Voting Rights will be reckoned on the paid-up value of shares registered in the name of shareholders on Friday, September 21, 2018, the cut-off date/entitlement date for identifying the Shareholders for determining the eligibility to vote by electronic means or at the Meeting by Ballot

17. The Notice of the Meeting is being placed on the website of the Company viz., www.hariaapparels.com and on the website of CDSL viz., www.cdslindia.com.

18. Mr. Harshad Mane, Company Secretary in Whole Time Practice, (CP No. 9537) has been appointed as a Scrutinizer for conducting the voting by Ballot at the Meeting and remote e-voting process in a fair and transparent manner.

19. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM, and thereafter unblock the votes cast through remote e-voting, in the presence of at least two (2) witnesses not in the employment of the Company. The Scrutinizer will collate the votes cast at the AGM and votes downloaded from the e-voting system and make, not later than twenty four hours from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same. The Chairman or the person authorized by him in writing shall forthwith on receipt of the consolidated Scrutinizer's Report, declare the result of the voting. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.hariagroup.com and on the website of CDSL at www.cdslindia.com, immediately after the results are declared by the Chairman.

20. The instructions for members for voting electronically are as under:

The voting period begins on **Wednesday, 26th September, 2018 at 9.00 a.m. to Friday, 28th September, 2018 till 5.00 p.m.**, During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, Friday, September 21, 2018 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

A. In case of members receiving e-mail:

(i) Log on to the e-voting website www.evotingindia.com

(ii) Click on "Shareholders" tab.

(iii) Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"

(iv) Now Enter your User ID

For CDSL: 16 digits beneficiary ID

(v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the

PAN	<p>first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.</p> <ul style="list-style-type: none"> In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with serial number 1 then enter RA00000001 in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

(viii) After entering these details appropriately, click on “SUBMIT” tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.

(xii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

(xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

(xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

B. In case of members receiving the physical copy:

(a) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.

(b) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

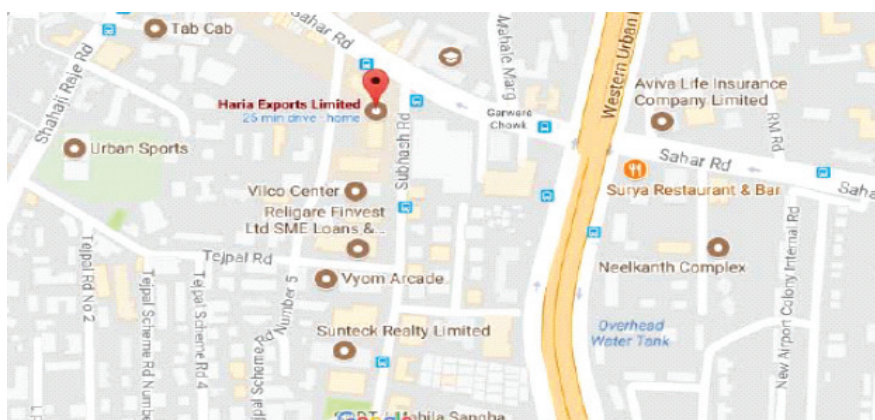
By Order of the Board of Directors
For **Haria Apparels Limited**

Date : 30/05/2018

Place : Mumbai

KANTILAL LAKHAMSHI HARIA
CHAIRMAN
DIN No. 00585400

Route Map to the venue of the AGM :



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Seventh Annual Report of the Company together with the Audited Statement of Accounts for the Financial Year ended March 31, 2018.

FINANCIAL HIGHLIGHTS (Standalone)

Particulars	Financial Year ended	
	31 st March, 2018	31 st March, 2017
Total Income	13,11,78,876	2,56,93,312
Expenditure	10,84,99,645	63,41,170
Profit before Depreciation, Finance Charges and Tax	2,26,79,231	1,93,52,142
Interest and Finance Charges	94,13,356	1,30,77,084
Depreciation	35,79,357	45,31,445
Profit before Tax	96,86,518	17,43,613
Taxes paid and provided	(76,56,047)	58,47,269
Profit after Tax	1,73,42,565	(41,03,656)
Transferred to Reserves	NIL	NIL
Proposed Final Dividend	NIL	NIL
Dividend distribution tax	NIL	NIL
Balance (credit/debit) to be carried to balance sheet	1,73,42,565	(41,03,656)

OPERATIONAL PERFORMANCE:

- Revenue from operations during the year is Rs.13.11 Cr as compared to previous year Rs.2.56 Cr.
- The Company has gain a profit during the year is Rs.0.96 Cr as Compared to Last Year's Profit of Rs.0.17 Cr

MANAGEMENT DISCUSSION & ANALYSIS:

The detailed Management Discussion & Analysis Report for the year under review, as stipulated under Listing Regulations is presented in a separate section forming part of the Annual Report.

DIVIDEND:

In view of the Profit incurred by the Company during the financial year under review your Directors are unable to recommend any dividend for F. Y. 2017-2018.

TRANSFER TO RESERVES:

The Company has not transferred any amount to the Reserves during the Year under Review.

BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIR

The Company is engaged in the Business of Manufacturing of Garments and trading of Goods. The Company has earned Rent Income and Dividend Income during the Year under Review. **No Changes have occurred in the Nature of the Business during the Year under Review.**

DISCLOSURE ON MATERIAL CHANGES

No Material changes and commitments affecting the financial position of the company have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report. No Significant and Material Orders have been passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future during the Year under Review

AUDITORS REPORT

Comments made by the Statutory Auditors' Report are Self-Explanatory and do not require any further clarification.

SHARE CAPITAL:

The paid up Equity Share Capital as on March 31, 2018 was Rs. 15,28,98,000/- During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

RELATED PARTY TRANSACTIONS:

All Related Party Transactions that were entered into during the financial year were on an arm's length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Companies Act, 2013 ('the Act') and the Securities And Exchange Board Of India (Listing Obligations And Disclosure Requirements) Regulations, 2015. There were no materially significant Related Party Transactions made by the Company during the year.

All Related Party Transactions are placed before the Audit Committee for approval. A statement of all Related Party Transactions is placed before the Audit Committee for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

RISK MANAGEMENT:

Your Company has adopted a Risk Management Policy/ Plan in accordance with the provisions of the Companies Act, 2013 and Listing Regulations. It establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk.

The Company has laid down procedures to inform the Audit Committee as well as the Board of Directors about risk assessment and management procedures and status.

This risk management process covers risk identification, assessment, analysis and mitigation. Incorporating sustainability in the process also helps to align potential exposures with the risk appetite and highlights risks associated with chosen strategies.

DIRECTORS:

Your Company's Board comprises of 5 Directors with considerable experience in their respective fields. of these 2 are Executive Directors and 3 Non Executive (Independent) Directors. The Chairman of the Board is an Executive Director. There has been no change in composition of Directors during the year.

• REAPPOINTMENT OF DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Mr. Nitin Vasudev Oza (DIN: 02777627) retires by rotation and being eligible offer himself for re-appointment. Directors recommend her re-appointment.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 (1) (b) of the Listing Regulations.

In the opinion of the Board, they fulfill the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

• BOARD AND COMMITTEE MEETINGS:

Your Company's Board of Directors met 5 times during the financial year under review dated 11th April 2017, 30th May 2017, 11th August 2017, 14th November 2017, and 14th February 2018. A calendar of Meetings is prepared and circulated in advance to your Directors.

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. The intervening gap between the Meetings was within the period prescribed under the Act and the Listing Regulations.

• AUDIT COMMITTEE

Audit Committee of the Company as constituted by the Board is headed by Mr. Mohith Ramamurthy Suddala with Mr. Nitin Vasudev Oza, and Mr. Kantilal Haria as Members. There have not been any instances during the year when recommendations of the Audit Committee were not accepted by the Board. All the recommendations made by the Audit Committee were accepted by the Board.

• PROCEDURE FOR NOMINATION AND APPOINTMENT OF DIRECTORS:

The Nomination and Remuneration Committee is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, and financial condition and compliance requirements.

The Nomination and Remuneration Committee conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also responsible for reviewing and vetting the resume of potential candidates vis-à-vis the required competencies and meeting potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

• NOMINATION AND REMUNERATION COMMITTEE

The Managing Directors of the Company are entitled for payment of Remuneration as decided by the Board of Directors, based on the recommendation of the Remuneration Committee. No remuneration is paid to any Non- Executive Directors during the financial year 1st April, 2017 to 31st March 2018 except sitting fee for attending Board meetings and committee meetings.