



# **HARIA EXPORTS LIMITED**

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## **31st ANNUAL REPORT 2000 - 2001**

<b>BOARD OF DIRECTORS</b>	Mr. Kantilal L. Haria	Chairman & Managing Director
	Mr. Manish K. Haria	Joint Managing Director
	Mr. A. K. Shah	
	Mr. Premjit Singh	
<b>SECRETARY</b>	Mr. Manish R. Shah	
<b>AUDITORS</b>	M/s Sunderji Gosar & Co.	
	M/s Patel, Shah & Joshi	
<b>BANKERS</b>	State Bank of India	
	Bank of India	
<b>REGISTERED OFFICE</b>	Haria Centre, 8, Subhash Road, Vile Parle (E), Mumbai - 400 057.	Tel: (91-22) 838 8881-90 Fax (91-22) 836 7053/54
<b>CORPORATE &amp; ADMINISTRATIVE OFFICE</b>	Plot No. 345/359 G.I.D.C. Silvassa Road, Vapi-396 195	Tel : (02638) 31317/18 Fax : (02638) 32168
<b>PLANTS</b>	1) Vapi Unit No. 1 345/358, G.I.D.C. Silvassa Road, Vapi, Gujarat.	Unit No. 2, 278-280, G.I.D.C., Silvassa Road, Vapi, Gujarat.
	2) Kandla Free Trade Unit No. 1, 157-160, K.F.T.Z. Gandhidham, Kutch, Tel. : (02836) 52237	Free Trade Unit No. 2, 167-168, K.F.T.Z. Gandhidham, Kutch, Fax : (02836) 52655
<b>LIAISON OFFICE</b>	B-2, 15/F, New Fortune House, 4-8 North Street, Kennedy Town, Hong Kong	
<b>INVESTOR SERVICE CELL</b>	Registered Office	

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**NOTICE**

**NOTICE** is hereby given that Thirty First Annual General Meeting of **HARIA EXPORTS LIMITED** will be held on Friday, 31st August, 2001 at 03.00 P.M. at the Registered Office of the Company, at Haria Centre, 8, Subhash Road, Vile Parle (East), Mumbai-400 057 to transact the following business:

**ORDINARY BUSINESS**

- (1) To receive, consider and adopt Annual Accounts for the year ended 31st March, 2001 together with Directors Report and Auditors Report thereon.
- (2) To declare Dividend on Equity Shares.
- (3) To appoint a Director in place of Mr. Amritlal K. Shah who retires by rotation and being eligible offers himself for re-appointment.
- (4) To appoint M/s. Sunderji Gosar & Company, Chartered accountants as Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.
- (5) To appoint M/s. Patel Shah & Joshi, Chartered accountants as Joint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS BEHALF AND SUCH PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING AT THE REGISTERED OFFICE.
2. The Book Closure date of the Company will be from 30.08.2001 to 31.08.2001 (both days inclusive).
3. Dividend, if sanctioned at the Meeting, will be payable to the Members on whose names are on Company's Register of Members on 31.08.2001 and Dividend Warrants will be sent to them on or after 31.08.2001.
4. Members desiring any information as regards to Accounts are requested to write in advance to the Company atleast 15 days before the date of meeting to enable the Management to keep the necessary information ready.
5. The members who have so far not encashed their dividend warrants for the financial years ending on March 95, 96, 97, 98, 99 and 2000 may claim or approach the Company for the payment as the same will be transferred as an when due to the Investor Education and protection fund of the Central Govt., pursuant to the introduction of Section 205C by the Company (Amendment) Act 1999.
6. Ballot Paper is enclosed and the members can make use of it, in case they are not in a position to attend the AGM.
7. Address all correspondence to the Registered Office of the Company.

By Order of the Board

Date : 30th June, 2001  
Place : Regd. Office

**Manish R Shah**  
Company Secretary



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## BALLOT PAPER

Ballot Paper for the Annual General Meeting to be held on 31st August, 2001 at the Regd. Office of the Company.

- 1) Name of the shareholder \_\_\_\_\_  
including joint shareholder \_\_\_\_\_
- 2) Registered Folio No. \_\_\_\_\_
- 3) No. of Shares held \_\_\_\_\_
- 4) Name of the proxy or authorised Representative of Body Corporate \_\_\_\_\_

### VOTING

SR. NO.	AGENDA OF AGM	VOTE	
		FOR	AGAINST
1	Adoption of Audited Accounts		
2	Declaration of Dividend on Equity Shares		
3	Re-appointment of Director viz. Mr. Amritlal K. Shah		
4	Appointment of Auditor's viz. M/s. Sunderji Gosar & Co. <i>Chartered Accountants</i>		
5	Appointment of Auditor's viz. M/s. Patel, Shah & Joshi <i>Chartered Accountants</i>		

\_\_\_\_\_  
Signature of the Shareholder

#### Notes :

1. A member desiring to exercise vote by Postal Ballot must complete this Postal Ballot form and sent to the Regd. Office of the Company and the Postal Ballot should reach atleast 24 hours before the time fixed for the AGM.
2. The form should be completed and signed by the shareholders. In case shares are jointly held, this form should be completed and signed by the first name shareholder and in his absence by the next name shareholder.
3. A tick (✓) marked should be placed at the relevant box signifying assent or dissent to the resolution as the case may be.
4. Ballot Paper incomplete in any respect will be treated as invalid.

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### DIRECTOR'S REPORT

To,  
THE MEMBERS,  
M/S HARIA EXPORTS LIMITED

Your Directors have pleasure in submitting their 31st Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2001.

#### FINANCIAL RESULTS

	YEAR ENDED	
	(Rs. in Lacs)	
	2000-01	1999-00
Sales and other Income	10696.37	8790.72
Increase/(Decrease) in stock	(300.62)	(66.59)
Less: Expenditure	10032.33	8269.20
Profit Before Depreciation	363.42	454.93
Less: Depreciation	89.67	79.36
Profit Before Tax	273.75	375.57
Less: Provision for Tax	25.00	5.00
Profit After Tax	248.75	370.56
Less: Prior period adjustments	1.35	157.89
	247.40	212.67
Add: Balance Brought Forward	1171.77	1195.63
<b>BALANCE AVAILABLE FOR APPROPRIATION</b>	<b>1419.17</b>	<b>1408.30</b>
Add : Excess depreciation written back	(3.30)	0.00
Less: Proposed Dividend	123.00	123.00
Less: Corporate Tax on Dividend	12.55	13.53
Less: Transfer to Gen. Reserve	100.00	100.00
<b>BALANCE TRANSFERRED TO</b>		
<b>BALANCE SHEET</b>	<b>1186.92</b>	<b>1171.77</b>

#### AUDITORS REPORT

The observation made by the Auditors in their Reports are self explanatory and have also been further amplified in the notes to the Accounts. As regards note m (a to c) of the notes to accounts the matter is under negotiations for settlement with the party concerned.

#### DIVIDEND

Your Directors are pleased to recommend payment of dividend @ 30% (Previous Year 30%) on the equity shares of the company. The dividend on equity shares, if approved, would absorb Rs. 1.23 crores and will be payable to those members whose names appear on the Register of Members as on 31st August, 2001. The Corporate Dividend tax payable on the above dividend will be Rs. 12.55 lacs.

#### YEAR IN PROSPECT

The Company has recorded better performance despite recession in the International market. Total income has increased from Rs. 8724.13 lacs of previous year to Rs. 10395.75 lacs for the year under review. Profit after tax stood at Rs. 248.75 lacs as against Rs.370.56 lacs during the previous year mainly due to lower margin on sales due to stiff competition & loss to stock due to earthquake at Kandla.



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### Export Oriented Unit

The Export Oriented Unit of your company has also fared well during the year. Total income has increased from Rs. 27.42 lacs of previous year to Rs. 196.42 lacs for the year under review. Profit before tax stood at Rs. 22.18 lacs as against Rs. 2.07 lacs during the previous year. After provision of depreciation amounting to Rs. 28.92 lacs net profit stood at Rs. (6.74) lacs as against Rs. (4.35) during the previous year.

### Loss on account of Earthquake

The Kandla unit of the Company was badly affected due to the devastating earthquake which took place on 26.01.2001. Stock amounting to Rs. 169 lacs as well as Machinery amounting to Rs. 4.67 lacs were completely destroyed. The company is in the process of lodging insurance claim for losses incurred and the matter is being followed up with the concerned authorities.

### FUTURE PROSPECT

The Company expects to perform much better in the current year. The Book order position of the Company is very comfortable. Demand for your Company's products is increasing in the International market. Keeping in view the current scenario the Company should do very well in the current year. Your Company is going to concentrate on improving cost efficiencies and consolidate further on its image. Barring unforeseen circumstances, your company expects to continue its march towards profitability.

### DEPOSITS

The Company has not accepted any deposit during the year.

### DIRECTORS

There has been no appointment or resignation of any directors during the year. Mr. Amritlal K. Shah retires by rotation and being eligible offers himself for re-appointment.

### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217 (2AA) of Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed:

- (1) That in preparation of the annual accounts for the year ended 31st March, 2001, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any. However certain expenses including commission are accounted on Payment/Receipt basis and not on accrual basis.
- (2) That such accounting policies as mentioned in **Schedule O** of the Annual Accounts has been selected and applied consistently and judgements and estimates that are reasonable and prudent are made so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2001 and of the profit of your company for that year.
- (3) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of your company and for preventing and detecting fraud and other irregularities.
- (4) That the annual accounts for the year ended 31st March, 2001 have been prepared on a going concern basis.

### CORPORATE GOVERNANCE

Your Company is committed to achieving the best standards of corporate governance. To achieve this, Your Company is striving to adopt best practices in corporate governance. The requirements of clause 49 of the Listing Agreement will have to be complied by the Company within the financial year 2001-2002, but not later than 31st March, 2002.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

Information under section 217 (1)(e) read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are given in **Annexure "A"**

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#### **PARTICULARS OF EMPLOYEES**

Information pursuant to section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975, are given in **Annexure "B"**.

#### **AUDITORS**

M/s Sunderji Gosar & Co. & M/s. Patel Shah & Joshi, Chartered Accountants, Mumbai, Auditors of the Company will retire at the conclusion of this Annual General Meeting and are eligible for reappointment. The Members are requested to appoint the Auditors and to fix their remuneration.

#### **INDUSTRIAL RELATIONS**

The Industrial relations continue to be cordial throughout the year. Your Directors wish to place on record their sincere appreciation for the excellent team work with which the workers and staff of the Company at all level contribute for the better performance of the Company.

#### **APPRECIATION**

The Board wishes to record its appreciation of the efforts put in by the employees of the company, which has enabled it to grow impressively. The Directors thank the customers, vendors, investors, press and bankers for their continued support of your Company's growth. Your Directors thank the Government of India, Government of Maharashtra, Director General of Foreign Trade, Apparel Export Promotion Council, Reserve Bank of India and other Governmental Agencies for their support during the year and look forward to their continued support.

**On Behalf of the Board of Directors**

Date : 30th June, 2001

Place : Mumbai

**KANTILAL L. HARIA**  
Chairman & Managing Director



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### ANNEXURE "A" TO DIRECTORS REPORT

PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.

#### FORM - A

##### A. PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

The management is aware of the importance of energy conservation and reviews the measures taken for reduction in the consumption of energy from time to time.

Power & Fuel Consumption	Current Year 2000-01	Previous Year 1999-00
<b>1. Electricity</b>		
a) Purchased		
Units(000KWH)	4,18,095.00	2,99,591.00
Total Amount (Rs.)	22,08,709.23	19,05,521.41
Rate per Unit (Rs.)	5.28	6.36

##### B. CONSUMPTION PER UNIT OF PRODUCTION

PRODUCT	CURRENT YEAR 2000-01	PREVIOUS YEAR 1999-00
<b>1. Garments Pieces</b>		
a) Production (Pieces)	10,94,496	4,67,634
b) Power (Units KWH)	4,18,095	2,99,591
c) Consumption per unit (KWH)	0.38	0.64

#### FORM - B

##### 2. PARTICULARS WITH RESPECT TO TECHNOLOGICAL ABSORPTION

The technology involved in garment manufacture have been assimilated over a long period of time and it has not been found necessary to induct any new skills from abroad.

##### (I) RESEARCH AND DEVELOPMENT

(a) Specific areas in which Research & Development is carried out by your Company:

The Research and Development activities of your Company are directed towards improvement in quality & development of new products.

(b) Benefits derived as a result of above Research & Development: Improved range of products, technological improvements, improvement in quality & better utilisation of raw materials.

(c) Future plan of action:

Strengthening the Research & Development activities with the View to have progressive indigenisation & improvement in quality of product & increase in product range.