

CERTIFIED TRUE COPY

FOR HARIANA SHIP BREAKERS LTD.

Shanti Sankh

DIRECTOR

19th Annual Report 1999-2000



Hariyana Ship-Breakers Ltd.

HARIYANA SHIPBREAKERS LIMITED
19th
ANNUAL REPORT
1999-2000

<u>BOARD OF DIRECTORS</u>	Shri Shanti Sarup Reniwal Shri Rajeev Reniwal Shri Rakesh Reniwal
<u>AUDITORS</u>	Jain Seth & Co. Chartered Accountants Bhavnagar - 364 001
<u>BANKERS</u>	Punjab National Bank Forsore Road, Mumbai Branch, Mumbai
<u>REGISTERED OFFICE</u>	41 Persepolis, Cuffe Parde, Mumbai - 400 005
<u>BRANCH OFFICE</u>	308, Madhav Darshan, Waghawadi Road, Bhavnagar - 364 001
<u>SHIPBREAKING YARD</u>	Plot No.14, Alang shipbreaking Yard Alang, District : Bhavnagar
<u>FINANCIAL YEAR</u>	1999-2000
<u>ASSESSMENT YEAR</u>	2000-2001
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HARIYANA SHIPBREAKERS LIMITED


N O T I C E

NOTICE is hereby given that the 19th Annual General Meeting of Hariyana Ship Breakers Limited shall be held on 31st, the day of AUG, 2000, at the registered office of the company at (41,Persepoils, Cuffe Parde,Mumbai - 400 005) at .. a.m./p.m.to transact the following business:

ORDINARY BUSINESS

1. To receive,consider and adopt the the audited Balance Sheet as at 31st March, 2000, along with the Report of the Directors and Auditors thereon.
2. a) To appoint a Director in place of Shri Rakesh Reniwal, who is retiring by rotation and being eligible offers himself for reappointment.
3. To appoint auditors and fix their remuneration.

By Order of the Board of Directors



Shanti Sarup Reniwal
Chairman & Managing Director

Place: Bhavnagar
Date : 4th July, 2000

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL; GENERAL MEETING IS ENTITLED TO APPOINT A PROXY, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE VALID MUST BE DEPOSITED WITH THE COMPANY ATLEAST BEFORE 48 HOURS BEFORE THE TIME OF THE MEETING AND MUST BE DULY STAMPED..
2. THE REGISTER OF MEMBERS SHALL REMAIN CLOSED FROM 28th DAY OF AUG, 2000 TILL 31st DAY OF AUG, 2000 (BOTH DAYS INCLUSIVE)

DIRECTORS' REPORT

To
The Members
Hariyana Shipbreakers Limited

The Directors are pleased to submit the 19th Annual Report together with the audited Accounts of the Company for the year ended 31st March, 2000.

<u>A. Financial Results</u>	(Rs. in Lakhs)	
	1999-2000	1998-99
Turnover	3145.40	5056.01
Profit before depreciation & tax	70.55	44.90
Depreciation	34.91	30.75
Profit after depreciation	35.64	14.16
Less: Provision for Tax	11.10	2.25
Profit after tax and depreciation	24.54	11.90
	=====	=====

Dividend

In view of inadequate profit, your Directors do not recommend any dividend for the year ended on 31st March, 2000.

Auditors**a) Appointments**

M/s Jain Seth & Co. Chartered Accountants, Statutory Auditors of the Company hold the office until conclusion of the Annual General Meeting and are eligible for reappointment. The Company has received certificate from the above auditors to the effect that their appointment if made, would be within prescribed limit under section 224 (1B) of the Companies Act, 1956.

b) Comments on Auditors Remark

Observation made in the Auditors Report are self explanatory and therefore, do not call for any further, comments under section 217(3) of the Companies Act, 1956.

Board of Directors

Shri Sanjeev Reniwal, who was retiring by rotation at the last Annual General Meeting did not seek reappointment and the vacancy caused by the retirement of Shri Sanjeev Reniwal has been kept vacant. There is no other change in the Board of Directors of the Company during the year.

Shri Rakesh Reniwal retire by rotation and being eligible offers himself for reappointment.

Particulars of Employees

There is no employee drawing the remuneration in excess of limits prescribed under section 217 (2A) of the Companies Act, 1956, read with Companies (particulars of Employees) Rules, 1975.

Information required under Section 217(1)(e) of the Companies Act

In accordance with the provisions of section 217 (1) (e) of the Companies Act, 1956, the required information relating to conservation of energy, technology absorption and foreign exchange earning and outgo is annexed hereto which is forming part of this report.

Industrial Relations

Industrial relations continued to be cordial throughout the year.

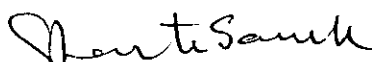
Y2-K Related Problems

The process of the Company does not require any computer. The Company is using computer only for accounting purpose and the Company did not face any Y2-K related problem

Acknowledgement

Your Directors place on record their appreciation for the continued support from the shareholders, investors, banks. Your Directors also like to thanks the customers, suppliers and employees.

For & on behalf of the Board of Directors



Shanti Sarup Reniwal
Chairman & Managing Director

Place: Bhanvagar

Date : 4th July, 2000

ANNEXURE - I

Information as per section 217 (1) (e) read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rule 1988 and forming part of the Director's Report for the period ended on 31st March, 2000.

A. Conservation of Energy

Since the Company uses modern equipment, the company does not have any plan for additional investment on this account.

FORM - A

Form for Disclosure of particulars with respect to conservation of energy .

The Company is engaged in the business of ship breaking and does not consume power for its manufacturing operation.

B. TECHNOLOGY ABSORPTION

1. Research & Development

No Research & Development work has been carried out by the Company and therefore, there is no expenditure under this head. Future plan of action for Research & Development is being worked out.

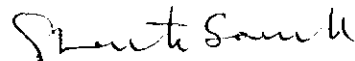
2. Technology Absorption

The company has not imported any technology for its plant.

C. FOREIGN EXCHANGE EARNINGS & OUTGO

Members are requested to refer to Schedule of Notes forming part of the Profit & Loss Account for the year ended on 31st March, 2000.

For & on behalf of the Board of Directors



Shanti Sarup Reniwal
Chairman & Managing Director

Place: Bhavnagar
Date : 4th July, 2000

HARIYANA SHIP BREAKERS LTD., * FINAL ACCOUNTS FOR 1999-2000 *

CASH FLOW STATEMENT

Particulars	CURRENT YEAR	PREVIOUS YEAR
A Cash Flow from Operating Activities		
- Net Profit before tax and extraordinary items	3,564,104	1,414,216
- Adjustment for :		
Depreciation	3,490,562	3,075,326
Provision for Wealth Tax	0	0
Profit/Loss on Sale of Assets	0	0
Share Issue and Preliminary Expenses	57,470	57,470
Extra Ordinary Item	3,153,285	
Income/Expenses pertaining to P/year	0	(2,844,273)
- Operating Profit before Working Capital Changes	10,265,421	1,704,739
- Adjustments for :		
Trade Receivables	18,374,820	3,115,727
Other Receivable	(76,588,116)	43,793,091
Inventories	(210,632,076)	19,078,390
Trade Payable	212,823,125	(12,529,980)
Cash Generated from operation	(45,756,826)	55,161,947
- Tax Paid	(1,110,179)	(225,434)
Net cash from operating activities	(46,867,005)	54,936,533
B. Cash Flow from Investing Activities		
- Purchase of Fixed Assets	(4,704,995)	(2,766,796)
- Sale of Fixed Assets	1,542,485	107,827
- Sale of Investment	4,212,500	(4,212,510)
	(950,010)	(6,871,479)
C. Cash flow from Financing Activities		
- Proceeds from Long Term Borrowings	(783,036)	(3,132,078)
- Proceeds from unsecured Loan	67,996,853	132,448
- Dividend Paid	0	0
Net cash used for financing activities	67,213,817	(2,999,630)
Net Increase in cash & Cash Equivalents (A+B+C)	19,396,802	45,065,424
Opening Balance of Cash & Cash Equivalents	(15,327,465)	(60,392,889)
Closing Balance of Cash & Cash Equivalents (including borrowing from Bank)	4,069,337	(15,327,465)

We have examined the above Cash Flow Statement of Hariyana Shipbreakers Ltd for the year ended 31st March, 2000. The Statement has been prepared by the Company in accordance with the requirements of listing agreement clause 32 of Stock Exchanges and is based on and in agreement with the corresponding Profit and Loss Account and Balance Sheet of the Company covered by our report of 2000 to the Members of the Company.