

FOR HARIANA SHIP BREAKERS LTD.
Garth Samik

DIRECTOR

22nd
ANNUAL REPORT
2002-2003



Hariyana Ship Breakers Ltd.

HARIYANA SHIP BREAKERS LIMITED

41, Persepolis, Cuffe Parde,
Mumbai- 400 005

**TWENTY SECOND
ANNUAL REPORT**

2002-2003

<u>BOARD OF DIRECTORS</u>	Shri Shanti Sarup Reniwal Smt Lalitadevi Reniwal Shri Rakesh Agarwal
<u>AUDITORS</u>	Jain Seth & Co. Chartered Accountants Bhavnagar 364 001
<u>BANKERS</u>	Punjab National Bank, Forsore Road Branch, , Mumabi
<u>REGISTERED OFFICE</u>	41, Persepolis, Cuffe Parde, Mumbai- 400 005
<u>CORPORATE OFFICE</u>	302 Sylverton 102 Wodehouse Road Mumbai - 400 005,
<u>SHIP BREAKING YARD</u>	Plot No.14, Alang Shipbreaking Yard Alang, District : Bhavnagar
<u>FINANCIAL YEAR</u>	2002-2003
<u>ASSESSMENT YEAR</u>	2003-2004
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HARIYANA SHIP BREAKERS LIMITED

41, Persepolis, Cuffe Parde,
Mumbai- 400 005

NOTICE

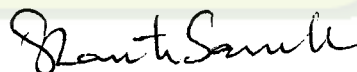
Notice is hereby given that TWENTY SECOND Annual General Meeting of the members of HARIYANA SHIP BREKAERS LIMITED will be held at 17.00 hours on ~~Tuesday~~ the 23rd September, 2003 at the Registered Office of the Company at 41, Persepolis, Cuffe Parde, Mumbai 400 005 to transact the following business.

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Annual Accounts for the period ended on 31st March, 2003 together with Directors' and Auditors Report thereon.
2. To appoint a Director in place of retiring Director
3. To appoint auditors and fix their remuneration
4. To appoint Practicing Company Secretary and to fix their remuneration.

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By order of the Board



Shanti Sarup Reniwal
Chairman & Managing Director

Place : Bhavnagar
Date : 16th July, 2003

- Note
1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy, and the proxy need not be a member of the company. The instrument appointing a proxy must be deposited with the company 48 hours before start of the meeting.
 2. Since No Special Business is proposed, Explanatory Statement Pursuant to the provisions of section 173 (2) not applicable for the year
 3. The register of members and transfer register will remain closed from 18th September, 2003 to 23rd September, 2003 (both days inclusive)

DIRECTORS' REPORT

To
The Members
Hariyana Ship Breakers Limited

The Directors are pleased to submit the 22nd Annual Report of the Company together with the audited Accounts of the Company for the period ended 31st March, 2003. Since the company is required to prepare the annual accounts as on 31st March every year for the Income Tax purpose, it has been decided by the Board to have common account and accordingly the accounts for the year is of nine months period against 15 months period in the last year.

Performance

	2002-03 9 months	(Rs in Lacs) 2001-02 15 months
Sales & Other Income	4174.81	7645.86
Profit/(Loss) before Tax	39.86	57.28
Provision for Tax	11.21	12.61
Adjustment for deferred tax	1.75	2.40
Profit after tax	26.90	42.27

During the period under review, the company has achieved a production and sale of 35147.537 MT against production and sale of 67279.691 MT during the 15 months period of the previous year.

Dividend

In view of the loss incurred by the company during the period under report, no dividend is recommended.

Prospects for the coming year

The Company is hopeful that the market for old ship will stabilize and the company will be able to restart the ship breaking activities very shortly.

Responsibility Statement

The Directors confirm

- That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same.
- That they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the company for that period.
- That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- d) That they have prepared the annual accounts on a going concern basis.

Board of Directors

There is no change in the Directors of the Company. Shri Mukesh 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.

Auditors

M/s Jain Seth & Co. Chartered Accountants are retiring at the ensuing annual general meeting and they are eligible for reappointment and they offer themselves for reappointment.

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.

Corporate Governance

Your company has been practicing the principles of good corporate governance. In addition to the basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity.

a) Composition of Board of Directors

The existing Board have three Directors having vast experience in the line of activities.

b) Responsibilities

The Board has a formal schedule of matters reserved for its consideration and decision which includes reviewing corporate performance, ensuring adequate availability of financial resources and reporting to shareholders. During the year under review the board met six times. The Board members ensure that their other responsibilities do not materially impact on their responsibilities as a Director of the Company.

c) Board Committees

To enable better and more focussed attention on the affairs of the Company, the board delegates particular matter to the committees of the Board set for the purpose. The two core committees which are in function are (i) Audit Committee and (ii) Shareholder and Investor grievance Committee.

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 year ended on 31st March, 2003

- | | | |
|---|---|--|
| A | Conservation of Energy | Since the company uses modern equipment, the company does not have any plan for additional investment on this account. |
| | a) Energy conservation measure taken | : |
| | b) Additional investment and proposal if any being implemented for reduction in consumption of energy | |
| | c) Impact of the measures at (a) & (b) on energy consumption & consequent impact on the cost of production. | |
| | d) Total energy consumption and energy consumption per unit of production | |
| B | Technology Absorption as per Form-B | |
| | 1 Research & Development | : No Research & Development work has been carried out by the Company and therefore, there is no expenditure under this head. Further 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 Earning & Outgo | Members are requested to refer to Schedule of Notes forming part of the Profit & Loss Accounts for the year ended on 31 st March 2003. |

By order of the Board



Shanti Sarup Reniwal
Chairman & Managing Director

Place : Bhavnagar
Date : 16th July 2003

d) Audit Committee

The Audit Committee now comprises of Shri Shanti Sarup Reniwal, Chairman & Managing Director and Smt Lalitadevi Reniwal, Director. The role, terms of reference and the authority and powers of the Audit Committee are in conformity with the requirement of the Companies Act, 1956 and the listing agreement.

e) Shareholder/Investor Grievance Committee

The shareholder/inventory grievance committee comprises of Shri Shanti Sarup Reniwal, Chairman & Managing Director and Shri Rakesh Reniwal, Director. This committee is vested with the requisite powers and authorities to specially look into the redressal of shareholder and investor grievance.

f) Compliance Officer

In terms of the Listing Agreement requirement, Shri Shanti Sarup Reniwal, Chairman & Managing Director of the company continue to be the Compliance Officer.

Compliance Report

The Company does not have a full time Company Secretary as required under section 383-A of the Companies Act, 1956. However the Company has maintained all the records and complied with the requirement of all the provisions of the Companies Act 1956 and has obtained a Compliance Report from a practicing Company Secretary, which is annexed hereto.

Listing of Shares

The Shares of the Company are listed at Mumbai Stock Exchange and the listing fee has been paid upto date.

Acknowledgement

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

For & on behalf of the Board of Directors



Shanti Sarup Reniwal
Chairman & Managing Director

Place: Bhavnagar

Date :16th July, 2003

JAIN SETH & CO
Chartered Accountants

604-A, Sir Pattani Road, Crescent,
Bhavnagar 364 001

To
The Members
Hariyana Shipbreakers Limited

Sub: Auditor's Report on the Accounts for the period ended on 31st March, 2003
in compliance with section 227(2) of the Companies Act., 1956.

1. We have audited the attached Balance Sheet of **HARIYANA SHIPBREAKERS LIMITED** as at 31st March, 2003, the related Profit & Loss Account for the period ended on that date annexed thereto and the cash flow statement for the period ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Manufacturing and Other Companies (Auditor's Report) Order, 1988 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956 we give in Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our report in the Annexure referred to in paragraph 3 above we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the propose of our audit :
 - b) In our opinion proper books of account required by the law have been kept by the Company so far as appears from our examination of the books:
 - c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of account and returns.
 - d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the Accounting Standards referred to in section 211 (3 c) of the Companies Act, 1956: