

HARIYANA SHIP BREAKERS LIMITED

CIN : L61100MH1981PLC024774

BOARD OF DIRECTORS	:	Shri Shanti Sarup Reniwal Smt. Unnati Reniwal (appointed w.e.f. 02-06-2014) Smt. Lalitadevi Reniwal (resigned w.e.f. 02-06-2014) Shri Rakesh Reniwal Shri Manohar Wagh Shri Pradeep Bhatia Shri Tejas Thakkar
AUDITORS	:	P. D. Goplani & Associates (Chartered Accountants) Bhavnagar - 364 002.
BANKERS	:	Punjab National Bank Raheja Chambers, Nariman Point, Mumbai-400 021.
REGISTERED OFFICE	:	156, Maker Chamber VI, 220, Jamnnalal Bajaj Marg, Nariman Point, Mumbai - 400 021.
BRANCH OFFICE	:	Hariyana House, 2165/A-2, 2nd Floor, Sanskar Mandal Chowk, Bhavnagar - 364 002. 206 Barton Centre, M.G.Road, Bangalore - 560 001.
SHIP BREAKING YARD	:	Plot No. 14, Ship Breaking Yard, Alang, District : Bhavnagar.
SPONGE IRON PLANT	:	Survey No. 12, 14, 15 Shanthigrama (Hubli), Kanchanhally Village, Hassan - 573201.
FINANCIAL YEAR	:	2013-2014
CONTENTS	:	Notice Directors' Report Corporate Governance Report Auditors' Report Annual Accounts

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.

CONTENTS

	Page No.
Notice	3
Directors' Report	8
Corporate Governance Report	17
Auditor's Report	33
Balance Sheet	40
Profit & Loss Accounts	41
Cash Flow Statement	42
Notes Forming Parts of the Accounts	43
Schedules to Accounts	51
Attendance Slip & Proxy	69

Annual General Meeting

Date : Tuesday, 30th September, 2014

Time : 09:00 a.m.

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

NOTICE

Notice is hereby given that the **THIRTY THIRD ANNUAL GENERAL MEETING** of the Members of **HARIYANA SHIP BREAKERS LIMITED** will be held on **Tuesday, 30th September 2014** at the Registered Office of the Company at 156 Maker Chambers VI, 220 Jamnalal Bajaj Marg, Nariman Point, Mumbai 400021 at 9.00 a.m. to transact with or without modification(s) as may be permissible, the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Financial Statements comprising of Balance Sheet as at 31st March, 2014 and Profit and Loss Account for the Financial Year ended on that date together with the Report of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Mr. Rakesh Reniwal (DIN: 00029332), who retires by rotation and being eligible, offers himself for re- appointment.
3. To appoint M/s. P.D Goplani & Associates, Chartered Accountants, Firm Registration No 118023W as Statutory Auditors of the Company and to fix their remuneration.

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

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions of the Companies Act, 2013 and Rules made thereunder (including any statutory modifications or reenactment thereof for the time being in force) M/S. P.D.Goplani & Associates, Chartered Accountants, bearing Firm Registration No. 118023W, be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company.”

SPECIAL BUSINESS:

4. To regularize the appointment of Mrs. Unnati Reniwal (DIN: 00041306) as a Director at this Annual General Meeting and in this regard to consider and if thought fit to pass with or without modification(s), the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) Mrs. Unnati Reniwal (DIN: 00041306), who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as the Director of the Company who is liable to retire by rotation.

5. To re-appoint Mr. Pradeep Bhatia (DIN: 02903984) as the Independent Director and in this regard to consider and if thought fit to pass with or without modification, the following

resolution as Ordinary Resolution :

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modifications or reenactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Pradeep Bhatia (DIN: 02903984) who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 consecutive years for a term upto the conclusion of 38th Annual General Meeting of the Company in the calendar year 2019 not liable to retire by rotation.”

6. To re-appoint Mr. Tejas Thakkar (DIN:03017277) as the Independent Director and in this regard to consider and if thought fit to pass with or without modification, the following resolution as Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modifications or reenactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Tejas Thakkar (DIN:03017277) who was appointed as a Director liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a period of 5 consecutive years for a term upto the conclusion of 38th Annual General Meeting of the Company in the calendar year 2019 not liable to retire by rotation.”

7. To re-appoint Mr. Shantisarup Reniwal (DIN:00040355) as the Managing Director and in this regard to consider and if thought fit to pass with or without modification, the following resolution as Special Resolution:

“RESOLVED THAT in accordance with the resolution passed in the previous Annual General Meeting held on 28th September 2012 and pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014, approval of the Company be and is hereby accorded to ratify the re-appointment of Mr. Shantisarup Reniwal (DIN:00040355) as Managing Director of the Company who would be considered as a Key Managerial Person (KMP) for a period of Five years with effect from 28.09.2012, on the terms and conditions as passed in the Annual General Meeting dated 28.09.2012, with liberty to the Board to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Shantisarup Reniwal, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification or re-enactment thereof.

“RESOLVED FURTHER THAT in the event of loss or inadequacy of profit during the term of Mr. Shantisarup Reniwal acting as Managing Director, the remuneration payable to Mr.

Shantisarup Reniwal shall be paid as per the monetary ceiling prescribed under Schedule V to the Companies Act, 2013 or as may be amended from time to time.

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper or expedite to give effect to this resolution.

8. To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT in supersession of the resolution passed under section 293(1)(d) of the Companies Act, 1956 at the Annual General Meeting of the Company held on September 30, 2011 and pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, read with the Rules framed thereunder, as may be amended from time to time, the consent of the members of the company be and is hereby accorded to the Board of Directors of the Company for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the company’s bankers in the ordinary course of business), may exceed the aggregate of the paid up capital of the Company and its free reserves, that is to say, reserves not set part for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of Rs. 500 Crores.

“RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to arrange or settle the terms and conditions on which all such monies, are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

9. To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions, if any of the Companies Act, 2013 read with the Rules framed thereunder, as may be amended from time to time, consent of the members of the Company be and is hereby accorded to amend the Articles of Association of the Company by adopting Table F of Schedule I of the Companies Act, 2013

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things and give such directions as may be deemed necessary or expedient to give effect to this Resolution.

By order of the Board

For **HARIYANA SHIP BREAKERS LIMITED**

Sd/-

Shanti Sarup Reniwal

Chairman & Managing Director

(DIN:00040355)

Place : Mumbai

Date : 23rd August, 2014

HARIYANA SHIP BREAKERS LIMITED

NOTES :

- (a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF / HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PROXY FORM IS SENT HERewith.

A PERSON CAN ACT AS A PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY (50) MEMBERS AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY, DULY COMPLETED AND SIGNED NOT LESS THAN FORTY – EIGHT (48) HOURS BEFORE THE ANNUAL GENERAL MEETING.

- (b) Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the company a certified copy of the board Resolution authorizing their representative to attend and vote on their behalf at the meeting.
- (c) A Statement pursuant to the provisions of the Section 102 (1) of the Companies Act, 2013 in respect of special business to be transacted at the Meeting is annexed hereto.
- (d) The Register of Members and transfer register will remain closed from 20th September, 2014 to 30th September, 2014 (both days inclusive).
- (e) Details required under Clause 49 of the Listing Agreement entered with the Stock Exchanges in respect of Directors seeking appointment / re-appointment at the Annual General Meeting, are given in the relevant section of the Corporate Governance Report included in the Annual Report.
- (f) Shareholders, who still continue to hold shares in physical form, are requested to dematerialise their shares at the earliest and avail of the various benefits of dealing in securities in electronic / dematerialized form. The shareholders have the option to hold Company's shares in demat form through the National Securities Depository Limited (NSDL) or Central Depository Services (India) Limited (CDSL).
- (g) Members who have not encashed their dividend warrant for FY 2008-2009, FY 2009-2010, FY 2010-2011, FY 2011-2012 and FY 2012-2013 are requested to make their claim to the Company / Registrar and Share Transfer Agent immediately. Members are requested to lodge Share Transfer documents and all other correspondence and queries relating to Share Transfer, Share Certificates, Change of Address etc., at the Office of Registrar & Share Transfer Agent. The relevant address of Registrar and Share Transfer Agent is as under:

Contact Person: Mr. Shashikumar Sharex Dynamic (India) Pvt Ltd Unit-1, Luthra Ind. Premises, Safed Pool, Andheri Kurla Road, Andheri (E), Mumbai – 400 072. Ph: 022 28515606, 022 28515644, IFax: 022 28512885 Email: info@sharexindia.com	Sharex Dynamic (India) Pvt Ltd 17/B, Dena Bank Bldg, 2 nd Floor, Horniman Circle, Fort, Mumbai 400 001 Ph: 022 22702485/022 22641376, Fax: 022 22641349 Email: info@sharexindia.com
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- (h) Members are hereby informed that in terms of the provisions of Section 205A of the Companies Act, 1956, dividend not encashed or claimed within seven years from the date of its transfer to the unpaid dividend account, will be transferred to Investor Education & Protection Fund established by the Central Government. In terms of the provisions of Section 205C of the Companies Act, 1956, no claim shall lie against the Company or said fund after the said transfer.
- (i) Shareholders seeking information with regard to Accounts are requested to write to the Company at an early date so as to enable the management to keep the information ready.
- (j) The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in the electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
- (k) Electronic copy of the Annual Report is being sent to all the members whose email IDs are registered with the Company / depository Participant for communication purposes unless any member has requested for a hard copy of the same. For the Members who have not registered their email address, physical copies of the Annual report is being sent in the permitted mode.
- (l) Members attending the meeting are requested to bring with them the Attendance Slip attached to the Annual Report duly filled in and signed and handover the same at the entrance of the Office.
- (m) Pursuant to Section 108 of the Companies Act, 2013, read with the relevant Rules of the Act, the Company is pleased to provide the facility to Members to exercise their right to vote at 33rd Annual General Meeting by electronic means. The Members whose names appear in the Register of Members / list of Beneficial Owners as on are entitled to vote on the resolutions set forth in this Notice. Members who have acquired shares after the dispatch of the Annual Report and before the book closure may approach the Company for issuance of the User ID and Password for exercising their right to vote by electronic means. The Members desiring to vote through electronic mode may refer to the detailed procedure on evoting given hereafter.

By order of the Board

For **HARIYANA SHIP BREAKERS LIMITED**

Sd/-

Shantisarup Reniwal

Chairman & Managing Director

Place : Mumbai

Date : 23rd August, 2014

HARIYANA SHIP BREAKERS LIMITED

DIRECTOR'S REPORT

To,
The Members,
Hariyana Ship Breakers Limited
Mumbai

The Board of Directors hereby are present the 33rd Annual Report of the Company together with the Audited Annual Accounts of the Company for the year ended 31st March, 2014.

Financial Results :

(Rs in Lacs)

	2013-14	2012-13
Sales/Revenue from Operation	46,912.88	1,01,458.92
Add: Other Income	3,170.07	2,388.99
Total Revenues	50,082.95	1,03,847.91
Profit before Finance Cost, Depreciation & Tax	3,034.81	4,728.66
Less: Finance Cost	1,298.52	2,278.80
Profit before Depreciation & Tax	1,736.30	2,449.87
Less: Depreciation	181.56	183.50
Profit before Tax	1,554.74	2,266.36
Less: Provision for Current Tax	255.47	641.84
: Provision for Deferred Tax	(19.84)	(18.02)
Profit after tax	1,319.11	1,642.54
Add: Balance brought forward from the previous year	4,507.13	3,279.69
Balance Available for Appropriation	5,826.25	4,922.23
a) Proposed Dividend on Ordinary Shares	-	215.83
b) Dividend Distribution Tax thereon	-	35.01
c) Transfer to General Reserve	-	164.25
Total apportioned	-	415.10
Balance to be carried forward	5,826.25	4507.13
Earnings Per Share (Face Value Rs.10/-)		
-Basic and Diluted	21.39	26.64

During the year under review, the Sales/ Revenue from operations are Rs. 46,912.88 Lacs as compared to Rs. 1,01,458.92 Lacs in the last year. The net profit is Rs. 1,319.11 Lacs as compared to Rs. 1,642.54 Lacs in the last year. Due to fluctuation in the prices of old ship in the international market and dollar exchange rate fluctuations, the company has not been able to optimize Sales and Net Profit. Your Directors are hopeful that there will be even more improvement in sales and profit margin in the coming year.

DIVIDEND :

The Directors have not proposed payment of dividend on Equity Shares for the Financial Year

2013-14 with regard to requirement of funds for the business of the company.

PROSPECTS IN THE COMING YEAR :

Ship Breaking and Iron & Steel

During the financial year 2013-14, **Ship-Breaking Unit** at Alang Ship Breaking Yard has shown a stable performance in terms of Sales, however, the industry is in its booming trend hence the unit is expected to perform better in coming years. **Trading unit** of the company has not been able to sustain its performance in terms of sales as compared with the preceding financial year due to volatile market conditions and heavy foreign exchange fluctuations; however, it is hoped that the trading unit will show an increase in terms of sales and profits in the coming years. **Sponge and Iron Unit**, however, has not been able to sustain its performance in terms of sales as compared with preceding years because of issues of availability of raw materials and other similar factors at its Hassan, Karnataka, however, the overall scenario of iron and steel is still very positive and it is hoped that the growth story of the unit shall be sustained in the coming years. Overall, since the prices of iron and Steel having reasonably stabilized and the inventory levels of the company and its market position, all the segments of the company, viz. Ship Breaking, Sponge Iron and Trading, are expected to see major increase in terms of Gross Revenues and Net profit Margins in the coming year.

With the changed circumstances, the company is hopeful that in the coming period the company will continue its ship breaking activities and take it to the level of extended growth and will contribute more to the overall growth of the business of the company. The trading in Ferrous and Non Ferrous Metals, Scrap, Coal etc activities of the company are contributing considerably to the profitability of the company. The sponge iron division of the company has not been able to give good results during the year because of various factors like lack of uninterrupted availability of raw materials due to local mining issues, rupee volatility etc, however, with the increased management focus on market environment, the unit is also expected to yield positive results in the current year as well in the coming years. 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.

Industrial Gases :

The company is into a partnership in M/s. Hariyana Air Products (with 60% share.) for the manufacture and supply of Industrial Oxygen Gas. During the year the oxygen plant at Bhavnagar, Gujarat has not been able to perform well and the company has earned loss from the said partnership firm of Rs. 27.17 Lacs as against profit of Rs. 8.79 Lacs last year. The reason for the loss is volatile market conditions and a competitive market with liquid oxygen suppliers. However, with proximity to Alang Ship Breaking Yard and huge captive consumption requirements of group companies, the company expects good long term benefits from the said partnership venture.

Real Estate & Construction :

The Company is also taking interest into real estate business. For which has been into Partnership in the name of "White Field Projects" (with 40% share) for construction & selling of residential apartments. The construction work of the Project is fully completed and all of the flats have been sold. The company's share of profit from the firm during the year under report is Rs. 297.86 Lacs for the year ended 2014.

HARIYANA SHIP BREAKERS LIMITED

The Company has also been into Partnership and formed a Partnership Firm “Orchid Woods Projects” (with 50% share) for construction & selling of residential apartments. The firm has acquired land at Kothanur Village, KrishnarajapuraHobli, Bangalore, East Taluk and at Chokkanahalli Village, YelahankaHobli, Bangalore, North Taluk with the an object of constructing 1, 2 & 3 BHK Apartments. Likely date of completion of the project at Kothanur Village, KrishnarajapuraHobli, Bangalore, East Taluk is in March, 2015. The company has started the construction at Chokkanahalli Village, YelahankaHobli, Bangalore, North Taluk on February, 2014 and expected to complete the project by May, 2016. The company’s share of profit from the firm is Rs. 556.44 Lacs for the year ended 2014.

The Company has also been into partnership (with 33.33% share) M/s. “Swastik Developers” for construction of building. The firm has acquired 66 Acres of land in Goa. The project is expected to commence soon.

The company has also been into partnership in M/s. “White Mountain” (with 25% share). Presently the firm is having one project at Thindlu, Indrasanahalli & Singrahalli Village, KundanaHobli, Devanahalli Taluk. The firm has acquired 44 acres and 20 Guntas of land with the object of developing 386 plots of various sizes. Likely date of completion of the project is December 2014.

The company has also been into partnership in M/s. “Orchid Lakeview Developers” (with 20% share). The firm is having the project at Bellandur Village, VarthurHobli, Bangalore, East Taluk with the an object of construction 2 & 3 BHK apartments consisting 336 flats. Likely date of completion of the project is March, 2015.

The company has also entered into partnership and formed a partnership firm “Goyal Hariyana Realty “ (with 50% share). The firm has acquired land at Kannur Village, Bangalore, with the object of construction of Villas. The firm has already purchased Land and seeking NOC from concern departments. The firm will start construction on July, 2014 and expected to complete the projects on July, 2016.

Conservation of Energy, Technology Absorption and Foreign Exchange Earning and outgo:

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 earnings and outgo is annexed hereto which is Annexure A forming part of this report.

Management Discussion and Analysis – Review of Operations

Provided in Annexure – B forming part of this report

Director’s Responsibility Statement :

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to the Directors’ Responsibility Statement is annexed herewith as provided in Annexure – C.

Corporate Governance :

The disclosures as required under the Corporate Governance standards have been furnished as a part of this report. The Company has been practicing the principles of good corporate governance. In addition to basic governance issues, the Board lays strong emphasis on transparency, accountability and integrity. Annexure-D.