



HARIA APPARELS LIMITED

**6th ANNUAL REPORT
2016-2017**

**BOARD OF DIRECTORS**

Mr. Kantilal L. Haria	Chairman & Managing Director
Mr. Manish K. Haria	Joint Managing Director (upto 30th March 2017)
Mr. Mohit Suddala	Director
Mr. Nitin V. Oza	Director
Mrs. Kamla Kantilal Haria	Director (upto 30th March 2017)
Mrs. Nehaben Joy Kothari	Director (w.e.f. 30th March 2017)
Mr. Utsav Jaisukh Maru	Director (w.e.f. 30th March 2017)

AUDITORS

M/s. Sunderji Gosar & Co. Chartered Accountants

BANKERS

HDFC Bank

REGISTERED OFFICE

8, Subhash Road,
Vile Parle (East)
Mumbai - 400 057.

Tel. : 91-022-61546154
Fax.: 91-022-61546155
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.
Tel.: 4918 6000 Fax.: 4918 6060
Email : mumbai@linkintime.co.in

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NOTICE

NOTICE is hereby given that the **SIXTH ANNUAL GENERAL MEETING** of the members of **HARIA APPARELS LIMITED** will be held on **Thursday, 28th September, 2017 at 9.30 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, 2017, together with the Reports of the Board of Directors & Auditor thereon.
2. To appoint a director in place of Mr. Kantilal Lakhamsi Haria (DIN:00585400), who retires by rotation at this Annual General Meeting and being eligible, offers himself for the reappointment.
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 section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed there under, as amended from time to time, the Company hereby ratifies the appointment of M/s. Sunderji Gosar & Co, Chartered Accountant (FRN.115543W), Chartered Accountants, Mumbai as Auditors of the Company to hold office from the conclusion of this Annual General Meetings (AGM) till the conclusion of the next consecutive Annual General Meeting (subject to ratification of the appointment by the members at every AGM held after this AGM) of the Company at such remuneration as shall be fixed by the Board of Directors of the company.”

Special Business:

4. To appoint Ms. Nehaben Joy Kothari (DIN: 0753569) as Director 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 161 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Nehaben Joy Kothari (DIN : 0753569) , who was appointed as an Additional Director by the Board of Directors of the Company w.e.f. March 30, 2017 and who holds office till the date of this AGM, 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 a Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. To appoint Ms. Nehaben Joy Kothari (DIN: 0753569) as an Independent Director 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 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) and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Nehaben Joy Kothari (DIN: 0753569), who was appointed as an Additional Director by the Board of Directors of the Company w.e.f March 30, 2017 and who holds office till the date of this AGM, 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 an Independent Director of the Company, not liable to retire by rotation and to hold office for 5 (five) consecutive years.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

6. To appoint Mr. Utsav Jaisukh Maru (DIN: 07752233) as Director 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 161 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Utsav Jaisukh Maru (DIN: 07752233), who was appointed as an Additional Director by the Board of Directors of the Company w.e.f. March 30, 2017 and who holds office till the date of this AGM, 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 a Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

7. To appoint Mr. Utsav Jaisukh Maru (DIN: 07752233) as Joint managing Director designated as Chief Financial Officer and in this regard to consider and, if thought fit, to pass, the following resolution as an Ordinary Resolution:

RESOLVED THAT in accordance with the 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 (including any statutory modification(s) or re-enactment thereof for the time being in force), and in accordance with the provisions of Articles of Association of the Company, on the recommendation of Nomination and Remuneration Committee of the Board, the appointment of Mr. UTSAV MARU (DIN: 07752233) as Joint Managing Director designated as Chief Financial Officer of the Company, for a period of 5 (five) years with effect from 30th March, 2017, on the terms and conditions including remuneration as per below details, with liberty to the Board of Directors on the recommendation of Nomination and Remuneration Committee to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit, subject to the same not exceeding the limits specified under Section 197, read with Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

A. SALARY: NIL Per month with annual increment at such rate as may be approved by the Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee based on merit and taking into account the Company's performance

B. BONUS: As may be decided by the Board of Directors.

**C. PERQUISITES & ALLOWANCE :**

- i. In addition to the salary , Mr. Utsav Maru (DIN: 07752233) will be also entitled to perquisites and allowances including medical reimbursement and leave travel concessions for self and family; telephone expenses at residence, club fees and personal accident insurance ,accommodation (furnished or otherwise) or house rent allowance in lieu thereof; house maintenance allowance together with reimbursement of expenses and / or allowances for utilisation of gas, electricity, water, furnishing and repairs or such other perquisites and/or cash compensation in accordance with the rules applicable to other senior executives of the company. For the purposes of calculating the above, perquisites shall be evaluated as per Income tax Rules wherever applicable.
- ii. Company's contribution to provident fund, superannuation fund and annuity fund to the extent these are, either singly or put together, not taxable under the Income tax act; gratuity as per the Rules of the company and encashment of leave at the end of the tenure will not be included for the purpose of computation of the overall ceiling of remuneration.
- iii. Car used on the company's business and telephone and other communication facilities at residence will not be considered as perquisites.

Any increment in salary and perquisite & allowance, as may be determined by the 'Board shall be within the limits specified under Section 197, read with Schedule V to the Companies Act, 2013 or any statutory modification(s)" or re-enactment thereof.

D. REIMBURSEMENT OF EXPENSES: Reimbursement of actual entertainment expenses, expenses incurred for travelling, board and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and, fuel expenses, insurance premium or other out of pocket expenses incurred in course of the official duties shall be reimbursed at actual and not considered as perquisites.

E. NATURE OF DUTIES:

- i. He will perform his duties with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Whole-time Director will be under the overall authority of the Managing Director.
- ii. He will act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- iii. He will adhere to the Company's Code of Business Conduct & Ethics for Directors and Management Personnel.

F. TERMINATION: The office of Mr. Utsav Maru (DIN: 07752233) will be terminated forthwith by notice in writing on the vacation of office of Director by virtue of section 167,169 and other applicable provisions of the Companies Act, 2013 or by giving 6 months' notice in writing by either party.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year, the Company may pay to Mr. Utsav Maru (DIN: 07752233) the above remuneration by way of salary, bonus and other allowances as a minimum remuneration but not exceeding the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013, or



any statutory modifications therein or enactment thereof, as may be agreed by the Board of Directors and Mr. Utsav Maru (DIN: 07752233).

RESOLVED FURTHER THAT the any Director of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.

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.
- 5.** The Register of Members and Share Transfer Books of the Company will remain closed from **Thursday, 21st September, 2017 to Thursday, 28th September, 2017 (both days inclusive).**
- 6.** Members are requested to notify any change in their address/ mandate/bank details immediately to the share transfer Agent of the Company- **M/S. LINK INTIME INDIA PVT LTD**
- 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 working 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, **Monday, 25th September, 2017 at 9.00 a.m. to Wednesday, 27th September, 2017 till 5.00 p.m.**, both days inclusive. The remote e-voting facility shall not be allowed beyond 5.00 p.m., on **Wednesday, 27th September, 2017**. 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 **Thursday, September 21, 2017** 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., **Thursday, September 21, 2017**. May obtain the User ID and Password by sending an email. Members may also send a request to Mr. Kantil 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 **Thursday, September 21, 2017**, 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. Milind Nirkhe, Company Secretary in Whole Time Practice, (CP No. 2312) 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 Monday, **25th September, 2017 at 9.00 a.m. to Wednesday, 27th September, 2017 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, **Thursday, September 21st, 2017** 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 "shareholder" 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	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN Field. • 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	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <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.

Date : 30.05.2017

Place : Mumbai

By Order of the Board of Directors

For **Haria Apparels Limited**

KANTILAL LAKHAMSHI HARIA

Chairman

DIN No. 00585400

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

Item No. 4 & 5:

As per the provisions of Section 149 of the Companies Act 2013 (Act), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company should have at least one Woman Director. The Board of Directors at their meeting held on March 30, 2017 appointed, Ms. Nehaben Joy Kothari (DIN: 07543569) as an Additional Director w.e.f from March 30, 2017.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Ms. Nehaben Joy Kothari (DIN : 07543569) for the office of Director of the Company. Ms. Nehaben Joy Kothari (DIN: 07543569) is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

Section 149 of the Act inter alia stipulates the criteria of independence .As per the said Section 149, an independent director shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Ms. Nehaben Joy Kothari (DIN : 07543569) that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In the opinion of the Board, Ms. Nehaben Joy Kothari (DIN: 07543569) fulfils the conditions for her appointment as an Independent Director as specified in the Act and rules made there under and the Listing Regulation. Ms. Nehaben Joy Kothari (DIN: 07543569) is an independent of the management.

Brief resume of Ms. Nehaben Joy Kothari (DIN: 07543569), nature of her expertise in specific functional areas and names of companies in which she holds directorships and memberships / chairmanships of Board Committees and shareholding, if any, as stipulated under Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, are provided in the notice convening this meeting.

Keeping in view her vast expertise and knowledge, it will be in the interest of the Company that Ms. Nehaben Joy Kothari (DIN: 07543569) is appointed as an Independent Director.

Save and except Ms. Nehaben Joy Kothari (DIN :) and her relatives, to the extent of their shareholding interest, if any, in the Company, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 and 5 of the Notice.

The Board commends the Ordinary Resolution set out at Item 4 & 5 of the Notice for approval by the shareholders.

**Item No. 6 & 7:**

Mr. Utsav Maru (DIN: 07752233) was appointed as an additional director of the Company by the Board of Directors w.e.f March 30 , 2017 and his tenure of office comes to an end at this Annual General Meeting but is eligible for appointment as Director.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Utsav Maru (DIN: 07752233) for the office of Director of the Company.

Further, the Board of Directors of the Company, at its meeting held on March 30, 2017 has, subject to the approval of members, also appointed Mr. Utsav Maru (DIN: 07752233) as Joint Managing Director designated as Chief Financial Officer, for a period of 5 (Five) years at the remuneration recommended by Nomination and Remuneration Committee of the Board and approved by the Board.

Mr. Utsav Maru (DIN: 07752233) satisfy all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Directors in terms of Section 164 of the Act.

The Resolution No. 7 may be treated as a written memorandum setting out the terms of appointment of Mr. Utsav Maru (DIN: 07752233) under section 190 of the Companies Act 2013.

A brief resume of Mr. Utsav Maru (DIN: 07752233) nature of his expertise in specific functional areas, names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding as stipulated under Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are provided in the notice convening this meeting.

Mr. Utsav Maru (DIN: 07752233) interested in the resolutions set out at Item Nos. 6 and 7 of the Notice, which pertain to his appointment and remuneration payable to him.

The relatives of Mr. Utsav Maru (DIN: 07752233) may be deemed to be interested in the resolutions set out respectively at Item Nos. 6 and 7 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Ordinary Resolutions set out at Item Nos. 6 and 7 of the Notice for approval by the shareholders


Details of Directors seeking Appointment/ Re-appointment at the Annual General Meeting:

Name of the Director	Ms. Nehaben Joy Kothari	Mr.Utsav Jaisukh Maru
Date of Birth	09.10.1975	25.10.1991
Date of Appointment	30.03.2017	30.03.2017
Expertise in specific functional area	In the field of Administration	In the field of Marketing
Qualification	M.Com	B.Com
Directorship held in other Indian public limited Companies	1	1
Chairman/ Member of the Committee Board of Directors of the other Indian public limited Companies	Non-Executive Independent Director	Executive Director
No. of shares held in the Company	NIL	NIL
Disclosure of Relationship	NIL	Grandson of Kantilal Lakhamshi Haria



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Sixth Annual Report of the Company together with the Audited Statement of Accounts for the Financial Year ended March 31, 2017.

FINANCIAL HIGHLIGHTS (Standalone):

Particulars	Financial Year ended	
	31st March, 2017	31st March, 2016
Total Income	1,80,09,690	2,44,01,421
Expenditure	1,22,80,904	1,42,13,898
Profit before Depreciation, Finance Charges and Tax	57,28,786	1,01,87,523
Interest and Finance Charges	-	-
Depreciation	45,31,445	1,62,82,947
Profit before Tax	11,97,341	(60,95,424)
Taxes paid and provided	(3,22,915)	55,40,345
Profit after Tax	15,20,256	(1,16,35,769)
Transferred to Reserves	NIL	NIL
Proposed Final Dividend	NIL	NIL
Dividend distribution tax	NIL	NIL
Balance (credit/debit) to be carried to balance sheet	15,20,256	(1,16,35,769)

OPERATIONAL PERFORMANCE:

Revenue from operations during the year is Rs.1.80 Cr as compared to previous year Rs.2.44 Cr. The Company has gain profit during the year of Rs. 0.15 Cr as compared to Last Year Loss of Rs. 1.16 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 inadequate profits earned by the Company during the financial year under review, your Directors are unable to recommend any dividend for F.Y. 2016-2017.

TRANSFER TO RESERVES:

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

**CREDIT RATING:**

The Company has not issued non-convertible debt securities, it is not applicable to them.

SHARE CAPITAL:

The paid up Equity Share Capital as on March 31, 2017 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.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS
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.

APPOINTMENT OF DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Mr. Kantilal Lakhmshi Haria, Director, DIN NO: 00585400 retires by rotation and being eligible offer himself for re-appointment. Directors recommend his re-appointment.



At the Annual General Meeting of the Company held on September 28, 2017, the Members had approved the appointment of Mr. Utsav Jaisukh Maru ,DIN No: 07752233 Ms. Nehaben Joy Kothari, DIN NO: 07543569 as Independent Directors for a term of five years.

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 fulfil the conditions of independence as specified in the Act and the Rules made there under and are independent of the management.

WOMAN DIRECTOR:

In terms of the provisions of Section 149 of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, a company shall have at least one Woman Director on the Board of the Company. Your Company has appointed Mrs. Nehaben Joy Kothari, DIN NO: 07543569 as an Additional Director on the Board w.e.f March 30, 2017, who holds office till the date of this AGM,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. Accordingly, the approval of shareholders is being sought for her appointment as an Independent Director of the Company.

APPOINTMENTS/RESIGNATIONS OF THE KEY MANAGERIAL PERSONNEL:

The Board had approved the appointment of Mr. Utsav Jaisukh Maru ,DIN No: 07752233 as Joint Managing Director designated as Chief Financial Officer of the Company, for a period of 5 (five) years with effect from 1st April 2017, and appointment of Mrs. Nehaben Joy Kothari, DIN NO: 07543569 as Independent Director of the Company.

Mr. Manish Kantilal Haria , Din NO 0585234 ,has tender his resignation as Director designated as Chief Financial Officer of the Company w.e.f March 31st, 2017 and Mrs. Kamala Kantilal Haria, Din No 07543569 has tendered her resignation as women and independent Director w.e.f. 31st March, 2017.

BOARD AND COMMITTEE MEETINGS:

Your Company's Board of Directors met Seven times during the financial year under review. A calendar of Meetings is prepared and circulated in advance to your Directors.

Audit Committee of the Company as constituted by the Board is headed by Mr. Mohith Suddala as the Chairman with Mr. Kantilal Haria and Mr. Nitin Oza 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.

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.

**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 candidate's 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.

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR:

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations.

Independence: In accordance with the above criteria, a Director will be considered as an 'Independent Director' if he/ she meets with the criteria for 'Independent Director' as laid down in the Companies Act, 2013 and Regulation 16 (1) (b) of the Listing Regulations.

Qualifications: A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the Nomination and Remuneration Committee considers the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

Positive Attributes: In addition to the duties as prescribed under the Companies Act, 2013 the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behaviour, strong interpersonal skills and soundness of judgment. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS:

Pursuant to the provisions of the Companies Act, 2013 and Listing Regulations, the Board had carried out evaluation of its own performance, performance of the Directors as well as the evaluation of the working of its Committees.

The Nomination and Remuneration Committee has defined the evaluation criteria, procedure and time schedule for the Performance Evaluation process for the Board, its Committees and Directors.

The Board's functioning was evaluated on various aspects, including inter alia structure of the Board, including qualifications, experience and competency of Directors, diversity in Board and process of appointment; Meetings of the Board, including regularity and frequency, agenda, discussion and dissemination of information; functions of the Board, including strategy



and performance evaluation, corporate culture and values, governance and compliance, evaluation of risks, grievance Redressal for investors, stakeholder value and responsibility, conflict of interest, review of Board evaluation and facilitating Independent Directors to perform their role effectively; evaluation of management's performance and feedback, independence of management from the Board, access of Board and management to each other, succession plan and professional development; degree of fulfilment of key responsibilities, establishment and delineation of responsibilities to Committees, effectiveness of Board processes, information and functioning and quality of relationship between the Board and management.

Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings. In addition, the Chairman was also evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Managing Director & CEO.

Areas on which the Committees of the Board were assessed included degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings. The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors who also reviewed the performance of the Board as a whole. The Nomination and Remuneration Committee also reviewed the performance of the Board, its Committees and of the Directors. The Chairman of the Board provided feedback to the Directors on an individual basis, as appropriate. Significant highlights, learning and action points with respect to the evaluation were presented to the Board.

REMUNERATION POLICY:

Your Company has adopted a Remuneration Policy for the Directors, Key Managerial Personnel and Senior Management, pursuant to the provisions of the Act and Listing Regulations.

The philosophy for remuneration of Directors, Key Managerial Personnel of the Company is based on the commitment of fostering a culture of leadership with trust. The Remuneration Policy of the Company is aligned to this philosophy.

The Nomination and Remuneration Committee has considered the following factors while formulating the Policy:

- i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

Details of the Remuneration Policy are given in the Corporate Governance Report.

LISTING OF SHARES:

Your Company's shares are listed on the BSE Limited. The Company has paid the listing fees for the year 2016–2017.

**CORPORATE GOVERNANCE:**

Your Company has implemented all the mandatory requirements pursuant to Listing Regulations. A separate report on Corporate Governance is given as a part of the Annual Report along with the certificate received from the Practicing Company Secretary, M/s. Milind Nirkhe & Associates, Company Secretaries, confirming the compliance.

PUBLIC DEPOSITS:

The Company has not accepted any Deposits within the meaning of Section 73 of the Companies Act, 2013 and the Rules made there under. Hence, there is nothing to Report in this Matter.

INSURANCE:

Your Company has taken adequate insurance cover for all its assets.

INTERNAL FINANCIAL CONTROLS:

Your Company has in place adequate internal financial controls with reference to financial statements. Your Company has adopted the policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

CORPORATE SOCIAL RESPONSIBILITY:

As a socially responsible Company, your Company has a strong sense of community responsibility. The Company however, does not fall within the Criteria as laid down by the Act is not required to constitute a CSR Committee. Further the Company has been suffering a loss for the Last two Years; hence the Company has not formulated any Policy.

POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE:

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted an Internal Complaints Committee, to inquire into complaints of sexual harassment and recommend appropriate action.

The Company has not received any complaint of sexual harassment during the financial year 2016-17.

VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Company has adopted a Whistle Blower Policy, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also



Provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

AUDITORS:

STATUTORY AUDITORS:

SUNDERJI GOSAR & Co Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible to offer themselves for re-appointment.

M/s SUNDERJI GOSAR & CO, have furnished a certificate, confirming that if re-appointed, their re-appointment will be in accordance with Section 139 read with Section 141 of the Act. Pursuant to the provisions of the Act and the Rules made there under, it is proposed to appoint **M/s SUNDERJI GOSAR & CO**, as the statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the 10th Annual General Meeting to be held in 2021, subject to ratification at every subsequent Annual General Meeting held after this Annual General Meeting.

Members are requested to consider the re-appointment of **M/s SUNDERJI GOSAR & CO** and authorize the Board of Directors to fix their remuneration.

SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed CS. Milind Nirkhe, Practicing Company Secretary (Proprietor), Practicing under the name & style M/S Milind Nirkhe & Associates, CP No: 2312 to undertake the Secretarial Audit of the Company for the year ended 31st March, 2017. The Secretarial Audit Report is annexed as Annexure. The Secretarial Audit Report for the Financial Year ended March 31, 2017 contain certain qualification, reservation, adverse remark or disclaimer & which are suitably replied by the Board in their Report.

COST AUDITOR:

The major earning of the company was rental income during the Financial Year 2016-2017 & hence the Company was not required to appoint the Cost Auditor for the Financial Year 2016-2017.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Information Regarding Conservation of Energy & Technology Absorption is provided for in Annexure II


Foreign Exchange Earnings and Outgo: Amount (Rupees)

Total Foreign Exchange Inflow	NIL
Total Foreign Exchange outflow	NIL

PARTICULARS OF EMPLOYEES:

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under Rule 5 (2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules. Hence, no particulars are required to be disclosed in this Report.

The information required under Section 197 (12) of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed.

The ratio of remuneration of each Director to the Median Remuneration of all employees who were on the payroll of the Company and the percentage increase in remuneration of the Directors during the financial year 2016-17 are given below:

Directors	Ratio to Median	Percentage Increase in Remuneration
NIL	NIL	NIL

EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of the Companies (Management and Administration) Rules, 2014, the extract of Annual Return in form MGT.9 is annexed as Annexure I.

AUDITORS' REPORT:

Comments made by the Statutory Auditors in the Auditors' Report are self - explanatory and do not require any further clarification.

DIRECTORS' RESPONSIBILITY STATEMENT:

In terms of the provisions of Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, and to the best of their knowledge and belief and according to the information and explanations obtained by them and same as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:

- i.** in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- ii.** they have selected such accounting policies and applied them consistently and made judgments 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 of the Company for that period;



- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;
- vi. They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

ACKNOWLEDGEMENT:

An acknowledgement to all with whose help, cooperation and hard work the Company is able to achieve the results.

By Order of the Board of Directors
FOR HARIA APPARELS LIMITED

Place : MUMBAI
Date : 30.05.2017

KANTILAL LAKHAMSHI HARIA
CHAIRMAN
DIN No. 00585400



Annexure I

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- i. CIN:- L18204MH2011PLC212887
- ii. Registration Date:- 01/02/2011
- iii. Name of the Company:- **HARIA APPARELS LIMITED**
- iv. Category / Sub-Category of the Company: Company limited by shares
- v. Address of the registered office and Contact details:
8, SUBHASH ROAD, VILE PARLE (EAST), and MUMBAI – 400 057.
- vi. Whether listed company Yes / ~~Ne~~
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any:
M/S. LINK INTIME INDIA PVT LTD
C - 101, 247 Park,
L. B. S. Marg, Vikhroli (West),
Mumbai – 400 083.
Phone No.: 4918 6000 Fax: 4918 6060
Email: Mumbai@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Rental Income	8520	95.13%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% OF SHAREHOLDING	APPLICABLE SECTION
NIL	NIL	NIL	NIL	NIL	NIL
NIL	NIL	NIL	NIL	NIL	NIL

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter s									
(1) Indian									
a) Individual/ HUF	4648074	NIL	4648074	30.40	8944473	NIL	8944473	58.50	28.10
b) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	4296399	NIL	4296399	28.10	NIL	NIL	NIL	NIL	(28.10)
e) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Any other	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A)	8944473	NIL	8944473	58.50	8944473	NIL	8944473	58.50	NIL
(2) Foreign									
(a) NRIs -Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(b) Other –Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(c) Bodies Corp.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(d) Banks / FI	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
(e) Any Other....	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (A) (2):-	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	8944473	NIL	8944473	58.50	8944473	NIL	8944473	58.50	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	NIL	1066	1066	0.01	NIL	1066	1066	0.01	NIL
b) Banks / FI	NIL	177	177	0.00	NIL	177	177	0.00	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FII's	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL



i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Sub-total (B)(1):-	NIL	1243	1243	0.01	NIL	1243	1243	0.01	NIL
2. Non-Institutions									
a) Bodies Corp.	329378	1192	330570	2.16	307174	1192	308366	2.02	(0.14)
i) Indian	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	4510040	318956	4828996	31.58	4504882	317185	4822067	31.54	(0.04)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	881350	NIL	881350	5.76	912730	NIL	912730	5.97	0.21
c) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Non Resident Indians									
- Repat	47344	NIL	47344	0.31	42956	NIL	42956	0.28	(0.03)
- Non Repat	5324	NIL	5324	0.03	4678	NIL	4678	0.03	NIL
Overseas Corporate Bodies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Nationals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Clearing Members	62599	NIL	62599	0.41	65674	NIL	65674	0.43	0.0 2
Trusts	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Bodies - D R	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
HUF	187901	NIL	187901	1.23	187613	NIL	187613	1.23	NIL
Sub-total (B)(2):-	6023936	320148	6344084	41.49	6025707	318377	6344084	41.49	NIL
Total Public Shareholding (B)=(B)(1)+ (B)(2)	6023936	321391	6345327	41.50	6025707	319620	6345327	41.50	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	14968409	321391	15289800	100.00	14970180	319620	15289800	100.00	NIL



ii. Shareholding of Promoters

	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Vilco Pharma Pvt Ltd	4296399	28.10	0.00	NIL	NIL	NIL	(28.10)
2	Sheetal M Haria	699800	4.58	NIL	NIL	NIL	NIL	(4.58)
3	Kantilal Haria	893006	5.84	NIL	8909701	58.27	NIL	52.43
4	Kanailal Lakhamshi Haria HUF	34772	0.23	NIL	34772	0.23	NIL	NIL
5	Manish Kantilal Haria	3020496	19.75	NIL	NIL	NIL	NIL	(19.75)
	TOTAL	8944473	58.50	NIL	8944473	58.50	NIL	NIL

iii. Change in Promoters' Shareholding (please specify, if there is no change)

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	89,44,473	58.50%	89,44,473	58.50%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL (No Change)	NIL (No Change)	Increase in shareholding of Promoter due to transfer of shares pursuant to Regulation 10(5) of SEBI (substantial Acquisition of shares and Takeovers) Regultaions,2011 on 23.12.2016	
	At the end of the year	89,44,473	58.50%	89,44,473	58.50%

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year	7,23,316	3.80	8,44,856	5.53%
	Date wise Increase / Decrease	N.A	N.A	N.A	N.A
	Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year (or on the date of separation, if separated during the year)	7,23,316	3.80	8,44,856	5.53%

v. Shareholding of Directors and Key Managerial Personnel:

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
	At the beginning of the year	39,48,274	25.82	89,44,473	58.50
	Date wise Increase / Decrease	23/12/2016 49,96,199	32.68	Increase in shareholding of Promoter due to transfer of shares pursuant to Regulation 10(5) of SEBI (substantial Acquisition of shares and Takeovers) Regulations, 2011 on 11.04.2016	
	Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the End of the year	89,44,473	58.50	89,44,473	58.50

vi. INDEBTEDNESS

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	5,64,95,836	3,58,29,081	-	9,23,24,917
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	5,64,95,836	3,58,29,081	-	9,23,24,917
Change in Indebtedness during the financial year				
* Addition	1,76,62,173	2,61,24,878	-	4,37,87,051
* Reduction	94,35,727	1,23,76,000	-	2,18,11,727
Net Change	82,26,446	1,37,48,878	-	2,19,75,324
Indebtedness at the end of the financial year	4,82,69,390	2,20,80,203	-	7,03,49,593
i) Principal Amount	4,82,69,390	2,20,80,203	-	7,03,49,593
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	4,82,69,390	2,20,80,203	-	7,03,49,593

vii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
			---	---	---	
1	Gross salary	NIL	NIL	NIL	NIL	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL	NIL



4	Commission - as % of profit - others, specify...	NIL	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (A)	NIL	NIL	NIL	NIL	NIL
	Ceiling as per the Act					

B. Remuneration to other directors:

SN.	Particulars of Remuneration	Name of Directors				Total Amount
		----	----	----	---	
1	Independent Directors	NIL	NIL	NIL	NIL	NIL
	Fee for attending board committee meetings	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (1)	NIL	NIL	NIL	NIL	NIL
	Other Non-Executive Directors	NIL	NIL	NIL	NIL	NIL
	Fee for attending board committee meetings	NIL	NIL	NIL	NIL	NIL
	Commission	NIL	NIL	NIL	NIL	NIL
	Others, please specify	NIL	NIL	NIL	NIL	NIL
	Total (2)	NIL	NIL	NIL	NIL	NIL
	Total (B)=(1+2)	NIL	NIL	NIL	NIL	NIL
	Total Managerial Remuneration	NIL	NIL	NIL	NIL	NIL
	Overall Ceiling as per the Act					


C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/ MANAGER/WTD

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	NIL	NIL	NIL	NIL
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	NIL	NIL	NIL	NIL
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	NIL	NIL	NIL	NIL
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission	NIL	NIL	NIL	NIL
	- as % of profit	NIL	NIL	NIL	NIL
	others, specify...	NIL	NIL	NIL	NIL
5	Others, please specify	NIL	NIL	NIL	NIL
	Total	NIL	NIL	NIL	NIL



viii. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
B. DIRECTORS					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

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

Date : 30.05.2017
Place : Mumbai

KANTILAL LAKHAMSHI HARIA
Chairman
DIN No. 00585400



Annexure II

Conservation of Energy

Sr. No.	Particulars	Details
1	the steps taken or impact on conservation of energy	N.A.
2	the steps taken by the company for utilizing alternate sources of energy	N.A.
3	the capital investment on energy conservation equipments	N.A.

Technology absorption

Sr. No.	Particulars	Details
1	the efforts made towards technology absorption	N.A.
2	the benefits derived like product improvement, cost reduction, product development or import substitution	N.A.
3	in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	N.A.
	(a) the details of technology imported	N.A.
	(b) the year of import	N.A.
	(c) whether the technology been fully absorbed	N.A.
	(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A.
4	The expenditure incurred on Research and Development.	N.A.

By Order of the Board of Directors
For Haria Apparels Limited

Date : 30.05.2017

Place : Mumbai

KANTILAL LAKHAMSHI HARIA
CHAIRMAN
DIN No. 00585400



Annexure III

Details of Contracts or arrangements or transactions not at arm's length basis:

Sr. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	NIL
2	Nature of contracts/arrangements/transaction	NIL
3	Duration of the contracts/arrangements/transaction	NIL
4	Salient terms of the contracts or arrangements or transaction including the value, if any	NIL
5	Justification for entering into such contracts or arrangements or transactions	NIL
6	date(s) of approval by the Board	NIL
7	Amount paid as advances, if any	NIL
8	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	NIL

Details of Contracts or arrangements or transactions at arm's length basis:

Sr. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Kantilal Haria - Director
2	Nature of contracts/arrangements/transaction	Loan Given Loan Received Loan Repaid Loan Given Outstanding Loan Received Outstanding
3	Duration of the contracts/arrangements/transaction	01.04.2016 to 31.03.2017
4	Justification for entering into such contracts or arrangements or transactions	The Contracts are entered at arm's length and in the ordinary Course of Business
5	date(s) of approval by the Board	30.05.2017
6	Amount paid as advances, if any	NIL

By Order of the Board of Directors
For Haria Apparels Limited

Date : 30.05.2017
Place : Mumbai

KANTILAL LAKHAMSHI HARIA
CHAIRMAN
DIN No. 00585400



Annexure IV

RELATED PARTY DISCLOSURES:

LIST OF RELATED PARTIES	PARTICULARS
Subsidiaries / Associates	NIL
Key Management Personnel	1. Kantilal Haria 2. Manish Haria
Enterprise in which key management personnel, and their relatives have significant influence	1. Haria Exports Limited
Relative of Key Management Personnel	1. Bimal Haria

Particulars	Subsidiaries /Associates	Enterprise in which management personnel and relatives have significant influence	Key Management Personnel & their Relatives	Total
1 Loan Given	-	-	-	-
	-	-	-	-
2 Loan Received	-	15,60,000	1,00,16,000	1,15,76,000
	-	(2,61,887)	(57,75,709)	(60,37,596)
3 Loan Repaid	-	19,39,462	2,33,85,416	2,53,24,878
	-	(58,43,536)	(4,89,90,881)	(5,48,34,417)
4 Loan Received Outstanding	-	1,74,18,083	46,62,120	2,20,80,203
	-	(1,77,97,545)	(1,80,31,535)	(3,58,29,080)
5 Rent Paid	-	-	-	-
	-	-	-	-
6 Guarantees Given	-	-	-	-
	-	(15,35,00,000)	-	(15,35,00,000)

By Order of the Board of Directors
For Haria Apparels Limited

Date : 30.05.2017
Place : Mumbai

KANTILAL LAKHAMSHI HARIA
Chairman
DIN No. 00585400



Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2017.

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Haria Apparels Limited,
8, Subhash Road,
Vile Parle (East),
Mumbai - 400 057.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HARIA APPARELS LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Haria Apparels Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 ('Audit Period'), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **HARIA APPARELS LIMITED** ("the Company") for the financial year ended on 31st March, 2017 ('Audit Period'), according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under; except the following e-forms which were not filed by the Company with ROC/MCA:

Name of E forms	Reason for filing
Form MGT-14	Pursuant to Section 179(3)

- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (Not applicable to the Company during the Audit Period);
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; Copy of the relevant disclosures/documents were not available for verification.)



- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company for the Audit Period);
- d. The Securities and Exchange Board of India (share Based Employee Benefits) Regulations, 2014. (Not applicable to the Company for the audit period).
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company for the Audit Period);
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company for the Audit Period); and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company for the Audit Period);

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, since the Company is engaged in Mercantile Activities as reported to us by the Management of the Company in their Representation Letter there are no laws specifically applicable to the Company during the Audit Period under review.

I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii. The SEBI (Listing Obligation & Disclosure Requirements), Regulation 2015 entered into by the Company with Stock Exchanges

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. as mentioned above subject to the following observations:

- i. As Informed to us by the Management, the Company does have functional Website registered but do not have disclosure pursuant to Regulation 46 of the SEBI (Listing Obligation & Disclosure Requirements), Regulation 2015, except following:
 - a. Audited financial Results for year ended 31st March, 2017.
 - b. Statement of Grievance Redressal Mechanism for year ended 31st March, 2017
 - c. Intimation for Board Meeting for quarter ended 31st March, 2017 for audited financial Results.
- ii. As Informed to us by the Management, the Company has not appointed a Company Secretary during the year under Review, pursuant to Section 203 of the Companies Act, 2013 Read with Rule 8 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and has been searching for the suitable candidate to be appointed as a Company Secretary and Chief Financial Officer.
- iii. As Informed to us by the Management, the Company need to appoint One Non-Executive Independent Director so as to have proper combination of Executive Directors, Non-Executive Directors and Independent Directors.

I further report that

The Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.



Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As Informed to us by the Management of the Company, it is in the process of reconstituting its Nomination and Remuneration Committee so as to have the optimum combination of Independent and Non-executive Directors.

Decisions at the Board Meetings were taken unanimously.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period of the Company there are No events having a major bearing on the Companies Affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards etc. referred to above, except the following:

As informed to us by the management of the Company there was an inter se transfer of 80,16,695 Equity Shares of Rs.10/- each being fully paid – up among Promoters & Persons Acting in Concert with the Promoters equivalent to 52.43% of the Paid-up Equity Capital of the Company which was informed by the Acquirer to SEBI, BSE Limited & to the Company vide their letter dated 25th May,2016, 23rd December, 2016 , 10th January,2017 & 24th January,2017.

Date : 30th May, 2017

Place : Mumbai

Signature:

CS.MILIND NIRKHE

FCS No: 4156

C P No.: 2312

**‘Annexure A’**

To,
The Members,
HARIA APPARELS LIMITED,
8, Subhash Road,
Vile Parle (East),
Mumbai – 400057, India.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Signature:

Date: 30th May, 2017

Place: Mumbai

(CS. MILIND NIRKHE)

Practicing Company Secretary

Membership No.:4156

Certificate of Practice No.:2312



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Our Company's Corporate Governance philosophy is to continuously strive to attain higher levels of accountability, transparency, responsibility, and fairness in all aspects of its operations. Our business culture and practices are founded upon a common set of values that govern our relationships with customers, employees, shareholders, suppliers, bankers and the communities in which we operate.

Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

Our Company believes that Good Corporate Governance is essential ingredient of any business, a way of life rather than a mere legal compulsion.

The Company is conscious of its responsibility as a good corporate citizen. The Company values transparency, professionalism, and accountability.

2. BOARD OF DIRECTORS

a. **Composition and category of directors (e.g. promoter, executive, non- executive, independent non-executive, nominee director - institution represented and whether as lender or as equity investor);**

Your Company's Board comprises of 5 Directors with considerable experience in their respective fields. Of these 2 are Executive Directors, 1 Non-Executive Director and 2 Independent Directors. The Chairman of the Board is an Executive Director.

All Independent Directors of the Company have been appointed as per the provisions of the Companies Act, 2013. Formal letters of appointment have been issued to the Independent Directors. The terms and conditions of their appointment are disclosed on the Company's website.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (Committees being Audit Committee and Stakeholders Relationship Committee, across all the Companies in which he/ she is a Director.

None of the Directors holds office in more than 20 companies and in more than 10 public companies. All Directors are also in compliance of the limit on Independent Directorships of listed companies as prescribed in Regulation 25 (1) of the Listing Regulations.

b. **Attendance of each director at the meeting of the board of directors and the last annual general meeting;**

Seven Board Meetings were held during the financial year April 1, 2016 to March 31, 2017. All relevant and materially significant information, are submitted as part of the agenda papers well in advance of the Board Meetings. The Company Secretary, in consultation with the Chairman & Managing Director, drafts the agenda of the meetings.

Details of attendance of Directors in the Board Meetings during the financial year April 1, 2016 to March 31, 2017 are as under:

Sr. No.	Name of the Director	Category of Directorship	Attendance Details		
			Board Meetings Attended	% of total meetings attended during the tenure as a Director	Last AGM
1	UTSAV JAYSUKH MARU (w.e.f 30.03.2017)	Joint Managing Director	2	28.57	NO
2	KANTILAL LAKHAMSHI HARIA	Executive Director	7	100	Yes
3	MANISH KANTILAL HARIA (UPTO 31.03.2017)	Executive Director	7	100	Yes
4	KAMALA KANTILAL HARIA (UPTO 31.03.2017)	Non-Executive Director	7	100	Yes
5	NITIN VASUDEV OZA	Independent & Non-Executive Director	7	100	Yes
6	MOHITH RAMAMURTHY SUDDALA	Independent & Non-Executive Director	7	100	Yes
7	NEHABEN JAY KOTHARI (w.e.f 30.03.2017)	Independent & Non-Executive Director	2	28.57	NO
8	PRITUL GAJENDRA SANGHAVI (UPTO 31.03.2017)	Executive Director	7	100	Yes

c. Number of other board of directors or committees in which a directors is a member or chairperson;

Name of the Director & Designation	Category	No. of positions held in other Public Companies		
		Board	Committee	
			Membership	Chairmanship
MANISH KANTILAL HARIA (UPTO 31.03.2017)	Executive Director (Managing Director)	1	1	NIL
KANTILAL LAKHAMSHI HARIA	Executive Director (Chairman & Managing Director)	1	1	NIL
NITIN VASUDEV OZA	Independent & Non-Executive Director	1	1	1
MOHITH RAMAMURTHY	Independent & Non-Executive Director	1	1	1
KAMALA KANTILAL HARIA (UPTO 31.03.2017)	Non-Executive Director	1	NIL	NIL
PRITUL GAJENDRA SANGHAVI (UPTO 31.03.2017)	Executive Director	1	NIL	NIL



d. Number of meetings of the board of directors held and dates on which held;

During the Financial Year April 1, 2016 to March 31, 2017, 7 (SEVEN) meetings were held on the following dates: 11th April, 2016, 30th May, 2016, 12th August, 2016, 14th November, 2016 14th February, 2017, 30th March, 2017 and 31st March 2017.

e. Disclosure of relationships between directors inter-se;

Ms. Kamla Kantilal Haria is wife of Mr. Kantilal Haria and Mr. Manish Kantilal Haria is a son of Mr. Kantilal Haria. Mr. Utsav Jaysukh Maru is a Grandson of Mr. Kantilal Haria.

f. Number of shares and convertible instruments held by non-executive directors;

None of the Non-Executive Directors held shares in the Company as on March 31, 2017.

g. web link where details of familiarization programmes imparted to independent directors is disclosed;

The Company familiarizes its Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various programmes. These include orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis.

The familiarization programme for Independent Directors is disclosed on the Company's website at the following web link: www.hariaapparels.com

3. AUDIT COMMITTEE:

a. Terms of Reference of Audit Committee

The Committee's composition meets with requirements of section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

Role of Audit Committee inter alia, includes the following:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending to the Board, the appointment, reappointment and, if required, the replacement or removal of statutory auditors, including cost auditors, and fixation of audit fees and other terms of appointment.
- Approving payment to statutory auditors for any other services rendered by them.
- Reviewing with the management, the annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by the management.
 - Significant adjustments made in financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of related party transactions.



- Qualifications in draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing with the management, performance of statutory auditors, including cost auditors and internal auditors, adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Discussion with internal auditors, any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature, and reporting the matter to the Board.
- Discussion with statutory auditors, before the audit commences, about the nature and scope of audit as well as post audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults, if any, in the payment to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- To review the functioning of the Whistle Blower mechanism.
- Approval of appointment of the CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing qualifications, experience and background of the candidate.
- Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors.
- Reviewing financial statements, in particular the investments made by the Company's unlisted subsidiaries.
- Reviewing the following information:
 - The Management Discussion and Analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - Internal audit reports relating to internal control weaknesses; and
 - The appointment, removal and terms of remuneration of internal auditors / chief internal auditor.

b. Composition, name of members and chairperson;

The Audit Committee of the Company is constituted in accordance with the provisions of Regulation 18 of the Listing Regulations and the provisions of Section 177 of the Companies Act, 2013. All members of the Committee are financially literate.

During the year, the Audit Committee reviewed key audit findings covering operational, financial and compliance areas. Risk mitigation plans covering key risks affecting the Company were presented to the Committee.

c. Meetings and attendance during the year.

During the Financial Year April 1, 2016 to March 31, 2017, 5 (Five) meetings were held on the following dates: 28th May, 2016, 12th August, 2016, 14th November, 2016, 13th February, 2017 & 31st March, 2017



The attendance of each member of the committee is given below.

Name of the Member	Attendance at the Audit Committee Meeting	% of total meetings attended during the tenure as a Director / Secretary
Mr. Mohith Suddala (Chairman)	5	100
Mr. Kantilal Haria (Member)	5	100
Mr. Nitin Oza (Member)	5	100

The Chairman of the Audit Committee, Mr. Mohit Suddala was present at the Annual General Meeting of the Company held on 30/09/2016.

4. NOMINATION AND REMUNERATION COMMITTEE :

The Committee's constitution and terms of reference are in compliance with Provisions of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

a. brief description of terms of reference;

- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
- To ensure relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of its duties.

b. Composition, name of members and chairperson;

There are 2 Members in Remuneration Committee 1 Chairman, 1 Member.

c. Meeting and attendance during the year;

During the Financial Year April 1, 2016 to March 31, 2017, Three (3) meetings were held on the following dates: 28th May, 2016, 12th August, 2016 & 31st March, 2017.

Name of the Member	Attendance at the Nomination & Remuneration Meeting and Stakeholder relationship Meeting	% of total attended during the tenure as a Director / Secretary
Mr. Nitin Oza (Chairman)	3	100
Mohith Ramamurthy Suddala (Member)	3	100

d. Performance evaluation criteria for independent directors.

Considering the requirement of skill sets on the Board, eminent people having an independent standing in their respective field/profession, and who can effectively contribute to the Company's business and policy decisions are considered by the Nomination and Remuneration Committee, for appointment, as Independent Directors on the Board. The Committee, inter alia, considers qualification, positive attributes, area of expertise and number of Directorships and Memberships held in

various committees of other companies by such persons in accordance with the Company's Policy for Selection of Directors and determining Directors' independence. The Board considers the Committee's recommendation, and takes appropriate decision.

e. Remuneration Policy of the Company

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, 2016 to 31st March 2017. The key principles governing the Company's Remuneration Policy are as follows:

• **Remuneration to Non- Executive / Independent Director, Remuneration / Commission:**

No Remuneration / Commission is paid to any Non –Executive Director/Independent Director

• **Sitting Fees:**

No Sitting fee is paid to any Non-Executive Directors during the financial year 1st April, 2016 to 31st March 2017.

• **Commission:**

No Sitting fee is paid to any Non-Executive Directors during the financial year 1st April, 2016 to 31st March 2017.

Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

Payment of Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel is fixed as decided by the Board of Directors, based on the recommendation of the Remuneration Committee.

a. Details of the Executive Directors Remuneration for the financial year ended March 31, 2017

REMUNERATION	DIRECTORS		DIRECTORS	
	Executive Directors			Non-Executive Directors
	Kantilal Haria –Managing Director	Manish Haria-Joint Managing Director		
(a) Salary & Allowances (fixed)	NIL	NIL	NIL	NIL
(b) Benefits & Perquisites	NIL	NIL	NIL	NIL
(c) Bonus / Commission Additional Salary	NIL	NIL	NIL	NIL
(d) Pension, Contribution to Provident fund & Superannuation Fund	NIL	NIL	NIL	NIL
(e) Stock Option Details(if any)	The Company has not offered any Stock Options to its employees.			
(f) Notice period	Nil			Nil
(g) Severance fess	Nil			Nil

Note:

1. The agreement with each Executive Director is for a period of 3 years.
2. There were no performance linked incentive paid to the directors for the year 2016-17.



b. Details of the Sitting Fees paid to Non-Executive Directors for the financial year ended March 31, 2017 (` in lakhs)

Name of the Non-Executive Director	Amount of Sitting Fees Paid
NITIN VASUDEV OZA	Nil
MOHITH RAMAMURTHY SUDDALA	Nil
KAMALA KANTILAL HARIA	Nil

5. STAKEHOLDERS' GRIEVANCE COMMITTEE:

The Board has constituted Stakeholders Relationship Committee in accordance with the Provisions of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

- a. Name of non-executive director heading the committee;**
Mr. Nitin Vasudev Oza is Non Independent & Non-Executive Director heading the Stakeholders' Grievance Committee.
- b. Name and designation of compliance officer;**
Mr. Kantilal Haria who is a Managing Director in the Company will be the Compliance Officer of the Stakeholder Committee.
- c. Number of shareholders' complaints received so far;**
During the financial year, the Company has not received even a single complaint from the shareholders.
- d. Number not solved to the satisfaction of shareholders;**
Not solved to the satisfaction of shareholders: NIL
- e. Number of pending complaints.**
There was no pending complaint from any shareholders as on 31st March, 2017

6. GENERAL BODY MEETINGS:

- a. location and time, where last three annual general meetings held;**

Year	Date	Venue	Time	No. of Special Resolution(s) passed
2013-2014	29/09/2014	1 st Floor, Vilco Centre, 8, Subhash Road, Vile Parle (East), Mumbai – 400 057	10.00 a.m.	2
2014-2015	30/09/2015	1 st Floor, Vilco Centre, 8, Subhash Road, Vile Parle (East), Mumbai – 400057.	10.30 a.m.	1
2015 – 2016	30/09/2016	1st Floor, Vilco Centre, 8, Subhash Road, Vile Parle (East), Mumbai – 400 057	10.30 a.m.	1

- b. Whether any special resolutions passed in the previous three annual general meetings;**
Yes, Special resolution passed in the previous two annual general meeting.
- c. Whether any special resolution passed last year through postal ballot – details of voting pattern;**
NIL
- d. Person who conducted the postal ballot exercise;**
NIL



e. Whether any special resolution is proposed to be conducted through postal ballot;
NIL

f. Procedure for postal ballot.
NIL

7. MEANS OF COMMUNICATION:

a. Quarterly results / Annual Results

The Quarterly / Annual Results and notices published in the format prescribed by the Listing Regulations read with the Circular issued thereunder, are approved and taken on record by the Board of Directors of the Company. The approved results are forthwith uploaded on the designated portal of the Stock Exchange where the Company's shares are listed viz., BSE Online Portal of BSE Ltd. (BSE). The results are also published within 48 hours either in Financial Express (English & Marathi editions) and also displayed on the Company's website www.hariagroup.com

b. Posting of Information on the website of the Company:

The Annual / Quarterly results of the Company, Share Holding Pattern, and other official news releases are regularly posted on its website www.hariagroup.com

c. The Management Discussion and Analysis Report forms a part of the Annual Report.

8. GENERAL SHAREHOLDER INFORMATION:

a. Annual general meeting

Day & Date: Thursday, 28th September, 2017

Time: 09.30 A.M.

Venue: 8, Subhash Road, Vile Parle (East), Mumbai – 400057

b. Financial year;

April 2017 to March 2017 Financial Calendar

Events	Tentative time frame
Financial Reporting for the first quarter ending 30th June, 2016	2nd week of August, 2016
Financial Reporting for the second quarter ending 30th September, 2016	2nd week of November, 2016
Financial Reporting for the third quarter ending 31st December, 2016	2nd week of February, 2017
Financial Reporting for the fourth quarter ending 31st March, 2017	3rd Week of May, 2017

c. dividend payment date;

Interim: N.A

Final: N.A

d. The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s);

BSE Limited: Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001

Yes, the company has paid annual listing fees to BSE Limited.



e. Stock code;

BSE Limited: 512604

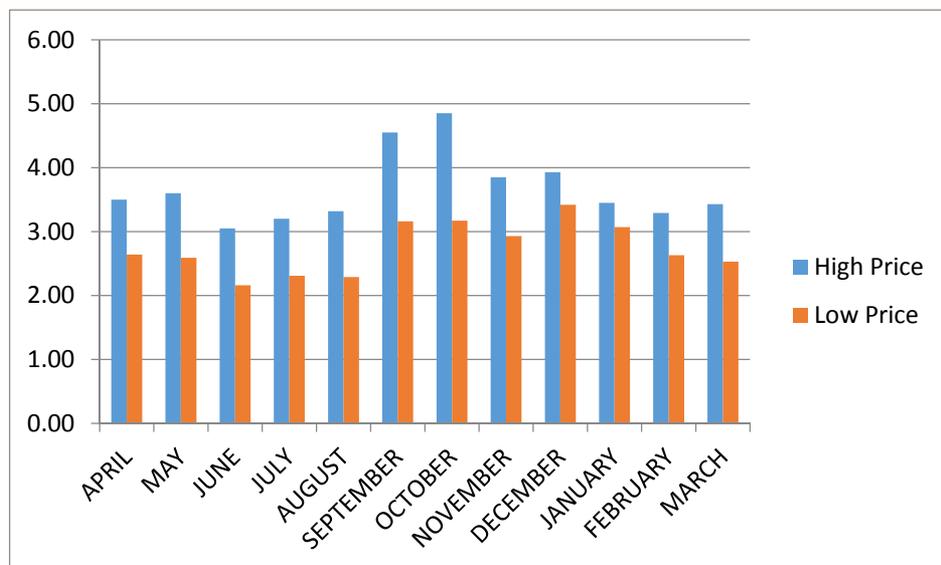
Demat ISIN Number for NSDL & CDSL: INE772B01014

f. Market price data- high, low during each month in last financial year;

High / low of the market price of the Company's equity shares traded on BSE during the last financial year April 1, 2016 to March 31, 2017 were as follows:

Month	High BSE	Low BSE	Month	High BSE	Low BSE
April	3.50	2.64	October	4.85	3.17
May	3.60	2.59	November	3.85	2.93
June	3.05	2.16	December	3.93	3.42
July	3.20	2.31	January	3.45	3.07
August	3.32	2.29	February	3.29	2.63
September	4.55	3.16	March	3.43	2.53

g. performance in comparison to broad-based indices such as BSE sensex;



h. Registrar to an issue and share transfer agents;

The shares of the Company can be transferred by lodging Transfer Deeds and Share Certificates with the Registrars & Share Transfer Agents viz. M/s. Link Intime India Pvt. Ltd. (Address as mentioned below). The Shareholders have option of converting their holding in dematerialized form and effecting the transfer in dematerialized mode.

Name	M/s. Link Intime India Pvt. Ltd.
Address	C - 101, 247 Park, L. B. S. Marg, Vikhroli (West), Mumbai - 400 083.
Telephone No.	49186000
E mail	Mumbai@linkintime.co.in



i. Share transfer system;

The Company's shares are traded in the BSE Ltd, compulsorily in Demat mode. Physical shares which are lodged with the Registrar & Transfer Agent or/ Company for transfer are processed and returned to the shareholders duly transferred within the time stipulated under the Listing Regulations subject to the documents being in order.

j. Distribution of shareholding;

Distribution of Shareholding as on March 31, 2017

Shareholding of Nominal		Value of Number	Shareholders % to Total	Share Amount in Rs.	Share Amount % to Total
(1)		(2)	(3)	(4)	(5)
Up to 5000		5286	71.03	9435480	6.17
5001	10,000	974	13.09	6889130	4.50
10,001	20,000	629	8.45	8932910	5.84
20,001	30,000	201	2.70	5058350	3.31
30,001	40,000	105	1.41	3601390	2.36
40,001	50,000	51	0.68	2336440	1.53
50,001	100,000	116	1.56	7872280	5.15
100,001 and Above		80	1.08	108772020	71.14
Total		7442	100.00	152898000	100.00

k. Dematerialization of shares and liquidity;

As on March 31, 2017 about 94.86% of the Company's equity paid-up capital had been dematerialized. Trading in equity shares of the Company at the Stock Exchange is permitted compulsorily in demat mode.

l. Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity;

Company does not have any GDR / ADR / Warrants or any other convertible instruments.

m. Commodity price risk or foreign exchange risk and hedging activities;

The company has not conducted any activities which requires hedging and necessary disclosures thereof during the Financial Year under review

n. Plant locations;

The Company has the following units located at: NIL

o. Address for correspondence.

The shareholders may send their communication grievances/ queries to the Registrar and Share Transfer Agents at their Address mentioned above or to the Company at their registered office.

Registered Office:

HARIA APPARELS LIMITED

8, Subhash Road, Vile Parle (East),
Mumbai – 400 057.

Telephone No. : (91 - 22) 6154 6154

Fax : (91-22) 6154 6155

E - mail : accounts@hariagroup.com



9. OTHER DISCLOSURES:

- a. Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;

There are no materially significant related party transactions with its Promoters, Directors or the Management, their Subsidiaries or Relatives etc., which may have potential conflict with the interest of the Company at large. The other related party transactions are given in Notes to Accounts annexed to and forming the part of Balance Sheet and Profit and Loss Account of the Company. The Company has formulated a Related Party Transactions Policy and the same is displayed on the Company's website at the web link www.hariaapparels.com

- b. details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

There were no instances of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

- c. Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;

The Company has formulated a policy for employees to report to the management concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. The policy also lays down the mechanism to prohibit managerial personnel from taking adverse action against employees, who are disclosing in good faith alleged wrongful conduct on matter of public concern involving violation of law, mismanagement, misappropriation of public funds etc.

Employees aware of any alleged wrongful conduct are encouraged to make a disclosure to the Audit Committee. The policy shall also provide for direct access to the Chairman of the Audit Committee.

- d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;
The Company has complied with all mandatory requirements as mandated under Clauses (b) to (i) of Regulation 46 (2). A certificate from the practicing Company Secretary to this effect has been included in this report. It is also confirmed that no personnel has been denied access to the Audit Committee.

- e. The corporate governance report shall also disclose the extent to which the discretionary requirements as specified in Part E of Schedule II have been adopted.

- f. The status of compliance with the non- mandatory requirements listed in Part E of Schedule II of the Listing Regulations, is as under

- Separate post of Chairman and CEO
The Chairman of the Board is a separate position from that of the Managing Director & CEO.
- Reporting of Internal Auditor
The Internal Auditor reports to the Audit Committee.
- Audit qualifications
The financial results of the Company are unqualified.



10. Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management.

The Managing Director & CEO and the Chief Financial Officer have certified to the Board in accordance with Part B of Schedule II to the Listing Regulations pertaining to CEO/ CFO certification for the Financial Year ended March 31, 2017

On behalf of the Board of Directors
For **Haria Apparels Limited.**

Date: 30/05/2017
Place: Mumbai

Kantilal Haria
Chairman
DIN No. 00585400



CEO Certificate on Corporate Governance

To,
The Members of
HARIA APPARELS LIMITED

I, Kantilal Haria, Director of Haria Apparels Limited hereby declare that all the members of the Board of Directors and senior management personnel have affirmed compliance with the Code of Conduct, as applicable to them, for the financial year ended March 31, 2017.

For **HARIA APPARELS LIMITED**

Place: Mumbai
Date : May 30, 2017

KANTILAL HARIA
CHAIRMAN
DIN: 00585400

Registered Office :
8, Subhash Road,
Vile Parle (East),
Mumbai – 400 057.



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management of Haria Apparels Ltd. presents the analysis of the Company for the year ended on March 31, 2017 and its outlook for the future. This outlook is based on assessment of the current business environment. It may vary due to future economic and other developments both in India and abroad.

This management discussion and analysis ("MD&A") of Haria Apparels Ltd. for the year ended on March 31, 2017 contains financial highlights but does not contain the complete financial statements of the Company. It should be read in conjunction with the Company's audited financial statements for the year ended on March 31, 2017.

BUSINESS RESULTS:

Due to unfavourable market condition and non-remunerative realization your directors have decided to differ the commencement of manufacturing until required changes are implemented in the facilities so as to make it capable of producing garments more acceptable to the market and the operations viable as well. The management had envisaged revival in readymade garment business. Hence had identified machinery suppliers and obtained competitive quotes. As management was struggling to arrange finance from the financial institutions and bank market condition worsen during the period under consideration. Hence management chose to keep in abeyance ordering of machinery. The management expects revival in market condition in subsequent year and is planning to restart the operation.

PERFORMANCE:

- Revenue from operations during the year is Rs.1.80 Cr as compared to previous year Rs. 2.44 Cr.
- The Company has gain profit of Rs.0.15 Cr in the Current Year as Compared to Last Year's Loss of Rs. 1.16 Cr.

HUMAN RESOURCE / INDUSTRIAL RELATIONS:

The Company recognizes the importance and contribution of its human resources for its growth & development and values their talent, integrity and dedication. The Company offers a highly entrepreneurial culture with a team based approach that we believe encourages growth and motivates its employees. The Company has been successful in attracting and retaining key professionals and intends to continue to seek fresh talent to further enhance and grow its business.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has an effective and adequate internal audit and control system to ensure that all assets are safeguarded against loss and all transactions are authorised, recorded and reported correctly. The Internal audits are conducted by firm of Chartered Accountants, ably supported by an internal team staffed with qualified and experienced people. All operational activities are subject to internal audits at frequent intervals. The existing audit and inspection procedures are reviewed periodically to enhance their effectiveness, usefulness and timeliness.

CAUTIONARY STATEMENT:

Readers are cautioned that this Management Discussion and Analysis may contain certain forward looking statements based on various assumptions on the Company's present and future business strategies and the environment in which it operates. The Company's actual performance may differ materially from those expressed or implied in the statement as important factors could influence Company's operations such as effect of political conditions in India and abroad, economic development, new regulations and Government policies and such other factors beyond the control of the Company that may impact the businesses as well as its ability to implement the strategies.

Place: Mumbai
Date: 30/05/2017

For and on behalf of the Board of Directors
KANTILAL LAKHAMSHI HARIA
Chairman
DIN No. 00585400



Practicing Company Secretary's Certificate on Corporate Governance

To,
The Members of Haria Apparels Limited

We have examine the compliance of conditions of Corporate Governance by **Haria Apparels Limited** ('the Company') for the year ended March 31,2017 as stipulated on Securities and Exchange Board of India (Listing Obligations and disclosure Requirements) Regulation, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the year ended March 31,2017.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above- mentioned Listing Regulations, subject to following observations:

The Company do not made disclosure on its website www.harieapparels.com pursuant to Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As informed to us by the management of the Company, it is in the process of appointing Company Secretary

The Board of Directors of the Company are not properly duly constituted and it need to induct one more Non-Executive Independent Director so as to have the proper combination of Executive Directors, Non-Executive Directors and Independent Directors.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For Milind Nirkhe & Associates
Company Secretaries

MILIND NIRKHE
FCS No: 4156
CP No: 2312

Place: Mumbai
Date: 30th May, 2017



INDEPENDENT AUDITORS' REPORT

To
The Members of
HARIA APPARELS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **HARIA APPARELS LIMITED**, which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b. in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought & obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
 - g. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - i. The Company does not have any pending litigation which would impact its financial positions.
 - ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses;



- iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The Company has provided requisite disclosures in the financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of account maintained for the purpose of preparation of the financial statements and as produced to us by the management.

**FOR SUNDERJI GOSAR & CO.
CHARTERED ACCOUNTANTS
Firm Reg. No :- 115543W**

**ALPESH SAVLA
PARTNER
M. NO: 047828**

**DATE : 30/05/2017
PLACE : MUMBAI**

**ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT**

The Annexure referred to in Independent Auditors' Report to the members of **HARIA APPARELS LIMITED** ('the Company') on the Financial Statements for the year ended 31st March 2017, we report that:

- i.** (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
(b) The company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner, designed to cover all the fixed assets over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such physical verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and nature of its assets.
(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the company.
- ii.** As informed to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification as compared to the book records.
- iii.** The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Consequently, requirement of clauses (iiia) and (iiic) of paragraph 3 of the order are not applicable.
- iv.** In our opinion and according to the information and explanations given to us, compliances with the provisions of section 185 and 186 of the Companies Act 2013 are complied with.
- v.** During the year under consideration, the company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 of the Act and the rules framed there under.
- vi.** As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- vii.** In our opinion and according to the information and explanation given to us in respect of statutory and other dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Income-tax, Service Tax, any other material statutory dues as applicable to it. According to the information and explanation given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
 - (b) According to the information and explanations given to us and the records of the company examined by us, there are no disputed dues in respect of Sales Tax, Income Tax, Service Tax, and any other material statutory dues as applicable to it.
- viii.** In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution or bank. The company did not have any outstanding dues to any debenture holders during the year.
- ix.** In our opinion and according to the information and explanations given to us, on an overall basis the term loans have been applied for the purpose for which they were raised. The company has not raised any money by initial public offer or further public offer.
- x.** According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.



- xi.** According to the information and explanations given to us, No remuneration is paid or provided. Accordingly paragraph 3(xi) of the order is not applicable.
- xii.** In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii.** In our opinion and according to the information given to us all transactions with related parties are in compliance with sections 177 and 188 of the Companies Act where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv.** The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv.** To the best of our knowledge and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with the directors or the persons connected to him. Accordingly paragraph 3(xv) of the Order is not applicable.
- xvi.** The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**FOR SUNDERJI GOSAR & CO.
CHARTERED ACCOUNTANTS
Firm Reg. No :- 115543W**

**ALPESH SAVLA
PARTNER
M. NO: 047828**

**DATE : 30/05/2017
PLACE : MUMBAI**



ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of **HARIA APPARELS LIMITED** ('the Company') as of 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.



A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**FOR SUNDERJI GOSAR & CO.
CHARTERED ACCOUNTANTS
Firm Reg. No :- 115543W**

**APLESH SAVLA
PARTNER
M. NO: 047828**

**DATE : 30/05/2017
PLACE : MUMBAI**



BALANCE SHEET AS AT MARCH 31, 2017

Particulars	Note	For the Year Ended 31-03-2017	For the Year Ended 31-03-2016
I. EQUITY AND LIABILITIES			
1 SHAREHOLDERS' FUND			
- Share Capital	2	152,898,000	152,898,000
- Reserves and Surplus	3	(29,627,895)	(31,148,151)
Sub-Total - (A)		123,270,105	121,749,849
2 NON-CURRENT LIABILITIES			
- Long-term Borrowings	4	32,268,110	50,332,764
- Deferred Tax Liabilities (Net)	5	410,707	733,622
Sub-Total - (B)		32,678,817	51,066,386
3 CURRENT LIABILITIES			
- Short-term Borrowings	6	30,000,000	32,550,000
- Trade Payables	7	18,589,909	18,589,909
- Other Current Liabilities	8	20,875,291	19,092,159
- Short-term Provisions	9	239,000	372,500
Sub-Total - (C)		69,704,200	70,604,568
TOTAL (A+B+C)		225,653,122	243,420,803
II. ASSETS			
5 NON-CURRENT ASSETS			
- Fixed Assets			
Tangible Assets	10	25,468,054	24,788,822
Intangible Assets		-	-
- Non-current investments	11	69,100	69,100
- Deferred Tax Assets (net)		-	-
- Long-term Loans and Assets	12	58,536,016	74,516,206
Sub-Total - (D)		84,073,170	99,374,128
6 CURRENT ASSETS			
- Inventories	13	13,314,991	13,487,186
- Trade Receivables	14	122,388,720	122,388,720
- Cash and Cash Balances	15	697,290	4,775,648
- Short-term Loans and Advances	16	5,108,727	3,351,055
- Other Current Assets	17	70,223	44,066
Sub-Total - (E)		141,579,951	144,046,675
TOTAL (D+E)		225,653,122	243,420,803
Notes 1 to 40 form an integral part of this Accounts			
FOR SUNDERJI GOSAR & CO		For HARIA APPARELS LTD	
CHARTERED ACCOUNTANTS			
Firm Reg. No :- 115543W			
ALPESH SAVLA	KANTILAL HARIA	UTSAV MARU	
Partner	DIRECTOR	DIRECTOR	
Membership No: 047828	DIN:07144885	DIN: 07752233	
Date:- 30/05/2017	Date:- 30/05/2017	Date:- 30/05/2017	
Place:- Mumbai	Place:- Mumbai	Place:- Mumbai	



STATEMENT OF PROFIT AND LOSS AS AT MARCH 31, 2017

Particulars	Note	For the year ended March 31, 2017	For the year ended March 31, 2016
(i) Revenue form Operations:			
- Sale of Products	18	189,773	6,420,000
- Other Operating Income		-	-
(ii) Other Income	19	17,819,917	17,981,421
Total Revenue (i+ii)		18,009,690	24,401,421
Expenses			
- Cost of Material Consumed		-	-
- Purchase of Stock-in-Trade		-	-
- Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	172,195	3,921,606
- Employee benefit expenses	21	3,366,433	2,988,961
- Finance Cost	22	5,939,734	4,266,153
- Depreciation and amortization expense	10	4,531,445	16,282,947
- Other Expense	23	2,802,542	3,037,178
Total Expenses		16,812,349	30,496,845
Profit before exceptional and extra-ordinary items and Tax		1,197,341	(6,095,424)
Exceptional items		-	-
Profit before extra-ordinary items and Tax		1,197,341	(6,095,424)
Extra-ordinary items		-	-
Profit Before Tax		1,197,341	(6,095,424)
- Tax Expense			
Current Tax		-	-
Short / (Excess) provision for tax of earlier year(s)		-	-
Deferred Tax		(322,915)	5,540,345
Total Tax		(322,915)	5,540,345
Profit for the period		1,520,256	(11,635,769)
Note 1 to 40 form an integral part of accounts			
FOR SUNDERJI GOSAR & CO CHARTERED ACCOUNTANTS Firm Reg. No :- 115543W		For HARIA APPARELS LTD	
ALPESH SAVLA Partner Membership No: 047828	KANTILAL HARIA DIRECTOR DIN:07144885	UTSAV MARU DIRECTOR DIN: 07752233	
Date:- 30/05/2017 Place:- Mumbai	Date:- 30/05/2017 Place:- Mumbai	Date:- 30/05/2017 Place:- Mumbai	



CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2017

	2016-2017	2015-2016
A) NET PROFIT AFTER TAX AND EXTRAORDINARY ITEMS	1,520,256	(11,635,769)
DEPRECIATION	4,531,445	16,282,947
PROFIT ON SALE OF ASSET	(802,730)	(1,650,851)
DEFERRED TAX	(322,915)	5,540,345
DIVIDEND RECEIVED	(8,912)	(14,697)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE	4,917,144	8,521,975
ADJUSTMENTS FOR		
TRADE AND OTHER RECEIVABLES	(1,783,827)	2,494,249
INVENTORIES	172,195	3,921,606
TRADE PAYABLES	1,649,632	3,528,036
NET CASH FROM OPERATING ACTIVITY	4,955,144	18,465,866
B) CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	(5,372,947)	(1,643,041)
SALE OF FIXED ASSET	965,000	2,230,200
LOANS AND ADVANCES GIVEN	15,980,190	11,927,000
DIVIDEND RECEIVED	8,912	14,697
	11,581,155	12,528,856
C) CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM LONG TERM BORROWINGS	(18,064,654)	(58,319,457)
PROCEEDS FROM SHORT TERM BORROWINGS	(2,550,000)	28,945,081
NET CASH USED IN FINANCING ACTIVITIES	(20,614,654)	(29,374,376)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(4,078,355)	1,620,347
ADD CASH AND CASH EQUIVALENTS AS ON OPN. BAL.	4,775,646	3,155,300
CASH AND CASH EQUIVALENTS AS CLOSING BALANCE	697,291	4,775,646

FOR SUNDERJI GOSAR & CO
CHARTERED ACCOUNTANTS
 Firm Reg. No :- 115543W

ALPESH SAVLA
 Partner
 Membership No: 047828

Date:- 30/05/2017
 Place:- Mumbai

For HARIA APPARELS LTD

KANTILAL HARIA **UTSAV MARU**
 DIRECTOR DIRECTOR
 DIN:07144885 DIN: 07752233

Date:- 30/05/2017 Date:- 30/05/2017
 Place:- Mumbai Place:- Mumbai



NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2017

GENERAL INFORMATION:

Haria Apparels Limited ('the Company') was incorporated on 1st February, 2011 under The Companies Act, 1956. The company is in the Business of manufacturing of Garments and trading of Goods.

1 SIGNIFICANT ACCOUNTING POLICIES:

i. BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

"The financial statements are prepared in accordance with the generally accepted accounting principles in India (Indian GAAP) under the historical cost convention on an accrual basis and are in compliance with all material aspect the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular No. 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. The accounting policies have been consistently applied by the company and are consistent with those used in the previous year

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. Based on the nature of products and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities."

ii. USE OF ESTIMATES:

"The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

iii. TANGIBLE FIXED ASSETS AND DEPRECIATION:

TANGIBLE FIXED ASSETS:

Tangible fixed assets are stated at cost, less accumulated depreciation and impairment loss if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

CAPITAL WORK IN PROGRESS:

Expenses incurred towards acquisition of fixed assets which have not been installed or not put to use before the year end are disclosed under capital work in progress and no depreciation has been provided on that. However there is no Capital Work in Progress during the year under consideration.

DEPRECIATION:

"Depreciation on fixed assets is charged on written down value basis in the manner and as per the rates and method provided in schedule XIV of the Companies Act, 1956.

Fixed Assets, individually costing less than five thousands, are fully depreciated in the year of purchase.



Depreciation on Assets added / disposed of during the year have been provided on pro-rata basis with reference to the day of additions / deletions from the respective day of purchase/sale.

iv. INTANGIBLE FIXED ASSETS AND AMORTISATION:

"Intangible assets are recognized when it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured. Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives.

Expenditure incurred on acquisition/development of intangible assets which are not put/ready to use at the reporting date is disclosed under intangible assets under development."

v. IMPAIRMENT OF ASSETS:

"The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of the assets exceeds its recoverable value. An impairment loss if any is charged to Statement of Profit and Loss Account in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exist or have decreased. However there is no such impairment in the year under consideration."

vi. INVENTORY:

"Raw Materials are valued at lower of cost or net realizable value. However, these items are considered to be realizable at cost if the finished products in which they will be used, are expected to be sold at or above cost. However there is no stock raw materials for the year under consideration.

Finished Goods and Work in Progress are valued at lower of cost or net realizable value. Cost of Finished Goods and Work in Progress includes the cost of conversion and other costs incurred to bring the inventories to their present location and condition. However there is no stock of Finished Goods for the year under consideration.

Stock in trade is valued at lower of cost or net realisable value.

Cost of inventories is computed on FIFO Basis

Obsolete stock if any is valued at net realizable value."

vii. INVESTMENTS:

"Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Investments are recorded at cost on the date of purchase, which includes acquisition charges such as brokerage, stamp duty, taxes, etc. Current Investments are stated at lower of cost and quoted/fair value. Provision for diminution in the value of Long Term Investments is made, only if, in the opinion of the management, such a decline is regarded as being other than temporary.

viii. GOVERNMENT GRANTS

"Government Grants are recognized when there is reasonable assurance that the same will be received and all attaching conditions will be complied with. Revenue grants are recognized in the Statement of Profit & Loss account. Capital grants



relating to specific Tangible/Intangible assets are reduced from the gross value of the respective Tangible/Intangible assets. Other capital grants in nature of promoter's contribution are credited to capital reserve.

However no government grants are received by the company in the year under consideration."

REVENUE RECOGNITION:

"Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and can be reliably measured.

SALE OF GOODS:

Domestic Sale is recognized on dispatch to customers and is net of returns. "Sales" includes basic sales value and excise, but excludes other recoveries such as insurance, sales tax etc.

OTHER OPERATING REVENUE:

Other operating revenue includes labour charges on accrual basis, and scrap sales on actual sale.

OTHER INCOME:

Interest is recognized on Time Proportion Basis with reference to principal outstanding and rate of Interest applicable. Dividend income is recognized when the shareholder's right to receive payment has been established. Rent income is received on renting their immovable properties and amenities on accrual basis."

EMPLOYEE BENEFITS:

Retirement benefits to employees comprise of provident fund contributions, gratuity and leave encashment entitlements. Contribution to Provident Fund is made in accordance with the statute and provided on accrual basis. Gratuity are provided for, according to the rules of these benefit schemes, on the basis of actuarial valuation done at the year-end by independent actuaries using the Projected Unit Credit Method. Actuarial losses/gains are recognized in the Statement of Profit and Loss in the year in which they arise. Leave encashment are paid in the year in which they accrue.

FOREIGN CURRENCY TRANSACTIONS:

"Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of transaction. The exchange difference resulting from settled transactions is recognized in the statement of profit and loss if applicable.

Year end balances of monetary items are restated at the yearend exchange rates and the resultant net gain or loss is recognized in the statement of profit and loss."

Premium or discounts on forward contracts where there are underlying assets/liabilities are amortized over the life of the contract. Such foreign exchange forward contracts are revalued at the Balance Sheet date and the exchange difference between the spot rate at the date of contract and spot rate on the Balance Sheet date is recognized as gain/loss in the Statement of Profit and loss.

BORROWING COST:

"Borrowing Costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset up to the date when such assets are ready for its intended use. Other borrowing costs are charged to the Statement of Profit and Loss Account in the period in which they are incurred.

**xiii) LEASES:****[a] As a Lessee:**

Leases, where significant portion of risk and reward of ownership are retained by the Lessor, are classified as Operating Leases and lease rentals thereon are charged to the Statement of Profit and Loss on a straight-line basis over the lease term.

[b] As a Lessor:

If the Company has leased certain tangible assets, and such leases, where the Company has substantially retained all the risks and rewards of ownership, are classified as operating leases.

Lease income is recognised in the Statement of Profit and Loss on a straight-line basis over lease term.

The Company's significant leasing arrangements are in respect of operating leases for administrative office."

xiv. TAXES ON INCOME:

"Tax expense comprises of current and deferred tax.

Provision for current tax is made on the basis of estimated taxable income for the relevant accounting year in accordance with the Income Tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the Balance Sheet date. Deferred tax assets arising from timing differences are recognized to the extent there is reasonable certainty that these would be realized in future.

In case of unabsorbed losses and unabsorbed depreciation, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profit. At each Balance Sheet date the Company reassesses the unrecognized deferred tax assets.

"Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the ICAI, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement.

The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

The Company has the policy of reviewing and passing proper adjustment entries for Income Tax paid, Provision for Income Tax made and excess/short tax provision for the year after filing Income Tax returns. The Company also makes a fair estimate of the Income Tax liability for the said year and gives effects to it in the Books of Accounts"

**xv. CASH AND CASH EQUIVALENTS:**

Cash and Cash Equivalents for the purpose of cash flow statement comprise cash on hand and cash at bank including fixed deposit with original maturity period of three months or less and short term highly liquid investments with an original maturity of three months or less.

xvi. CASH FLOW STATEMENT:

Cash flows are reported using the Indirect Method, whereby profit before tax is adjusted for the effects of transactions of non-cash nature, any deferrals or accruals of past or future cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

xvii. RESEARCH & DEVELOPMENT:

Revenue expenditure on Research and Development is charged to the Statement of Profit and Loss in the year in which it is incurred. Capital Expenditure on Research and Development is shown as an addition to Fixed Assets or Work-in-Progress, as the case may be. However there are no such expenditure in the year under consideration.

xviii. EARNINGS PER SHARE:

"Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares."

xix. PROVISION & CONTINGENCIES:

"The company estimates the probability of any loss that might be incurred on outcome of contingencies on the basis of information available.

A provision is recognized when the company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions are determined based on management's estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the management's current estimates.

In cases where the available information indicates that the loss on the contingency is reasonably possible but the amount of loss cannot be reasonable estimated, a disclosure is made in the financial statements.

In case of remote possibility neither provision nor disclosure is made in the financials.
A Contingent Asset is neither recognised nor disclosed in the Financial Statements."



NOTES ON ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2017

Note No. 2 :- SHARE CAPITAL

(Amount in Rs.)

Particulars	March 31, 2017	March 31, 2016
Authorised Capital : 16,000,000 (PY 16,000,000) Equity Shares of Rs. 10 each	160,000,000	160,000,000
	160,000,000	160,000,000
Issued, Subscribed and Fully Paid up : EQUITY SHARE CAPITAL 15,289,800 (PY:1,52,89,800) Equity Shares of Rs.10/- each fully paid up	152,898,000	152,898,000
	152,898,000	152,898,000

a. Details of Shareholding as at March 31, 2017

i. Equity Shares held by various entities:

NIL(0%) {PY: 27,69,399 (18.29%)} Equity Shares of Rs.10/- each held by Associate Company Vilco Pharma Pvt. Ltd.

ii. Shareholders holding more than 5% of Equity Shares:

NIL(0%){PY: 30,20,496(19.75%)} Equity Shares of Rs.10/- each held by Mr. Manish K. Haria

89,09,701(58.27%){PY: 9,27,778 (6.07%)} Equity Shares of Rs.10/- each held by Mr. Kantilal Haria

(Amount in Rs.)

Particulars	March 31, 2017	March 31, 2016
	Number of Shares	Number of Shares
Reconciliation of the number of Equity Shares outstanding		
Number of Shares at the beginning of the year	15,289,800	15,289,800
Add: Shares issued as per the scheme of arrangement	-	-
Less: Shares Forfeited	-	-
Number of Shares at the end of the year	15,289,800	15,289,800

c. Each Equity Share is entitled to one voting right only.

d. In the event of liquidation of the company, the holders of equity shares will be entitled to receive assets remaining, after distribution of all preferential amounts.

Note No. 3 - RESERVES AND SURPLUS

Particulars	Opening as at April 1, 2016	Additions	Deductions/ Adjustments	Balance as at March 31, 2017
General Reserves	15,708,253	-	-	15,708,253
Surplus as per Profit and Loss Account	(46,856,404)	1,520,256	-	(45,336,148)
Total	(31,148,151)	1,520,256	-	(29,627,895)

Details of Profit and Loss Surplus is as given below:

(Amount in Rs.)

Particulars	As at March 31, 2017	As at March 31, 2016
Net Profit/(loss) after Tax	1,520,256	(11,635,769)
Balance brought forward	(46,856,404)	(35,220,635)
Profit Available for Appropriation	(45,336,148)	(46,856,404)
APPROPRIATIONS:		
Surplus Carried to Balance Sheet	(45,336,148)	(46,856,404)

NOTE NO. 4 - LONG TERM BORROWINGS

(Amount in Rs.)

Particulars	March 31, 2017	March 31, 2016
I. Secured Borrowings:		
from IDBI - Term Loan (Refer Note - 4.1)	9,111,731	14,503,683
from HDFC Bank- Car Loan (Refer Note - 4.2)	-	-
from HDFC Bank- Car Loan (Refer Note - 4.3)	1,076,176	-
	10,187,907	14,503,683
II. Unsecured Borrowings:		
a. Loans and advances from Related Parties (Refer Note - 4.4)	4,662,120	18,031,536
b. Inter Corporate Deposits - Related Parties (Refer Note - 4.5)	17,418,083	17,797,545
	22,080,203	35,829,081
Total Long Term Borrowings (I + II)	32,268,110	50,332,764

Additional Information to Secured / Unsecured Long Term Borrowings:**4.1 Term Loan from IDBI Bank**

a. Loan from IDBI Bank was secured by plot nos. 279 at GIDC Vapi Industrial Estate, Vapi Taluka: Pardi, District: Valsad, Gujarat @ 11.50% per annum Interest. The loan as at 31st March, 2016 is repayable in 24 equal monthly installments of Rs. 7,80,474/- each and Last Installment of Rs. 455151

b. There was no default in repayment of the loans.

4.2 Car Loan from HDFC Bank

a. Loan from HDFC Bank as on 31st March, 2017 is fully repaid.

b. The loans are regularly paid as per the repayment schedule and there is no default in repayment of the loans.

4.3 Car Loan from HDFC Bank

a. Loan from HDFC Bank as on 31st March, 2017 is repayable in 52 installments of Rs.31,475/- at interest rate of 9.46% p.a, secured by way of hypothecation of Car as at March 31, 2017

b. The loans are regularly paid as per the repayment schedule and there is no default in repayment of the loans.

4.4 Loans and advances from related parties

a. Long Term loans from related parties are not going to be recalled before the end of 2 years.

b. There was no default in repayment of the loans.

4.5 Inter Corporate Deposits

a. Inter Corporate Deposits are not going to be recalled before the end of 2 years.

b. There was no default in repayment of the loans.

Note No. 5 - DEFERRED TAX LIABILITIES (NET)

Particulars	March 31, 2017	March 31, 2016
Deferred Tax Liabilities		
On account of Depreciation	410,707	733,622
Total	410,707	733,622

**Note No. 6 - SHORT - TERM BORROWINGS**

Particulars	March 31, 2017	March 31, 2016
Unsecured Borrowings		
Bajaj Finance loan against shares (Refer Note 5.1)	30,000,000	32,550,000
Total Short Term Borrowings	30,000,000	32,550,000

Additional Information to Secured / Unsecured Short-term Borrowings:**5 Term Loan from Bajaj Finance**

- Loan from Bajaj finance is given for 12 months at interest rate of 10.25% secured by pledge of 65,000 Shares of Asian Paints.
- Shares are in name of Mr.Bimal Haria. Loan is guaranteed by Mr.Bimal Haria.The loan of Rs. 3,25,50,000/- will be repaid after 12 months

Note No. 7 - TRADE PAYABLES

Particulars	March 31, 2017	March 31, 2016
Trade Payables		
- Other than Micro and Small Enterprises		
i. To Others	18,589,909	18,589,909
Total	18,589,909	18,589,909

Note No. 8 - OTHER CURRENT LIABILITIES

Particulars	March 31, 2017	March 31, 2016
a. Current maturities of Long Term Debt (Secured)		
from IDBI - Term Loan (Refer Note - 4.1)	7,819,245	9,365,688
from HDFC Bank- Car Loan (Refer Note - 4.2)	-	76,465
from HDFC Bank- Car Loan (Refer Note - 4.3)	262,238	-
b. Deposits	4,615,000	4,630,000
c. Others		
- Creditors for Expenses	2,638,842	2,030,391
- Creditors for Capital goods	530,000	555,000
- Advance received from Debtors	528,500	512,000
- Statutory Dues		
Profession Tax	2,500	-
TDS Payable	27,340	1,337
Service Tax Payable	4,451,626	1,921,278
Total	20,875,291	19,092,159

Note No. 9 - SHORT TERM PROVISIONS

Particulars	March 31, 2017	March 31, 2016
a Provision For Employee Benefits		
- Salary Payable	239,000	372,500
Total	239,000	372,500



Note No. 10 Fixed Asset

(Amount in Rs.)

Sr No	Particulars	Rate	GROSS BLOCK			DEPRECIATION				NET BLOCK			
			Value as on 1st April, 2016	Addition during the year	Deduction during the year	Value as at 31st March, 2017	Value as on 1st April, 2016	Addition during the year	Deducti on during the year	Value as at 31st March, 2017	WDV as on 31st March, 2016	WDV as on 31st March, 2017	
I.	TANGIBLE ASSETS												
1	LAND		5,031,795	-	-	5,031,795	-	-	-	-	-	5,031,795	5,031,795
2	SILVER ARTICLE		126,355	-	-	126,355	-	-	-	-	-	126,355	126,355
3	BUILDING	9.50%	46,001,224	3,522,540	474,893	49,048,871	32,816,035	1,381,197	312,623	33,884,609	15,164,262	13,185,189	13,185,189
4	GIDC QUARTERS	9.50%	352,048	-	-	352,048	280,967	7,431	-	288,399	63,649	71,081	71,081
5	FURNITURE & FIXTURE	25.89%	4,636,851	78,970	-	4,715,821	4,115,604	145,845	-	4,261,450	454,371	521,247	521,247
6	ELECTRICAL INSTALATION	25.89%	983,243	-	-	983,243	872,125	28,769	-	900,894	82,349	111,118	111,118
7	PLANT & MACHINARY	47.50%	99,789,125	24,500	-	99,813,625	95,074,848	2,248,310	-	97,323,158	2,490,467	4,714,277	4,714,277
8	OFFICE & FACTORY EQUIPMENT	45.07%	74,600	-	-	74,600	38,834	16,120	-	54,954	19,646	35,766	35,766
9	COMPUTER	63.16%	4,830,151	-	-	4,830,151	4,817,996	7,678	-	4,825,674	4,477	12,155	12,155
10	VEHICLE	31.23%	9,500,123	1,746,937	-	11,247,060	8,520,283	696,095	-	9,216,378	2,030,682	979,840	979,840
	TOTAL (I)		171,325,515	5,372,947	474,893	176,223,569	146,536,693	4,531,445	312,623	150,755,515	25,468,054	24,788,822	24,788,822
II.	INTANGIBLE ASSETS												
1	GOODWILL	50.00%	40,113,415	-	-	40,113,415	40,113,415	-	-	40,113,415	-	-	-
	TOTAL (II)		40,113,415	-	-	40,113,415	40,113,415	-	-	40,113,415	-	-	-
	Total (I + II) (Current Year)		211,438,930	5,372,947	474,893	216,336,984	186,650,108	4,531,445	312,623	190,868,930	25,468,054	24,788,822	24,788,822

Note No.11 - NON CURRENT INVESTMENTS

(Amount in Rs.)

Particulars	No	Face Value	March,31 2017	March,31 2016
I. TRADE INVESTMENTS				-
II. OTHER INVESTMENTS				
a. <u>Investment in Equity Instruments</u>				
<u>Unquoted Investments</u>				
Mandvi Co-op Bank Ltd	100 (100)	10 (10)	1,000	1,000
Greater Bombay Co-op Bank Ltd	5 (5)	50 (50)	250	250
North Canara G.S.B Co-op Bank Ltd	5,520 (10)	10 (10)	55,200	55,200
Sardar Bhiladwala Pardi People Co-op Bank Ltd	506 (506)	25 (25)	12,650	12,650
Total Non-Current Investments			69,100	69,100
Additional Information				
Aggregate Value of Quoted Investments			69,100	69,100

Note No. 12 - LONG TERM LOANS AND ADVANCES

(Amount in Rs.)

Particulars	March 31, 2017	March 31, 2016
I. Secured, Considered good		
II. Unsecured, Considered good		
a. Capital Advances	823,410	815,410
b. Security Deposits	790,494	708,684
c. Loans and Advances to Others	17,795,995	33,865,995
d. Income Tax- Advance on disputed dues	39,126,117	39,126,117
Total Long Term Loans and Advances	58,536,016	74,516,206

Note No. 13 - INVENTORIES

(Amount in Rs.)

Particulars	March 31, 2017	March 31, 2016
a. Stock in trade	13,314,991	13,487,186
Total Inventories	13,314,991	13,487,186

Note No. 14 - TRADE RECEIVABLES

(Amount in Rs.)

Particulars	March 31, 2017	March 31, 2016
a Secured, Considered good		-
b Unsecured, Considered good		
- Outstanding for a period exceeding six months from the date its due	-	-
- Others	-	-
c. Doubtful		
- Outstanding for a period exceeding six months from the date its due	122,388,720	122,388,720
- Others	-	-
Total Trade receivables	122,388,720	122,388,720

Note No. 15 - CASH AND BANK BALANCES

(Amount in Rs.)

Particulars	March 31, 2017	March 31, 2016
Cash and Cash Equivalents		
- Cash on hand	214,863	499,995
- Balance with Bank	482,427	4,275,653
Total Cash and Bank Balances	697,290	4,775,648

Note No. 16 - SHORT TERM LOANS AND ADVANCES

(Amount in Rs.)

Particulars	March 31, 2017	March 31, 2016
a. Secured, Considered good	-	-
b. Unsecured, Considered good		
- Advance to Suppliers	-	-
- Income Tax Refund (F.Y. 2014-15)	1,695,661	1,695,661
- Income Tax Refund (F.Y. 2015-16)	1,655,394	-
- TDS Receivable	1,757,672	1,655,394
Total	5,108,727	3,351,055

Note No. 17 - OTHER CURRENT ASSETS

(Amount in Rs.)

Particulars	March 31, 2017	March 31, 2016
Others		
- Prepaid Expenses	70,223	44,066
Total	70,223	44,066

NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS AS AT MARCH 31, 2017

Note No. 18 - REVENUE FROM OPERATIONS IN RESPECT OF NON FINANCE COMPANY

(Amount in Rs.)

Particulars	March 31, 2017	March 31, 2016
Revenue from Sale of Products		
Local Sales	189,773	6,420,000
Other Operating Revenue	-	-
Total Revenue from Operations	189,773	6,420,000

Note No. 19 - OTHER INCOME

(Amount in Rs.)

Particulars	March 31, 2017	March 31, 2016
Rent Income	16,952,180	16,260,525
Dividend Income	8,912	14,697
Profit On Sale Of Fixed Assets	802,730	1,650,851
Interest Received	56,095	55,348
Total	17,819,917	17,981,421

Note No. 20- CHANGES IN INVENTORIES OF FINISHED GOODS

(Amount in Rs.)

Particulars	March 31, 2017	March 31, 2016
Closing Stocks:		
Stock In Trade	13,314,991	13,487,186
Total (A)	13,314,991	13,487,186
Less: Opening Stocks:		
Stock In Trade	13,487,186	17,408,792
Total (B)	13,487,186	17,408,792
Increase/Decrease in Stocks		
Total (A-B)	(172,195)	(3,921,606)

NOTE NO. 21 - EMPLOYEE BENEFIT EXPENSES

(Amount in Rs.)

Particulars	March 31, 2017	March 31, 2016
Salaries and Wages	3,162,155	2,871,983
Staff Welfare Expenses	204,278	116,978
Total	3,366,433	2,988,961

Note No. 22 - FINANCE COST

(Amount in Rs.)

Particulars	March 31, 2017	March 31, 2016
Interest Expenses	5,935,727	4,246,521
Bank Charges	4,007	19,632
Total	5,939,734	4,266,153

Note No. 23 - OTHER EXPENSES

(Amount in Rs.)

Particulars	March 31, 2017	March 31, 2016
Rent	-	9,000
<u>Repairs and Maintenance of :</u>		
Buildings	444,207	570,954
Others	-	96,668
Insurance	111,238	43,651
Legal & Professional Fees	474,247	599,589
Security Charges	204,600	212,005
Electricity Charges	182,042	50,860
Postage, Telephone & Telefax	234,539	223,264
Listing Fees	375,031	498,859
<u>Rates and Taxes</u>		
Property Tax	37,946	32,828
Profession Tax	2,500	2,500
Printing & Stationery	72,879	52,534
Travelling Expense	264,707	233,876
Filing Fees	19,420	19,876
<u>Payment to Auditors</u>		
As Auditor	138,000	137,400
Subscriptions	-	1,130
Advertisement / Other Selling Expenses	91,529	165,386
Other Administrative exp.	141,146	85,198
Donation	8,511	1,600
Total	2,802,542	3,037,178


24 EARNING PER SHARE:

PARTICULARS	2016-2017 (Rupees)	2015-2016 (Rupees)
Net Profit / (Loss) as per P/L A/c.	1,520,256	(11,635,769)
No. of equity shares outstanding (nos.)	15,289,800	15,289,800
Basic earnings per share	0.10	(0.76)
Diluted earnings per share	0.10	(0.76)

25 CONTINGENT LIABILITIES & COMMITMENTS:

PARTICULARS	2016-2017 (Rupees)	2015-2016 (Rupees)
(I) Contingent Liabilities		
(a) Claims against the company/ disputed liabilities not acknowledged as debts.	NIL	NIL
(b) Guarantees (i) Guarantees to banks and Financial Institutions against credit facility Extended to third parties.	NIL	153,500,000
(II) Capital Commitments		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	NIL	NIL

26 EMPLOYEE BENEFITS:

The Company has not completed 5 years of continuous business and there are no permanent employees in the company, hence the employees' benefits under the payment of Gratuity Act are not applicable to the company during the year under consideration.

27 DETAILS OF AUDITORS REMUNERATION :

PARTICULARS	2016-2017 (Rupees)	2015-2016 (Rupees)
<u>Payments to Statutory Auditor :</u>		
<u>As Auditors :</u>		
For Audit Fees	138,000	137,400
TOTAL	138,000	137,400

28 PURCHASE OF STOCK IN TRADE

PARTICULARS	2016-2017 (Rupees)	2015-2016 (Rupees)
- Fabric	-	-
TOTAL	-	-

**FINISHED STOCK AND TURNOVER:**

PARTICULARS	2016-2017 (Rupees)	2015-2016 (Rupees)
<u>Stock In Trade</u>		
Fabric		
Sales value	189,773	6,420,000
Opening Stock	13,487,186	17,408,792
Closing Stock	13,314,991	13,487,186

29 FOREIGN CURRENCY TRANSACTIONS:

PARTICULARS	2016-2017 (Rupees)	2015-2016 (Rupees)
Value of Imports on CIF basis	NIL	NIL
Expenditure in Foreign Currency	NIL	NIL
Earnings in Foreign Exchange		
Exports (including deemed)of goods (on FOB basis)	NIL	NIL

30 There is no Foreign Exchange Gain/Loss in the year under consideration.

31 SEGMENT REPORTING :

Segment reporting does not apply to the company, hence reporting under this clause is not applicable.

32 RELATED PARTY DISCLOSURES:

LIST OF RELATED PARTIES	PARTICULARS
Subsidiaries / Associates	NIL
Key Management Personnel	1] Kantilal Haria 2] Manish Haria
Enterprise in which key management personnel, and their relatives have significant influence	1] Haria Exports Limited
Relative of Key Management Personnel	1] Bimal Haria

Transaction for the year ended 31st March 2017.

Particulars		Subsidiaries/Associates	Enterprise in which management personnel and relatives have significant influence	Key Management Personnel & their Relatives	Total
1	Loan Given	-	-	-	-
2	Loan Received	-	1,560,000 (261,887)	10,016,000 (5,775,709)	11,576,000 (6,037,596)
3	Loan Repaid	-	1,939,462 (5,843,536)	23,385,416 (48,990,881)	25,324,878 (54,834,417)
4	Loan Received Outstanding	-	17,418,083 (17,797,545)	4,662,120 (18,031,535)	22,080,203 (35,829,080)
5	Rent Paid	-	-	-	-
6	Guarantees Given	-	- (153,500,000)	-	- (153,500,000)

Note: Related Parties Relationship is as identified by the company and relied upon by the auditors.

Figures in the brackets represent previous year figures

33 LEASES

Operating Lease Payment in respect of certain office premises and factory premises on cancellable operating lease which are recognised into the Statement of Profit and Loss:

As at 31st March	2017	2016
Minimum Lease Payment	-	9,000
Total	-	9,000
Lease Rent Received	16,952,180	16,260,525
Total	16,952,180	16,260,525

- 34 During the year, the Company had specified Bank notes* (SBNs) or other denomination notes as defined in the MCA notification, GSR 308 (E), dated 31st March, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows :

	SBN'S	Other denomination notes	Total
	Amount	Amount	Amount
Closing balance as at 08th November 2016	200,000	381,955	581,955
Transactions between 9th November 2016 to 30th December 2016			
Add: Withdrawal from bank accounts	-	290,000	290,000
Add: Receipts for permitted transactions	-	-	-
Add: Receipts for non-permitted transactions (if any)	-	-	-
Less: Paid for permitted transactions	-	26,944	26,944
Less: Paid for non-permitted transactions	-	-	-
Less: Deposited in bank accounts	200,000	-	200,000
Closing balance as at 30th December 2016	-	645,011	645,011

*For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic affairs number S. O 3407 (E), dated November 8, 2016

- 35 The trade receivable of Rs. 12,23,88,720/- are overdue and outstanding since last three years. The management was advised to make provision on these doubtful debts. However the management is confident of receiving the sum and hence no provision has been made accordingly.
- 36 The balance confirmations have been sent to Sundry Debtors, Creditors, Deposits and Loans & Advances Parties, due adjustment if any shall be done on receipt of the confirmation. Management is confident of receiving all the sums due. The provisions for all known liabilities and for depreciation is adequate and not in excess of the amounts reasonably necessary.
- 37 In the opinion of the board the current assets, loans and advances are approximately of the values stated in the Balance Sheet, realized in the ordinary course of business.
- 38 In the absence of declaration from sundry creditors / suppliers with regard to their status as SSI Undertaking wherever appropriate, it is not possible to determine the amount, payable to sundry creditors falling within the meaning of SSI Undertaking.



- 39** Disclosure under Micro, Small and Medium Enterprises development Act, 2006. The Company has not received any memorandum (as required to be filed by the suppliers with notified authority under the Micro, Small and Medium Enterprises development Act, 2006) claiming their status as micro, small and medium enterprises. Consequently the amount paid/payable to these parties during the period under review is NIL
- 40** Previous Year Figures have been regrouped & reclassified/rearranged wherever necessary.

As per Report of the even date attached.

FOR SUNDERJI GOSAR & CO
CHARTERED ACCOUNTANTS
Firm Reg. No :- 115543W

FOR HARIA APPAREL LIMITED

ALPESH SAVLA
Partner
Membership No: 047828

KANTILAL HARIA
DIRECTOR
DIN:07144885

UTSAV MARU
DIRECTOR
DIN: 07752233

Date:- 30/05/2017
Place:- Mumbai

Date:- 30/05/2017
Place:- Mumbai

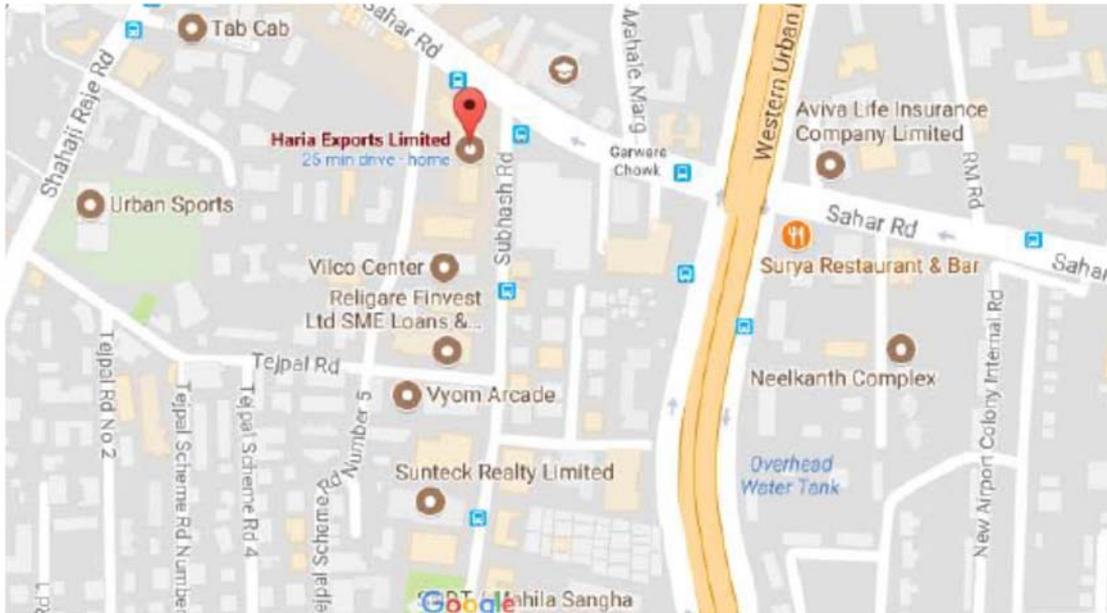
Date:- 30/05/2017
Place:- Mumbai



NOTES



Route Map to the Venue of the AGM:



ATTENDANCE SLIP

(To be handed over at the time of the Meeting)

Sixth Annual General Meeting

28th September, 2017

I / We hereby record my / our presence at the Sixth Annual General Meeting of the Company held **at** its Registered Office at **8, Subhash Road, Vile Parle (East), Mumbai – 400057** on Wednesday, 28th Thursday, 2017 at **09:30 A.M.**

Full name of the Member (in BLOCK LETTERS) _____

Regd. Folio No. _____

No. of shares held _____

Full name of Proxy (in BLOCK LETTERS) _____

Signature of the member(s)

Or

Proxy/proxies present



PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L18204MH2011PLC212887

Name of the Company: HARIA APPARELS LIMITED

Registered Office: 8, Subhash Road, Vile Parle (East), Mumbai – 400057.

Name of the member (s):

Registered address:

E-mail Id:

Folio No/ Client Id:

DP ID:

I/We, being a member(s) of _____ shares of the above named company, hereby appoint:

1. Name: _____ Email _____

Address: _____

Signature: _____, or failing him

2. Name: _____ Email _____

Address: _____

Signature: _____, or failing him

3. Name: _____ Email _____

Address: _____

Signature: _____, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **SIXTH** Annual general meeting of the company, to be held on the **Thursday, 28th September, 2017** and at any adjournment thereof in respect of all resolutions.

Resolution No. :

1. To receive, consider, approve and adopt the Audited Financial Statements of the Company for the year ended March 31, 2017, together with the Reports of the Board of Directors & Auditors thereon.
2. To appoint a Director in place of Mr. Kantilal Lakhamsi Haria (DIN: 00585400), 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

Signed this..... day of..... 20.....

Affix
Revenue
Stamp

Signature of shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

BOOK – POST

If undelivered, please return to:

HARIA APPARELS LIMITED

Haria Centre, 8, Subhash Road,
Vile Parle (E), Mumbai - 400 057.

Tel. No.: 022 6154 6154

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