



HARIA APPARELS LIMITED

**7TH ANNUAL REPORT
2017-2018**



BOARD OF DIRECTORS	MR. Kantilal L. Haria	Chairman & Managing Director
	Mr. Utsav Jaisukh Maru	Director
	Mr. Mohit Suddala	Director
	Mr. Nitin V. Oza	Director
	Mrs. Nehaben Joy Kothari	Director
AUDITORS	M/s. Sunderji Gosar & Co.	Chartered Accountants
BANKERS	HDFC Bank	
REGISTERED OFFICE	8, Subhash Road,	Tel. : 91-022-61546154
	Vile Parle (East)	Fax.: 91-022-61546155
	Mumbai - 400 057.	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.	
PLANTS	Tel.: 49186000 Fax.: 49186060	
	Email : Mumbai@linkintime.co.in	
	1) Vapi:	
	Unit No. 1	
	345/358, G.I.D.C.	
	Silvassa Road, Vapi,	
	Gujarat.	

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NOTICE

NOTICE is hereby given that the **SEVENTH ANNUAL GENERAL MEETING** of the members of **HARIA APPARELS LIMITED** will be held on **Saturday, 29th September, 2018** at 10.00 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, 2018, together with the Reports of the Board of Directors & Auditor thereon.
2. To appoint a Director in place of **Mr. Nitin Vasudev Oza (DIN: 02777627)**, 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 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 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company hereby ratifies the appointment of M/s. Sunderji Gosar & Co, Chartered Accountant (FRN.115543W), Chartered Accountants, Mumbai, as Statutory Auditors of the Company to hold office for the period of 5 (Five) years from the conclusion of **FIFTH** Annual General Meeting (AGM) until the conclusion of the Annual General Meeting to be held in the year 2021, to examine and audit the accounts of the Company at such remuneration as may be mutually agreed upon between the Board of Directors of the Company and the Auditors.”

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.

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, **Wednesday, 26th September, 2018 at 9.00 a.m. to Friday, 28th September, 2018** till 5.00 p.m., both days inclusive. The remote e-voting facility shall not be allowed beyond 5.00 p.m., on **Friday, 28th September, 2018**. 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 **Friday, September 21, 2018** 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., Friday, September 21, 2018. May obtain the User ID and Password by sending an email. Members may also send a request to Mr. Kantilal 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 Friday, September 21, 2018, 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. Harshad Mane, Company Secretary in Whole Time Practice, (CP No. 9537) 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 **Wednesday, 26th September, 2018 at 9.00 a.m. to Friday, 28th September, 2018 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, Friday, September 21, 2018 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 "Shareholders" 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the

PAN	<p>first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.</p> <ul style="list-style-type: none"> 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	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <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.

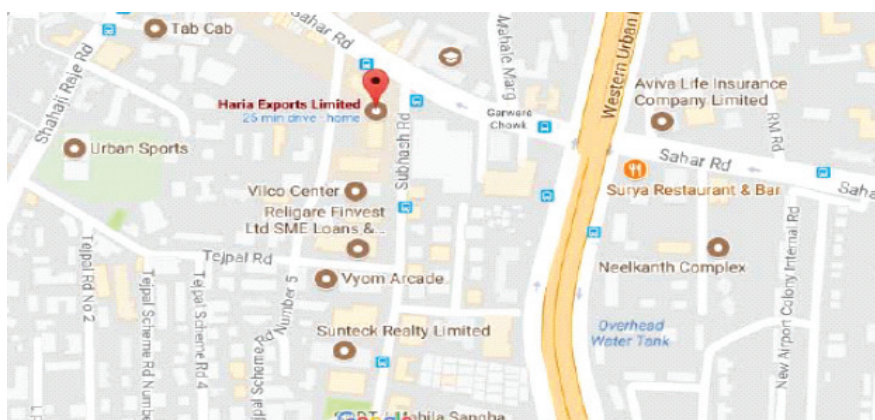
By Order of the Board of Directors
For **Haria Apparels Limited**

Date : 30/05/2018

Place : Mumbai

KANTILAL LAKHAMSHI HARIA
CHAIRMAN
DIN No. 00585400

Route Map to the venue of the AGM :



DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the Seventh Annual Report of the Company together with the Audited Statement of Accounts for the Financial Year ended March 31, 2018.

FINANCIAL HIGHLIGHTS (Standalone)

Particulars	Financial Year ended	
	31 st March, 2018	31 st March, 2017
Total Income	13,11,78,876	2,56,93,312
Expenditure	10,84,99,645	63,41,170
Profit before Depreciation, Finance Charges and Tax	2,26,79,231	1,93,52,142
Interest and Finance Charges	94,13,356	1,30,77,084
Depreciation	35,79,357	45,31,445
Profit before Tax	96,86,518	17,43,613
Taxes paid and provided	(76,56,047)	58,47,269
Profit after Tax	1,73,42,565	(41,03,656)
Transferred to Reserves	NIL	NIL
Proposed Final Dividend	NIL	NIL
Dividend distribution tax	NIL	NIL
Balance (credit/debit) to be carried to balance sheet	1,73,42,565	(41,03,656)

OPERATIONAL PERFORMANCE:

- Revenue from operations during the year is Rs.13.11 Cr as compared to previous year Rs.2.56 Cr.
- The Company has gain a profit during the year is Rs.0.96 Cr as Compared to Last Year's Profit of Rs.0.17 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 Profit incurred by the Company during the financial year under review your Directors are unable to recommend any dividend for F.Y. 2017-2018.

TRANSFER TO RESERVES:

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

BRIEF DESCRIPTION OF THE COMPANY'S WORKING DURING THE YEAR/STATE OF COMPANY'S AFFAIR

The Company is engaged in the Business of Manufacturing of Garments and trading of Goods. The Company has earned Rent Income and Dividend Income during the Year under Review. **No Changes have occurred in the Nature of the Business during the Year under Review.**

DISCLOSURE ON MATERIAL CHANGES

No Material changes and commitments affecting the financial position of the company have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report. No Significant and Material Orders have been passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future during the Year under Review

AUDITORS REPORT

Comments made by the Statutory Auditors' Report are Self-Explanatory and do not require any further clarification.

SHARE CAPITAL:

The paid up Equity Share Capital as on March 31, 2018 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.

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. There has been no change in composition of Directors during the year.

• REAPPOINTMENT OF DIRECTORS:

In accordance with the provisions of the Companies Act, 2013 and the Company's Articles of Association, Mr. Nitin Vasudev Oza (DIN: 02777627) retires by rotation and being eligible offer himself for re-appointment. Directors recommend her re-appointment.

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

• BOARD AND COMMITTEE MEETINGS:

Your Company's Board of Directors met 5 times during the financial year under review dated 11th April 2017, 30th May 2017, 11th August 2017, 14th November 2017, and 14th February 2018. A calendar of Meetings is prepared and circulated in advance to your Directors.

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.

• AUDIT COMMITTEE

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

• 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 candidates 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.

• NOMINATION AND REMUNERATION COMMITTEE

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, 2017 to 31st March 2018 except sitting fee for attending Board meetings and committee meetings.

• **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 behavior, 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 fulfillment 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 fulfillment 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 2017-2018.

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. Harshad Mane, and Company Secretaries in practice, 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.

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 2017-18.

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 behavior, 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:**

M/S 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 142 of the Act. Pursuant to the provisions of the Act and the Rules made there under, it is proposed to RATIFY the appointment M/S SUNDERJI GOSAR & CO; as the statutory auditors of the Company who were appointed from the conclusion of the FIFTH Annual General Meeting till the conclusion of the 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 Harshad Mane, Practicing Company Secretary (Proprietor), Practicing under the name & style M/S Harshad Mane & Associates, CP No: 9537 to undertake the Secretarial Audit of the Company for the year ended 31st March, 2018. The Secretarial Audit Report is annexed as Annexure. The Secretarial Audit Report for the Financial Year ended March 31, 2018 contain certain qualification, reservation, adverse remark or disclaimer & which are suitably replied by the Board in their Report.

COST AUDITOR:

The Company is engaged in the business of trading of Engineering of Goods. The following falls under table "C" under the CETA Heading 7323. However Since, the Overall turnover of the Company is neither rupees 100 crores nor more and nor is the Turnover rupees 35 crore from individual products during the Year thus it was not required to appoint a Cost Auditor during the Year.

INTERNAL AUDITOR

M/S K S Subrahmanyam, Chartered Accountants, Membership No. 018630 Firm Registration No. 002006S are Internal Auditors of the Company.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

No Loans or Guarantees are given nor are any Investments made by the Company under Section 186 of the Companies Act, 2013.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No Material changes and commitments affecting the financial position of the company have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

No Significant and Material Orders have been passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future during the Year under Review.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES AND FINANCIAL PERFORMANCE THEREOF

The Company has neither any Subsidiary Company nor any Associate Companies. Further No Company has ceased to be the Subsidiary Company during the Year under Review. Hence there is nothing to Report in this Matter.

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 2017-18 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.

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 : 30.05.2018

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, 2018

[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), MUMBAI – 400 057.
- vi) Whether listed company Yes/~~No~~
- 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	Spinning weaving and finishing of Textile	1311	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sr. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% OF SHARE HOLDING	APPLICABLE SECTION
1	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-2017]				No. of Shares held at the end of the year[As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	8944473	NIL	8944473	58.49	8944473	NIL	8944473	58.49	NIL
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.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
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	58.49	8944473	NIL	8944473	58.49	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	58.49	8944473	NIL	8944473	58.49	NIL



<i>B. Public Shareholding</i>									
<i>1. Institutions</i>									
<i>a) Mutual Funds</i>	NIL	1066	1066	0.01	NIL	NIL	1066	0.01	NIL
<i>b) Banks / FI</i>	NIL	177	177	0.00	NIL	177	177	0.00	NIL
<i>c) Central Govt</i>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<i>d) State Govt(s)</i>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<i>e) Venture Capital Funds</i>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<i>f) Insurance Companies</i>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<i>g) FIIs</i>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<i>h) Foreign Venture Capital Funds</i>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<i>i) Others (specify)</i>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<i>Sub-total (B)(1):-</i>	NIL	1243	1243	0.01	NIL	1243	1243	0.01	NIL
<i>2. Non-Institutions</i>									
<i>a) Corp. Bodies</i>	307174	1192	308366	2.02	283059	1192	284251	1.85	(0.17)
<i>i) Indian</i>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<i>ii) Overseas</i>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<i>b) Individuals</i>									
<i>i) Individual shareholders holding nominal share capital upto Rs. 2 lakh</i>	4504882	317185	4822067	31.54	4430474	311173	4741647	31.01	(0.53)



ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	912730	NIL	912730	5.97	989955	NIL	989955	6.48	0.51
c) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Non Resident Indians									
-Repat	42956	NIL	42956	0.28	40656	NIL	40656	0.26	(0.02)
-Non Repat	4678	NIL	4678	0.03	4622	NIL	4622	0.04	0.01
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	65674	NIL	65674	0.43	61000	NIL	61000	0.40	(0.03)
Trusts	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Bodies - D R	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
HUF	187613	NIL	187613	1.23	221953	NIL	221953	1.46	0.23
Sub-total (B)(2):-	6025707	318377	6344084	41.50	6031719	312365	6344084	41.50	NIL
Total Public Shareholding (B)=(B)(1)+(B)(2)	6025707	319620	6345327	41.51	6031719	313608	6345327	41.51	NIL
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	14970180	319620	15289800	100.00	14976192	313608	15289800	100.00	NIL

(ii) **Shareholding of Promoters**

	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding 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	Kantilal Lakhamshi Haria	8909701	58.27	0.00	8909701	58.27	NIL	0.00
2	Kantilal L Haria (HUF)	34772	0.22	0.00	34772	0.22	NIL	0.00
	TOTAL	8944473	58.49	0.00	8944473	58.49	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	58.49%	89,44,473	58.49%
	Date wise Increase/ Decrease in Promoters Share holding 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) Regulations, 2011 on 11.04.2016	
	At the end of the year	89,44,473	58.49%	89,44,473	58.49%

Sl. No.	For Each of the Top 10 Shareholders	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	8,44,856	5.53%	8,10,099	5.30%
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	N.A.	N.A	N.A	N.A
	At the End of the year (or on the date of separation, if separated during the year)	8,44,856	5.53%	8,10,099	5.30%

Sl. No.	For Each of the Directors and KMP	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	58.49%	89,44,473	58.49%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase/ decrease(e.g. allotment / transfer / bonus/ sweat equity etc):	N.A	N.A	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	N.A.
	At the End of the year	89,44,473	58.49%	89,44,473	58.49%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,81,74,905	1,49,40,498	36,91,544	3,68,06,947
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	1,81,74,905	1,49,40,498	36,91,544	3,68,06,947
Change in Indebtedness during the financial year				
* Addition	3,37,50,619	1,81,14,206	3,77,135	5,22,41,960
* Reduction	1,19,87,729	64,81,000	NIL	1,84,68,729
Net Change	2,17,62,890	1,16,33,206	3,77,135	3,37,73,231
Indebtedness at the end of the financial year				
i) Principal Amount	3,99,37,795	2,65,73,704	40,68,679	7,05,80,178
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
Total (i+ii+iii)	3,99,37,795	2,65,73,704	40,68,679	7,05,80,178

VI. 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
		Kantilal Haria Managing Director	---	---	---	
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

VII. 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

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 : 30-05-2018
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 : 30-05-2018
Place: Mumbai

KANTILAL LAKHAMSHI HARIA
Chairman
DIN No. 00585400

Annexure III

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

SL. 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:

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Kantilal Haria – Director Haria Exports Limited – Common Director Jaysukh Maru – Relatives of KMP
2	Nature of contracts/ arrangements/ transaction	Loan Given Loan Received Loan Repaid Rent Paid Guarantees Given
3	Duration of the contracts/arrangements/transaction	1 st April, 2017 to 31 st March, 2018
4	Justification for entering into such contracts or arrangements or transactions	The transactions are entered into ordinary course of business at arm's length.
5	date(s) of approval by the Board	30/05/2018
6	Amount paid as advances, if any	NIL

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

Date : 30-05-2018
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
Enterprise in which key management personnel, and their relatives have significant influence	1. Haria Exports Limited
Relative of Key Management Personnel	Bimal K. Haria



Particulars	Subsidiaries/ Associates	Enterprise in which management personnel relatives and have significant influence their Relatives	Key Management Personnel & their Relatives	Total
1. Loan Given	Nil	Nil	Nil	Nil
	Nil	Nil	Nil	Nil
2. Loan Given Received Back	Nil	Nil	Nil	Nil
	Nil	Nil	Nil	Nil
3. Loan received	Nil	47,14,283	1,33,99,923	1,81,14,20
	Nil	(28,03,097)	(1,00,16,000)	(1,28,19,09
4. Loan Repaid	Nil	61,65,000	3,16,000	64,81,000
	Nil	(19,39,462)	(77,69,121)	(97,08,583
5. Loan Given Outstanding	Nil	Nil	Nil	Nil
	Nil	Nil	Nil	Nil
6. Loan Received Outstanding	Nil	1,03,35,174	1,62,38,530	2,65,73,70
	Nil	(1,17,85,891)	(31,54,607)	(1,49,40,49
7. Director Remuneration	Nil	Nil	Nil	Nil
	Nil	Nil	Nil	Nil

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

Date : 30-05-2018
Place : Mumbai

KANTILALLAKHAMSHI HARIA
Chairman
DIN No. 00585400

**Form No. MR-3****SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31st March, 2018*[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, 2018 ('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, 2018 ('Audit Period'), according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under
- 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
- v. 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (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, 2018.
 - b. Statement of Grievance Redressal Mechanism for year ended 31st March, 2018
 - c. Intimation for Board Meeting for quarter ended 31st March, 2018 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.*

**I further report that**

The Board of Directors of the Company is 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 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.

Date : 30th May, 2018
Place : Mumbai

Sd/-
Harshad Mane
Practicing Company Secretary
Membership No.:22225
Certificate of Practice No.:9537

**'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.

Sd/-

Date : 30th May, 2018
Place : Mumbai

Harshad Mane
Practicing Company Secretary
Membership No.:22225
Certificate of Practice No.:9537

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;

Five Board Meetings were held during the financial year April 1, 2017 to March 31, 2018. 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, 2017 to March 31, 2018 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	Joint Managing Director	5	100	Yes
2	KANTILAL LAKHAMSHI HARIA	Chairman and Executive Director	5	100	Yes
3	NITIN VASUDEV OZA	Independent & Non-Executive Director	5	100	Yes
4	MOHITH RAMAMURTHY SUDDALA	Independent & Non-Executive Director	5	100	Yes
5	NEHABEN JAY KOTHARI	Independent & Non-Executive Director	5	100	Yes

© **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	
UTSAV JAYSUKH MARU	Joint Managing Director	1	NIL	NIL	
KANTILAL LAKHAMSHI HARIA	Executive Director	1	2	NIL	
NITIN VASUDEV OZA	Independent & Non-Executive Director	1	1	2	
MOHITH RAMAMURTHY SUDDALA	Independent & Non-Executive Director	1	1	1	
NEHABEN JOY KOTHARI	Independent & Non-Executive Director	1	NIL	NIL	

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

11th April, 2017, 30th May, 2017, 11th August, 2017, 14th November, 2017, 14th February, 2018

(e) Disclosure of relationships between directors inter-se;

Mr. Utsav Jaisukh Maru is 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, 2018.

(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 auditors 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.
- 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

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, 2017 to March 31, 2018, 4 (Four) meetings were held on the following dates:

26th May, 2017, 9th August, 2017, 11th November, 2017 and 10th February, 2018

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
Mohith Suddala (Chairman)	4	100
Kantilal Haria (Member)	4	100
Nitin Vasudev Oza (Member)	4	100

The Chairman of the Audit Committee, Mr. Mohith Suddala was present at the Annual General Meeting of the Company held on 28/09/2017

(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, 2017 to March 31, 2018, One (1) meetings were held on the following dates: 30/05/2017

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)	1	100
Mohith Ramamurthy Suddala (Member)	1	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, 2017 to 31st March 2018. 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, 2017 to 31st March 2018.

● **Commission:**

No commission is paid to any Non-Executive Directors during the financial year 1st April, 2017 to 31st March 2018.

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.

Details of the Executive Directors Remuneration for the financial year ended March 31, 2018. (in lakhs)

REMUNERATION	DIRECTORS			
	Executive Directors			Non-Executive Directors
	Kantilal Haria –Managing Director	Utsav Jaysukh Maru-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:

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

(e) Details of the Sitting Fees paid to Non-Executive Directors for the financial year ended March 31, 2018 (in lakhs)

Name of the Non-Executive Director	Amount of Sitting Fees Paid
NITIN VASUDEV OZA	Nil
MOHITH RAMAMURTHY SUDDALA	Nil
NEHABEN JOY KOTHARI	Nil

(6) 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 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 Stakeholders 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, 2018.

(7) General Body Meetings:**(a) Location and time, where last three annual general meetings held:**

Year	Date	Venue	Time	No. of Special Resolution(s) passed
2014 – 2015	30/09/2015	Vilco Centre, 8, Subhash Road, Vile Parle (East), Mumbai – 400 057	09.30 a.m.	1
2015 – 2016	28/09/2016	Vilco Centre, 8, Subhash Road, Vile Parle (East), Mumbai – 400 057	09.30 a.m.	1
2016 – 2017	28/09/2017	Vilco Centre, 8, Subhash Road, Vile Parle (East), Mumbai – 400 057	09.00 a.m.	NIL

(a) Whether any special resolutions passed in the previous three annual general meetings;

Yes, Special resolution passed in two Out of three Annual General Meetings.

(b) Whether any special resolution passed last year through postal ballot – details of voting pattern;

NIL

(c) Person who conducted the postal ballot exercise;

NIL

(d) Whether any special resolution is proposed to be conducted through postal ballot;

NIL

(e) Procedure for postal ballot.

NIL

(8) 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.hariaapparels.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.

(9) General shareholder information:**(a) Annual general meeting**

Day & Date : Saturday, 29th September, 2018

Time : 10.00 A.M.

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

(b) Financial year;

April 2017 to March 2018 Financial Calendar

Events	Tentative time frame
Financial Reporting for the first quarter ending 30th June, 2017	2nd week of August, 2017
Financial Reporting for the second quarter ending 30th September, 2017	2nd week of November, 2017
Financial Reporting for the third quarter ending 31st December, 2017	2nd week of February, 2018
Financial Reporting for the fourth quarter ending 31st March, 2018	3rd Week of May, 2018

(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.

(a) Stock code;

BSE Limited: 538081

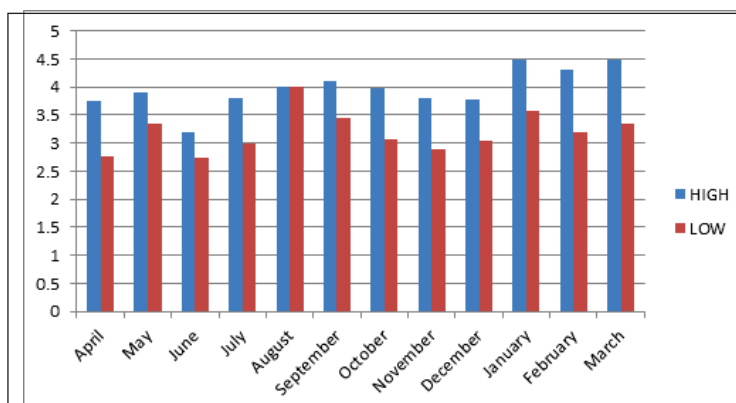
Demat ISIN Number for NSDL & CDSL: INE493N01012

(a) 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, 2017 to March 31, 2018 were as follows:

Month	High BSE	Low BSE	Month	High BSE	Low BSE
April	3.75	2.77	October	3.99	3.06
May	3.90	3.36	November	3.80	2.90
June	3.20	2.75	December	3.79	3.05
July	3.81	3.00	January	4.50	3.57
August	4.00	4.00	February	4.30	3.20
September	4.11	3.46	March	4.49	3.35

Source: www.bseindia.com

(d) performance in comparison to broad-based indices such as BSE sensx;



(e) 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

(f) 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.

(a) Distribution of Shareholding as on March 31, 2018

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		5223	71.1677	9314520.00	6.0920
5000	10,000	946	12.8900	6672460.00	4.3640
10,001	20,000	610	8.3118	8624170.00	5.6405
20,001	30,000	189	2.5753	4764290.00	3.1160
30,001	40,000	112	1.5261	3861440.00	2.5255
40,001	50,000	58	0.7903	2654180.00	1.7359
50,001	100,000	120	1.6351	8135240.00	5.3207
100,001 and Above		81	1.1037	108871700.00	71.2054
Total		7339	100.0000	152898000.00	100.0000

(h) Dematerialization of shares and liquidity;

As on March 31, 2018 about 97.95 % 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.

(i) 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.**(j) 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**(k) Plant locations;** The Company has the following units located at: Plot No.345/358, GIDC, Vapi, Gujarat**(l) 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:

HARI 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

(10) 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 behavior, 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.

(a) 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.

(b) The status of compliance with the non-mandatory requirements listed in Part E of Schedule II of the Listing Regulations, is as under:

Reporting of Internal Auditor

The Internal Auditor reports to the Audit Committee.

Audit qualifications

The financial results of the Company are unqualified.



11. 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, 2018.

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

Date : 30/05/2018

Place : Mumbai

Kantilal Haria

Chairman

DIN No. 00585400

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The management of Haria Apparels Ltd. presents the analysis of the Company for the year ended on March 31, 2018 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, 2018 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, 2018.

BUSINESS RESULTS :

Due to unfavorable 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.

STATUS OF BUSINESS OPERATION :

The company's design-driven international business strategy has proved most challenging due to the economic situation in the EU, the UK and the US. It was further de-stabilised by the sharp forex fluctuation. The Rupee depreciation has been neutralised greatly, due to pressure from customers to lower USD prices, and by stubborn inflation. The company has met with some success in its business negotiations in its hitherto smaller markets, as well as entering some new markets, which show early promise. However the scale of committed business from buyers does not justify set up of the planned project. Rigorous efforts are underway to approach as many buyers as possible and being the Committed Business above critical mass.

CURRENT MARKET SCENARIOS & CHALLENGES :

The export of clothing from India (all fibres) declined during the financial year 2015 to USD 12.7 bn from USD 13.4 bn in the previous year, a decline of 5.5% in USD terms. However, in Rupee terms, the total exports were Rs.69,000 crore vs. Rs.64,341 crore the previous year, an increase of approximately 7% due to INR depreciation.

With the economic problems faced by the Euro Zone continuing, the serious decline in demand is of concern. In a futile attempt to induce volume growth, the retail prices offered to end consumers in the EU for like-to-like products (albeit of lower quality) have been reduced considerably, despite the brands and retailers enjoying healthier margins.

The demand situation in the US, although somewhat better than in the EU, continues to be weak. Consumer behaviour, prices and margins mirrored that of the EU. The margins have been made possible by exploiting the situation in Bangladesh and other countries who also have the benefit of lower tariffs, besides Government subsidies, as well as the enviable cooperation between Government and industry in these countries.

Despite Bangladesh enjoying preferential tariffs of “zero” duty in the EU, wages paid to the workers have been abysmally low, i.e. the equivalent of ` 2,000/- per month, for much longer working hours than those permitted in law-abiding countries like India, with human rights violations, non-enforcement of already-weak labour laws; working conditions there are hazardous, resulting in several widely-reported industrial accidents, one of which resulted in as many casualties as the Bhopal disaster.

Will the uproar generated globally endure? Consumer polls in the US and some European countries show a significant number of consumers there are checking the “country of origin” labels on clothing and refusing to buy Bangladeshi origin. The situation vis-a-vis competition is that China has had to perforce divert production of clothing for export because of its demographics, rising labour costs propelling available labour away from labour-intensive industries like clothing to higher value added industries – besides, China is also making a conscious effort to increase consumer demand within China, resulting in some production being diverted for consumption within China. However, they have diversified significant portions of their export production base offshore, to countries like Bangladesh, Myanmar, Vietnam and Cambodia.

The design-driven international business, notwithstanding lower volumes, increase in fabric prices during the second half of the year and higher depreciation, has remained profitable. There was a 10% increase in prices of cotton fabrics produced in India, in the second half. International fabric prices also, in Rupee terms, have been higher due to sharp depreciation of the Rupee. This has impacted profit margins of existing exporters, which have been exacerbated because of other factors as well.

The FTA with the EU which has been under discussion since 2007, has been in the final stages with just a few products continuing to be discussed, for nearly a year. There is also discussion on IPR, resulting from Indian Court judgements, which have adversely impacted the sentiment of large Pharma companies. Agreement has also to be reached in declaring India “Data Secure”. Should the FTA be signed before elections in Germany and India, it would enable India to increase their exports to the EU, despite the weak market, and also to regain some of the market share lost to Bangladesh in the past.

Industry has aspired long for Government and the industry to work as a team in complete unison to achieve maximum competitive advantage for the nation. The industry looks to the Government to take the lead role in :-

- (a) fast track negotiation of favourable Trade Agreements (especially concretizing EU before elections in India/Germany);
- (b) helping eliminate the “export” of India's taxes by virtue of an efficient mechanism to fully insulate and reimburse taxes of any type with a delivery system that eliminates delays;
- (c) minor tweaking of labour laws;
- (d) encouraging the export segment of the industry to diversify into the Indian market as well to enable them to build themselves into truly strong globally competitive players/brands;
- (e) encouraging building of “Brand India”, besides innovation and product development.

One also looks to the Government to review the Advance Licence /EODC system, which belong to a different era. In the past, several items of textiles were not permitted to be imported, and those that were, attracted rates of duty, which were much higher than they are today. Most of our competitor countries have a system where data is maintained of the value of fabric imported duty free and value of total clothing exports, with a separate reconciliation in value terms of exports (without claiming of Drawback) against duty free imports, which is submitted to the authorities periodically, and compulsorily squared up at the end of each financial year. The export obligation discharge certification is an extremely painful and time-consuming process, which requires an entire department working full time only on fulfilling this onerous/ unproductive task. A simple method, as is followed in competitor countries, is the need of the hour.

The Government has, consequent to the changes in the budget, re-constituted a high-powered Committee for reviewing the rate of duty drawback. The industry awaits the decision of this Committee with great anticipation as a step forward in combating the “export” of India's taxes. The above steps would result in helping achieve higher unit realisation in some cases, and reduction in cost in all cases. They would sharpen India's competitiveness considerably and enable us to gain substantial market share in new markets, as also in recapturing lost market share in the EU and the US when their economies stabilise – the US is already showing signs of improvement.

Textile industry is can definitely address the most serious problem the country is facing, i.e. the Current Account Deficit, besides creating gender sensitive employment, in compliance with prevalent Laws of the Land.

PERFORMANCE:

Revenue from operations has increased during the year Rs.13.11 Cr as compared to previous year Rs.2.56 Cr.

The Company has gained a Profit by Rs 1.73 Cr in the Current Year as Compared to Last Year's Loss of Rs. 0.41 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.

**For and on behalf of the Board of Directors
HARIA APPARELS LTD**

**Place: Mumbai
Date: 30/05/2018**

**KANTILAL LAKHAMSHI HARIA
Chairman
DIN No. 00585400**

**CEO CERTIFICATE ON CORPORATE GOUVERNANCE**

To,
The Members of

HARIA APPARELS LIMITED

I, Kantilal Haria, Managing 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, 2018.

For HARIA APPARELS LIMITED

Place: Mumbai
Date : May 30, 2018

KANTILALHARIA

CHAIRMAN

DIN NO. 00585400

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



**PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE
GOVERNANCE**

**To,
The Members of Haria Apparels Limited**

We have examined the compliance of conditions of Corporate Governance by **Haria Apparels Limited** ('the Company') for the year ended March 31, 2018 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, 2018.

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 has not made disclosure on its website www.hariagroup.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 and another Chief Finance Officer as Key Management Personnel.

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.

**Place: Mumbai
Date: 30th May, 2018**

Harshad Mane
Practicing Company Secretary
ACS No: 22225
CPNo: 9537



INDEPENDENT AUDITORS' REPORT

To

The Members of

HARIA APPARELS LIMITED

Report on the Audit of Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of HARIA APPARELS LIMITED ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss (Including the statement of other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements")

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes 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 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 adequate internal financial controls, which were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS financial statements are free from material misstatement.

The appointment, removal and terms of remuneration of internal auditors / chief internal auditor shall be opened from, Wednesday, 26th September, 2018 at 9.00 a.m. to Friday, 28th September, 2018 till 5.00 p.m., both days inclusive. The remote e-voting facility shall not be allowed beyond 5.00 p.m., on Friday, 28th September, 2018. 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 Friday, September 21, 2018 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.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS 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 standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 including the Ind AS, of the financial position of the Company as at 31 March, 2018, and its financial performance including other comprehensive income, its cash flows and the changes in equity 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 and 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 including Statement of Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Ind AS 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, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 position.
 - ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For SUNDERJI GOSAR & CO.

Chartered Accountants

Firm Registration No.: 115543W

ALPESH SAVLA

PARTNER

M.No.: 047828

DATE: 30/05/2018

PLACE: MUMBAI

ANNEXURE A TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of HARIA APPARELS LIMITED ('the Company') on the standalone Ind AS Financial Statements for the year ended 31st March 2018, we report that:

- (i) In respect of the Company's fixed assets:
 - (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The company has a regular programme of physical verification of its property, plant and equipment 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 (iiib) of paragraph 3 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with provisions of 185 of the Companies Act 2013.
- (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) We have broadly reviewed the books of account maintained by the Company pursuant to the notification of the Central Government for maintenance of cost record under section 148(1) of the Companies Act, 2013 and on the basis of such review, we are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) In our opinion and according to the information and explanation given to us in respect of statutory and other dues:

- (iv) 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.
- (v) According to the information and explanations given to us, the Company has paid managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.
- (vi) 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.
- (vii) 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 standalone Ind AS Financial Statements as required by the applicable Ind AS.
- (viii) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (ix) 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.
- (x) 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 Registration No.: 115543W

ALPESH SAVLA
PARTNER
M.No.: 047828

DATE: 30/05/2018
PLACE: MUMBAI

ANNEXURE B TO THE 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 2018 in conjunction with our audit of the standalone Ind AS 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 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 was 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 auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 standalone Ind AS 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 2018, 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 Registration No.: 115543W

ALPESH SAVLA
PARTNER
M.No.: 047828

DATE: 30/05/2018
PLACE: MUMBAI



HARIA APPARELS LTD.
STANDALONE BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
ASSETS				
Non - Current Assets				
Property, Plant & Equipment	3	2,33,86,675	2,54,68,054	2,47,88,823
Financial Assets				
Investments	4	69,100	69,100	69,100
Loans	5	4,80,47,169	1,20,41,597	2,07,83,376
Others	6	7,90,494	7,90,494	7,08,684
Deferred Tax Assets (Net)	7	3,86,52,246	3,09,96,198	3,68,43,467
Other Non - Current Assets	8	3,99,41,527	3,99,49,527	3,99,41,527
Non - Current Tax Assets	9	40,17,103	51,08,727	33,51,055
Total Non - Current Assets		15,49,04,313	11,44,23,697	12,64,86,032
Current Assets				
Inventories	10	7,30,23,418	1,33,14,991	1,34,87,186
Financial Assets				
Trade Receivables	11	40,04,007	5,91,500	5,91,500
Cash & Cash Equivalents	12	35,11,249	6,97,290	47,75,646
Other Current Assets	13	28,07,220	70,223	44,066
Total Current Assets		8,33,45,894	1,46,74,004	1,88,98,398
TOTAL ASSETS		23,82,50,207	12,90,97,701	14,53,84,430

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
EQUITY AND LIABILITIES				
EQUITY				
Equity Share Capital	14	15,28,98,000	15,28,98,000	15,28,98,000
Other Equity	15	(10,10,92,009)	(11,84,34,573)	(11,43,30,917)
Total Equity		5,18,05,991	3,44,63,427	3,85,67,083
LIABILITIES				
Non - Current Liabilities				
Financial Liabilities				
Borrowings	16	4,20,21,784	2,50,33,920	3,63,03,271
Other Financial Liabilities	17	40,68,678	36,91,543	33,64,496
Total Non - Current Liabilities		4,60,90,462	2,87,25,464	3,96,67,766
Current Liabilities				
Financial Liabilities				
Borrowings	18	4,77,60,328	3,00,00,000	3,25,50,000
Trade Payables	19	7,88,59,963	2,12,28,750	2,06,20,300
Other Financial Liabilities	20	1,26,30,825	88,50,483	1,03,69,653
Other Current Liabilities	21	11,02,638	58,29,577	36,09,627
Total Current Liabilities		14,03,53,754	6,59,08,810	6,71,49,580
Total Liabilities		18,64,44,216	9,46,34,274	10,68,17,347
TOTAL EQUITY AND LIABILITIES		23,82,50,207	12,90,97,701	14,53,84,430

CORPORATE INFORMATION 1
SIGNIFICANT ACCOUNTING POLICIES 2
NOTES ON ACCOUNTS 3-40

As per our report attached of even date
For SUNDERJI GOSAR & CO.
Chartered Accountants
Firm Reg. No. 115543W

For and on behalf of the Board of Directors
for HARIA APPARELS LIMITED

ALPESH SAVLA
Partner
Membership No. 047828

KANTILAL HARIA
DIRECTOR
DIN : 00585400

UTSAV MARU
DIRECTOR
DIN : 07752233

Mumbai, 30-05-2018

Mumbai, 30-05-2018

Mumbai, 30-05-2018



HARIA APPARELS LTD.

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Note. No.	Year ended March 31, 2018	Year ended March 31, 2017
Income			
Revenue from Operations	22	10,58,61,574	1,89,773
Other Income	23	2,42,11,060	2,55,03,539
Total Income		13,00,72,634	2,56,93,312
Expenses			
Cost of Material Consumed		-	-
Purchase of Stock In Trade	24	15,94,21,280	-
Changes in Inventories of Finished Goods / Stock in Trade	25	(5,97,08,427)	1,72,195
Employee Benefit Expenses	26	42,87,627	33,66,433
Finance Cost	27	94,13,356	1,30,77,084
Depreciation and Amortization	3	35,79,357	45,31,445
Other Expenses	28	33,92,924	28,02,542
Total Expenses		12,03,86,117	2,39,49,699
Profit Before Tax and Exceptional Item		96,86,517	17,43,612
Exceptional Item		-	-
Profit Before Tax		96,86,517	17,43,612
Tax Expenses			
Current Tax		-	-
Deferred Tax	7	(76,56,048)	58,47,269
Profit After Tax		1,73,42,564	(41,03,656)
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		1,73,42,564	(41,03,656)
Earnings Per Share - Basic & Diluted (₹)	31	1.13	(0.27)

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As per our report attached
For SUNDERJI GOSAR & CO.
Chartered Accountants
Firm Reg. No. 115543W

For and on behalf of the Board of Directors
for HARIA APPARELS LIMITED

ALPESH SAVLA
Partner
Membership No. 047828

KANTILAL HARIA
DIRECTOR
DIN : 00585400

UTSAV MARU
DIRECTOR
DIN : 07752233

Mumbai, 30-05-2018

Mumbai, 30-05-2018

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HARIA APPARELS LTD.

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2018

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
A CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit / (Loss) Before Tax		96,86,517		17,43,612
Add / (Less):- Adjustments for Non-Cash / Non-Operating Items:				
Depreciation & Amortization	35,79,357		45,31,445	
Interest Income	(25,31,398)		(73,84,316)	
Dividend Income	(6,864)		(8,912)	
(Profit) / Loss on Sale of Assets	(2,920)	10,38,175	(8,02,730)	(36,64,513)
Operating Profit Before Changes in Working Capital		1,07,24,692		(19,20,900)
Adjustment for Changes in Working Capital				
(Increase) / Decrease in Trade Receivables	(34,12,507)		-	
(Increase) / Decrease in Inventories	(5,97,08,427)		1,72,195	
(Increase) / Decrease in Other Current Financial Assets	-		-	
(Increase) / Decrease in Other Current Assets	(27,36,997)		(26,157)	
(Increase) / Decrease in Other Non - Current Financial Assets	(3,59,97,572)		86,51,969	
(Increase) / Decrease in Other Non - Current Assets	10,91,624		(17,57,672)	
Increase / (Decrease) in Trade Payables	5,76,31,217		6,08,451	
Increase / (Decrease) in Other Current Financial Liabilities	2,15,40,670		(40,69,170)	
Increase / (Decrease) in Other Current Liabilities	(47,26,939)		22,19,950	
Increase / (Decrease) in Provisions	-		-	
Increase / (Decrease) in Other Non - Financial Liabilities	3,77,135	(2,59,41,797)	3,27,048	61,26,614
Cash Generated from Operations		(1,52,17,104)		42,05,714
Less: Taxes Paid (Net of refund received)				
NET CASH FLOW FROM OPERATING ACTIVITY (A)		(1,52,17,104)		42,05,714
B CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Property, Plant & Equipment & Intangible Assets	(16,10,062)		(53,72,947)	
Sale of Property, Plant & Equipment & Intangible Assets	1,15,000		9,65,000	
Interest Received	25,31,398		73,84,316	
Dividend Received	6,864		8,912	
NET CASH FLOW FROM INVESTING ACTIVITY (B)		10,43,200		29,85,281
C CASH FLOW FROM FINANCING ACTIVITY				
Receipt / Repayment of Long Term Borrowings	1,69,87,864		(1,12,69,351)	
NET CASH FLOW FROM FINANCING ACTIVITY (C)		1,69,87,864		(1,12,69,351)
NET CASH FLOW FOR THE YEAR (A + B + C)		28,13,959		(40,78,356)
Add: Opening Balance of Cash & Cash Equivalents		6,97,290		47,75,646
CLOSING BALANCE OF CASH & CASH EQUIVALENTS		35,11,249		6,97,290
RECONCILIATION OF CASH AND CASH EQUIVALENT				
TOTAL CASH AND BANK BALANCE AS PER BALANCE SHEET				
CASH AND CASH EQUIVALENT COMPRISES AS UNDER:				
Balance with banks in current accounts		32,73,648		4,82,427
Cash on Hand		2,37,601		2,14,863
CASH AND CASH EQUIVALENT		35,11,249		6,97,290
Net effect of Unrealised Exchange Difference				
CASH AND CASH EQUIVALENT AT THE END OF THE YEAR		35,11,249		6,97,290

As per our report attached
For SUNDERJI GOSAR & CO.
Chartered Accountants
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For and on behalf of the Board of Directors
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ALPESH SAVLA
Partner
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HARIA APPARELS LTD.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity Share Capital

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Balance as the beginning of the reporting period	152,898,000	152,898,000.00	15,289,800	152,898,000.00	15,289,800	152,898,000
Add: Changes in Equity Capital during the year	-	-	-	-	-	-
Balance at the end of the reporting period	152,898,000	152,898,000	15,289,800	152,898,000	15,289,800	152,898,000

B. Other Equity

Particulars	General Reserve	Retained Earnings	Total
Balance as on April 01, 2016	15,708,253	(130,039,170)	(114,330,917)
Profit for the period	-	(4,103,656)	(4,103,656)
As at March 31, 2017	15,708,253	(134,142,826)	(118,434,573)
Profit for the period	-	17,342,564	17,342,564
As at March 31, 2018	15,708,253	(116,800,262)	(101,092,009)

General Reserve

The Company has transferred a portion of Net Profits of the Company before declaring Dividends to General Reserve pursuant to the earlier provision of The Companies Act, 1956. Mandatory transfer to General Reserve, is not required under the Companies Act, 2013

**HARIA APPARELS LTD.****1 CORPORATE INFORMATION**

Haria Apparels Limited (the Company) is a public y limited by shares domiciled in India, incorporated under the provisions of Companies Act, 1956. Its shares are listed on Bombay Stock Exchange.

Its registered office is situated at 8 Subhash Road, Vile Parle (East), Mumbai - 400057 India. The Company is engaged in Manufacturing of Textiles & Fabrics.

2 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the Significant Accounting Policies adopted in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 BASIS FOR PREPARATION OF ACCOUNTS**a) Statement of Compliance with Ind AS**

The Financial Statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The Financial statements up to year ended 31st March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These Financial Statements for the year ended 31st March, 2018 are the first financial statements of the Company under INDAS. The date of transition to Ind AS is 1st April, 2016. Accordingly, the Company has followed the provisions of Ind AS 101, 'First Time Adoption of Indian Accounting Standards', in preparing its opening Ind AS Balance Sheet as of the date of transition, i.e. 1 April 2016. Certain of the Company's Ind AS accounting policies used in the Opening Balance sheet differed from its previous GAAP policies applied as at 31 March 2016, and accordingly adjustments were made to restate the opening balances as per Ind AS. The resulting adjustments arose from events and transactions before the date of transition to Ind AS. Therefore, as required by Ind AS 101, those adjustments were recognized directly through retained earnings as at 1 April 2016.

Refer Note 29 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and Cash Flows.

c) Current versus Non-Current classification

All assets and liabilities have been classified as Current or Non Current as per the Company's normal operation cycle i.e. twelve months and other criteria set out in the Schedule III of the Act.

b) Historical Cost Convention

The financial statements are prepared on accrual basis of accounting under historical cost convention in accordance with Generally Accepted Accounting Principles in India and the relevant provisions of the Companies Act, 2013 including Indian Accounting Standards notified there under, except for the following:

- Certain financial assets and liabilities that are measured at fair value
- Defined benefit plans - plan assets measured at fair value

2.2 USE OF ESTIMATES

In preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and the associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Significant judgements and estimates relating to the carrying values of assets and liabilities include useful lives of property, plant and equipment and intangible assets, impairment of property, plant and equipment, intangible assets and investments, impairment of trade receivables, provision for employee benefits and other provisions, recoverability of deferred tax assets, commitments and contingencies.

2.3 REVENUE RECOGNITION

a) Sale of Goods

Revenue from the sale of goods is recognised when property in the goods, or all significant risks and rewards of ownership of the goods have been transferred to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods as well as its collection. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, related discounts and volume rebates. It includes excise duty and subsidy and excludes Value Added Tax / Sales Tax/ GST.

b) Rendering of services

Revenue of services are recognized when the services are rendered.

c) Dividend

Dividend income from investments is recognised when the shareholder's rights to receive payment have been established.

d) Interest Income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

2.4 FOREIGN CURRENCY TRANSACTIONS

a) Functional and Presentation Currency

The financial statements are presented in Indian Rupee (INR), which is company's functional and presentation currency.

b) Initial Recognition

Transactions in foreign currencies are recorded at the exchange rate prevailing on the dates of the transactions. Exchange difference arising on foreign exchange transaction settled during the year are recognized in the Statement of profit and loss of the year.

c) Measurement of foreign currency items at the Balance sheet date

Monetary assets and liabilities denominated in foreign currencies are re-translated into functional currency at the exchange rate prevailing at the end of the reporting period. Non monetary assets and liabilities that are measured based on a historical cost in a foreign currency are not re-translated. Exchange differences arising out of these transaction are charged to the profit and loss.

2.5 PROPERTY, PLANT AND EQUIPMENTS AND INTANGIBLE ASSETS

a) Property, plant and equipment (PPE)

i) Recognition and measurement

Freehold land is carried at cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenses directly attributable to the acquisition of the assets. The cost of an item of a PPE comprises its purchase price including import duty, and other non-refundable taxes or levies and any directly attributable cost of bringing the assets to its working condition of its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

ii) Subsequent expenditure

Expenditure incurred on substantial expansion upto the date of commencement of commercial production are capitalised. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

b) Capital Work-In-Progress And Pre-Operative Expenses During Construction Period

Capital work-in progress includes expenditure directly related to construction and incidental thereto. The same is transferred or allocated to respective Property, Plant and Equipment on their completion / commencement of commercial production.



c) Intangible assets

Intangible assets are held on the balance sheet at cost less accumulated amortisation and impairment loss if any.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment, including intangible assets, recognised as at 1 April 2016, as per the previous GAAP and used that carrying value as its deemed cost of such property, plant and equipment and intangible assets.

2.6 IMPAIRMENT OF NON- FINANCIAL ASSETS

The Company's non-financial assets other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a discount rate that reflects current market assessments of time value of money and the risks specific to the CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment losses recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amount of the other assets of the CGU on a pro rata basis.

An impairment loss in respect of assets for which impairment loss has been recognized in prior periods, the Company reviews at reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.7 DEPRECIATION AND AMORTISATION

Depreciation is computed using Straight Line Method (SLM) over the useful lives of the assets as specified in Schedule II to the Companies Act, 2013. Lease hold land is amortised over the period of lease.

The assets; residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation and amortization on property, plant and equipment added/disposed off during the year has been provided on pro-rata basis with reference to the date of addition/disposal.

Depreciation and amortization methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

2.8 FINANCIAL INSTRUMENTS

I. Financial Assets

a) Classification of financial assets

The Company classifies financial assets as subsequently measures at amortised cost, fair value through other comprehensive income or fair value through profit & loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

ij) Debt instrument at amortised cost:

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objectives is to hold assets for collecting contractual cash flow and
- Contractual terms of the asset give rise on specified dates to cash flow that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or cost that are an integral part of the EIR. The EIR. Amortisation is included in finance income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. The category generally applies to trade and other receivable.

ii) Debt instrument at fair value through other comprehensive income (FVOCI):

Assets that are held for collection of contractual cash flow and selling the financial assets, where the assets' cash flow represents solely payments of principal and interest are measuring at FVOCI, movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue or foreign exchange gains and losses which are recognised in profit and loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the EIR method. The company does not have any instruments classified as fair value through other comprehensive income (FVOCI).

iii) Debt instrument measured at fair through profit and loss (FVTPL):

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/ (losses) in the period in which it arises. Interest income from these financial assets is included in other income.

iv) Equity investments:

Investment in associates are accounted using equity method.

All other equity investments which are in scope of Ind-AS 109 are measured at fair value. Equity instrument which are held for trading are classified as at FVTPL. For all other equity investments, the Company decide to classify the same either as at fair value through other comprehensive income (FVOCI) or FVTPL. The company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

For equity investments classified as FVOCI, all fair value changes on the instruments, excluding dividend, are recognized in other comprehensive income (OCI). There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of such investment

Equity investments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of profit and loss.

Costs of certain unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

b) Initial recognition and measurement

All financial assets are recognised initially at fair value and for those instruments that are not subsequently measured at FVTPL, plus/minus transaction cost that are attributable to the acquisition of the financial assets.

Trade receivable are carried at original invoice price as the sales arrangements do not contain any significant financial component. Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the company commits to purchase or sell the assets.

c) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) primarily derecognised (i.e. removed from the company's balance sheet) when :

- The rights to receive cash flows from the asset have expired, or
- The Company has neither transferred nor retained substantially all the risks and rewards all the assets, but has transferred control of the assets.

When the company has transferred its rights to receive cash flow from an asset or has entered into a pass-through arrangement, it evaluates whether it has transferred substantially all the risks and rewards of ownership. In such cases, the financial asset is derecognised. When it has neither transferred nor retained substantially all of the risks and rewards of the assets, nor transferred control of the assets, the Company continues to recognise the transferred asset to the extent of the company's continuing involvement. In the case, the company recognises and associated liability. The transferred asset and the associated liability are measured on a basis that reflect the rights and obligations that the company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and maximum amount of consideration that the company could be required to repay.

d) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loan, debt security, deposits, and bank balance.
- Trade Receivables

The company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which do not contain a significant financing component.

The application simplified approach does not require the company to track change in risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivable. The provision matrix based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, historically observed default rate updated and change in the forward looking estimates are analysed.

II. Financial Liabilities and equity instruments

Debt and equity instruments issued by an entity are classified as either financial liability or as equity in accordance with substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

a) Equity instruments:

An equity instruments is any contract the evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

An equity instruments is any contract the evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

b) Financial liabilities :- Classification

Financial liabilities are classified as either's at FVTPL' or' other financial liabilities consists of derivative financial instruments, wherein the gain/losses arising from remeasurement of these Instruments of recognized in the statements of profit and loss. Other financial liability (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

c) Initial recognition and measurement:

All financial liability are recognised initially at fair value and for those instruments that are not Subsequently measured at FVTPL, plus/minus transaction cost that are attributable to issue of these instruments.

d) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires .When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of the new liability. The difference in the respective carrying amounts is recognised in the statement of Profit and Loss.

III. Fair Value

The Company determines the fair value of its financial instruments on the basis of the following hierarchy

- a) Level 1 : The fair value of financial instruments quoted in active markets is based on their quoted closing price at the balance sheet date. Examples include exchange traded commodity derivatives and other financial instruments in equity and debt securities which are listed in a recognised stock exchange
- b) Level 2 : The fair value of financial instruments that are not traded in active markets is determined by using valuation techniques using observable market data. Such valuations techniques include discounted cash flows, standard valuation models based on market parameters for interest rates, yield curves or foreign exchange rates, dealer quotes for similar instruments and use of comparable arm's length transactions. For example, the fair value of forward exchange contracts, currency swaps and interest rate swaps is determined by discounting estimated future cash flows using a risk-free interest rate
- b) Level 3 : The fair value of financial instruments that are measured on the basis of entity specific valuations using inputs that are not based on observable market data (unobservable inputs)

IV. Accounting for day 1 differences

If the fair value of the financial asset or financial liability at initial recognition differs from the transaction price, this if it is not consideration for goods or services or a deemed capital contribution or deemed distribution, is accounted as follows :

i) If the fair value is evidence by a quoted price in an active market for an identical asset or liability (ie Level 1 input) or based on a valuation technique that uses data from observable market, the entire day 1 gain/loss is recorded immediately in the statement of profit and loss; or

ii) in all other cases, the difference between the fair value at initial recognition and transaction price is deferred. After initial recognition, the deferred difference is recorded as gain or loss in the statement profit and loss only to the extent that is arises from a change in a factor (including time) that market participants would take into account when pricing the asset or liability.

In case difference represents :

- i) deemed capital contribution - it is recorded as investment in subsidiary
- ii) deemed distribution - It is recorded in equity
- iii) deemed consideration for goods and services - it is recorded as an asset or liability. This amount is amortised / accredited to the statement of profit and loss as per the substance of the arrangement (generally straight line basis over the duration of the arrangement)

2.9 INVENTORIES

Inventories are stated at the lower of cost and net realizable value.

Cost of Raw Material is determined on a First In First Out (FIFO) basis.

Packing materials are valued at cost.

Finished goods are valued at cost or net realizable value whichever is lower. Cost comprises direct materials and where applicable, direct labour costs, those overheads but excluding borrowing cost that have been incurred in bringing the inventories to their present location and condition. Cost is arrived on weighted average cost basis.

Work in Progress is valued at cost or net realizable value whichever is less. Cost comprises direct materials and appropriate portion of direct labour costs, manufacturing overheads but excluding borrowing cost that have been incurred in bringing the inventories to their present location and condition.

2.10 BORROWING COSTS

Borrowing Costs that are interest and other costs that the company incurs in connection with the borrowings of funds and is measured with reference to the effective interest rate applicable to the respective borrowing. Borrowing costs include interest cost measured at EIR and exchange difference arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing Costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets, wherever applicable, till the assets are ready for their intended use. Such capitalisation is done only when it is probable that the asset will result in future economic benefits and the costs can be measured reliably. Capitalisation of borrowing cost is suspended and charged to statement when active development is interrupted.

Capitalisation of borrowing costs commences when all the following conditions are satisfied:

- i. Expenditure for the acquisition, construction or production of a qualifying asset is being incurred;

- ii. Borrowing costs are being incurred; and
- iii. Activities that are necessary to prepare the asset for its intended use are in progress.

A qualifying asset is one which necessarily takes substantial period to get ready for intended use. All other borrowing costs are charged to revenue account.

2.11 ACCOUNTING FOR TAXES ON INCOME

a) Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in Deferred Tax Assets and Liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period i.e. as per the provisions of the Income Tax Act, 1961, as amended from time to time. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on the rates and tax laws enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Current tax assets and liabilities are offset only if, the Company :

- i) has legally enforceable right to set off the recognised amounts; and
- ii) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

b) Deferred Taxes

Deferred tax is recognised in respect of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purpose.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences only if it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted at the reporting date.

Deferred Tax Assets and Liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and Deferred Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Any tax credit including MAT credit available is recognised as Deferred Tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the Statement of Profit and Loss and shown under the head deferred tax asset.

The carrying amount of Deferred Tax Assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the Deferred Tax Asset to be utilised. Unrecognised Deferred Tax Assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are offset only if, the Company :

- i) has legally enforceable right to set off the recognised amounts; and
- ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

2.12 PROVISIONS AND CONTINGENT LIABILITIES

a) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

b) Contingent Liability

Contingent liabilities are not provided for and if material, are disclosed by way of notes to accounts. Contingent Liability is disclosed in the case of:

- i. A present obligation arising from the past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- ii. A present obligation arising from the past events, when no reliable estimate is possible;
- iii. A possible obligation arising from the past events, unless the probability of outflow of resources is remote.

2.13 EARNING PER SHARE

a) Basic Earnings Per Share

Basic Earnings Per Share is calculated by dividing the profit attributable to owners of the Company 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, if any, and any attributable distribution tax thereto for the period.

b) Diluted Earnings Per Share

Diluted Earnings Per Share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.14 CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents comprise cash and deposits with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known of cash to be cash equivalents.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.17 STATEMENT OF CASH FLOWS

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating 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.

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

2.18 DIVIDEND

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. As per the corporate laws in India, a dividend is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.19 ROUNDING OFF

All amounts disclosed in the financial statements and notes have been rounded off to the nearest rupees, unless otherwise stated.

2.20 EVENTS OCCURRING AFTER THE REPORTING DATE

Adjusting events (that provides evidence of condition that existed at the balance sheet date) occurring after the balance sheet date are recognized in the financial statements. Material non adjusting events (that are inductive of conditions that arose subsequent to the balance sheet date) occurring after the balance sheet date that represents material change and commitment affecting the financial position are disclosed in the Directors' Report.

2.21 EXCEPTIONAL ITEMS

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

2.22 OPERATING CYCLE

All assets and liabilities have been classified as current or non-current as per each Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

2.23 SEGMENT REPORTING

Operating segments are those components of the business whose operating results are regularly reviewed by the chief operating decision making body in the Company to make decisions for performance assessment and resource allocation.

The reporting of segment information is the same as provided to the management for the purpose of the performance assessment and resource allocation to the segments.

2.24 STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The Company plans to adopt the new standard on the required effective date using the partial retrospective method.

NOTE 3: PROPERTY, PLANT & EQUIPMENT

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As At April 01, 2017	Additions / Transfers	Deductions	As At March 31, 2018	As At April 01, 2017	For The Year	On Deductions	As At March 31, 2018	As At March 31, 2018	As At March 31, 2017
TANGIBLE ASSETS										
Freehold Land	50,31,795	-	-	50,31,795	-	-	-	-	50,31,795	50,31,795
Buildings	1,65,45,459	-	-	1,65,45,459	13,81,197	14,40,618	-	28,21,815	1,37,23,644	1,51,64,262
GDIC Quarters	71,081	-	-	71,081	7,431	6,297	-	13,728	57,353	63,649
Plant & Machinery	47,38,777	29,000	-	47,67,777	22,48,310	11,94,520	-	34,42,830	13,24,947	24,90,467
Silver Article	1,26,355	-	-	1,26,355	-	-	-	-	1,26,355	1,26,355
Electrical Installation & Equipment	1,11,118	-	-	1,11,118	28,769	21,320	-	50,089	61,029	82,349
Furniture & Fixture	6,00,217	-	-	6,00,217	1,45,845	1,17,564	-	2,63,409	3,36,808	4,54,372
Vehicles	27,26,777	15,81,062	1,12,085	41,95,754	6,96,095	7,87,355	-	14,83,450	27,12,304	20,30,682
Office Equipments	35,766	-	-	35,766	16,120	8,854	-	24,974	10,792	19,646
Computers	12,155	-	-	12,155	7,678	2,829	-	10,507	1,648	4,477
TOTAL	2,99,99,500	16,10,062	1,12,085	3,14,97,477	45,31,445	35,79,357	-	81,10,802	2,33,86,675	2,54,68,054

NOTE 3: PROPERTY, PLANT & EQUIPMENT

DESCRIPTION	GROSS BLOCK (AT COST)				DEPRECIATION / AMORTIZATION				NET BLOCK	
	As At April 01, 2016	Additions / Transfers	Deductions	As At March 31, 2017	As At April 01, 2016	For The Year	On Deductions	As At March 31, 2017	As At March 31, 2017	As At March 31, 2016
TANGIBLE ASSETS										
Freehold Land	50,31,795	-	-	50,31,795	-	-	-	-	50,31,795	50,31,795
Buildings	1,31,85,189	35,22,540	1,62,270	1,65,45,459	-	13,81,197	-	13,81,197	1,51,64,262	1,31,85,189
GDIC Quarters	71,081	-	-	71,081	-	7,431	-	7,431	63,650	71,081
Plant & Machinery	47,14,277	24,500	-	47,38,777	-	22,48,310	-	22,48,310	24,90,467	47,14,277
Silver Article	1,26,355	-	-	1,26,355	-	-	-	-	1,26,355	1,26,355
Electrical Installation & Equipment	1,11,118	-	-	1,11,118	-	28,769	-	28,769	82,349	1,11,118
Furniture & Fixture	5,21,247	78,970	-	6,00,217	-	1,45,845	-	1,45,845	4,54,372	5,21,247
Vehicles	9,79,840	17,46,937	-	27,26,777	-	6,96,095	-	6,96,095	20,30,682	9,79,840
Office Equipments	35,766	-	-	35,766	-	16,120	-	16,120	19,646	35,766
Computers	12,155	-	-	12,155	-	7,678	-	7,678	4,477	12,155
TOTAL	2,47,88,823	53,72,947	1,62,270	2,99,99,500	-	45,31,445	-	45,31,445	2,54,68,055	2,47,88,823

Notes:

On transition to Ind AS, the Company has elected to continue with the carrying value of all its property, plant and equipment recognised as at 1 April 2016, as per the previous GAAP and used that carrying value as its deemed cost of such property, plant and equipment and intangible assets

NOTE 4: FINANCIAL ASSETS - INVESTMENTS (NON - CURRENT)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Investment in Equity Instruments						
Others (Unquoted At Cost)						
Mandvi Co-Op Bank Ltd.	100	1,000	100	1,000	100	1,000
Greater Bombay Co-Op Bank Ltd	5	250	5	250	5	250
North Canara Gsb Co-Op Bank Ltd	5,520	55,200	5,520	55,200	5,520	55,200
Sardar Bhiladwala Pardi People Co-Op Bank Ltd	506	12,650	506	12,650	506	12,650
TOTAL		69,100		69,100		69,100
Aggregate Amount of Quoted Investment & Market Value thereof		-		-		-
Aggregate amount of Unquoted Investments		69,100		69,100		69,100
Aggregate amount of impairment in value of Investments		-		-		-

NOTE 5: FINANCIAL ASSETS - LOANS (NON-CURRENT)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured Considered Good			
Inter-corporate deposits	4,80,47,169	1,20,41,597	2,07,83,376
TOTAL	4,80,47,169	1,20,41,597	2,07,83,376

NOTE 6: FINANCIAL ASSETS - OTHERS (NON-CURRENT)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Unsecured Considered Good			
Security Deposits	7,90,494	7,90,494	7,08,684
TOTAL	7,90,494	7,90,494	7,08,684

NOTE 7: INCOME TAX

A. COMPONENTS OF INCOME TAX EXPENSE

Particulars	As at March 31, 2018	As at March 31, 2017
Tax expense recognised in statement of profit & loss		
Current Tax		
Current year	-	-
Adjustments/ (Credit) related to previous years - (net)	-	-
Sub-Total	-	-
Deferred tax charge/ (credit)		
Origination and reversal of temporary difference	-76,56,048	58,47,269
Sub-Total	-76,56,048	58,47,269
Total	-76,56,048	58,47,269

B. RECONCILIATION OF EFFECTIVE TAX RATES

Particulars	As at March 31, 2018	As at March 31, 2017
Profit/(loss) before tax	96,86,517	17,43,612
Enacted Income Tax Rate in India	25.75%	29.87%
Income Tax expense calculated at enacted corporate tax rate	24,94,278	5,20,817
Effect of income that is exempt from tax	-4,12,102	-25,37,535
Effect of excess deduction	-15,97,188	-15,15,685
Effect of expenses that are not deductible in determining taxable profit	7,26,025	21,06,380
Rate Difference	-1,34,847	66,06,343
Current-year losses for which no deferred tax asset is recognised	-	6,66,949
Set-off of earlier year losses	-15,82,214	-
Carried forward losses on which deferred tax created now	-71,50,000	-
Total	-76,56,048	58,47,269
Effective tax rate for the year	-79.04%	335.35%

C. MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

Particular	Net deferred tax asset / (liabilities) as on 1st April, 2017	Recognised in profit and loss	Recognised in other comprehensive income	Net deferred tax asset / (liabilities) as on 31st March, 2018
Deferred tax assets/ (liabilities)				
Property, plant and equipment	-3,42,256	2,36,118	-	-1,06,138
Deferred income / expenses	-24,330	-34,564	-	-58,894
Provision for doubtful debts	3,13,62,784	3,04,493	-	3,16,67,277
Unabsorbed losses	-	71,50,000	-	71,50,000
Deferred tax assets/ (liabilities)	3,09,96,198	76,56,048	-	3,86,52,246

MOVEMENT IN DEFERRED TAX ASSETS/(LIABILITIES)

Particular	Net deferred tax asset / (liabilities) as on 1st April, 2016	Recognised in profit and loss	Recognised in other comprehensive income	Net deferred tax asset / (liabilities) as on 31st March, 2017
Deferred tax assets/ (liabilities)				
Property, plant and equipment	-7,33,620	3,91,364	-	-3,42,256
Deferred income / expenses	-58,254	33,924	-	-24,330
Provision for doubtful debts	3,76,35,341	-62,72,557	-	3,13,62,784
Deferred tax assets/ (liabilities)	3,68,43,467	-58,47,269	-	3,09,96,198

D. DEFERRED TAX ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Deferred Tax Liabilities			
Accelerated depreciation for tax purposes	1,06,138	3,42,256	7,33,620
Other items giving rise to temporary differences	58,894	24,330	58,254
	1,65,031	3,66,586	7,91,874
Deferred Tax Assets			
Provision for loss allowances for doubtful debts	3,16,67,277	3,13,62,784	3,76,35,341
Unabsorbed losses	71,50,000	-	-
	3,88,17,277	3,13,62,784	3,76,35,341
NET DEFERRED TAX LIABILITIES	(3,86,52,246)	(3,09,96,198)	(3,68,43,467)

NOTE 8: OTHER NON-CURRENT ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Capital Advances	8,15,410	8,23,410	8,15,410
Balances with Govt. Authorities under litigation	3,91,26,117	3,91,26,117	3,91,26,117
TOTAL	3,99,41,527	3,99,49,527	3,99,41,527

NOTE 9: NON-CURRENT TAX ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance payment of Income Tax (Net of Provision)	40,17,103	51,08,727	33,51,055
TOTAL	40,17,103	51,08,727	33,51,055

NOTE 10: INVENTORIES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
At Lower of Cost or Net Realisable Value			
Stock in Trade (Trading)	7,30,23,418	1,33,14,991	1,34,87,186
TOTAL	7,30,23,418	1,33,14,991	1,34,87,186

NOTE 11: FINANCIAL ASSETS - TRADE RECEIVABLES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade Receivables			
Secured - Considered Good	34,12,507	-	-
Unsecured - Considered Good	5,91,500	5,91,500	5,91,500
Unsecured - Considered Doubtful	12,17,97,220	12,17,97,220	12,17,97,220
	12,58,01,227	12,23,88,720	12,23,88,720
Less :- Allowance for unsecured doubtful debts	(12,17,97,220)	(12,17,97,220)	(12,17,97,220)
TOTAL	40,04,007	5,91,500	5,91,500

Notes -

- i. The Company has called for balance confirmation of Trade Receivables on random basis. Out of which the Company has received response from some of the parties, which are subject to reconciliation with Company's account. The other balances of Trade Receivables are subject to confirmation
- ii. Refer Note - 32 for information about Credit Risk and Market Risk of Trade Receivables.

NOTE 12: FINANCIAL ASSETS - CASH & CASH EQUIVALENTS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balances with Banks in Current Accounts	32,73,648	4,82,427	42,75,653
Cash on Hand	2,37,601	2,14,863	4,99,993
TOTAL	35,11,249	6,97,290	47,75,646

NOTE 13: OTHER CURRENT ASSETS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Prepaid Expenses	43,439	70,223	44,066
Balances with GST Authorities	27,63,781	-	-
TOTAL	28,07,220	70,223	44,066

NOTE 14: EQUITY SHARE CAPITAL

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised			
1,60,00,000 (Previous year as at 31st March 2017 1,60,00,000 and as at 1st April, 2016 1,60,00,000) Equity Shares of Rs. 10/- each	16,00,00,000	16,00,00,000	16,00,00,000
TOTAL AUTHORIZED SHARE CAPITAL	16,00,00,000	16,00,00,000	16,00,00,000
Issued, Subscribed & Paid Up			
1,52,89,800 (Previous year as at 31st March 2017 1,52,89,800 and as at 1st April, 2016 1,52,89,800) Equity Shares of Rs. 10/- each full paid up	15,28,98,000	15,28,98,000	15,28,98,000
TOTAL ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL	15,28,98,000	15,28,98,000	15,28,98,000

a) Reconciliation of the number of shares outstanding :

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Shares at the beginning of the year	1,52,89,800	15,28,98,000	1,52,89,800	15,28,98,000	1,52,89,800	15,28,98,000
Add: Additions / (Deletions) during the year	-	-	-	-	-	-
Shares at the end of the year	1,52,89,800	15,28,98,000	1,52,89,800	15,28,98,000	1,52,89,800	15,28,98,000

b) Rights, Preferences and restrictions attached to shares

The company has one class of equity shares having a face value Rs. 10/- per share. Each shareholder is eligible for one vote per share held. In the event of liquidation, the equity shareholders will be entitled to receive any of the remaining asset of the company in proportion to the number of equity shares held by the shareholders, after distribution of all the preferential amounts. However no such preferential amount exist currently.

c) Shareholders holding more than 5% shares each :

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Kantilal Haria	89,44,473	58.49%	89,44,473	58.49%	9,27,778	6.07%
Manish Haria	-	0.00%	-	0.00%	30,20,496	19.75%
Sheetal Haria	-	0.00%	-	0.00%	6,99,800	4.58%
Vilco Pharma Pvt Ltd	-	0.00%	-	0.00%	42,96,399	28.10%

NOTE 16: FINANCIAL LIABILITIES (LONG TERM BORROWINGS)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
SECURED:				
Term Loan				
From Bank				
IDBI Term Loan I	1	-	90,17,246	1,43,15,160
IDBI Term Loan II	2	2,62,27,828	-	-
HDFC Bank Loan I	3	11,92,560	-	-
HDFC Bank Loan II	4	7,88,020	10,76,176	-
UNSECURED:				
From Related Parties				
Intercompany Deposits	5	1,03,35,174	1,17,85,891	1,09,22,256
From Directors	5	34,78,202	31,54,607	1,10,65,854
TOTAL		4,20,21,784	2,50,33,920	3,63,03,271
Note :				
1. Loan from IDBI Bank was secured by plot Nos. 278 at GIDC Vapi Industrial Estate, Vapi Taluka : Pardi, District : Valsad Gujarat @ 11.50% per annum Interest. The loan as at 31st March 2018 is repayable in 12 equal Monthly instalments of Rs. 7,80,474/- each. The Last Instalment is of Rs. 4,55,151/-. There was no default in repayment of loan.				
2. Loan from IDBI Bank was secured by plot Nos. 279 at GIDC Vapi Industrial Estate, Vapi Taluka : Pardi, District : Valsad Gujarat @ 10.15% per annum Interest. The loan as at 31st March 2018 is repayable in 104 equal Monthly instalments of Rs. 4,08,869/- each. There was no default in repayment of loan.				
3. Loan from HDFC Bank as on 31st March, 2018 is repayable in 58 instalments of Rs. 30,475/- at interest rate of 8.51% p.a. secured by way of hypothecation of Car as at March 31, 2018. There was no default in repayment of loan.				
4. Loan from HDFC Bank as on 31st March, 2018 is repayable in 40 instalments of Rs. 31,475/- at interest rate of 9.50% p.a. secured by way of hypothecation of Car as at March 31, 2018. There was no default in repayment of loan.				
4. Inter Corporate Deposit and Loan from from Dero are notgtbe reaalebefond 2 years. There was no default in repayment of loan.				

NOTE 17: FINANCIAL LIABILITIES - OTHERS (NON-CURRENT)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Security Deposit Received From Customers	40,68,678	36,91,543	33,64,496
TOTAL	40,68,678	36,91,543	33,64,496

NOTE 18: FINANCIAL LIABILITIES - SHORT TERM BORROWINGS

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
SECURED:			
Loans repayable on demand			
From Banks (Refer Note below)	3,50,00,000	3,00,00,000	3,25,50,000
UNSECURED:			
Loans from related parties	1,27,60,328	-	-
TOTAL	4,77,60,328	3,00,00,000	3,25,50,000

Note :

Secured by Shares are in name of Mr.Bimal Haria. Loan is guranateed by Mr.Bimal Haria. The loan of Rs. 3,50,00,000/- will be repaid after 12 months

NOTE 19: FINANCIAL LIABILITIES - TRADE PAYABLES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
At Amortized Cost			
Micro, Small and Medium Enterprises (Refer Note Below)	-	-	-
Others	7,88,59,963	2,12,28,750	2,06,20,300
TOTAL	7,88,59,963	2,12,28,750	2,06,20,300
Note :			
Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2017-18, to the			
Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(i) Principal and interest amount remaining unpaid	-	-	-
(ii) Interest due thereon remaining unpaid	-	-	-
(iii) Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-	-
(iv) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-	-
(v) Interest acccrued and remaining unpaid	-	-	-
(vi) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-	-
Total	-	-	-

NOTE 20: FINANCIAL LIABILITIES - OTHERS (CURRENT)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Current Maturities of Long Term Debts (Refer Note 19)			
IDBI Term Loan I	1 90,83,512	78,19,245	93,65,688
IDBI Term Loan II	2 21,05,308	-	-
HDFC Car Loan I	3 2,52,413	-	-
HDFC Car Loan II	4 2,88,156	2,62,238	76,465
Employee benefits payables	3,41,000	2,39,000	3,72,500
Due towards purchase of capital goods	5,60,436	5,30,000	5,55,000
TOTAL	1,26,30,825	88,50,483	1,03,69,653

NOTE 21: OTHER CURRENT LIABILITIES

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance from Customer	5,28,500	5,28,500	5,12,000
Statutory Liabilities	1,09,928	44,81,466	19,22,615
Other Payables	4,64,210	8,19,611	11,75,012
TOTAL	11,02,638	58,29,577	36,09,627

NOTE 22: REVENUE FROM OPERATIONS

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Sale of Products	10,58,61,574	1,89,773
TOTAL	10,58,61,574	1,89,773

NOTE 23: OTHER INCOME

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Finance Income	25,31,398	73,84,316
Dividend Income	6,864	8,912
<u>Other Non-Operating Income:</u>		
Rent Income	2,13,60,633	1,73,07,581
Interest on Income Tax Refund	3,09,245	-
Profit on Sale of Assets	2,920	8,02,730
TOTAL	2,42,11,060	2,55,03,539

NOTE 24: PURCHASE OF STOCK IN TRADE

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Purchase of Stock in Trade	15,94,21,280	
TOTAL	15,94,21,280	-

NOTE 25: CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN TRADE

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Opening Stocks :		
Stock In Trade	1,33,14,991	1,34,87,186
Less : Closing Stocks :		
Stock In Trade	7,30,23,418	1,33,14,991
NET CHANGE IN INVENTORIES	(5,97,08,427)	1,72,195

NOTE 26: EMPLOYEE BENEFIT EXPENSES

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, Wages and Bonus	41,53,532	31,62,155
Staff Welfare Expenses	1,34,095	2,04,278
TOTAL	42,87,627	33,66,433

NOTE 27: FINANCE COST

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Finance Expenses	92,88,408	1,30,73,077
Other Financial Charges	1,24,948	4,007
TOTAL	94,13,356	1,30,77,084

NOTE 28: OTHER EXPENSES

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Power, Fuel and Utilities	4,48,227	1,82,042
Repairs & Maintenance on :		
Building	18,160	4,44,207
Other Repairs	2,98,036	-
Security Charges	2,11,200	2,04,600
Advertisement, Publicity & Sales Promotion	79,026	91,529
Insurance	1,20,444	1,11,238
Rates & Taxes	3,32,161	40,446
Postage, Telephone Charges	1,68,564	2,34,539
Printing & Stationery	35,157	72,879
Filing Fees	33,720	19,420
General Office Expenses	77,549	1,41,146
Travelling and Conveyance	1,17,083	2,64,707
Transport Charges	1,65,191	-
Legal and Professional Fees	7,48,153	4,74,247
Listing Fees	4,15,753	3,75,031
Payment to Auditors :		
Audit Fees	1,20,000	1,38,000
Donations	4,500	8,511
TOTAL	33,92,924	28,02,542

NOTE 29: FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS (IND AS)

"These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31st March 2018, the comparative information presented in these financial statements for the year ended 31 March, 2017 and in the preparation of an opening Ind AS Balance Sheet at 1 April, 2016 (the Company's date of transition).

In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and Cash Flows is set out in the following tables and notes"

Exemptions applied

Ind AS 101 "First-time adoption of Indian Accounting Standards" allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Mandatory Exemption**(i) Estimates**

The Company's estimates in accordance with Ind AS's at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were an error.

On an assessment of the estimates made under Indian GAAP, Company has concluded that there was no necessity to revise the estimates under Ind AS except where estimates were required by Ind AS and not required by Indian GAAP or the basis of measurement were different.

(ii) Classification and measurement of financial assets

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of facts and circumstances that exist at the date of transition to Ind AS.

The remaining mandatory exceptions either do not apply or are not relevant to the Company.

NOTE 29: RECONCILIATION OF EQUITY AS AT APRIL 01, 2016 AND MARCH 31, 2017

Particulars	Note. No.	As at March 31, 2017			As at April 01, 2016		
		Indian GAAP	Adjustments	Ind AS	Indian GAAP	Adjustments	Ind AS
ASSETS							
<u>Non - Current Assets</u>							
Property, Plant & Equipment		2,54,68,054		2,54,68,054	2,47,88,823		2,47,88,823
Financial Assets							
Investments		69,100		69,100	69,100		69,100
Loans	1	1,77,95,995	(57,54,398)	1,20,41,597	3,38,65,995	(1,30,82,619)	2,07,83,376
Others		7,90,494		7,90,494	7,08,684		7,08,684
Deferred Tax Assets (Net)	5	-	3,09,96,198	3,09,96,198	-	3,68,43,467	3,68,43,467
Other Non - Current Assets		3,99,49,527		3,99,49,527	3,99,41,527		3,99,41,527
Non - Current Tax Assets		51,08,727		51,08,727	33,51,055		33,51,055
Total Non - Current Assets		8,91,81,897	2,52,41,800	11,44,23,697	10,27,25,184	2,37,60,848	12,64,86,032
<u>Current Assets</u>							
Inventories		1,33,14,991		1,33,14,991	1,34,87,186		1,34,87,186
Financial Assets							
Trade Receivables	2	12,23,88,720	(12,17,97,220)	5,91,500	12,23,88,720	(12,17,97,220)	5,91,500
Cash & Cash Equivalents		6,97,290		6,97,290	47,75,646		47,75,646
Other Current Assets		70,223		70,223	44,066		44,066
Total Current Assets		13,64,71,224	(12,17,97,220)	1,46,74,004	14,06,95,618	(12,17,97,220)	1,88,98,398
TOTAL ASSETS		22,56,53,121	(9,65,55,420)	12,90,97,701	24,34,20,802	(9,80,36,372)	14,53,84,430



Particulars	Note. No.	As at March 31, 2017			As at April 01, 2016		
		Indian GAAP	Adjustments	Ind AS	Indian GAAP	Adjustments	Ind AS
EQUITY AND LIABILITIES							
EQUITY							
Equity Share Capital		15,28,98,000		15,28,98,000	15,28,98,000		15,28,98,000
Other Equity		(2,96,27,895)	(8,88,06,678)	(11,84,34,573)	(3,11,48,151)	(8,31,82,766)	(11,43,30,917)
Total Equity		12,32,70,105	(8,88,06,678)	3,44,63,427	12,17,49,849	(8,31,82,766)	3,85,67,083
LIABILITIES							
Non - Current Liabilities							
Financial Liabilities							
Borrowings	3	3,22,68,110	(72,34,190)	2,50,33,920	5,03,32,763	(1,40,29,492)	3,63,03,271
Other Financial Liabilities	4	46,15,000	(9,23,457)	36,91,543	46,30,000	(12,65,504)	33,64,496
Deferred Tax Liability (Net)	5	4,10,707	(4,10,707)	-	7,33,622	(7,33,622)	-
Total Non - Current Liabilities		3,72,93,817	(85,68,353)	2,87,25,464	5,56,96,385	(1,60,28,619)	3,96,67,766
Current Liabilities							
Financial Liabilities							
Borrowings		3,00,00,000		3,00,00,000	3,25,50,000		3,25,50,000
Trade Payables		2,12,28,750		2,12,28,750	2,06,20,300		2,06,20,300
Other Financial Liabilities		88,50,483		88,50,483	1,03,69,653		1,03,69,653
Other Current Liabilities	4	50,09,966	8,19,611	58,29,577	24,34,615	11,75,012	36,09,627
Total Current Liabilities		6,50,89,199	8,19,611	6,59,08,810	6,59,74,568	11,75,012	6,71,49,580
Total Liabilities		10,23,83,016	(77,48,742)	9,46,34,274	12,16,70,953	(1,48,53,606)	10,68,17,347
TOTAL EQUITY AND LIABILITIES		22,56,53,121	(9,65,55,420)	12,90,97,701	24,34,20,802	(9,80,36,372)	14,53,84,430

NOTE 29: RECONCILIATION OF STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

Particulars	Note. No.	For the year ended March 31, 2017		
		Indian GAAP	Adjustment	Ind AS
Income				
Revenue from Operations		1,89,773		1,89,773
Other Income	1, 4	1,78,19,917	76,83,622	2,55,03,539
Total Income		1,80,09,690	76,83,622	2,56,93,312
Expenses				
Cost of Material Consumed		-		-
Purchase of Stock In Trade		-		-
Changes in Inventories of Finished Goods / Stock in Trade		1,72,195		1,72,195
Employee Benefit Expenses		33,66,433		33,66,433
Finance Cost	3, 4	59,39,734	71,37,350	1,30,77,084
Depreciation and Amortization		45,31,445		45,31,445
Other Expenses		28,02,542		28,02,542
Total Expenses		1,68,12,349	71,37,350	2,39,49,699
Profit Before Tax and Exceptional Item		11,97,341		17,43,612
Exceptional Item		-		-
Profit Before Tax		11,97,341	-	17,43,612
Tax Expenses				
Current Tax		-	-	-
Deferred Tax	5	(3,22,915)	61,70,184	58,47,269
Profit After Tax		15,20,256	(61,70,184)	(41,03,656)
Other Comprehensive Income		-	-	-
Total Comprehensive Income for the year		15,20,256	(61,70,184)	(41,03,656)

NOTE 29: NOTES TO RECONCILIATION OF EQUITY AS AT APRIL 01, 2016 AND MARCH 31, 2018 AND PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2017
1 Loans and Advances

Under previous GAAP, loans and advances given were recognised at transaction value. Under Ind AS loans being financial assets are measured at fair value at the inception. The difference in transaction value and fair value, if any, is recognised in the profit and loss account (commonly referred to as day one gain / (loss)). Accordingly the company has measured all its financial assets at fair value on initial recognition and day one gain / (loss) has been recognised in retained earnings.

2 Expected Credit Loss Allowance

Under previous GAAP, the company had recognised provision on trade receivables based on the expectation of the company. Under Ind AS, the group provides loss allowance on receivables based on Expected Credit Loss (ECL) model which is measured following the "Simplified Approach" at an amount equal to the lifetime ECL at each reporting date.

Consequently, trade receivable have been reduced with a corresponding decrease in retained earnings on the date of transition i.e. 01 April, 2016.

3 Borrowings
i. Transaction Cost

Under previous GAAP, transaction costs incurred in connection with the borrowings were charged to profit and loss or capitalised to qualifying as the case may be. Under Ind AS, transaction costs are deducted from the initial recognition amount of financial liability and charged to statement of profit and loss over the tenure of the borrowings using effective interest rate method.

ii. Initial Measurement

Under previous GAAP, borrowings and other financial liabilities were recognised at historical cost / transaction value. Under Ind AS financial liabilities are measured at fair value at the inception less any transaction costs directly attributable to the issue of the liability which is not a FVPTL. The difference in transaction value and fair value, if any, is recognised in the profit and loss account (commonly referred to as day one gain / (loss)). Accordingly the company has measured all its financial liabilities at fair value on initial recognition and day one gain / (loss) has been recognised in retained earnings.

After initial measurement the company measures the financial liabilities at amortised cost or fair value based on their classification criteria. Subsequently financial expense on the financial liability measured at amortised cost is recognised by way of Effective Interest Rate method.

4 Security Deposits

Under previous GAAP, the company accounted for deposits accepted at transaction value. Under Ind AS, the deposits with inherent significant financing element are initially recorded at fair value with difference between transaction value and fair value being treated as deferred lease rental. The deposits are subsequently measured at amortised cost and deferred lease rental is amortised over contract period on a straight line basis. This has resulted to an increase in equity on the transition date.

5 Deferred Tax

Indian GAAP requires Deferred Tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind-AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind-AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. Accordingly on the date of transition it has resulted in derecognition of deferred tax liability and creation of deferred tax asset on net basis. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or through other comprehensive income.

6 Other adjustments

Assets and Liabilities as well as items of Income and Expenses have been regrouped / re-classified wherever necessary to align with the provisions of Ind AS.

7 Reconciliation of Equity

The impact of the above Ind AS adjustment on the Equity is as below :-

Particulars	Note	As at March 31, 2017	As at April 01, 2016
Indian GAAP Equity		12,32,70,105	12,17,49,849
Measurement of Financial Liabilities at amortised cost as per EIR Method	3	72,34,190	1,40,29,492
Fair Valuation of Security Deposits as per Ind AS 109	4	1,03,845	90,492
Fair Valuation of Financial Assets as per Ind AS 109	1	-57,54,398	-1,30,82,619
Impairment (Mainly based on expected credit loss)	2	-12,17,97,220	-12,17,97,220
Tax adjustments	5	3,14,06,905	3,75,77,089
Net Impact on Retained Earnings		3,44,63,427	3,85,67,083
Ind AS Equity		15,77,33,531	16,03,16,932

NOTE 30: CONTINGENT LIABILITIES AND COMMITMENTS**1 Letter of Credit, Bank Guarantees and Bill Discounting**

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Letter of Credit	-	-	-
Bank Guarantees			
Guarantees to banks and Financial Institutions against credit facility Extended to third parties.	-	-	15,35,00,000
Bill Discounting	-	-	-
Total	<u>-</u>	<u>-</u>	<u>15,35,00,000.00</u>

Notes :

(i) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgments/decisions pending with various forums/authorities.

(ii) The Company does not expect any reimbursements in respect of the above contingent liabilities.

(iii) The Company's pending litigations comprise of proceedings pending with Income Tax / FEMA. The Management has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Management does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

NOTE 31: EARNINGS PER SHARE

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit for the year as per Statement of Profit & Loss	1,73,42,564.48	(41,03,656.30)
Weighted Average No. of Equity Shares for of Face Value ₹ 10 each	1,52,89,800	1,52,89,800
Earnings Per Share - Basic & Diluted	<u>1.13</u>	<u>(0.27)</u>

NOTE 32: CAPITAL MANAGEMENT

The Company's objective for Capital Management is to maximise shareholder value, safeguard business continuity, and support the growth of the Company. Capital includes, Equity Capital, Securities Premium and other reserves and surplus attributable to the equity shareholders of the Company. The Company determines the capital requirement based on annual operating plans and long term and strategic investment and capital expenditure plans. The funding requirements are met through a mix of equity, operating cash flows generated and debt. The operating management, supervised by the Board of Directors of the Company regularly monitors its key gearing ratios and other financials parameters and takes corrective actions wherever necessary. The relevant quantitative information on the aforesaid parameters are disclosed in these financial statements.

The company monitors capital on the basis of the following gearing ratio :

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Total interest bearing financial liabilities	7,49,37,796	4,81,74,905
Less : Cash and Cash Equivalents	35,11,249	6,97,290
Adjusted Net Debt	7,14,26,547	4,74,77,615
Total Equity	5,18,05,991	3,44,63,427
Adjusted Equity	5,18,05,991	3,44,63,427
Net Debt to Equity Ratio	1.379	1.378

NOTE 33: FINANCIAL RISK MANAGEMENT AND POLICIES

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the managing board. The details of different types of risk and management policy to address these risks are listed below:

(a) Market Risk:-

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loans and borrowings. The objective of market risk management is to avoid excessive exposure in our foreign currency revenues and costs.

(a)(i) Market Risk - Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of the financial instruments will fluctuate because of changes in market interest rates. The company's exposure to the risk of changes in market interest rates primarily to the Company's borrowings, both short term and long term obligations with floating interest rates.

Exposure to interest rate risk

The interest rate profile of the Company's interest bearing financial instruments is as follows :-

Particulars	As at March 31, 2018	As at March 31, 2017
Fixed-rate instruments		
Financial Liabilities - Borrowings	4,20,21,784	2,50,33,920
Total	4,20,21,784	2,50,33,920

Sensitivity analysis to interest rate risk

The company doesn't account for any fixed rate financial assets or financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

(a)(ii) Market Risk - Price Risk

The Company has no surplus for investment in debt mutual funds, deposits etc. In view of this it is not susceptible to market price risk, arising from changes in interest rates or market yields which may impact the return and value of the investments.

(a)(iii) Market Risk - Currency Risk

The fluctuation in foreign currency exchange rates may have a potential impact on the statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the Company. The company does not has any asset or liability in the foreign currency. In view of this it is not susceptible to market currency risk arising from fluctuation in foreign currency exchange rates.

(b) Credit Risk

Credit Risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The carrying amount of financial assets represents the maximum credit exposure.

Trade Receivables

The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, industry information, business intelligence and in some cases bank references.

Trade Receivables of the Company are typically unsecured, except to the extent of the security deposits received from the customers or financial guarantees provided by the market organizers in the business. Credit Risk is managed through credit approvals and periodic monitoring of the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company performs ongoing credit evaluations of its customers' financial condition and monitors the creditworthiness of its customers to which it grants credit terms in the normal course of business. The Company has no concentration of Credit Risk as the customer base is geographically distributed in India.

Expected credit loss for trade receivable:

The allowance for impairment of Trade receivables is created to the extent and as and when required, based upon the expected collectability of accounts receivables. On account of adoption of Ind AS 109, the Company uses lifetime Expected Credit Loss (ECL) model for assessing the impairment loss. For this purpose, the Company uses a provision matrix to compute the expected credit loss amount for trade receivables. Loss rates are based on actual credit loss experience and past trends. The provision matrix takes into account external and internal credit risk factors and historical experience / current facts available in relation to defaults and delays in collection thereof.

The movement of the expected loss provision (allowance for bad and doubtful loans and receivables etc.) made by the company are as under:

Particulars	As at March 31, 2018	As at March 31, 2017
Opening balance of expected loss provision	12,17,97,220	12,17,97,220
Add : Provisions made (net)	-	-
Less : Utilisation for impairment / de-recognition	-	-
Closing balance	12,17,97,220	12,17,97,220

Other Financial Assets

The company maintains its Cash and Cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

Expected credit loss on financial assets other than trade receivable:

With regards to all financial assets with contractual cash flows other than trade receivable, management believes these to be high quality assets with negligible credit risk. The management believes that the parties from whom these financial assets are recoverable, have strong capacity to meet the obligations and where the risk of default is negligible and accordingly no provision for expected credit loss has been provided on such financial assets. Break up of financial assets other than trade receivables have been disclosed on balance sheet.

The Company's maximum exposure to credit risk as at 31st March, 2018, 2017 and 1st April, 2016 is the carrying value of each class of financial assets.

(c) Liquidity Risk

Liquidity Risk is the risk that the Company will face in meeting its obligation associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach in managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. Any short term surplus cash generated, over and above the amount required for working capital management and other operational requirements is retained as Cash and Cash Equivalents (to the extent required).

Exposure to Liquidity Risk

The following table shows the maturity analysis of the Company's Financial Liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet Date.

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months	Less than 12 months	More than 12 months
Borrowings	47,760,328	42,021,784	30,000,000	25,033,920	32,550,000	36,303,271
Trade Payables	78,859,963	-	21,228,750	-	20,620,300	-
Other Financial Liabilities	12,630,825	4,068,678	8,850,483	3,691,543	10,369,653	3,364,496
Total	139,251,116	46,090,462	60,079,233	28,725,464	63,539,953	39,667,766

(d) Collateral

The Company has pledged its Current Assets to a consortium of lenders as collateral towards borrowings by the Company. Refer Note No. 15 and Note No 17 for the detailed terms and conditions of the collaterals pledged.

NOTE 35: LEASES

The Company has entered into Operating Leases on Immovable Properties and Plant & Machinery. There are no escalation clauses in the lease arrangements for which Lease Rent is provided on straight line basis.

Future minimum rentals under non-cancellable operating leases as at March 31, 2018 are, as follows:

Assets Given on Lease

Sr. No.	Particulars	As at March 31, 2018	As at March 31, 2017
(a)	In respect of Immovable properties given under operating lease, lease rent received and recognized in Statement of Profit and Loss.	2,10,05,232	1,69,52,180
(b)	<u>Future minimum lease payments under operating leases</u>		
	For a period not later than one year	2,10,88,630	2,10,05,232
	For the period later than one year and not later than five years	57,15,302	2,68,03,932.00

NOTE 36: RELATED PARTY**List of related parties****A Enterprises where control exists**

Subsidiaries (Extent of Holding)	Nil
Associates :	Nil

Enterprise in which Key Managerial Personnel and their relatives have significant Influence :	Haria Exports Limited
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B Key Managerial Personnel :

a. Executive Directors :	Kantilal L Haria Utsav Jaysukh Maru
b. Non Executive Directors :	Nitin V Oza Nehaben Joy Kothari

c. Relatives of Key Managerial Personnel : Bimal K Haria

Particulars	Subsidiary Companies, Associates and Joint Venture	Key Management Personnel	Promoter Group Companies / Entities in which Key Management Personnel's relatives are interested	Total
LOANS RECEIVED	-	1,30,76,328	26,00,000	1,56,76,328
	-	(1,00,16,000)	(15,60,000)	(1,15,76,000)
LOANS REPAID	-	3,16,000	61,65,000	64,81,000
	-	(2,33,85,416)	(19,39,462)	(2,53,24,878)
LOANS RECEIVED OUTSTANDING	-	1,74,22,448	1,38,53,083	3,12,75,531
	-	(46,62,120)	(1,74,18,083)	(2,20,80,203)

Note :

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

ii. Figures in brackets indicate previous year's figures.



- 37 As the company has only one primary business activity, Segment Reporting is not applicable as per Ind AS 108 - Operating Segments
- 38 Loans given, Investments made and Corporate Guarantees given u/s 186(4) of the Companies Act, 2013 are disclosed under the respective notes. Interest and Commission are recovered where incurred.

Party	Amount at year end	Remarks
Ginza Finance Pvt Ltd	1,82,79,995	Loans Given

- 39 Balances of Trade Receivables, Trade Payables, Advances and Deposits received / given, from / to customers are subject to confirmation and subsequent reconciliation
- 40 Figures in brackets indicate previous year's figures.

CORPORATE INFORMATION	1
SIGNIFICANT ACCOUNTING POLICIES	2
NOTES ON ACCOUNTS	3-40

As per our report attached
For SUNDERJI GOSAR & CO.
Chartered Accountants
Firm Reg. No. 115543W

For and on behalf of the Board of Directors
For HARIA APPARELS LIMITED

ALPESH SAVLA
Partner
Membership No. 047828

KANTILAL HARIA
DIRECTOR
DIN : 00585400

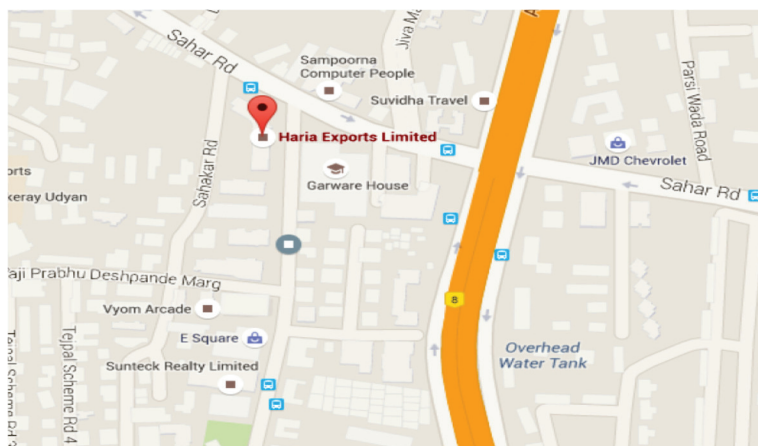
UTSAV MARU
DIRECTOR
DIN : 07752233

Mumbai, 30-05-2018

Mumbai, 30-05-2018

Mumbai, 30-05-2018

Route Map to the venue of the AGM



ATTENDANCE SLIP

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

Seventh Annual General Meeting

29th September, 2018

I / We hereby record my / our presence at the Seventh Annual General Meeting of the Company held at its Registered Office at **8, Subhash Road, Vile Parle (East), Mumbai – 400057** on Saturday 29th September, 2018 at **10:00 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



Form No. MGT-11

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: L51900MH1970PLC014758

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 the member (s) of _____ shares of the above named company, hereby Appoint

1. Name : _____ E-mailId _____
 Address : _____
 Signature: _____ or failing him/her

2. Name : _____ E-mailId _____
 Address : _____
 Signature : _____ or failing him/her

3. Name : _____ E-mailId _____
 Address : _____
 Signature : _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **SEVENTH** Annual general meeting of the company, to be held on the **Saturday, 29th September, 2018** 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, 2018, together with the Reports of the Board of Directors & Auditors thereon.
2. To appoint a Director in place of Mr.Nitin Vasudev Oza (DIN: 02777627), 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**

Signature of shareholder Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited the Registered Office of the Company, not less than 48 hours before the commencement 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.: 6154 6154

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