



**HARIA APPARELS LIMITED**

**5th ANNUAL REPORT  
2015 - 2016**



<b>BOARD OF DIRECTORS</b>	Mr. Kantilal L. Haria	Chairman & Managing Director
	Mr. Manish K. Haria	Joint Managing Director
	Mr. Mohit Sudala	Director
	Mr. Nitin V. Oza	Director
	Mrs. Kamala Kantilal Haria	Director
<b>AUDITORS</b>	M/s. Kanak Rathod & Co.	Chartered Accountants
<b>BANKERS</b>	HDFC Bank	
<b>REGISTERED OFFICE</b>	8, Subhash Road,	Tel.: 91-22-61546154
	Vile Parle (East),	Fax: 91-22-61546155
	Mumbai – 400 057.	Email: accounts@hariagroup.com
<b>INVESTOR SERVICE CELL</b>	Registrar & Transfer Agent	
	M/s Link Intime India Pvt. Ltd.	
	C-13, Pannalal Silk Mills Compound,	
	L.B.S.Marg, Bhandup,	
	Mumbai - 400 078.	
	Tel : 25963838 Fax : 25946969	
	Email : isrl@vsnl.com	
<b>PLANTS</b>	<b>1) Vapi:</b>	
	Unit No. 1	
	345/358, G.I.D.C.	
	Silvassa Road, Vapi	
	Gujarat.	

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## NOTICE

**NOTICE** is hereby given that the **FIFTH ANNUAL GENERAL MEETING** of the members of **HARIA APPARELS LIMITED** will be held on **Wednesday, 28th September, 2016 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, 2016, together with the Reports of the Board of Directors & Auditor thereon.
2. To appoint a director in place of Ms. Kamala Kantilal Haria (DIN:07144885), who retires by rotation at this Annual General Meeting and being eligible, offers herself for the reappointment.

### **Special Business:**

3. To appoint Auditors and to fix their remuneration and in this regard to consider and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 139 (1) of the Companies Act, 2013, and the Rules made thereunder, and pursuant to the recommendation of the Audit Committee, M/s. Sunderji Gosar & Co. (FRN. 115543W), Chartered Accountants, Mumbai, be and are hereby appointed as Statutory Auditors of the Company to hold office for the period of 5 (Five) years from the conclusion of this 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.”

**FURTHER RESOLVED THAT** the appointment of M/s. Sunderji Gosar & Co. (FRN. 115543W), Chartered Accountants, Mumbai, for the period of 5 (Five) years made at the ensuing Annual General Meeting shall be subject to ratification at every subsequent Annual General Meeting held after this Annual General Meeting."

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. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. **Corporate Members:** Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
3. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.



4. Members/ Proxies should bring the enclosed attendance Slip duly filled in, for attending the Annual General Meeting, along with their copy of the Annual Report. Copies of the Annual Report will not be distributed at the Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from **Friday 23rd day of September 2016 to Wednesday 28th day of September 2016** (both days inclusive).
6. Members are requested to notify any change in their address/ mandate/bank details immediately to the share transfer Agent of the Company- **M/S. LINK INTIME INDIA PVT LTD**
7. Members holding shares in physical form are requested to advise any change of address immediately to the Company's Share Registrars and Transfer Agents. Members holding shares in electronic form must send the advice about change in address to their respective Depository Participant only and not to the Company or the Company's Share Registrars and Transfer Agents.
8. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN details to their respective Depository Participants. Members holding shares in physical form are requested to submit their PAN details to the Share Registrars and Transfer Agents.
9. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate risks associated with physical shares and for ease in portfolio management. Members can contact the Company's Share Registrars and Transfer Agents for assistance in this regard.
10. All documents referred to in the Notice are open for inspection at the Registered Office of the Company on all workings 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, **Sunday, 25th September, 2016 at 9.00 a.m. to Tuesday, 27th September, 2016 till 5.00 p.m.**, both days inclusive. The remote e-voting facility shall not be allowed beyond 5.00 p.m., on **Tuesday, 27th September, 2016**. 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 **Wednesday, September 21, 2016** 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., **Wednesday, September 21, 2016**. 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 **Wednesday, September 21, 2016**, 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.hariagroup.com](http://www.hariagroup.com) and on the website of CDSL viz., [www.cdslindia.com](http://www.cdslindia.com).
18. Mr. Milind Nirkhe, Company Secretary in Whole Time Practice, (CP No. 2312) has been appointed as a Scrutinizer for conducting the voting by Ballot at the Meeting and remote e-voting process in a fair and transparent manner.
19. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the AGM, and thereafter unblock the votes cast through remote e-voting, in the presence of at least two (2) witnesses not in the employment of the Company. The Scrutinizer will collate the votes cast at the AGM and votes downloaded from the e-voting system and make, not later than twenty four hours from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same. The Chairman or the person authorized by him in writing shall forthwith on receipt of the consolidated Scrutinizer's Report, declare the result of the voting. The results declared along with the report of the Scrutinizer shall be placed on the website of the Company at [www.hariagroup.com](http://www.hariagroup.com) and on the website of CDSL at [www.cdslindia.com](http://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 **Sunday 25, September 2016 at 9.00 a.m. to Tuesday, September 27, 2016 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, **Wednesday, September 21, 2016**. 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](http://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](http://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"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the name and address sticker/Postal Ballot Form/mail) in the PAN field.</li> <li>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.</li> </ul>
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"> <li>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.</li> </ul>

(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](mailto: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](mailto: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:**

- Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

Date : 30/05/2016

Place : Mumbai

Registered Office:

8, Subhash Road, Vile Parle (East),

Mumbai – 400057

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

**KANTILAL LAKHAMSHI HARIA**

Chairman

**DIN No. 00585400**

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

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

**Item No. 3**

The retiring Statutory Auditors of the Company M/s. Kanak Rathod & Co., (FRN.104700W) Chartered Accountants, Mumbai vide their letter dated 25th May, 2016 express their inability to seek re-election as Statutory Auditors of the Company for the Financial Year 2016 - 2017.

As a consequence to which the Board of Directors of your Company had a discussion with M/s. Sunderji Gosar & Co. (FRN. 115543W), Chartered Accountants, Mumbai to be appointed as Statutory Auditors of the Company in the forthcoming Annual General Meeting up to a period of 5 (Five) Years commencing from the Financial Year 2016 - 2017 i.e. F.Y. to be ended up to 2021 - 2022. The said Firm of Chartered Accountants has already furnished Eligibility Certificate and Consent Letter to that effect to the Company. The said Firm has also furnished Peer Review Certificate as issued by Peer Review Board of The Institute of Chartered Accountants of India (ICAI) in conformity with Regulation 33 (1) (d) of the SEBI LODR Regulations, 2015.

Accordingly the Board of Directors of your Company recommend passing of the proposed Ordinary Resolution.

None of the Directors of your Company may be deemed to be concerned or interested financially or otherwise in passing of the proposed Ordinary Resolution.



## DIRECTORS' REPORT

**TO,  
THE MEMBERS,  
M/S. HARIA APPARELS LIMITED  
MUMBAI**

Your Directors have pleasure in presenting their Fifth Annual Report on the business and operation of the Company and the accounts for the Financial Year ended March 31st, 2016.

### 1. Financial Summary or Highlights/Performance of the Company (Standalone)

Particulars	Financial Year ended	
	31st March, 2016	31st March, 2015
Total Income	2,44,01,421	2,05,85,676
Expenditure	3,04,96,845	3,46,70,789
Profit before Depreciation, Finance Charges and Tax	1,44,53,676	1,03,63,920
Interest and Finance Charges	42,66,153	38,69,343
Depreciation	1,62,82,947	2,05,79,690
Profit before Tax	(60,95,424)	(14,085,113)
Taxes paid and provided	55,40,345	19,19,990
Profit after Tax	(1,16,35,769)	(1,60,05,104)
Transferred to Reserves	NIL	NIL
Proposed Final Dividend	NIL	NIL
Dividend distribution tax	NIL	NIL
Balance (credit/debit) to be carried to balance sheet.	(1,16,35,769)	(1,60,05,104)

### 2. Operational Performance

- Revenue from operations has increased during the year Rs.2.44 Cr as compared to previous year Rs.2.05 Cr.
- The Company has suffered a Loss which has increased by Rs 1.16 Cr in the Current Year as Compared to Last Year's Loss of Rs.1.60 Cr.

### 3. 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.

### 4. Dividend

In view of the losses incurred by the Company during the financial year under review your Directors are unable to recommend any dividend for F.Y. 2015-2016.

### 5. Reserves

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





**6. 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.

**7. Change in the nature of business, if any**

No Changes have occurred in the Nature of the Business during the Year under Review.

**8. Material changes and commitments, if any, affecting the financial position of the company which 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 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.

**9. Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future**

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.

**10. Details in respect of adequacy of internal financial controls with reference to the Financial Statements.**

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.

**11. Details of Subsidiary/Joint Ventures/Associate Companies**

No Company has become or has ceased to become a Subsidiary/Associate Company during the Year under review.

**12. Performance and financial position of each of the subsidiaries, associates and joint venture companies included in the consolidated financial statement.**

The Financial Position of the Associates is annexed to the Boards Report as Annexure A (AOC-1).

**13. 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. The Company has however repaid the Unsecured Loans from Inter-Corporate Deposits.

**14. Statutory Auditors**

M/s. Kanak Rathod & Co., the retiring Statutory Auditors of the Company vide their letter dated 25th May, 2016 express their inability to seek re-election as Statutory Auditors of the Company for the Financial Year 2016 - 2017.

In response to the said letter the Board of Directors of your Company had a discussion with M/s. Sunderji Gosar & Co., Chartered Accountants, Mumbai to be appointed as Statutory Auditors for the Financial Year 2016 - 2017 till the conclusion of the forthcoming AGM till the conclusion of the 10 (Tenth) Annual General Meeting, subject to ratification at every subsequent Annual General Meeting held after this Annual General Meeting.

Members are requested to consider the appointment of M/s. Sunderji Gosar & Co., and authorize the Board of Directors to fix their remuneration.

**Secretarial auditors:**

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed CS. Milind Nirkhe, Practicing Company Secretary (Proprietor) , Practicing under the name & style M/S Milind Nirkhe & Associates, CP No: 2312 to undertake the



Secretarial Audit of the Company for the year ended 31st March, 2016. The Secretarial Audit Report is annexed as Annexure. The Secretarial Audit Report for the financial year ended March 31, 2016 do not contain any qualification, reservation, adverse remark or disclaimers which are replied suitably.

**Cost Auditor:**

The Company was engaged in trading of Fabrics during the Financial Year 2015-2016 & hence, the Company was not required to appoint the Cost Auditor for the Financial Year 2015-2016.

**15. Auditors' Report**

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

**16. Share Capital**

The paid up Equity Share Capital as on March 31, 2016 was Rs. 15,28,98,000/- during the year under review. The Company has not issued any shares.

**A) Issue of equity shares with differential rights**

The Company has not issued shares with differential voting rights during the year

**B) Issue of sweat equity shares**

The Company has not issued employee stock options and does not have any scheme to fund its employees to purchase the shares of the Company

**C) Issue of employee stock options**

The Company has not issued sweat equity shares during the year

**17. Extract of the 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.

**18. Conservation of energy, technology absorption and 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

**19. Corporate Social Responsibility (CSR)**

As a socially responsible Company, your Company has a strong sense of community responsibility.

The Company however, does not fall within the above 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.

**20. Directors:**

**A) Changes in Directors and Key Managerial Personnel**

**Appointments and changes in Designation during the Year under Review.**

- 1) There is no change in the composition of Board of Directors.


**B) Declaration by an Independent Director(s) and re- appointment, if any**

The Company has received Declaration from Independent directors Pursuant to the Provisions of Section 149 sub-section (6) of the Companies Act, 2013

**C) Formal Annual Evaluation :**

Pursuant to the provisions of the Companies Act, 2013 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 degree of fulfillment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning. 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.

**21. Number of meetings of the Board of Directors**

The Board of Directors of the Company has met 06 times during the Year under review

Date of the meeting	No. of Directors attended the meeting
27/04/2015	6
14/05/2015	6
30/05/2015	6
14/08/2015	6
06/11/2015	6
12/02/2016	6

**22. Audit Committee :**

Audit Committee of the Company as constituted by the Board is headed by Mr. Mohith Suddala as the Chairman with Mr. Kantilal Haria and Mr. Nitin Oza as Members. There have not been any instances during the year when recommendations of the Audit Committee were not accepted by the Board. All the recommendations made by the Audit Committee were accepted by the Board.

**23. Details of establishment of vigil mechanism for directors and employees**

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



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

#### **24. Nomination and Remuneration Committee**

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.

#### **25. 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 Company has less than 10 Employees and hence is not required to constitute the Internal Complaints Committee.

#### **26. Particulars of loans, guarantees or investments under section 186**

The Company has given Loans or Guarantees to Material Related Parties as detailed in Annexure IV.

#### **27. Particulars of contracts or arrangements with related parties:**

The Particulars of Contracts or arrangements with related Parties is provided for in Annexure III (AOC-2)

#### **28. 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 2015-16 are given below:

Directors	Ratio to Median	Percentage Increase in Remuneration
NIL	NIL	NIL

#### **Secretarial Audit Report**

A Secretarial Audit Report given by M/s Milind Nirkhe & Associates, a company secretary in practice shall be annexed with the report.

The Following Qualifications have been observed by the secretarial Auditor during the Audit Period.

Directors Reply on the qualifications in Secretarial Audit Report are as follows:



(i) The company is in the process of re-organizing its internal records so as to have proper disclosures at any given point of time; (ii) the Company is in the process of developing its web site; (iii) the Company has been searching for the suitable candidate to be appointed as a Company Secretary and Chief Financial Officer.

### **29. Corporate Governance Certificate**

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

### **30. Risk Management Policy**

A statement indicating development and implementation of a risk management policy for the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company.

### **31. 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.

### **32. Acknowledgements**

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**

Date : 30/05/2016  
Place : Mumbai

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

**Annexure I****Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31<sup>st</sup> March 2016**

[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-400057
- 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 - 13, Pannalal Silk Mills Compound, L. B. S. Marg,  
Bhandup (West), Mumbai - 400078.  
Phone No.: 25963838 Fax: 25946969  
Email: isrl@vsnl.com

**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)**

SN	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Rental Income	8520	81.26 %



### III. 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-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter s</b>									
(1) <b>Indian</b>									
a) Individual/HUF	4648074	NIL	4648074	30.40	4648074	NIL	4648074	30.40	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.	4296399	NIL	4296399	28.10	4296399	NIL	4296399	28.10	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
<b>Total shareholding of Promoter (A)</b>	8944473	NIL	8944473	58.50	8944473	NIL	8944773	58.50	NIL
(2) <b>Foreign</b>									
(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
<b>Sub-total (A) (2):-</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Total Shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	8944473	NIL	8944473	58.50	8944473	NIL	8944473	58.50	NIL
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	NIL	1066	1066	0.01	NIL	1066	1066	0.01	NIL
b) Banks / FI	NIL	177	177	0.00	NIL	177	177	0.00	NIL
c) Central Govt	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) State Govt(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g) FIIs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL



i) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Sub-total (B)(1):-</b>	NIL	1243	1243	0.01	NIL	1243	1243	0.01	NIL
<b>2. Non-Institutions</b>									
a) Bodies Corp.	462217	1192	463409	3.03	329378	1192	330570	2.16	(0.86)
i) Indian	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	4160204	324460	4484664	29.33	4510040	318956	4828996	31.58	2.25
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	739946	501726	1241672	8.12	881350	NIL	881350	5.76	(2.36)
c) Others (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Non Resident Indians -Repat	50727	NIL	50727	0.33	47344	NIL	47344	0.31	(0.02)
-Non Repat	4993	NIL	4993	0.03	5324	NIL	5324	0.03	NIL
Overseas Corporate Bodies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Nationals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Clearing Members	98619	NIL	98619	0.64	62599	NIL	62599	0.41	(0.23)
Trusts	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Foreign Bodies - DR	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
HUF	NIL	NIL	NIL	NIL	187901	NIL	187901	1.23	1.23
<b>Sub-total (B)(2):-</b>	5516706	827378	6344084	41.48	6023936	32148	6344084	41.49	4.19
Total Public Shareholding (B)=(B)(1)+(B)(2)	<b>5516706</b>	<b>828621</b>	<b>6345327</b>	<b>41.49</b>	<b>6023936</b>	<b>321391</b>	<b>6345227</b>	<b>41.50</b>	4.19
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
<b>Grand Total (A+B+C)</b>	<b>14461179</b>	<b>828621</b>	<b>15289800</b>	<b>100.00</b>	<b>14968409</b>	<b>321391</b>	<b>15289800</b>	<b>100.00</b>	



**B) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year [As on 31-March-2016] 07.04.2015 - Date of Listing			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Vilco Pharma Pvt Ltd	35,49,700	23.22	0.00	
2.	Sheetal M Haria	14,46,499	9.46	0.00	
3.	Kantilal Haria	8,93,006	5.84	0.00	
4.	Kanailal Lakhamshi Haria HUF	34,772	0.23	0.00	
5.	Manish K Haria	30,20,496	19.75	0.00	

**C) Change in Promoters' Shareholding (please specify, if there is no change)**

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	89,44,473	58.50	89,44,473	58.50
	Date wise Increase/Decrease in Promoters 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)	NIL (No Change)	NIL (No Change)
	At the end of the year				

**D) Shareholding Pattern of top ten Shareholders:**

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	9,12,279	5.97	7,23,316	3.80
	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	NIL	NIL	NIL
	At the end of the year	9,12,279	5.97	7,23,316	3.80

**E) Shareholding of Directors and Key Managerial Personnel:**

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	39,48,276	25.81	39,48,276	25.81
	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	NIL	NIL	NIL
	At the end of the year	39,48,276	25.81	39,48,276	25.81

**F) INDEBTEDNESS - Indebtedness of the Company including interest outstanding/accrued but not due for payment**

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>	<b>3,00,07,529</b>	<b>8,46,25,902</b>	<b>41,61,460</b>	<b>11,87,94,891</b>
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>3,00,07,529</b>	<b>8,46,25,902</b>	<b>41,61,460</b>	<b>11,87,94,891</b>
<b>Change in Indebtedness during the financial year</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
* Addition	31,28,474	60,37,596	6,50,000	98,16,070
* Reduction	91,90,167	5,48,34,418	1,81,460	6,42,06,045
<b>Net Change</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
<b>Indebtedness at the end of the financial year</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>	<b>NIL</b>
i) Principal Amount	NIL	NIL	NIL	NIL
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	NIL	NIL	NIL
<b>Total (i+ii+iii)</b>	<b>2,39,45,836</b>	<b>3,58,29,080</b>	<b>46,30,000</b>	<b>6,44,04,916</b>

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

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

**B. Remuneration to other Directors :**

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

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

SN	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	CS	CFO	
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

**XII. 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)
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
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 : 30/05/2016  
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 : 30/05/2016  
Place : Mumbai

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

**Annexure III**

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

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

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

Sr. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Kantilal Haria Manish Haria Haria Expots Limited
2	Nature of contracts/arrangements/transaction	Loan Given Loan Received Loan Repaid Rent Paid Guarantees Given
3	Duration of the contracts/arrangements/transaction	1st April, 2015 to 31st March, 2016
4	Justification for entering into such contracts or arrangements or transactions	The transactions are entered into ordinary course of business at arms length.
5	Date(s) of approval by the Board	30/05/2016
6	Amount paid as advances, if any	NIL

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

Date : 30/05/2016  
Place : Mumbai

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

**Annexure IV****RELATED PARTY DISCLOSURES:**

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

<b>Particulars</b>	<b>Subsidiaries/ Associates</b>	<b>Enterprise in which management personnel and relatives have significant influence their Relatives</b>	<b>Key Management Personnel &amp; their Relatives</b>	<b>Total</b>
1. Loan received	-	261,887 (29,734,485)	5,775,709 (38,923,742)	60,37,596 (68,658,227)
2. Loan Repaid	-	5,843,536 (6,355,291)	4,89,90,881 (61,863,800)	5,48,34,417 (68,219,091)
3. Loan Received Outstanding	-	17,797,545 (23,379,194)	1,80,31,536 (61,246,708)	3,58,29,081 (8,46,25,902)
4. Rent Paid	- -	- (89,888)	- -	- (89,888)
5. Guarantees Given	-	153,500,000 (153,500,000)	- -	153,500,000 (153,500,000)

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

Date : 30/05/2016  
Place : Mumbai

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



**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2016.

*[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-400057

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 31 March 2016 ('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 31 March 2016 ('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 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, 1992; (from April 1, 2015 to May 14, 2015) and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (from May 15, 2015 to March 31, 2016); (As informed to us by the management of the Company, the Company has not received any disclosure from any person being the Insider of the Company regarding Insider Trading in Form D prescribed as per Regulation 13(4), 13(4A), 13(6) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, (from April 1, 2015 to May 14, 2015) and hence no disclosure was made by the Company to the Stock Exchange for audit period.





As informed to us by the management of the Company, the Company has not received any disclosure from any person being the Insider of the Company regarding Insider Trading in Form C as per Regulation 13(3) and (6) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (from May 15, 2015 to March 31, 2016) and hence no disclosure was made by the Company to the Stock Exchange for audit period.

- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during 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 during the Audit Period);
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during 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 during the Audit Period); and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during 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 Renting out Properties 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 (From 1st July, 2015 to 31st March, 2016).
- (ii) The Listing Agreements entered into by the Company with Stock Exchange (From 1st April, 2015 to 30th November, 2015) i.e. BSE Limited.
- (iii) The SEBI (Listing Obligation & Disclosure Requirements) entered into by the Company with Stock Exchange (From 1st December, 2015 to 31st March, 2016).

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, supporting documents in connection with Publication of Financial Results in Newspapers for the quarter ended 30th June, 2015; Acknowledgement copy of intimation to SE regarding Board Meeting for the quarter ended 30th June, 2015 and 31st December, 2015; Acknowledgement copy of submission of Un-audited financial results for the quarter ended 31st December, 2015; Supporting documents regarding compliance of SS1 and SS2, were not available for verification;
- (ii) As Informed to us by the Management, the Company does not have any Existing/Operating Website registered and has thus not Complied with the Requirements which follow with respect to Disclosures to be made by the Company on its Registered Website;



- (iii) As Informed to us by the Management, the Company has not appointed a Company Secretary and Chief Financial Officer 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 has No events having a major bearing on the Companies Affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Place : Mumbai  
Date : 30/05/2016

Signature:  
**CS.MILIND NIRKHE**  
FCS No: 4156  
C P No.: 2312

**‘Annexure A’**

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

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

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

Signature:

Date : 30/05/2016

Place: Mumbai

**(CS.MILIND NIRKHE)**

Practising Company Secretary

Membership No.:4156

Certificate of Practice No.:2312



## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

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

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

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

### 2. BOARD OF DIRECTORS

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

Your Company's Board comprises of 6 Directors with considerable experience in their respective fields. Of these 1 are Executive Directors and 2 Non Executive (Independent) Directors and 3 is Promoter Director. 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;

Six Board Meetings were held during the financial year April 1, 2015 to March 31, 2016. 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, 2015 to March 31, 2016 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	Mr. Kantilal Haria	Director	6	100	Yes
2	Mr. Manish Haria	Director	6	100	Yes
3	Mr. Mohith Suddala	Independent & Non-executive	6	100	Yes
4	Mr. Nitin Oza	Independent & Non-executive	6	100	Yes
5	Mr. Pritul Sanghavi	Executive Director	6	100	Yes
6	Ms. Kamala Kantilal Haria	Non-Executive Director	6	100	Yes

ED – Executive Director

NED – Non-Executive Director

**(c) Number of other board of directors or committees in which a directors is a member or chairperson;**

Name of the Director & Designation	Category	No. of positions held in other Public Companies		
		Board	Committee	
			Member-ship	Chairman-ship
Mr. Kantilal Haria	Director	1	1	NIL
Mr. Manish Haria	Director	1	1	NIL
Mr. Mohith Suddala	Independent & Non Executive Director	1	1	1
Mr. Nitin Oza	Independent & Non Executive Director	1	1	1
Mr Pritul Sanghavi	Executive Director	1	NIL	NIL
Ms Kamala Kantilal Haria	Non-Executive	1	NIL	NIL

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

During the Financial Year April 1, 2015 to March 31, 2016, 6 (SIX) meetings were held on the following dates: 27th April, 2015, 14th May, 2015, 30th May, 2015, 14th August, 2015, 6th November, 2015 and 12th February, 2016.



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

Ms. Kamla Kantilal Haria is wife of Mr. Kantilal Haria and Mr. Manish Kantilal Haria is a son of Mr. Kantilal Haria

**(f) Number of shares and convertible instruments held by nonexecutive directors;**

None of the Non-Executive Directors held shares in the Company as on March 31, 2016.

**(g) web link where details of familiarisation 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.hariagroup.com](http://www.hariagroup.com)

**3. AUDIT COMMITTEE**

**(a) Brief description of terms of reference;**

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 auditor's report thereon before submission to the Board for approval, with particular reference to:
- Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report
- Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on the exercise of judgment by the management.
- Significant adjustments made in financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of related party transactions.
- Qualifications in draft audit report.
- Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.



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

**(b) Composition, name of members and chairperson;**

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

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

**(c) Meetings and attendance during the year.**

During the Financial Year April 1, 2015 to March 31, 2016, 4 (Four) meetings were held on the following dates: 30th May, 2015, 14th August, 2015, 6th November, 2015 and 12th February, 2016

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

Name of the Member	Attendance at the Audit Committee Meeting	% of total meetings attended during the tenure as a Director / Secretary
Mr. Mohith Suddala (Chairman)	4	100
Mr. Kantilal Haria (Member)	4	100
Mr. Nitin 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 30/09/2015.

**4. NOMINATION AND REMUNERATION COMMITTEE**

The Committee's constitution and terms of reference are in compliance with Provisions of the Companies Act, 2013, Clause 49 of the Listing Agreement.

**(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 and 1 Member. Both are Independent Director

**(c) Meeting and attendance during the year;**

During the Financial Year April 1, 2015 to March 31, 2016, One (1) meetings were held on the following dates: 30/05/2015

Name of the Member	Attendance at the Nomination & Remuneration Meeting	% of total attended during the tenure as a Director / Secretary
Mr. Nitin Oza (Chairman)	1	100
Mr. Mohit 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 Company's philosophy for remuneration of Directors, key managerial personnel and senior management is based on the commitment of fostering a culture of leadership with trust.

The Company has adopted a Policy for remuneration of Directors, Key Managerial Personnel and other employees, which is aligned to this philosophy. The key factors considered in formulating the Policy are as under:

- (a) 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;
- (b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (c) 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.

The key principles governing the Company's Remuneration Policy are as follows:

**Remuneration to Non- Executive / Independent Director:**

• **Remuneration / Commission:**

The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder:

• **Sitting Fees:**

The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed Rs. One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

• **Commission:**

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

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

• **Fixed pay:**

The Whole-time Director / KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break up of



the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

• **Minimum Remuneration:**

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

• **Provisions for excess remuneration:**

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

No remuneration is paid to any Non-Executive Directors during the financial year April 1, 2015 to March 31, 2016, except sitting fee for attending Board meetings and committee meetings.

**(d) Details of the Executive Directors Remuneration for the financial year ended March 31, 2016**

(Amt. in lakhs)

REMUNERATION	Executive Directors			
				Non-Executive Directors
(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)	NIL	NIL	NIL	NIL
(f) Notice period	NIL	NIL	NIL	NIL
(g) Severance fess	NIL	NIL	NIL	NIL

**Note:**

- The agreement with each Executive Director is for a period of 5 years.
- There were no performance linked incentive paid to the directors for the year 2015-16

(e) **Details of the Sitting Fees paid to Non-Executive Directors for the financial year ended March 31, 2016**

(Amt. in lakhs)

Name of the Non-Executive Director	Amount of Sitting Fees Paid
NIL	NIL
NIL	NIL
NIL	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 Oza is Independent & Non Executive Director heading the Stakeholders' Grievance Committee.

**(b) Name and designation of compliance officer;**

Kantilal Haria is a Director and is 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, 2016

**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
2012-2013	27.09.2013	Vilco Centre, 8, Subhash Road, Vile Parle (East), Mumbai - 400 057	10.30 a.m.	Nil
2013-2014	29.09.2014	Vilco Centre, 8, Subhash Road, Vile Parle (East), Mumbai - 400 057	10.00 a.m.	2
2014-2015	30.09.2015	Vilco Centre, 8, Subhash Road, Vile Parle (East), Mumbai - 400 057	10.30 a.m.	1

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

Yes, Special resolutions passed in the previous two annual general meeting.

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

NIL



- (h) **Person who conducted the postal ballot exercise;**  
NIL
- (i) **Whether any special resolution is proposed to be conducted through postal ballot;**  
NIL
- (j) **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.hariagroup.com](http://www.hariagroup.com)

### (b) Posting of Information on the website of the Company:

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

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

## 9. GENERAL SHAREHOLDERS INFORMATION

### (a) Annual General Meeting

**Day & Date** : Wednesday, 28<sup>th</sup> September, 2016

**Time** : 10:00. A.M.

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

### (b) Financial Year: April 2015 to March 2016 Financial Calendar

Events	Tentative time frame
Financial Reporting for the first quarter ending 30th June, 2015	2nd week of August, 2015
Financial Reporting for the second quarter ending 30th September, 2015	1st week of November, 2015
Financial Reporting for the third quarter ending 31st December, 2015	2nd week of February, 2016
Financial Reporting for the fourth quarter ending 31st March, 2016	Last Week of May, 2016

### (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.

**(f) Stock Code**

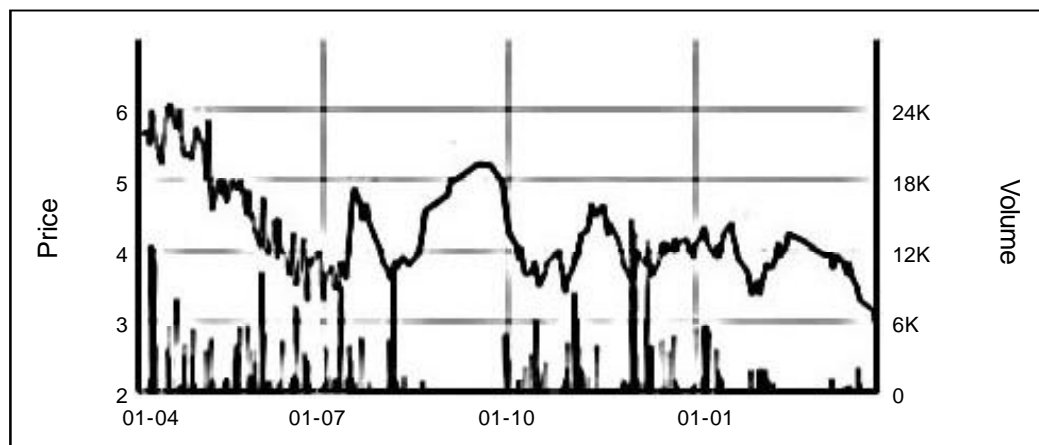
Scrip ID: HARIAAPL

ISIN: INE493N01012

**(g) Market price data- high, low during each month in last financial year;**

High/ low of market price of the Company's equity shares traded on BSE during the last financial year April 1, 2015 to March 31 2016 were as follows:

Month	High BSE	Low BSE	Month	High BSE	Low BSE
April	6.30	5.02	October	4.52	3.31
May	5.86	3.77	November	4.67	3.42
June	5.10	3.03	December	4.19	3.42
July	5.12	3.32	January	4.40	3.40
August	4.58	3.42	February	4.25	3.33
September	5.25	4.52	March	3.95	2.90

Source: [www.bseindia.com](http://www.bseindia.com)**(h) Performance in comparison to broad-based indices such as BSE sensex;****(i) 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 - 13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai - 400078.
Telephone No.	25963838 Fax: 25946969
Email	<a href="mailto:isrl@vsnl.com">isrl@vsnl.com</a>

**(j) 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 Agreement subject to the documents being in order.

**(k) Distribution of Shareholding as on March 31, 2016:**

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		5347	70.6995	95,83,820	6.2681
50001	10,000	999	13.2090	70,77,040	4.6286
10,001	20,000	668	8.8325	94,67,530	6.1921
20,001	30,000	200	2.6445	49,89,080	3.2630
30,001	40,000	102	1.3487	35,04,680	2.2922
40,001	50,000	47	0.6214	21,57,960	1.4114
50,001	100,000	118	1.5602	81,24,250	5.3135
100,001 and Above		82	1.0842	10,79,93640	70.6312
<b>Total</b>		<b>7563</b>	<b>100.0000</b>	<b>15,28,98,000</b>	<b>100.0000</b>

**(l) Dematerialization of shares and liquidity:**

As on March 31, 2016 about 97.89% 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.

**(m) 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.

**(n) 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

**(o) Plant locations;**

The Company has the following units located at: Plot No.345/358, GIDC, Vapi, Gujarat

**(p) Address for correspondence.**

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

Registered Office:

**HARIA APPARELS LIMITED**

8, Subhash Road, Vile Parle (East),

Mumbai – 400 057.

Telephone No. : (91 - 22) 6154 6154

Fax : (91-22) 6154 6155

E - mail : accounts@hariagroup.com



## 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.hariagroup.com](http://www.hariagroup.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.

## 11. 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.

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

- **Separate post of Chairman and CEO**

The Chairman of the Board is a separate position from that of the Managing Director & CEO.

- **Reporting of Internal Auditor**

The Internal Auditor reports to the Audit Committee.

- **Audit qualifications**

The financial results of the Company are unqualified.



- D. 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, 2016.

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

**Date : 30/05/2016**

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, 2016 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, 2016 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, 2016.

### 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 SENSARIOS & 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 behavior, 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 concretising 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 License /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 stabilize – 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.2.44 Cr as compared to previous year Rs.2.05 Cr.
- The Company has suffered a Loss which has increased by Rs 1.16 Cr in the Current Year as Compared to Last Year's Loss of Rs.1.60 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

**Date : 30/05/2016**

Place : Mumbai

**KANTILAL LAKHAMSHI HARIA**

Chairman

**DIN No. 00585400**

**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 31st March, 2016 as stipulated on Clause 49 of the Listing Agreement ('Listing Agreement') of the Company with the stock exchange for the period 1st April, 2015 to 30th November, 2015 and as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations for the period 1st December, 2015 to 31st March, 2016.

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 Agreement / Listing Regulations, subject to the following observations:

*The Company does not have any Existing/Operating Website registered and has thus not Complied with the Requirements which follow with respect to Disclosures to be made by the Company on its Registered Website.*

*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.*

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

**For MILIND NIRKHE & ASSOCIATES**  
**Company Secretaries**

**Place : Mumbai**  
**Date: 30/05/2016**

**MILIND NIRKHE**  
**Membership No: 4156**  
**CP No: 2312**



## INDEPENDENT AUDITORS' REPORT

**To**  
**The Members of**  
**HARIA APPARELS LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **HARIA APPARELS LIMITED**, which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

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

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

### **Opinion**

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



- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- (b) in the case of the Statement of Profit and Loss, of the **Loss** for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, we give in the '**Annexure A**', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought & obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of the written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in '**Annexure B**'; and
  - g. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
    - i. The Company does not have any pending litigation which would impact its financial positions.
    - ii. The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

**FOR KANAK RATHOD & CO.**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration No.: 104700W**

**KANAK RATHOD**  
**PROPRIETOR**  
**M No. : 032833**

**DATE : 30/05/2016**  
**PLACE : MUMBAI**



## ANNEXURE TO THE AUDITORS' REPORT

The Annexure referred to in Independent Auditors' Report to the members of **HARIA APPARELS LIMITED** ('the Company') on the Financial Statements for the year ended 31st March 2016, we report that:

- (i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- (b) The company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner, designed to cover all the fixed assets over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such physical verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the company and nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable properties are held in the name of the company.
- (ii) As informed to us, the inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification as compared to the book records.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act. Consequently, requirement of clauses (iiia) and (iiic) of paragraph 3 of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, compliances with the provisions of section 185 and 186 of the Companies Act 2013 are complied with.
- (v) During the year under consideration, the company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 of the Act and the rules framed there under.
- (vi) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.
- (vii) In our opinion and according to the information and explanation given to us in respect of statutory and other dues:
  - (a) The Company has been regular in depositing undisputed statutory dues, including Income-tax, Service Tax and any other material statutory dues as applicable to it. According to the information and explanation given to us, no undisputed amounts payable in respect of outstanding statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
  - (b) According to the information and explanations given to us and the records of the company examined by us, there are no disputed dues in respect of Sales Tax, Income Tax, Service Tax, and any other material statutory dues as applicable to it.
- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution or bank. The company did not have any outstanding dues to any debenture holders during the year.
- (ix) In our opinion and according to the information and explanations given to us, on an overall basis the term loans have been applied for the purpose for which they were raised. The company has not raised any money by initial public offer or further public offer.





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

**FOR KANAK RATHOD & CO.**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration No.: 104700W**

**KANAK RATHOD**  
**PROPRIETOR**  
**M No. : 032833**

**DATE : 30/05/2016**  
**PLACE : MUMBAI**





## ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

### Report on the Financial Statements

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 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the



assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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 KANAK RATHOD & CO.**  
**CHARTERED ACCOUNTANTS**  
**Firm Registration No.: 104700W**

**KANAK RATHOD**  
**PROPRIETOR**  
**M No. : 032833**

**DATE : 30/05/2016**  
**PLACE: MUMBAI**

**BALANCE SHEET AS AT MARCH 31, 2016**

Particulars	Note No.	March 31, 2016	March 31, 2015
<b>I EQUITY AND LIABILITIES</b>			
<b>1 SHAREHOLDERS' FUND</b>			
- Share Capital	2	15,28,98,000	15,28,98,000
- Reserves and Surplus	3	(3,11,48,151)	(1,95,12,382)
	Sub-Total - (A)	<b>12,17,49,849</b>	<b>13,33,85,618</b>
<b>2 NON-CURRENT LIABILITIES</b>			
- Long-term Borrowings	4	5,03,32,763	10,86,52,220
- Deferred Tax Liabilities (net)	5	7,33,622	-
	Sub-Total - (C)	5,10,66,385	10,86,52,220
<b>3 CURRENT LIABILITIES</b>			
- Short-term Borrowings	6	3,25,50,000	36,04,919
- Trade Payables	7	1,85,89,909	1,85,89,909
- Other Current Liabilities	8	1,90,92,159	1,56,12,723
- Short-term Provisions	9	3,72,500	3,23,900
	Sub-Total - (D)	7,06,04,568	3,81,31,451
<b>TOTAL</b>	<b>(A+B+C+D)</b>	<b>24,34,20,802</b>	<b>28,01,69,289</b>
<b>II. ASSETS</b>			
<b>5 NON-CURRENT ASSETS</b>			
- Fixed Assets			
Tangible Assets	10	2,47,88,822	2,99,79,725
Intangible Assets		-	1,00,28,353
- Non-current investments	11	69,100	69,100
- Deferred Tax Assets (net)	12	-	48,06,723
- Long-term Loans and Assets	13	7,45,16,206	8,64,43,206
	Sub-Total - (E)	9,93,74,128	13,13,27,107
<b>6 CURRENT ASSETS</b>			
- Inventories	14	1,34,87,186	1,74,08,792
- Trade Receivables	15	12,23,88,720	12,17,97,220
- Cash and Cash Balances	16	47,75,647	31,55,300
- Short-term Loans and Advances	17	33,51,055	64,80,870
- Other Current Assets	18	44,066	-
	Sub-Total - (F)	<b>14,40,46,674</b>	<b>14,88,42,182</b>
<b>TOTAL</b>	<b>(E+F)</b>	<b>24,34,20,802</b>	<b>28,01,69,289</b>

Note 1 to 39 from an integral part of accounts

For KANAK RATHOD &amp; CO.

Chartered Accountants

Firm Registration No. 104700W

For HARIA APPARELS LTD

KANAK RATHOD

PROPRIETOR

M. No: 032833

Place : Mumbai

DATED : 30/05/2016

KANTILAL L HARIA

Chairman &amp; Managing Director

DIN:00585400

Place : Mumbai

DATED : 30/05/2016

MANISH K. HARIA

Director

DIN: 00585234

Place : Mumbai

DATED : 30/05/2016



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED  
ON 31ST MARCH, 2016**

Particulars	Note No.	For the Year Ended March 31, 2016	For the Year Ended March 31, 2015
<b>(i) Revenue form Operations:</b>			
- Sale of Products	19	64,20,000	22,53,500
- Other Operating Income		-	-
<b>(ii) Other Income</b>	20	1,79,81,421	1,83,32,176
<b>Total Revenue (i+ii)</b>		<b>2,44,01,421</b>	<b>2,05,85,676</b>
<b>Expenses</b>			
- Cost of Material Consumed		-	-
- Purchase of Stock-in-Trade		-	-
- Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	39,21,606	25,65,003
- Employee benefit expenses	22	29,88,961	17,00,996
- Finance Cost	23	42,66,153	38,69,343
- Depreciation and amortisation expense	10	1,62,82,947	2,05,79,690
- Other Expense	24	30,37,178	59,55,757
<b>Total Expenses</b>		<b>3,04,96,845</b>	<b>3,46,70,789</b>
<b>Profit before exceptional and extra-ordinary items and Tax</b>		<b>(60,95,424)</b>	<b>(1,40,85,113)</b>
Exceptional items		-	-
<b>Profit before extra-ordinary items and Tax</b>		<b>(60,95,424)</b>	<b>(1,40,85,113)</b>
Extra-ordinary items		-	-
<b>Profit Before Tax</b>		<b>(60,95,424)</b>	<b>(1,40,85,113)</b>
<b>- Tax Expense</b>			
Current Tax		-	-
Short / (Excess) provision for tax of earlier year(s)		-	14,85,248
Deferred Tax		55,40,345	4,34,742
<b>Total Tax</b>		<b>55,40,345</b>	<b>19,19,990</b>
<b>Profit for the period</b>		<b>(1,16,35,769)</b>	<b>(1,60,05,104)</b>

Note 1 to 39 from an integral part of accounts

**For KANAK RATHOD & CO.**  
Chartered Accountants  
Firm Registration No. 104700W

**For HARIA APPARELS LTD**

**KANAK RATHOD**  
PROPRIETOR  
M. No: 032833

**KANTILAL L HARIA**  
Chairman & Managing Director  
DIN:00585400

**MANISH K. HARIA**  
Director  
DIN: 00585234

Place : Mumbai  
DATED : 30/05/2016

Place : Mumbai  
DATED : 30/05/2016

Place : Mumbai  
DATED : 30/05/2016



### CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2016

	2015-2016	2014-2015
<b>A) NET PROFIT AFTER TAX AND EXTRAORDINARY ITEMS</b>	<b>(1,16,35,769)</b>	<b>1,60,05,104</b>
DEPRECIATION	1,62,82,947	2,05,79,690
PROFIT ON SALE OF ASSET	(16,50,851)	(13,95,139)
DEFERRED TAX	55,40,345	-
DIVIDEND RECEIVED	(14,697)	(10,380)
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE</b>	<b>85,21,975</b>	<b>31,69,067</b>
<b>ADJUSTMENTS FOR</b>		
TRADE AND OTHER RECEIVABLES	24,94,249	5,46,59,449
INVENTORIES	39,21,606	25,65,003
TRADE PAYABLES	35,28,036	(23,50,002)
<b>NET CASH FROM OPERATING ACTIVITY</b>	<b>1,84,65,866</b>	<b>5,80,43,518</b>
<b>B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
PURCHASE OF FIXED ASSETS	(16,43,041)	(6,29,479)
SALE OF FIXED ASSET	22,30,200	37,42,350
LOANS AND ADVANCES GIVEN	1,19,27,000	(4,06,51,132)
DIVIDEND RECEIVED	14,697	10,380
	<b>1,25,28,856</b>	<b>(3,75,27,881)</b>
<b>C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
PROCEEDS FROM LONG TERM BORROWINGS	(5,83,19,457)	85,50,855
PROCEEDS FROM SHORT TERM BORROWINGS	2,89,45,081	(2,66,03,310)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(2,93,74,376)</b>	<b>(1,80,52,455)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>16,20,346</b>	<b>24,63,182</b>
<b>ADD CASH AND CASH EQUIVALENTS AS ON OPN. BAL.</b>	<b>31,55,300</b>	<b>6,92,118</b>
<b>CASH AND CASH EQUIVALENTS AS CLOSING BALANCE</b>	<b>47,75,646</b>	<b>31,55,300</b>

**For KANAK RATHOD & CO.**  
Chartered Accountants  
Firm Registration No. 104700W

**KANAK RATHOD**  
**PROPRIETOR**  
M. No: 032833

Place : Mumbai  
DATED : 30/05/2016

**For HARIA APPARELS LTD**

**KANTILAL L HARIA**  
Chairman & Managing Director  
DIN:00585400

Place : Mumbai  
DATED : 30/05/2016

**MANISH K. HARIA**  
Director  
DIN: 00585234

Place : Mumbai  
DATED : 30/05/2016



## NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2016.

### **GENERAL INFORMATION :**

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

### **1 SIGNIFICANT ACCOUNTING POLICIES:**

#### **i) BASIS OF PREPARATION OF FINANCIAL STATEMENTS:**

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

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

#### **ii) USE OF ESTIMATES:**

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

#### **iii) TANGIBLE FIXED ASSETS AND DEPRECIATION:**

##### **TANGIBLE FIXED ASSETS:**

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

##### **CAPITAL WORK IN PROGRESS:**

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

##### **DEPRECIATION:**

Depreciation is provided on pro rata basis on the Written Down Value method over the remaining useful lives of the assets in the manner prescribed by Schedule II of the Companies Act, 2013, as against the past practice of computing the depreciation at rates with reference to the life of assets subject to the minimum rates provided by Schedule XIV of the Companies Act, 2013.

- a. Useful lives of assets are determined by the management by the internal technical assessments except in case where such assessment suggest a life significantly different from those prescribed by Schedule II - Part 'C', where the useful life is as assessed and certified by a technical expert.

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

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

Continuous process plants are classified based on technical assessment and depreciation is provided accordingly.

**iv) INTANGIBLE FIXED ASSETS AND AMORTISATION:**

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

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

**v) IMPAIRMENT OF ASSETS:**

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

However there is no such impairment in the year under consideration.

**vi) INVENTORY:**

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

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

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

Cost of inventories is computed on FIFO Basis

Obsolete stock if any is valued at net realizable value. However there is no stock for the year under consideration.

**vii) INVESTMENTS:**

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

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

**viii) GOVERNMENT GRANTS**

Government Grants are recognized when there is reasonable assurance that the same will be received and all



attaching conditions will be complied with. Revenue grants are recognized in the Statement of Profit & Loss account. Capital grants relating to specific Tangible/Intangible assets are reduced from the gross value of the respective Tangible/Intangible assets. Other capital grants in nature of promoter's contribution are credited to capital reserve.

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

**ix) REVENUE RECOGNITION:**

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

**SALE OF GOODS:**

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

**OTHER OPERATING REVENUE**

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

**OTHER INCOME:**

Interest is recognized on Time Proportion Basis with reference to principal outstanding and rate of Interest applicable.

Dividend income is recognised when the shareholder's right to receive payment has been established. Rent income is received on renting their immovable properties and amenities on accrual basis.

**x) EMPLOYEE BENEFITS:**

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

**xi) FOREIGN CURRENCY TRANSACTIONS:**

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

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

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

**xii) BORROWING COST:**

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



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

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

**[b] As a Lessor:**

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

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

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

**xiv) TAXES ON INCOME:**

Tax expense comprises of current and deferred tax.

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

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

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

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

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

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

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

**xv) CASH AND CASH EQUIVALENT:**

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

**xvi) CASH FLOW STATEMENT:**

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

**xvii) RESEARCH & DEVELOPMENT:**

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

**xviii) EARNINGS PER SHARE:**

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

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

**xix) PROVISION & CONTINGENCIES:**

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

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

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

In case of remote possibility neither provision nor disclosure is made in the financials.

A Contingent Asset is neither recognised nor disclosed in the Financial Statements.



## NOTES ON ACCOUNT FOR THE YEAR ENDED MARCH 31, 2016

### Note No. 2 :- SHARE CAPITAL

(Amount in Rs.)

Particulars	March 31, 2016	March 31, 2015
<b>Authorised Capital :</b>		
16,000,000 (PY 16,000,000) Equity Shares of Rs. 10 each	16,00,00,000	16,00,00,000
	<b>16,00,00,000</b>	<b>16,00,00,000</b>
<b>Issued, Subscribed and Fully Paid up :</b>		
<b>EQUITY SHARE CAPITAL</b>		
1,52,89,800 (PY:1,52,89,800) Equity Shares of Rs.10/- each fully paid up	15,28,98,000	15,28,98,000
	<b>15,28,98,000</b>	<b>15,28,98,000</b>

#### a. Details of Shareholding as at March 31, 2016

##### i. Equity Shares held by various entities:

35,49,700 (23.22%) {PY: 27,69,399 (18.29%)} Equity Shares of Rs.10/- each held by Associate Company Vilco Pharma Pvt. Ltd.

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

30,00,100(19.62%){PY: 30,20,496(19.75%)} Equity Shares of Rs.10/- each held by Mr. Manish K. Haria

7,50,100(4.91%){PY: 9,27,778 (6.07%)} Equity Shares of Rs.10/- each held by Mr. Kantilal Haria

#### b. Reconciliation of the number of Equity Shares outstanding

(Amount in Rs.)

Particulars	March 31, 2016 No. of Shares	March 31, 2015 No. of Shares
Number of Shares at the beginning of the year	1,52,89,800	1,52,89,800
Add: Shares issued as per the scheme of arrangement	-	-
Less: Shares Forfeited	-	-
<b>Number of Shares at the end of the year</b>	<b>1,52,89,800</b>	<b>1,52,89,800</b>

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

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



## NOTES ON ACCOUNT FOR THE YEAR ENDED MARCH 31, 2016

### Note No. 3 - RESERVES AND SURPLUS

(Amount in Rs.)

Particulars	Opening as at April 1, 2015	Additions	Deductions / Adjustments	Balance as at March 31, 2016
General Reserves	1,57,08,253	-	-	1,57,08,253
Surplus as per Profit and Loss Account	(3,52,20,635)	(1,16,35,769)	-	(4,68,56,404)
<b>Total</b>	<b>(1,95,12,382)</b>	<b>(1,16,35,769)</b>	<b>-</b>	<b>(3,11,48,151)</b>

Details of Profit and Loss Surplus is as given below:

(Amount in Rs.)

Particulars	As at March 31, 2016	As at March 31, 2015
<b>Net Profit/(loss) after Tax</b>	(1,16,35,769)	(1,60,05,104)
Balance brought forward	(3,52,20,635)	(1,92,15,531)
<b>Profit Available for Appropriation</b>	(4,68,56,404)	(3,52,20,635)
<b>APPROPRIATIONS:</b>		
<b>Surplus Carried to Balance Sheet</b>	<b>(4,68,56,404)</b>	<b>(3,52,20,635)</b>

### NOTE NO. 4 - LONG TERM BORROWINGS

(Amount in Rs.)

Particulars	March 31, 2016	March 31, 2015
<b>I. Secured Borrowings:</b>		
from IDBI - Term Loan (Refer Note - 4.1)	1,45,03,683	2,39,49,853
from HDFC Bank- Car Loan (Refer Note - 4.2)	-	76,465
	<b>1,45,03,683</b>	<b>2,40,26,318</b>
<b>II. Unsecured Borrowings:</b>		
a. Loans and advances from Related Parties (Refer Note - 4.3)	1,80,31,535	6,12,46,706
b. Inter Corporate Deposits from Related Parties (Refer Note - 4.4)	1,77,97,545	2,33,79,194
	<b>3,58,29,080</b>	<b>8,46,25,900</b>
<b>Total Long Term Borrowings ( I + II )</b>	<b>5,03,32,763</b>	<b>10,86,52,220</b>



## NOTES ON ACCOUNT FOR THE YEAR ENDED MARCH 31, 2016

### Additional Information to Secured / Unsecured Long Term Borrowings:

#### 4.1 Term Loan from IDBI Bank

- a. Loan from IDBI Bank was secured by plot nos. 279 at GIDC Vapi Industrial Estate, Vapi Taluka: Pardi, District: Valsad, Gujarat @ 11.75% per annum Interest. The loan as at 31st March, 2016 is repayable in 30 equal monthly installments of Rs. 7,80,474/- each and Last Installment of Rs. 4,55,151/-
- b. There was no default in repayment of the loans.

#### 4.2 Car Loan from HDFC Bank

- a. Loan from HDFC Bank as on 31st March, 2016 is repayable in one installments of Rs.38,750/- and last installment of Rs.37,715/- at interest rate of 10.81% p.a, secured by way of hypothecation of Car as at March 31, 2016.
- b. The loans are regularly paid as per the repayment schedule and there is no default in repayment of the loans.

#### 4.3 Loans and advances from related parties

- a. Long Term loans from related parties are not going to be recalled before the end of 2 years.
- b. There was no default in repayment of the loans.

#### 4.4 Inter Corporate Deposits (Related & Others)

- a. Inter Corporate Deposits are not going to be recalled before the end of 2 years.
- b. There was no default in repayment of the loans.

### Note No. 5 - DEFERRED TAX LIABILITY (NET)

(Amount in Rs.)

Particulars	March 31, 2016	March 31, 2015
Deferred Tax Liability		
Depreciation	7,33,622	-
<b>Total</b>	<b>7,33,622</b>	<b>-</b>

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

(Amount in Rs.)

Particulars	March 31, 2016	March 31, 2015
<b>Unsecured Borrowings</b>		
Bank Overdrawn as per books	-	54,919
Bajaj Finance loan against shares (Refer Note 5.1)	3,25,50,000	35,50,000
<b>Total Short Term Borrowings</b>	<b>3,25,50,000</b>	<b>36,04,919</b>



## NOTES ON ACCOUNT FOR THE YEAR ENDED MARCH 31, 2016

### Additional Information to Secured / Unsecured ShortTerm Borrowings:

#### 5.1 Term Loan from Bajaj Finance

- a. Loan from bajaj finance is given for 12 months at interest rate of 11.20% secured by pledge of 86,260 Shares of Asian Paints.
- b. Shares are in name of Mr. Bimal Haria. Loan is guranateed by Mr.Bimal Haria. The loan of Rs. 3,25,50,000/- will be repaid after 12 months.

#### Note No. 7 - TRADE PAYABLES

(Amount in Rs.)

Particulars	March 31, 2016	March 31, 2015
<b>Trade Payables</b>		
- Other than Micro and Small Enterprises		
i. To Others	1,85,89,909	1,85,89,909
<b>Total</b>	<b>1,85,89,909</b>	<b>1,85,89,909</b>

#### Note No. 8 - OTHER CURRENT LIABILITIES

(Amount in Rs.)

Particulars	March 31, 2016	March 31, 2015
<b>a. Current maturities of Long Term Debt (Secured)</b>		
from IDBI - Term Loan (Refer Note - 4.1)	93,65,688	55,50,147
from HDFC Bank- Car Loan (Refer Note - 4.2)	76,465	4,31,064
<b>b. Deposits</b>	46,30,000	41,61,460
<b>c. Others</b>		-
- Creditors for Expenses	20,30,391	13,75,860
- Creditors for Capital goods	5,55,000	-
- Advance received from Debtors	5,12,000	10,27,200
- <b>Statutory Dues</b>		
Profession Tax	-	2,500
TDS Payable	1,337	-
Service Tax Payable	19,21,278	30,64,492
<b>Total</b>	<b>1,90,92,159</b>	<b>1,56,12,723</b>

#### Note No. 9 - SHORT TERM PROVISIONS

(Amount in Rs.)

Particulars	March 31, 2015	March 31, 2014
<b>Provision for Employee Benefits</b>		
- Salary payable	3,72,500	3,23,900
<b>Total</b>	<b>3,72,500</b>	<b>3,23,900</b>



**NOTES ON ACCOUNT FOR THE YEAR ENDED MARCH 31, 2016**  
**Note No. 10 Fixed Assets**

Sr. No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		Value as on 01/04/2015	Addition during the Year	Deduction during the Year	Value as at 31/03/2016	Value as on 01/04/2015	Addition during the Year	Deduction during the Year	Value as at 31/03/2016	WDV as on 31/03/2016	WDV as on 31/03/2015
<b>I.</b>	<b><u>Tangible Assets</u></b>										
1	Land	50,31,795	-	-	50,31,795	-	-	-	-	50,31,795	50,31,795
2	Silver Article	1,26,355	-	-	1,26,355	-	-	-	-	1,26,355	1,26,355
3	Building	4,59,39,173	16,43,041	15,80,990	4,60,01,224	3,25,53,930	12,63,745	10,01,640	3,28,16,035	1,31,85,189	1,33,85,243
4	Guide Quarters	3,52,048	-	-	3,52,048	2,71,476	9,491	-	2,80,967	71,081	80,572
5	Furniture & Fixture	46,36,851	-	-	46,36,851	39,33,475	1,82,129	-	41,15,604	5,21,247	7,03,376
6	Electrical Installation	9,83,243	-	-	9,83,243	8,33,308	38,817	-	8,72,125	1,11,118	1,49,935
7	Plant & Machinery	9,97,89,125	-	-	9,97,89,125	9,08,09,550	42,65,298	-	9,50,74,848	47,14,277	89,79,575
8	Office & Factory Equipment	74,600	-	-	74,600	9,488	29,346	-	38,834	35,766	65,112
9	Computer	48,30,151	-	-	48,30,151	47,97,156	20,840	-	48,17,996	12,155	32,995
10	Vehicle	95,00,123	-	-	95,00,123	80,75,356	4,44,927	-	85,20,283	9,79,840	14,24,767
	Total (I)	17,12,63,464	16,43,041	15,80,990	17,13,25,515	14,12,83,739	62,54,594	10,01,640	14,65,36,693	2,47,88,822	2,99,79,725
<b>II.</b>	<b><u>Intangible Assets</u></b>										
1	Goodwill	4,01,13,415	-	-	4,01,13,415	3,00,85,062	1,00,28,353	-	4,01,13,415	-	1,00,28,354
	Total (II)	4,01,13,415	-	-	4,01,13,415	3,00,85,062	1,00,28,353	-	4,01,13,415	-	1,00,28,353
	Total (I + II) (Current Year)	21,13,76,879	16,43,041	15,80,990	21,14,38,930	17,13,68,801	1,62,82,947	10,01,640	18,66,50,108	2,47,88,822	4,00,08,078



## NOTES ON ACCOUNT FOR THE YEAR ENDED MARCH 31, 2016

## Note No. 11 :- NON CURRENT INVESTMENTS

(Amount in Rs.)

Particulars	No	Face Value	March,31 2016	March,31 2015
<b>I TRADE INVESTMENTS</b>				-
<b>II. OTHER INVESTMENTS</b>				
<b>a. <u>Investment in Equity Instruments</u></b>				
<b><u>Unquoted Investments</u></b>				
Mandvi Co-op Bank Ltd	100 (100)	10 (10)	1,000	1,000
Greater Bombay Co-op Bank Ltd	5 (5)	50 (50)	250	250
North Canara G.S.B Co-op Bank Ltd	5520 (10)	10 (10)	55,200	55,200
Sardar Bhiladwala Pardi People Co-op Bank Ltd	506 (506)	25 (25)	12,650	12,650
<b>Total Non-Current Investments</b>			<b>69,100</b>	<b>69,100</b>
<b>Additional Information</b>				
Aggregate Value of Quoted Investments			<b>69,100</b>	<b>69,100</b>

## Note No. 12 :- DEFERRED TAX ASSETS

(Amount in Rs.)

Particulars	March 31, 2016	March 31, 2015
<b>Deferred Tax Liability</b>		
Depreciation	-	13,73,277
<b>Deferred Tax Asset</b>		
On account of loss carried forward for set off	-	61,80,000
<b>Total</b>	<b>-</b>	<b>48,06,723</b>

## Note No. 13 :- LONG TERM LOANS AND ADVANCES

(Amount in Rs.)

Particulars	March 31, 2016	March 31, 2015
<b>I Secured, Considered good</b>	-	-
<b>II. Unsecured, Considered good</b>		
a. Capital Advances	8,15,410	8,15,410
b. Security Deposits	7,08,684	7,28,684
c. Loans and Advances to Others	3,38,65,995	4,57,72,995
e. IncomeTax- Advance on disputed dues	3,91,26,117	3,91,26,117
<b>Total Long Term Loans and Advances</b>	<b>7,45,16,206</b>	<b>8,64,43,206</b>





## NOTES ON ACCOUNT FOR THE YEAR ENDED MARCH 31, 2016

## Note No. 14 :- INVENTORIES

(Amount in Rs.)

Particulars	March 31, 2016	March 31, 2015
a. Stock in trade	1,34,87,186	1,74,08,792
	-	-
<b>Total Inventories</b>	<b>1,34,87,186</b>	<b>1,74,08,792</b>

## Note No. 15 :- TRADE RECEIVABLES

(Amount in Rs.)

Particulars	March 31, 2016	March 31, 2015
<b>a Secured, Considered good</b>	-	-
<b>b Unsecured, Considered good</b>		
- Outstanding for a period exceeding six months from the date its due	12,81,529	5,50,029
- Others	-	-
<b>c. Doubtful</b>		
- Outstanding for a period exceeding six months from the date its due	12,11,07,191	12,12,47,191
- Others	-	-
<b>Total Trade receivables</b>	<b>12,23,88,720</b>	<b>12,17,97,220</b>

## Note No. 16 :- CASH AND CASH BALANCES

(Amount in Rs.)

Particulars	March 31, 2016	March 31, 2015
<b>Cash and Cash Equivalents</b>		
- Cash on hand	4,99,994	18,53,967
- Balance with Bank	42,75,653	13,01,333
<b>Total Cash and Bank Balances</b>	<b>47,75,647</b>	<b>31,55,300</b>

## Note No. 17 - SHORT TERM LOANS AND ADVANCES

(Amount in Rs.)

Particulars	March 31, 2016	March 31, 2015
<b>a Secured, Considered good</b>	-	-
<b>b Unsecured, Considered good</b>		
- Advance to Suppliers	-	47,85,209
- Income Tax Refund (F.Y. 2014-15)	16,95,661	-
- TDS Receivable	16,55,394	16,95,661
<b>Total</b>	<b>33,51,055</b>	<b>64,80,870</b>

## Note No. 18 - OTHER CURRENT ASSETS

(Amount in Rs.)

Particulars	March 31, 2016	March 31, 2015
<b>Others</b>		
- Prepaid Expenses	44,066	-
<b>Total</b>	<b>44,066</b>	<b>-</b>



**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS  
AS AT 31ST MARCH, 2016**

**Note No. 19 - REVENUE FROM OPERATIONS IN RESPECT OF NON FINANCE COMPANY** (Amount in Rs.)

Particulars	March 31, 2016	March 31, 2015
<b><u>Revenue from Sale of Products</u></b>		
Local Sales	64,20,000	22,53,500
<b><u>Other Operating Revenue</u></b>	-	-
<b>Total Revenue from Operations</b>	<b>64,20,000</b>	<b>22,53,500</b>

**Note No. 20 - OTHER INCOME** (Amount in Rs.)

Particulars	March 31, 2016	March 31, 2015
Rent Income	1,62,60,525	1,67,28,978
Dividend Income	14,697	10,380
Profit on Sale of Fixed Assets	16,50,851	13,95,139
Interest Received	55,348	4,167
Sundry Balances write off	-	1,93,512
<b>Total</b>	<b>1,79,81,421</b>	<b>1,83,32,176</b>

**Note No. 21 - CHANGES IN INVENTORIES OF FINISHED GOODS** (Amount in Rs.)

Particulars	March 31, 2016	March 31, 2015
<b>Closing Stocks:</b>		
Stock In Trade	1,34,87,186	1,74,08,792
<b>Total (A)</b>	<b>1,34,87,186</b>	<b>1,74,08,792</b>
<b>Less: Opening Stocks:</b>		
Stock In Trade	1,74,08,792	1,99,73,795
<b>Total (B)</b>	<b>1,74,08,792</b>	<b>1,99,73,795</b>
<b>Increase/Decrease in Stocks</b>		
<b>Total (A-B)</b>	<b>(39,21,606)</b>	<b>(25,65,003)</b>

**Note No. 22 - EMPLOYEE BENEFIT EXPENSES** (Amount in Rs.)

Particulars	March 31, 2016	March 31, 2015
Salaries and Wages	28,71,983	15,22,950
Staff Welfare Expenses	1,16,978	1,78,046
<b>Total</b>	<b>29,88,961</b>	<b>17,00,996</b>



**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS  
AS AT 31ST MARCH, 2016**

**Note No. 23 - FINANCE COST**

(Amount in Rs.)

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Interest Expenses	42,46,521	36,55,254
Bank Charges	19,632	21,111
Loan Processing fees	-	1,92,978
<b>Total</b>	<b>42,66,153</b>	<b>38,69,343</b>

**Note No. 24 - OTHER EXPENSES**

(Amount in Rs.)

<b>Particulars</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Rent	9,000	1,91,388
<b><u>Repairs and Maintenance of :</u></b>		
Buildings	5,70,954	-
Others	96,668	2,10,432
Insurance	43,651	2,44,845
Legal & Professional Fees	5,99,589	7,77,937
Security Charges	2,12,005	1,76,736
Electricity Charges	50,860	5,77,365
Postage. Telephone & Telefax	2,23,264	3,28,647
Listing Fees	4,98,859	75,191
<b><u>Rates and Taxes</u></b>		
Property Tax	32,828	41,292
Profession Tax	2,500	2,500
Printing & Stationery	52,534	54,713
Travelling Expense	2,33,876	4,32,050
Filling Fees	19,876	1,23,790
<b><u>Payment to Auditors</u></b>		
As Auditor	1,37,400	1,34,832
Subscriptions	1,130	2,605
Advertisement / Other Selling Expenses	1,65,386	6,91,094
Prior Period Expenses	-	3,75,000
Preliminary Expenses/ W/O	-	3,52,149
Personal Exp	-	9,73,605
Other Administrativ Expenses	85,198	1,83,555
Donation	1,600	6,031
<b>Total</b>	<b>30,37,178</b>	<b>59,55,757</b>

**25. EARNING PER SHARE**

(Amt. in Rupees)

	<u>2015-2016</u> <u>Rupees</u>	<u>2014-2015</u> <u>Rupees</u>
Net Profit / (Loss) as per P/L A/c.	(1,16,35,769)	(1,60,05,104)
No. of equity shares outstanding (nos.)	1,52,89,800	1,52,89,800
Basic earnings per share	(0.76)	(1.05)
Diluted earning per share	(0.76)	(1.05)

**26. CONTINGENT LIABILITIES AND COMMITMENTS**

(Amt. in Rupees)

<b>PARTICULARS</b>	<b>2015-2016</b>	<b>2014-2015</b>
<b>(I) Contingent Liabilities</b>		
<b>(A) Claims against the company/ disputed liabilities not acknowledged as debts.</b>	NIL	NIL
<b>(B) Guarantees</b>		
(i) Guarantees to Banks and Financial Institutions against credit facility extended to third parties.	15,35,00,000	15,35,00,000
<b>(II) Capital Commitments</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)	NIL	NIL

**27. EMPLOYEE BENEFITS:**

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

**28. DETAILS OF AUDITORS' REMUNERATION:**

(Amt. in Rupees)

<u>PARTICULARS</u>	<u>2015-2016</u>	<u>2014-2015</u>
<b><u>Payments to Statutory Auditor :</u></b>		
<b><u>As Auditors:</u></b>		
For Audit Fees	1,37,400	1,34,832
<b>TOTAL</b>	<b>1,37,400</b>	<b>1,34,832</b>

**29. PURCHASE OF STOCK IN TRADE**

(Amt. in Rupees)

<u>PARTICULARS</u>	<u>2015-2016</u>	<u>2014-2015</u>
Fabric	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>

**FINISHED STOCK AND TURNOVER**

<b><u>PARTICULARS</u></b>	<b><u>2015-2016</u></b>	<b><u>2014-2015</u></b>
<b><u>Stock In Trade</u></b>		
<b><u>Fabric</u></b>		
Sales value	64,20,000	22,53,500
Opening Stock	1,74,08,792	1,99,73,795
Closing Stock	1,34,87,186	1,74,08,792

**30. FOREIGN CURRENCY TRANSACTIONS**

<b><u>PARTICULARS</u></b>	<b><u>2015-2016</u></b>	<b><u>2014-2015</u></b>
<b>Value of imports on CIF basis</b>	NIL	NIL
<b>Expenditure in foreign currency</b>	NIL	NIL
<b>Earnings in foreign exchange</b>		
Export (including deemed) of goods (on FOB basis)	NIL	NIL

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

**32. SEGMENT REPORTING :**

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

**33. RELATED PARTY DISCLOSURE :**

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

**Transaction for the year ended 31st March 2016.**

Particulars	Subsidiaries / Associates	Enterprise in which management personnel and relatives have significant influence	Key Management Personnel & their Relatives	Total
1. Loan Received	- -	2,61,887 (2,97,34,485)	57,75,709 (3,89,23,742)	60,37,596 (6,86,58,227)
2. Loan Repaid	- -	58,43,536 (63,55,291)	4,89,90,881 (6,18,63,800)	5,48,34,417 (6,82,19,091)
3. Loan Received Outstanding	- -	1,77,97,545 (2,33,79,194)	1,80,31,535 (6,12,46,706)	3,58,29,080 (8,46,25,900)
4. Rent Paid	- -	- (89,888)	- -	- (89,888)
5. Guarantees Given	- -	15,35,00,000 (15,35,00,000)	- -	15,35,00,000 (15,35,00,000)

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

Figures in the brackets represent previous year figures.

**34. LEASES**

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

<b>As at 31st March,</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Minimum Lease Payment	9,000	1,91,388
<b>Total</b>	<b>9,000</b>	<b>1,91,388</b>
<b>As at 31st March,</b>	<b><u>2016</u></b>	<b><u>2015</u></b>
Lease Rent Received	1,62,60,525	1,67,28,978
<b>Total</b>	<b>1,62,60,525</b>	<b>1,67,28,978</b>

- 35 The trade receivable of Rs. 12,11,07,191/- are overdue and outstanding since last three years. The management was advised to make provision on these doubtful debts. However the management is confident of receiving the sum and hence no provision has been made accordingly.
- 36 The balance confirmations have been sent to Sundry Debtors, Creditors, Deposits and Loans & Advances Parties, due adjustment if any shall be done on receipt of the confirmation. Management is confident of receiving all the sums due. The provisions for all known liabilities and for depreciation is adequate and not in excess of the amounts reasonably necessary.



- 37 In the opinion of the board the current assets, loans and advances are approximately of the values stated in the Balance Sheet, realized in the ordinary course of business.
- 38 In the absence of declaration from sundry creditors / suppliers with regard to their status as SSI Undertaking wherever appropriate, it is not possible to determine the amount, payable to sundry creditors falling within the meaning of SSI Undertaking.
- 39 Disclosure under Micro, Small and Medium Enterprises development Act, 2006. The Company has not received any memorandum ( as required to be filed by the suppliers with notified authority under the Micro, Small and Medium Enterprises development Act, 2006) claiming their status as micro, small and medium enterprises. Consequently the amount paid/payable to these parties during the period under review is NIL.
- 40 Previous Year Figures have been regrouped & reclassified/rearranged wherever necessary.

As per Report of the even date attached.

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**For KANAK RATHOD & CO.**  
**Chartered Accountants**  
**Firm Registration No. 104700W**

**For HARIA APPARELS LTD**

**KANAK RATHOD**  
**PROPRIETOR**  
**M. No: 032833**

**KANTILALL HARIA**  
**Chairman & Managing Director**  
**DIN:00585400**

**MANISH K. HARIA**  
**Director**  
**DIN: 00585234**

**Place : Mumbai**  
**DATED : 30/05/2016**

**Place : Mumbai**  
**DATED : 30/05/2016**

**Place : Mumbai**  
**DATED : 30/05/2016**

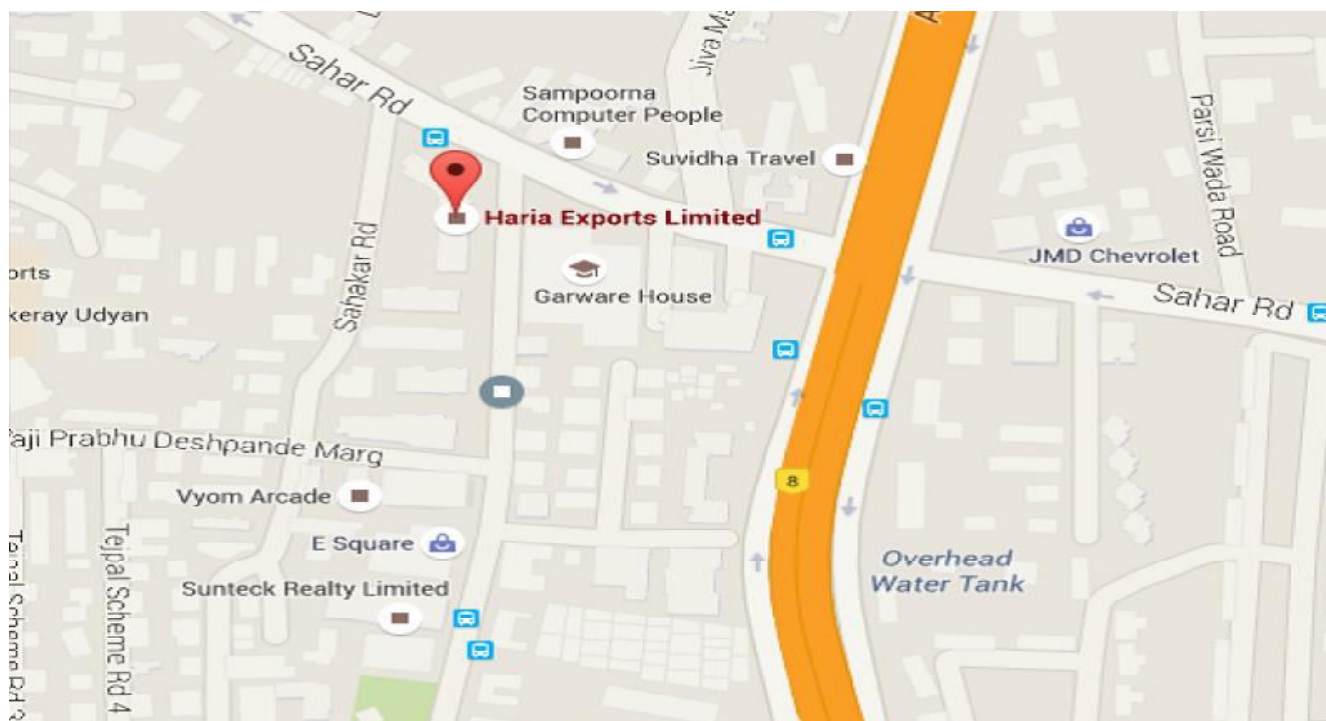


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### Route Map to the venue of the AGM



### ATTENDANCE SLIP

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

Fifth Annual General Meeting

28th September, 2016

I / We hereby record my / our presence at the Fifth Annual General Meeting of the Company held at its Registered Office at **8, Subhash Road, Vile Parle (East), Mumbai – 400057** on Wednesday, 28th September, 2016 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



## PROXY FORM

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

**CIN:** L18204MH2011PLC212887

**Name of the Company:** HARIA APPARELS LIMITED

**Registered Office:** 8, Subhash Road, Vile Parle (East), Mumbai -400057

Name of the member (s)	:
Regd. Address	:
E-mail Id	:
Folio No./Client ID	:

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

1. Name : \_\_\_\_\_ Email \_\_\_\_\_

Address : \_\_\_\_\_

Signature: \_\_\_\_\_, or failing him
2. Name : \_\_\_\_\_ Email \_\_\_\_\_

Address : \_\_\_\_\_

Signature: \_\_\_\_\_, or failing him
3. Name : \_\_\_\_\_ Email \_\_\_\_\_

Address : \_\_\_\_\_

Signature: \_\_\_\_\_, or failing him

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **FIFTH** Annual general meeting of the company, to be held on the **Wednesday, 28th September, 2016** and at any adjournment thereof in respect of all resolutions.

Resolution No. :

1. To receive, consider, approve and adopt the Audited Financial Statement of the Company for the year ended March 31, 2016, together with the Reports of the Board of Directors & Auditor thereon.
2. To appoint a director in place of Ms. Kamala Kantilal Haria (DIN:07144885), who retires by rotation at this Annual General Meeting and being eligible, offers herself for the reappointment.
3. To appoint Auditors and to fix their remuneration.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

Affix  
Revenue  
Stamp

Signature of the Shareholder

Signature of the Proxy holder (s)

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



# **BOOK - POST**

If undelivered, please return to :

**HARIA APPARELS LIMITED**

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

Tel. No.: 022 6154 6154

