



HARIA EXPORTS LIMITED

**43rd ANNUAL REPORT
2012 - 2013**



BOARD OF DIRECTORS	Mr. Kantilal L. Haria Mr. Manish K. Haria Mr. Sunil P. Mistry Mr. Nitin V. Oza	Chairman & Managing Director Joint Managing Director Director Director
AUDITORS	M/s. Sunderji Gosar & Co.	Chartered Accountants
BANKERS	Punjab National Bank & Others	
REGISTERED OFFICE	8, Subhash Road, Vile Parle (East), Mumbai – 400 057.	Tel.: 91-22-40973000 Fax: 91-22-40973030 Email: accounts@hariagroup.com
INVESTOR SERVICE CELL	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	
PLANTS	Bhiwandi: Prerna Complex, A-5, Gala No.5-8 AnjurPhata, Dapoda Road, Bhiwandi, Dist.Thane - 421 302	

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NOTICE

NOTICE is hereby given that the **Forty-Third** Annual General Meeting of the members of **HARIA EXPORTS LIMITED** will be held **on Friday, 27th September 2013**, at 9.30 a.m at 8, Subhash Road, Vile Parle (East), Mumbai - 400 057 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Balance Sheet as at 31st March, 2013 and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Nitin V. Oza who retires by rotation and being eligible, offers himself for re- appointment.
3. To appoint Auditors and authorise the board to fix their remuneration.

By Order of the Board

Place : Mumbai
Date : 30/05/2013

(KANTILALL.HARIA)
Chairman & Managing Director

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN ITS BEHALF AND SUCH PROXY NEED NOT BE A MEMBER, PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY. NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING AT THE REGEISTERED OFFICE.
2. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September, 2013 to 27th September, 2013 (both days inclusive).
3. Members who hold shares in dematerialized form are requested to bring their ID and DPID numbers for easy identification of attendance at the Meeting.
4. Members who wish to attend Meeting, are requested to bring attendance slip sent herewith, duly filled in and the copy of the Annual Report. Copies of the Annual Report will not be distributed at the Meeting. Members are requested to intimate to the Company's Registrar and Transfer Agents.

M/s.Link Intime India Pvt. Ltd. C – 13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (W), Mumbai – 400 078 for changes if any, in their registered address at an early date and quote their Folio Numbers / Client ID / DPID in all their correspondence.

By Order of the Board

Place : Mumbai
Date : 30/05/2013

(KANTILALL.HARIA)
Chairman & Managing Director



D I R E C T O R S ' R E P O R T

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

Your Directors have pleasure in presenting their 43rd Annual Report together with Audited Accounts of the Company for the year ended 31st March, 2013.

FINANCIAL RESULTS :

The Financial Results of the Company for the year ended 31st March, 2013 are summarized as under:

Year Ended (Rs. in Lacs)

Particulars	31st March, 2013	31st March, 2012
Sales and other Income	587.86	739.75
Increase/(Decrease) in stock	55.75	(81.26)
Less: Expenditure	572.83	717.27
Profit Before Depreciation	(40.71)	(58.78)
Less: Depreciation	15.30	82.44
Profit Before Tax	(56.01)	(141.22)
Less: Provision for Tax	-	-
Profit After Tax	(56.01)	(141.22)
Less: Prior period Expenses	0.09	-
	(56.11)	(141.22)
Add: Deferred Tax	(19.79)	84.18
Net Profit	(36.32)	(57.03)
Add: Balance Brought Forward	-	57.03
Balance Available for Appropriation	(36.32)	-
Less: Proposed Dividend for the year	N.A.	N.A.
Less: Transfer to General Reserve	N.A.	N.A.
Balance Transferred to Balance Sheet	(36.32)	N.A.

1. DIVIDEND:

Your Directors do not recommend any Dividend for the year 2012 – 2013.

2. MANAGEMENT ANALYSIS:

2.1 Industry Structure & Development:

The Indian Stationery and Notebook Industry

The Indian stationery industry is built on the manufacture and trade of a broad range of paper products, writing instruments, computer and office stationery, and related items other than greeting cards, calendars or gift wrap. The industry as a whole, and the market for notebooks and exercise books in particular, is closely tied to the evolving and growing national economy and population. As the overall economic environment in India has improved, demand by businesses and increasingly well educated consumers has driven growth in the stationery industry.



According to the AC Nielsen ORG MARG Report, the Indian stationery and notebook market is approximately Rs. 80,000 million as of fiscal 2005-06, of which Rs.51,000 million is attributable to the sale of notebooks and exercise books. Total exports of paper based notebooks from India was 3% of domestic sales or Rs.1,550 million in FY06.

The notebook industry can be broadly segmented into four categories of end users: students, schools and education authorities, offices and business customers and personal use. Out of these segments, the student population has the largest share or 80% of total consumption. Offices and business customers make up 10% of total demand while schools and education authorities are important customers with 7% of total consumption. Personal use of notebook products contributes the balance 3% of total demand.

Industry Characteristics and the Competitive Landscape

The Indian stationery and notebook industry is highly fragmented and dominated by unorganized manufacturers, with small, highly localized businesses. According to the AC Nielsen ORG MARG Report, approximately 80% of the Indian stationery market is controlled by “unorganized” regional manufacturers.

Only the remaining 20% of the market is organized out of which 15% is controlled by the large players and the balance 5% is controlled by the medium sized players. The following graphic illustrates the breakdown of the total estimated market size of the industry for FY06:

Organised vs. Unorganised Segment Market Share and Total Market Size of Notebook Industry

The following table highlights the differentiating characteristics of the organised and unorganised segments in the Indian stationery and notebook industry.

	UNORGANISED	ORGANISED
PRODUCT QUALITY	Inferior standards and lower quality products	Superior standards and higher quality products
PRICING POWER	Volatile, market-driven pricing	More stabilised pricing
CAPACITY AND SCALE	Production capacity is limited, restricting development of economies of scale	Production in sizable quantities, giving benefit of economy of scales.
TECHNOLOGY	Absence of quality machines for production and high dependency on manual processing	Relies on high quality, sophisticated machines for production
DISTRIBUTION REACH	Existence in local market	National presence
INDUSTRY CONCENTRATION	More than 1,000 market participants across India in the industry	A small number of large, national participants dominate the market with about 10 key brands

The fragmented and unorganised character of the industry is the result of a number of factors, including:

- A fragmented retail market concentrated in small, independent retail outlets, with little consolidation and limited nationwide purchasing; and
- High costs in the industry of production technology, facilities and raw materials making it difficult to create the economies of scale necessary for market participants to expand operations, acquire higher quality raw materials and invest in sophisticated machinery to improve product quality and reduce per unit cost.



Because of the fragmented and unorganised character of the industry, we have observed that growth and innovation has been less rapid in the Indian notebook and stationery than in other countries. In particular, we believe that the high cost of production and the inability of local producers to achieve economies of scale have resulted in generally lower-quality products than those found in markets outside India. The small businesses comprising the unorganised segment of the Indian stationery and notebook industry have also, because of their smaller size, generally not been subject to the same close scrutiny in respect of standards that is generally applied to larger businesses.

Despite the unorganised character of the Indian stationery and notebook industry overall, certain large, nationally oriented producers have begun to emerge, forming the organised industry segment.

The small, disorganized stationery manufacturers are poorly equipped to serve the business, personal and educational needs of India's rapidly growing population and expanding economy. Thus a more organized segment of the industry with a national orientation and greater resources and ambitions has emerged. The development of the organised players has been spurred by factors including:

- Overall improved economic environment, contributing to investment in modern equipment and infrastructure creation for industry;
- Enhanced availability of capital resulting in the development of economies of scale that allow for growth of capacity, expansion of network and improved quality;
- Greater consumer demand for higher quality branded products, resulting in part from increased urbanisation and a growing middle class along with the increased availability of higher quality imported products; and

Industry Drivers

The most important drivers of consumption in the Indian notebook and stationery industry are:

- The strength of the economy;
- The growth of consumerism and increased urbanisation;
- Large population with attractive age profile;
- Increased rates of literacy;
- Increased rates of education; and
- Increased Government outlay for the education sector.

Economic Drivers

A strong economy contributes to consumption of stationery products in all sectors - office, education and personal consumers, as do increased consumerism and urbanisation. In particular, increased consumerism and urbanisation drive demand for higher quality and premium products. Increased economic growth is resulting in an increase in the middle class, which in turn is fuelling the consumer boom and demand for notebook and stationery products

Literacy and Education

Increased rates of literacy and improved school attendance result in greater demand for stationery products and notebooks, particularly in the educational segment. Low literacy levels in India have historically limited the growth of the stationery and notebook industry. However, according to the 2001 Census, between 1999 to 2002 the literacy levels among the population from the ages of 7 to 24 in India increased from 57.9% to 65.4%. The AC Nielsen ORG MARG Report estimates the total literate population within this age group at 257 million, representing an estimated annual notebook market of Rs. 51,000 million. The AC Nielsen ORG MARG Report anticipates that this market will increase to Rs. 82,080 million in the year 2011, with a total literate population between the ages of 7 and 24 of 342 million.



This growth in literacy is due in large part to the improved and expanded education system in India. Today, with 348 universities and approximately 10.5 million students, India has the third largest education system in the world behind China and the United States. National spending on education has increased to 4% of the GDP, and about half of the money spent on education in the public sector is on elementary education. According to the AC Nielsen ORG MARG Report, in urban areas, per capita spending on education grew at a rate of 200% from 1983 to 2003. We expect that future generations in India will be increasingly literate and educated and demand for notebook and stationery products and other printed matter will rise accordingly.

According to the AC Nielsen ORG MARG Report, outside metros and other major cities in India, per capita spending on education grew at a rate of 262% from 1983 to 2003. We expect that the growth in literacy rates will increase further, particularly where literacy rates are far below the national average. This is expected, in turn, to increase demand for stationery products.

School attendance and school improvements, especially at the secondary and college level, drive the market for stationery products—particularly notebooks. According to the AC Nielsen ORG MARG Report, approximately 87% of consumers of notebooks are students or educational authorities. The following table shows the growth of per capita spending on education over the last two decades.

2.2 Manufacturing of Note-Books:

The company has set up plant for manufacturing of note books keeping in view the market as the product is highly used in the Consumer market and the company can avail the maximum benefits from this product. The company had commenced its production of note books and also marketed the same. The sales had considerably reached to an higher extent in a very short period. Your company expects that the turnover of this product will still rise in the near future.

2.3 Marketing

The company has already developed an efficient sales and marketing network, which is an important factor in business operations. The company will leverage their experience, reputation and brand recognition in the marketing efforts. The company will provide high quality products, an attractive price and timely delivery to their customers. The company believes will lead to greater customer loyalty, which will translate into retention of customers and acquisition of new customers through referrals and reputation building arising from consistent client satisfaction. The company has already established whole-seller/distributor network.

Distributors—In addition to wholesalers, manufacturers also sell their stationery and notebook products through established networks of distributors, who in turn sell products to retailers. Manufacturers provide support for products sold through their distributors through various publicity and advertising campaigns. For Distributors industry practice is to offer 20-25% discount on bulk purchases and 2- 5% additional discount on prompt payment. Credit terms average 30 to 60 days but can extend up to 90 days for the best customers.

Retailers—Wholesales and distributors channel their sales to the end user through various small shops.

Manufacturers also sell stationery and notebooks directly to retailers. These retail outlets play a dominant role in pushing the product through to the end users and are widely dispersed, including in extremely rural parts of the country.

Direct Sales—Some FMCG manufacturers in the organised segment of the Indian stationery and notebook industry have begun to establish their own retail outlets in certain regions. However, these outlets have had limited success against the existing distribution structure of the industry, particularly due to the strength of the existing network of small retailers in more remote areas of the country. Direct sales to institutions have greater



importance in the office and business user segment and in higher value added activities undertaken by notebook and stationery manufacturers such as contract printing and publications. For Direct Sales we estimate that the industry practice is to offer 10-15% discount and credit terms of average 15 to 30 days.

- **Strength**
 - i. Experienced Promoters
 - ii. Management has already established network.
 - iii. Established Network
- **Weakness**
 - i. Late Entrant into the business.
- **Opportunity**
 - i. The market is expanding.
 - ii. Growth Potential
- **Threat**
 - i. Entrants of new player.

2.5 Internal Control System and their adequacy:

The Company is committed to maintaining an effective system of internal control for facilitating accurate, reliable and speedy compilation of financial information, safeguarding the assets and interests of the Company and ensuring compliance with all laws and regulations. The Company has an internal control department to monitor, review and update internal controls on an ongoing basis. The Company has put in place a well-defined organization structure, authority levels and internal guidelines for conducting business transactions. The minutes of Audit Committee would be reviewed by the Board for its suggestions/recommendations to further improve the internal control systems.

The Audit Committee periodically reviews audit plans, observations and recommendations of external auditors with reference to significant risk areas and adequacy of internal controls.

2.6 Financial Analysis:

BALANCE SHEET

(RUPEES IN LACS)

Particulars	31st March, 2013	31st March, 2012
Share Capital	1155	1155
Reserve & Surplus	543.52	538
Loans (Secured)	-	-
Unsecured Loans	38.59	150
Provision for Taxation	-	-
Net Fixed Assets	31.67	317
Net Current Assets	386.36	1526



2.7 Human Resources:

The Company believes that its people are a key differentiator, especially in knowledge driven, competitive and global business environment. Adapting work culture to suit the dynamic balancing of people requirements and employee needs is an ongoing process. Fundamental HR processes which enable higher performance orientation, speed, skill and competency development, talent management and human asset are corner stones for the success of any organization. As in the past, the industrial relations continued to remain cordial at all factories / units of the Company.

3) Deposits:

The Company has not accepted any deposit within the meaning of Section 58A of the Companies Act, 1956 read with Companies (Acceptance of Deposits Rule) 1975 during the year under review.

4) Directors:

In accordance with the Articles of Association, Mr. Nitin V Oza retire by rotation and being eligible, offer himself for re-appointment.

5) Directors' Responsibility Statement:

Pursuant to the requirement under Section 217 (2AA) of Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed:

- (1) That in preparation of the Annual Accounts for the year ended 31st March, 2013; the applicable accounting standard have been followed along with proper explanation relating to material departures, if any.
- (2) That such Accounting Policies as mentioned in Note No. 2 of the Annual Accounts has been selected and applied consistently and judgments and estimates that are reasonable and prudent are made so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2013 and of the Profit of your Company for that year.
- (3) That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the Provisions of Companies Act, 1956 for safeguarding the Assets of your Company and for preventing and detecting fraud and other irregularities.
- (4) That the Annual accounts for the year ended 31st March, 2013 have been prepared on a going concern basis.

6) Corporate Governance:

Your Company is committed to achieving the best standards of Corporate Governance. To achieve this, your Company is striving to adopt best practices in Corporate Governance. The requirements of Clause 49 of the Listing Agreement has been compiled by the Company in the financial year 2012 - 2013. The Certificate of M/s. Sunderji Gosar & Co. the Statutory Auditors of the Company regarding Compliance of the Corporate Governance Code is annexed herewith. The Company has been complying with Corporate Governance to the extent and in the manner set out in Annexure 'B' forming part of this Report.

7) Conservation of Energy, Technology, Absorption and Foreign Exchange:

Information under Section 217 (1)(e) read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are given in Annexure "A"

8) Particulars of Employees:

The Company does not have any Employee whose information are required to be given pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975.

**9) Auditors:**

M/s. Sunderji Gosar & Co, Chartered Accountants, Mumbai, Auditors of the Company will retire at the conclusion of this Annual General Meeting and are eligible for re-appointment. The Members are requested to re-appoint the Auditors and authorize the board to fix their remuneration.

Explanation u/s. 213(2) of the Companies Act, 1956:

As regards Auditors remark in note no. "1" of notes to Account it is self explanatory needs and no further explanation.

Appreciation:

The Board wishes to record its appreciation of the efforts put in by the employees of the company, which has enabled it to grow impressively. The Directors thank the customers, vendors, investors, press and bankers for their continued support of your Company's growth. Your Directors thank the Government of India, Government of Maharashtra, Government of Gujarat, Director General of Foreign Trade, Apparel Export Promotion Council, Reserve Bank of India and other Governmental Agencies for their support during the year and look forward to their continued support.

On Behalf of the Board of Directors

**Place : Mumbai
Date : 30/05/2013**

**(KANTILAL L. HARIA)
Chairman & Managing Director**



**ANNEXURE "A" TO DIRECTORS REPORT
PARTICULARS AS REQUIRED UNDER COMPANIES (DISCLOSURE OF
PARTICULARS IN THE REPORT OF BOARD
OF DIRECTORS) RULES, 1988.
FORM - A**

A. PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

The management is aware of the importance of energy conservation and reviews the measures taken for reduction in the consumption of energy from time to time.

Power & Fuel Consumption	Current Year 2012 - 13	Previous Year 2011 - 12
1. Electricity		
a) Purchased		
Units (000 KWH)	302822	140199
Total Amount (Rs.)	1974980	924841
Rate per Unit (Rs.)	6.52	6.60

B. CONSUMPTION PER UNIT OF PRODUCTION

PRODUCT	Current Year 2012 - 13	Previous Year 2011 - 12
1. Production		
a) (i) Plastic (Kgs)	129923	143114
(ii) Note Book (Dozen)	107160	119081
2. Power Consumption		
b) Power (Units KWH)	302822	140199
c) Consumption per Unit (KWH)	0.78	0.53

FORM - B

1. PARTICULARS WITH RESPECT TO TECHNOLOGICAL ABSORPTION

The technology involved in Notebook manufacture have been assimilated over a long period of time and it has not been found necessary to induct any new skills from abroad.

C. FOREIGN EXCHANGE EARNINGS & OUTGO:

Require business plans for export or efforts made during the year.

The particulars of foreign exchange earned and utilised during the year are stated in Note to Accounts forming part of the Balance Sheet.

On Behalf of the Board of Directors

**Place : Mumbai
Date : 30/05/2013**

**(KANTILALL.HARIA)
Chairman & Managing Director**



ANNEXURE 'B'

A REPORT ON CORPORATE GOVERNANCE

1) COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your company is committed to achieving high standard of Corporate Governance recognising the fact that management is accountable to all stakeholders for good governance. Some of the essential elements of good governance are fairness, ethics, transparency accountability and responsibility.

Consistent with this commitment yours company's practices and policies continue to meet the above attributes in all spheres of production operations and services.

World over corporate governance structures are dynamic evolve over a period of time and keep changing in the light of new developments. Ours too is an ever-evolving process. We will make every effort in raising the standard of corporate governance and will constantly review systems and procedures in order to keep pace with the changing economic environment.

2) BOARD OF DIRECTORS:

The Board of Directors of Haria Exports Ltd. formulates the strategy, reviews the performance, keeps check on utilization of resources and ensures that the corporate objectives are met on consistent and transparent basis.

The Board represents an optimum combination of Executive and Non- Executive Directors and is in conformity with the Provisions of Listing Agreement on Corporate Governance, Composition of the Board and the category of the Directors as well as details of their Directorship / Membership in other Companies / Committees including those of Haria Exports Limited and other Companies as on 31/03/2013 are given below:

Name of the Directors	Category	Number of Directorship in Public Limited Companies.	Number of Chairmanship / Membership in Board Committees
Mr. Kantilal L. Haria, Chairman & Managing Director	Promoter & Executive Director.	2	1
Mr. Manish K. Haria, Joint Managing Director	Promoter & Executive Director.	2	1
Mr. Sunil P. Mistry	Non – Executive & Independent Director	1	1
Mr. Nitin V Oza	Non – Executive & Independent Director	2	1

Notes on Directors seeking appointment / re - appointment as required under Clause 49 (VI)(A) of the Listing Agreement entered into with the Stock Exchanges:

The Board of Directors consists of 4 (Four) Directors, Chairman and Managing Director, Joint Managing Director and 2 Non – Executive Directors who are also Independent Directors.



The Profile of Members of the Board of Directors are furnished hereunder:

(A) Mr. Kantilal L.Haria

Shri Kantilal L. Haria, Chairman & Managing Director, FIBM (Fellowship of Institute of British Management), is highly versatile businessman engaged in various activities ranging from business to Cultural & Social activities. He has built up World-wide contacts in export trade and to name a few they consist of Heads of States of Uganda, Tanzania, Zambia and Kenya. His vast experience of business and capabilities of business Management has significantly contributed to the Company's growth. He was the Managing Committee Member of The Handloom Export Promotion Council, MADRAS, The Cotton Textiles Export Promotion Council, Mumbai, The Federation of Indian Export Organisations, Western Region, Mumbai and The Synthetic Textiles Export Promotion Council, Mumbai. He led the five member sales-cum-study team sponsored by The Handloom Export Promotion Council, Madras to African Countries.

(B) Mr. Manish K. Haria

Shri. Manish K. Haria, Director, is a Commerce Graduate from Bombay University. He is the key person in the company to look after factory operations and marketing related matters, Shri. Manish K. Haria is a dynamic young man with good execution capacity. He has widely traveled outside India for the purpose of Export Business of the Company and has developed good contacts with Foreign Buyers. At young age, Shri. Manish K. Haria has been handling the entire activities of Haria Group i.e. Marketing, Overseas Tours for Export promotion, controlling the Staff/Workers., etc. Mr. Manish K. Haria is Executive Committee member in the Handloom Export Council, setup by Government of India.

(C) Mr. Sunil P Mistry

Mr. Sunil P. Mistry is a Practicing Chartered Accountant and he heads the Audit Committee. He gives valuable advice and suggestion in Accounts and taxation matters of the Company. In view of the valuable contribution received by the Company from his experience, it will be in the interest of the Company to continue him as a Director of the Company.

(D) Mr. Nitin Oza

Mr. Nitin Oza is a Senior in charge of Factory at Vapi looking after Liaison with Government Authorities. In view of the valuable contribution received by the Company from his experience, it will be in the interest of the Company to continue / appoint him as a Director of the Company.

Details of Attendance of the Directors at the Board Meetings held during the year 2012-2013 and at the Last Annual General Meeting are given below :

Name of the Directors	Number of Board Meeting held while holding the Office	Number of Board Meeting attended while holding the Office	Attendance at Last AGM
Mr. Kantilal L. Haria	8	8	YES
Mr. Manish K. Haria	8	8	YES
Mr. Sunil Mistry	8	4	NO
Mr. Nitin Oza	8	4	NO



The Company follows financial year April to March. The Meeting of the Board of Directors of the Company were held on the following dates during the year 2012 - 2013.

Sr. No.	Dates of Board Meeting
1	11th April, 2012
2	30th May, 2012
3	14th August , 2012
4	12th September, 2012

Sr. No.	Dates of Board Meeting
5	12th November, 2012
6	3rd December, 2012
7	14th February, 2013
8	22nd February, 2013

The Board Meetings are generally held at the Registered Office of the Company in Mumbai. The Board meets at least once a quarter with the gap between two meetings not exceeding four months. It has remained the practice of the Company to place before the Board, all the matters listed in Annexure - 1 to Clause 49 of the Listing Agreement. The Directors also have access to all the information about the Company and are free to recommend inclusion of any matter in the agenda for discussion. The Senior Executives are invited to attend the Board Meeting and provide clarification as and when required.

3) AUDIT COMMITTEE :

Role and Powers of The Audit Committee,

- To focus its attention on subjects relating to accounting standards, internal controls and financial policies.
- To oversee the Company's financial reporting process and disclosure of its financial information.
- To review the financial statement before submission to the Board of Directors.
- To hold prior discussion with external auditors regarding scope and nature of audit before commencement of the audit and also to have pos audit discussion on the areas of concern.

The Composition, Names of the Members, Chairperson, particulars of the meeting and attendance of the members during the year are as follows :

Sr. No.	Name of the Members	Designation	Category of Director	No of Meetings attended during the year 2012-2013
1	Mr. Sunil Mistry	Member	Independent Non Executive	4
2	Mr. Manish Haria	Member	Executive Director	4
3	Mr. Nitin Oza	Member	Independent Non Executive	4

The Committee met Four times during the financial year under review. The Committee also met to consider Annual Accounts for the year ended on 31st March, 2013.

Sr. No.	Date of Meetings	Number of Members	Attendance
1	28/05/2012	3	3
2	12/08/2012	3	3
3	12/11/2012	3	3
4	11/02/2013	3	3



4. REMUNERATION COMMITTEE :

During the year no meeting of Remuneration Committee was held.

b. Remuneration paid / payable to the Executive Directors for the year 2011-12 are detailed below :

(Rupees in Lakh)

Sr. No.	Name and Designation	Total Amount
1	Mr. Kanitlal L. Haria – Chairman & Managing Director	4.80
2	Mr. Manish K. Haria – Joint Managing Director	4.20

5. SHAREHOLDERS' TRANSFER/GRIEVANCE COMMITTEE :

Haria Exports Limited has a Shareholders' Transfer / Grievances Committee to approve the share transfers and redressal of all the complaints/ requests from the shareholders. Mr.Rajesh S. Parmar, is the Compliance Officer of the Company. The composition of the share transfer committee is as under :

Mr. Kantilal L. Haria - Chairman of the Committee

Mr. Sunil Mistry - Member of the Committee

During the year, the Company has not received any cases of grievances.

Number of pending share transfers as on March, 31, 2013 : NIL

6. GENERAL BODY MEETING:

The Last three Annual General Meetings of the Company were held on the following dates, times and Venues.

AGM	Year	Date	Time	Venue
Fortieth	2009-2010	07.09.2010	9.00 a.m.	Gomantak Seva Sangh, Utkarsh Mandal Chowk, Malvia Marg, Vile Parle (E), Mumbai – 57.
Forty First	2010-2011	27.09.2011	9.30 a.m.	Gomantak Seva Sangh, Utkarsh Mandal Chowk, Malvia Marg, Vile Parle (E), Mumbai – 57.
Forty Second	2011-2012	28.09.2012	10.00 a.m.	1st Floor, Vilco Centre, 8, Subhash Road, Vile Parle (East), Mumbai – 400 057.

7. DISCLOSURES :

The disclosure in respect of the related party transactions are given in the Notes to Accounts forming part of this Annual Report.

The Company has complied with the requirements of the Stock Exchanges, Securities and Exchange Board of India and other Statutory Authorities on matters relating to Capital Markets during the last three years and consequently no penalties/strictures have been imposed on the Company by these Authorities.

**8. MEANS OF COMMUNICATION**

The Company published its quarterly and half yearly results in the prescribed form within the prescribed time. The results were forthwith communicated to all the Stock Exchanges where the shares of the Company are listed and also published in Free Press Journal and Navshakti. No presentations were made to institutional investors or analysts during the year. The financial results will be displayed on the Website of the Company which is under development stage.

Your Company has not mailed half-yearly results to the shareholders in view of the above mentioned means of communication adopted by the company.

9. GENERAL SHAREHOLDER INFORMATION

All the required information has been furnished under the head 'Information for Investors.

10. COMPLIANCE :

Haria Exports Limited has complied with mandatory requirements of Corporate Governance Code. The Board would review implementation of non - mandatory requirements of Corporate Governance Code in due course of time. The Auditor's Certificate regarding compliance of Corporate Governance Code for the year 2012 - 2013 is annexed to this Report.

For and On Behalf of the Board of Directors

Place : Mumbai
Date : 30/05/2013

(KANTILALL.HARIA)
Chairman & Managing Director



INFORMATION FOR INVESTORS

1) 43rd Annual General Meeting

Date	: 27th September, 2013
Time	: 9.30 a.m.
Venue	: 8, Subhash Road, Vile Parle (East), Mumbai – 400 057.

2) Financial Calendar (Financial Year 2012-2013)

Unaudited Results for quarter ending June 30, 2012	: 2nd week of August , 2012
Unaudited Results for quarter ending Sept 30, 2012	: 2nd week of November, 2012
Unaudited Results for quarter ending Dec 31, 2012	: 2nd week of February, 2013
Audited Results for the year ending March 31, 2013	: Last week of May, 2013

3) Book Closure Date :

Physical	: 25th September, 2013 to 27th September, 2013 (both days Inclusive)
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4) Listing on stock Exchanges

: Mumbai

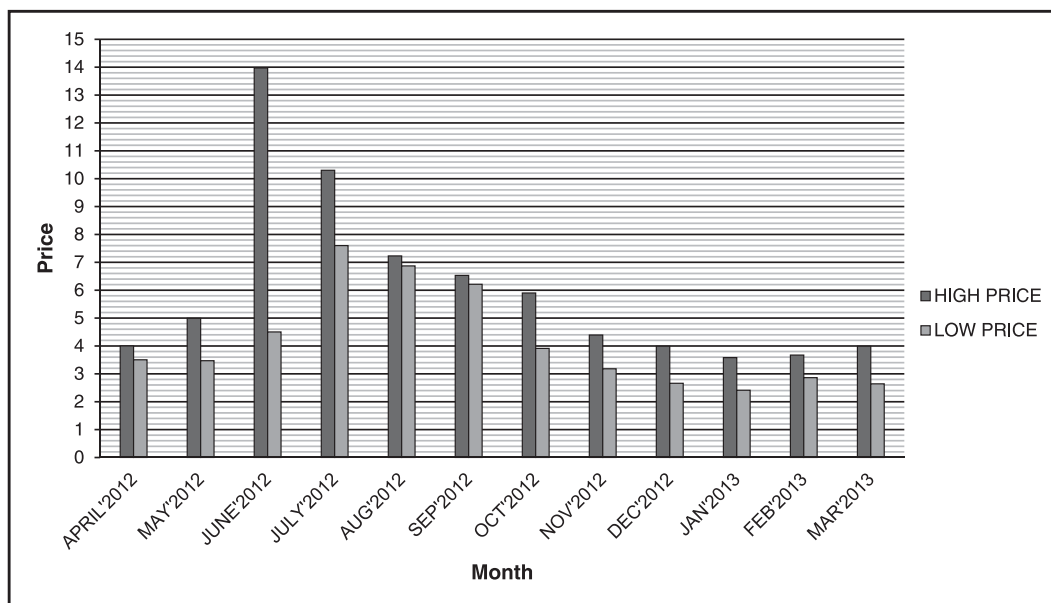
5) Stock Code

: Mumbai : 512604
: Depositories : NSDL / CDSL
: ISIN - INE772B01014

6) Market Price, Date, High / Low during each month of the F.Y. 2012 – 2013 :

Month	Date	High Price	Date	Low Price
APRIL' 2012	24 / 04 / 2012	4.00	18 / 04 / 2012	3.50
MAY' 2012	18 / 05 / 2012	4.99	08 / 05 / 2012	3.47
JUNE' 2012	07 / 06 / 2012	13.97	01 / 06 / 2012	4.50
JULY' 2012	03 / 07 / 2012	10.30	26 / 07 / 2012	7.60
AUG' 2012	01 / 08 / 2012	7.23	10 / 08 / 2012	6.87
SEP' 2012	17 / 09 / 2012	6.53	26 / 09 / 2012	6.21
OCT' 2012	01 / 10 / 2012	5.90	18 / 10 / 2012	3.91
NOV' 2012	01 / 11 / 2012	4.39	29 / 11 / 2012	3.18
DEC' 2012	05 / 12 / 2012	3.99	27 / 12 / 2012	2.66
JAN' 2013	14 / 01 / 2013	3.58	02 / 01 / 2013	2.41
FEB' 2013	21 / 02 / 2013	3.67	05 / 02 / 2013	2.86
MAR' 2013	13 / 03 / 2013	3.99	25 / 03 / 2013	2.64

7) Performance in comparison to broad based indices such as BSE sensex



8) SHARE TRANSFER SYSTEM :

The Company's shares are traded in the Stock Exchanges in demat mode. These transfers are effected through NSDL and CDSL. Most of the transfers of shares take place in this form.

Registrar and Transfer Agent :

M/s. Link Intime India Pvt Ltd is the Depository Registrar for establishing connectivity with NSDL and CDSL for demat segment and also acts as Share Transfer Agent for physical segment. They use computerized share transfer system for processing transfer of shares. On the basis of periodic report on the various requests received from the Shareholders, the share transfer and other requests are placed for approval of Managing Director / Shareholders' Grievances Committee. Details of the share transfer requests approved by the Managing Director are placed to the Shareholders' Grievances Committee.

The Shareholders may send their share transfer and other requests to M/s. Link Intime India Pvt. Ltd at the following address:

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

The Transfer of Shares in the physical form is processed and approved twice in the month and the certificates are returned to the shareholders within 20 days from the date of receipt, subject to documents being valid and complete in all respects.

The Share Transfer/Grievance Committee approves the transfer of shares and Demat Request Forms of NSDL/ CDSL.



9) DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2013 :

Distribution of Shareholding of Equity Shares	No. of Shareholders	% of Shares held	Total No. of Shares held	Percentage
1-5000	7165	98.4744	3045144	26.3649
5001-10000	55	0.7559	406239	3.5172
10001-20000	33	0.4535	454820	3.9378
20001-30000	8	0.1100	200169	1.7331
30001-40000	3	0.0412	91064	0.7884
40001-50000	1	0.0137	45000	0.3896
50001-100,000	2	0.0275	162887	1.4103
100,001-Above	9	0.1237	7144677	61.8586
TOTAL	7276	100.00	11,550,000	100.00

Promoter's Holding	No. of shares	percentage of shareholdings
Indian Promoters:	3405727	29.49
Foreign Promoters	-	-
Persons Acting in Concert	-	-
Sub – Total	3405727	29.49
Non – Promoters Holding		
Institutional Investors		
Mutual Funds and UTI	840	0.01
Banking, Financial Institutions/ Insurance Companies (Central / State Govt. Inst. Non – Govt. Inst.)	140	0.00
Sub – Total	980	0.01
Others	76230	0.66
Private Corporate Bodies	631426	5.47
Indian Public	7398185	64.05
NRIs/OCBs	17331	0.15
Any Other – Clearing Member	20121	0.17
Sub – Total	8143293	70.50
Grand Total	11550000	100.00


CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2013

64.05 %	- Indian Public
29.49 %	- Promoters holding
5.47 %	- Bodies Corporate
0.15 %	- NRI / OCBS
0.01 %	- Mutual Fund / Financial Institutions / Banks
0.17 %	- Clearing Member
0.66 %	- Others
<u>100.00 %</u>	

10) DEMATERIALISATION OF SHARES & LIQUIDITY :

The Shares of the Company are available for dematerialisation on both the Depositories viz., National Securities Depository Limited (NSDL) and Central Depositories Services (India) Limited (CDSL). The Shares of the Company are liquid and are included in 'S' category of shares of the Stock Exchange, Mumbai.

About 73.30% of the Equity Shares have been dematerialised as on March 31, 2013.

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

12) PLANT LOCATIONS :

BHIWANDI - Perna Complex,
A-5, Gala No. 5-8
Anjur Phata, Dapoda Road,
Bhiwandi, Dist. Thane - 421 302.

13) REGISTERED OFFICE :

HARIA EXPORTSLIMITED
8, Subhash Road, Vile Parle (East),
Mumbai - 400 057.
Telephone No. : (91 - 22) 40973000
Fax : (91-22) 40973030
E - mail : accounts@hariagroup.com

14) Nomination facility :

The Companies Act, 1956 provides for nomination facility to investors. As a Shareholder, you have an option to nominate any person as your nominee to whom your shares shall vest in the unfortunate event of your death. It is advisable to avail of this facility especially by shareholders who currently hold shares in their single name.

Nomination can avoid the process of acquiring right in shares through transmission by law. In the case of joint holders nominating their nominee, such nomination will be effective only on death of all the holders. The Shareholders may write to the Company at the Registered Office for obtaining the nomination form.

15) Folio Merging :

Members who hold shares in the same order of names in more than one folio, are requested to send their request for merging all their shareholdings into one folio, along with the share certificates, in case of physical shares.



Details of Directors seeking re-appointment at the Annual General Meeting (Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges).

NAME OF DIRECTOR	MR. NITIN V OZA
Date of Birth	12/07/1969
Date of Appointment	27/09/2011
Experience in Specific Functional Area	General Administration
Qualification	B. Com
Other Directorship	NIL
Chairman/Member of the Committee	—
Shareholding in HEL including beneficial holding	—

Certification by the Chairman & Managing Director [CMD] on Financial Statements of the Company:

I, Kantilal L. Haria Chairman & Managing Director of Haria Exports Limited, Certify that:

- (a) I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violate of the company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls and that I have evaluated the effectiveness of the internal control systems of the company and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the Auditors and the Audit committee
 - (i) Significant changes in internal control during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

Kantilal L. Haria
Chairman & Managing Director

Place : Mumbai
Date : 30/05/2013



AUDITORS CERTIFICATE REGARDING COMPLIANCE OF CORPORATE GOVERNANCE

To,
The Board of Directors,
HARIA EXPORTS LIMITED
Haria Centre,
8, Subhash Road,
Vile Parle (E),
Mumbai - 400 057

We have examined the compliance of the conditions of Corporate Governance by the Haria Exports Limited for the year ended 31st March 2013, as stipulated in Clause 49 of the Listing agreement of the said company with Stock Exchange. The compliance of condition 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 the Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the company. We have conducted our review on the basis of the relevant records and documents maintained by the company. Based on such review and as per the information and explanations given to us by the Company. In our opinion, The company has complied with the conditions of the Corporate Governance, as stipulated in clause 49 of the said Listing Agreement.

We state that as per the records maintained by the company there were no investor grievances remaining unattended / pending for more than 30 days.

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

For **MILIND NIRKHE & ASSOCIATES**
Company Secretaries

Milind Nirkhe (Proprietor)
M. No. 2312

Place : Mumbai
Date : 30/05/2013



INDEPENDENT AUDITOR'S REPORT

To The Members of HARIA EXPORTS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **HARIA EXPORTS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and 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 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 auditors' 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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.

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, 2013;
- (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.

Other Matters

1. ***The Company has merged the plastic division on 26/03/2012 and demerged the garment division on the same date. Accordingly the Current year figures and Previous year figures are not comparable in respect of the above.***
2. ***The Company has sold the fixed assets of the plastic division in the year under consideration and has closed the operations of plastic division.***

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act and on the basis of such checks of the books and records of the company as we have considered appropriate and according to the information and explanation given to us, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **SUNDERJI GOSAR & CO.**
Chartered Accountants
Firm Registration No. 115543W

ALPESH K. SAVLA
Partner
M. No. 047828

Place : Mumbai
Date : 30/05/2013



ANNEXURE TO THE AUDITOR'S REPORT

Referred to in Paragraph 1 under Report on Other Legal and Regulatory Requirements of our report of even date to the members of **HARIA EXPORTS LIMITED** on the financial statements the year ended on March 31, 2013.

- (i) (a) We have been informed that the company has maintained proper records showing full particulars, including quantitative details and situation of Fixed Assets.
- (b) All the assets have not been physically verified by the management during the year but there is a programme of verification at the year end which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets and as informed no material discrepancies were noticed on such physical verification.
- (c) In our opinion and according to information and explanations given to us, there was disposal of fixed assets of plastic division during the year resulting in closure of the plastic division.
- (ii) (a) 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.
- (b) The procedures explained to us, which are followed by the management for physical verification of inventories, are in our opinion reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) In our opinion and according to the explanations given to us, the company is maintaining proper records of its inventory. No material discrepancies were noticed on such physical verification.
- (iii) (a) According to the explanations given to us, the Company has granted unsecured loans to five parties listed in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 43,13,436/- and the year end balance of the Loan granted to such parties was Rs.41,73,436/-.
- (b) According to the explanations given to us, the rate of interest, wherever charged, and the other terms and conditions of such loans are not prima facie prejudicial to the interest of company. However the company has not charged any interest.
- (c) According to the explanations given to us, no repayment schedule has been specified and accordingly the question of regularity in repayment of principal amount, wherever applicable, does not arise.
- (d) According to the explanations given to us, there is no overdue amount for more than Rs.One Lakh.
- (e) According to the explanations given to us the company has taken unsecured loans from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.1,60,00,000/- and the year end balance of Loans taken from such parties was Rs.27,36,000.
- (f) The terms and conditions fixed on loans taken from the parties listed in the register maintained under section 301 of the Companies Act 1956, are not prejudicial to the interest of the Company.
- (g) In our opinion and according to the information and explanations given to us, no repayment schedule has been specified and accordingly the question of regularity in repayment of principal amount, wherever applicable, does not arise.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchases of inventory and fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in internal control system of the company in respect of these areas.



- (v) (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the provisions of sections 58A and 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules – 1975 are not applicable to the company in the year under consideration.
- (vii) In our opinion and as per the explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the notification of the Central Government for maintenance of cost record under section 209(1)(d) of the Companies Act, 1956 and on the basis of such review, we are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out a detailed examination of the records with a view to determine whether they are accurate or complete.
- (ix) In respect of statutory dues:
- (a) According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including, provident fund, investor education protection fund, income tax, sales tax, wealth tax, custom duty, excise duty, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us and the records of the company examined by us, there are disputed dues of Rs.1,54,00,000/- in respect of Income tax which related to the garment division of the company pre demerger, on merger these dues are transferred to the demerged division i.e Haria Apparels Limited.
- (x) The Company has accumulated losses of Rs.56,01,258/- at the end of financial year 2012-13 and the same is not more than fifty per cent of its worth as on 31st March 2013. The company has incurred cash loss of Rs. 40,71,376/- during the financial year covered by our audit.
- (xi) 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.
- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us the Company has given guarantees for loans taken by others from bank or financial institutions. According to the information and explanation given to us, we are of the opinion that the terms and conditions thereof are not prima facie prejudicial to the interest of the company.



- (xvi) In our opinion and according to the information and explanations given to us, the term loans are being applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet and the cash flow of the company, no short-term funds have been used to finance long-term assets.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to Promoters and Promoters group covered in the register maintained under section 301 of the Act.
- (xix) The company has not received any money through Public Issue of Debentures.
- (xx) The company has not raised any money by public issues during the year.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For SUNDERJI GOSAR & CO.
Chartered Accountants
Firm Registration No. 115543W

ALPESH K. SAVLA
Partner
M. No. 047828

Place : Mumbai
Date : 30/05/2013



BALANCE SHEET AS AT MARCH 31, 2013

Particulars	Note No.	As At 31/03/2013	As At 31/03/2012
I. EQUITY AND LIABILITIES			
1 SHAREHOLDERS' FUND			
- Share Capital	2	11,55,00,000	11,55,00,000
- Reserves and Surplus	3	5,43,52,077	5,37,90,416
- Money received against Share Warrants		-	-
	Sub-Total - (A)	16,98,52,077	16,92,90,416
2 SHARE APPLICATION MONEY PENDING ALLOTMENT		-	-
	Sub-Total - (B)	-	-
3 NON-CURRENT LIABILITIES			
- Long-term Borrowings	4	38,58,540	1,50,00,000
- Deferred Tax Liabilities (net)		-	-
- Other Current Liabilities			
- Long-term Provisions			
	Sub-Total - (C)	38,58,540	1,50,00,000
4 CURRENT LIABILITIES			
- Short-term Borrowings	5	3,57,561	18,33,861
- Trade Payables	6	33,15,407	66,76,506
- Other Current Liabilities	7	2,79,20,564	57,05,882
- Short-term Provisions	8	1,43,500	2,09,543
	Sub-Total - (D)	3,17,37,032	1,44,25,792
TOTAL	(A+B+C+D)	20,54,47,649	19,87,16,208
II. ASSETS			
5 NON-CURRENT ASSETS			
- Fixed Assets			
Tangible Assets	9	31,66,979	3,16,68,165
- Non-current investments			
- Deferred Tax Assets (net)	10	76,28,265	14,56,072
- Long-term Loans and Assets	11	12,42,79,361	12,13,16,000
- Other Non-current Assets			
	Sub-Total - (E)	13,50,74,605	15,44,40,237
6 CURRENT ASSETS			
- Current Investments		-	-
- Inventories	12	54,38,990	1,21,00,985
- Trade Receivables	13	6,16,00,843	3,08,15,284
- Cash and Cash Equivalent	14	5,48,465	6,81,813
- Short-term Loans and Advances	15	27,42,292	6,38,043
- Other Current Assets	16	42,455	39,846
	Sub-Total - (F)	7,03,73,044	4,42,75,971
TOTAL	(E+F)	20,54,47,649	19,87,16,208

Note 1 to 42 from an integral part of accounts

For SUNDERJI GOSAR & CO.
Chartered Accountants
Firm Registration No. 115543W

For HARIA EXPORTS LTD

(Alpesh Savla - Partner)
Membership No. 047828

Kantilal L. Haria
Director

Manish K. Haria
Director

Place: Mumbai
Date : 30/05/2013

Place: Mumbai
Date : 30/05/2013

Place: Mumbai
Date : 30/05/2013



**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED
ON 31ST MARCH, 2013**

Particulars	Note No.	For the Year Ended 31/03/2013	Year Ended As On 31/03/2012
(i) Revenue form Operations:	17		
- Sale of Products		3,81,46,972	5,54,21,002
- Other Operating Income		13,84,448	37,79,625
Less: Excise Duty		(26,48,083)	(34,46,442)
(ii) Other Income	18	2,19,03,074	1,82,20,940
Total Revenue (i+ii)		5,87,86,411	7,39,75,125
Expenses			
- Cost of Material Consumed	19	2,35,19,035	2,65,33,069
- Purchase of Stock-in-Trade		-	-
- Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	20	55,74,584	1,16,18,207
- Employee benefit expenses	21	57,31,872	30,57,718
- Finance Cost	22	6,829	13,49,619
- Depreciation and amortisation expense	9	15,29,882	82,43,786
- Other Expense	23	2,80,25,467	3,72,94,294
Total Expenses		6,43,87,668	8,80,96,694
Profit before exceptional and extra-ordinary items and Tax		(56,01,258)	(1,41,21,569)
Exceptional items		-	-
Profit before extra-ordinary items and Tax		(56,01,258)	-
Extra-ordinary items		-	-
Profit Before Tax		(56,01,258)	(1,41,21,569)
- Tax Expense			
Current Tax		-	-
Short / (Excess) provision for tax of earlier year(s)		9,280	-
Deferred Tax		(19,78,943)	(84,17,865)
Total Tax		(19,69,663)	(84,17,865)
Profit for the period		(36,31,594)	(57,03,704)

Note 1 to 42 from an integral part of accounts

For **SUNDERJI GOSAR & CO.**
Chartered Accountants
Firm Registration No. 115543W

For **HARIA EXPORTS LTD**

(Alpesh Savla - Partner)
Membership No. 047828

Kantilal L. Haria
Director

Manish K. Haria
Director

Place: Mumbai
Date : 30/05/2013

Place: Mumbai
Date : 30/05/2013

Place: Mumbai
Date : 30/05/2013



CASH FLOW STATEMENT FOR THE YEAR ENDED ON MARCH 31, 2013

	2012-2013	2011-2012
A) NET PROFIT AFTER TAX AND EXTRAORDINARY ITEMS	(56,10,538)	(1,41,21,569)
DEPRECIATION	15,29,882	82,43,786
DIVIDEND RECEIVED	-	(8,405)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGE	(40,80,656)	(58,86,188)
ADJUSTMENTS FOR		
SHARE CAPITAL	-	5,81,00,000
TRADE AND OTHER RECEIVABLES	(3,58,55,777)	10,65,61,593
INVENTORIES	66,61,995	3,97,92,946
TRADE PAYABLES	1,87,87,541	(23,35,20,370)
NET CASH FROM OPERATING PROFIT	(1,44,86,896)	(3,49,52,019)
B) CASH FLOW FROM INVESTING ACTIVITIES		
PURCHASE OF FIXED ASSETS	-	3,30,27,748
SALE OF FIXED ASSETS	2,69,71,309	-
INVESTMENTS DURING THE YEAR	-	69,100
DIVIDEND RECEIVED	-	8,405
	2,69,71,309	3,31,05,253
C) CASH FLOW FROM FINANCING ACTIVITIES		
PROCEEDS FROM LONG TERM BORROWINGS	(1,11,41,460)	(13,30,063)
PROCEEDS FROM SHORT TERM BORROWINGS	(14,76,300)	
NET CASH USED IN FINANCING ACTIVITIES	(1,26,17,760)	(13,30,063)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(1,33,348)	(31,76,829)
ADD CASH AND CASH EQUIVALENTS AS ON OPN. BAL.	6,81,813	38,58,642
CASH AND CASH EQUIVALENTS AS CLOSING BALANCE	5,48,465	6,81,813

For and on behalf of Board of Directors

Place : Mumbai
Date : 30/05/2013

Kantilal L. Haria
Chairman & Managing Director

To,
The Board of Directors,
Haria Exports Limited

We have examined the attached Cash Flow Statement of Haria Exports Ltd., for the year ended March 31, 2013. The statement has been prepared by the Company in accordance with requirement of listing agreement Clause 32 of Stock Exchange and is based on and in agreement with the corresponding Profit & Loss Account and Balance Sheet of the Company covered by our report of even date of the members of the company.

For SUNDERJI GOSAR & CO.
Chartered Accountants
Firm Registration No.115543W

Place : Mumbai
Date : 30/05/2013

ALPESH K. SAVLA
Partner
M. No. 047828



**NOTES FORMING PART OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2013.**

GENERAL INFORMATION

Haria Exports Limited ('the Company') was incorporated on 28th August, 1970 under The Companies Act, 1956. The company is in the Business of Manufacturing of Note Books and Plastic preform.

Note on account of Merger/Demerger

1. With effect from March 31, 2012 plastic division has been merged and garment division has been demerged, hence the Previous Year figures in profit and loss are incomparable as those include that of garment division.
2. And further the Company has sold off all of its fixed assets of plastic division during the year under consideration.

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 under the historical cost convention on accrual concept and are in line with the Accounting Standards, relevant laws as well as the guide lines prescribed by the Institute of Chartered Accountants of India.

These financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, as amended and the other relevant provisions of the Companies Act, 1956.

ii) USE OF ESTIMATES :

The preparation and presentation of financial statements requires estimates and assumptions and/or revised estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosures of Contingent Liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reported period.

The estimates and assumptions used in the accompanying financial statements are based upon Management's evaluation of the relevant facts and circumstances as on the date of financial statements. Differences between the actual results and estimates are recognised in the period in which the results are known / materialise.

Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

iii) TANGIBLE FIXED ASSETS AND DEPRECIATION :

• **TANGIBLE FIXED ASSETS**

Fixed Assets have been stated at cost. Cost comprises of the purchase price and all other attributable cost of bringing the assets to its working condition for intended use. The Company has disposed all of its fixed assets of plastic division during the year under consideration.

• **CAPITAL WORK IN PROGRESS**

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

• **DEPRECIATION**

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

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



Depreciation on Assets added / disposed 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.

iv) INTANGIBLE FIXED ASSETS AND AMORTISATION

Intangible assets are recognized where it is probable that the future economic benefit attributable to the assets will flow to the Company and its cost can be reliably measured.

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. However there are no such intangible assets under development.

v) IMPAIRMENT OF ASSETS

An asset is treated as impaired when the carrying value of the asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount. However there is no such impairment for the year under consideration.

vi) INVENTORY

The Inventory is valued as under and as certified by the Management

- o Raw Material and Consumables are valued at cost.
- o Finished Goods are valued at average selling price of goods or net realizable value whichever is lower.
- o Obsolete stock if any is valued at net realisable value.
- o Work in progress is valued at cost which includes the cost of conversion and other costs incurred to bring the inventories to their present location and condition. However there is no work in progress for the year under consideration.

vii) INVESTMENTS

Investments, which are readily realisable 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.

The Current investments are valued at cost. Long Term investments are stated at cost. 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.

However there are no investments of the Company for the year under consideration.

viii) REVENUE RECOGNITION :

o SALE OF GOODS

Domestic Sales is recognized on dispatch to customers and is net of returns. Export Sales is recognized on shipment/ air lift of goods. Sales turnover includes basic sales value and excise duty but excludes other recoveries such as insurance, sales tax etc.

o OTHER OPERATING REVENUE

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

o OTHER INCOME

Interest is recognized on Time Proportion Basis with reference to principal outstanding and rate of Interest applicable. Other income also includes rent income received on time basis.

**ix) 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 and leave encashment liabilities 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.

However, the directors have waived off their claim of Rs.4,32,692 in respect of gratuity as per the payment of Gratuity Act,1972, in the year under consideration and hence there is no provision for the same made in the Balance Sheet.

The Company has not paid their contribution to provident fund as required by the Employees Provident Fund Act,1952 as the eligible employees have waived off their claim by giving a declaration.

x) FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are recorded at transaction date. 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 discount on forward contracts where there are underlying assets/liabilities are amortised 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.

xi) BORROWING COSTS

Interest and other related cost on acquiring qualifying assets are capitalised as per accounting standard AS-16. All other borrowing costs are recognized as expense in the period in which they are incurred.

xii) 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:

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 and factory premises. The aggregate lease rentals payable are charged as rent paid.

xiii) 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.

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 recognised to the extent there is reasonable certainty that these would be realised in future.



Minimum Alternative Tax (MAT) credit is recognised 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 recognised 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 the Income Tax Return. 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.

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 receiving orders from the Appellate authorities. The Company also makes a fair estimate of the Income Tax liability every year and gives effects to it in the Books of Account.

xiv) 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 less than three months and short term highly liquid investments with an original maturity of three months or less.

xv) CASH FLOW STATEMENT

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

xvi) 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 expenditures during the year under consideration.

xvii) EARNINGS PER SHARE

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

xviii) PROVISIONS AND CONTINGENCIES

The company estimates the probability of any loss that might be incurred on outcome of contingencies on the basis of information available up to the date on which the financial statements are prepared.

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 reasonably 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 FORMING INTEGRAL PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2013**

Note No. 2 :- SHARE CAPITAL

(Amount in Rs.)

Particulars	March 31, 2013	March 31, 2012
Authorised Capital :		
2,200,000 (PY 2,200,000) Equity Shares of Rs. 10 each	22,00,00,000	22,00,00,000
5,000,000 (PY:5,000,000) Preference Shares of Rs.10/- each	5,00,00,000	5,00,00,000
	27,00,00,000	27,00,00,000
Issued, Subscribed and Fully Paid up :		
EQUITY SHARE CAPITAL		
111,550,000 (PY:11,550,000) Equity Shares of Rs.10/- each fully paid up	11,55,00,000	11,55,00,000
	11,55,00,000	11,55,00,000

a. Details of Shareholding as at March 31, 2013

i. Equity / Preference Shares held by various entities:

587,952 (PY: 587,952) Eq. Shares of Rs.10/- each held by Associate Company Vilco Pharma Pvt. Ltd.

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

2,482,530 (PY: 2,482,530) Equity Shares of Rs.10/- each held by Manish K. Haria (HUF)

620,633 (PY: 620,633) Equity Shares of Rs.10/- each held by Mr. Manish K. Haria

1,224,250 (PY: 1,070,300) Equity Shares of Rs.10/- each held by Mr. Ketan Keshvaji Shah

1,253,300 (PY: 1,041,650) Equity Shares of Rs.10/- each held by Mr. Ramesh Keshvaji Shah

b. Reconciliation of the number of Equity Shares outstanding

(Amount in Rs.)

Particulars	March 31, 2013 No. of Shares
Number of Shares at the beginning of the year	1,15,50,000
Add: Shares issued as per the scheme of arrangement	-
Less: Shares Forfeited	-
Number of Shares at the end of the year	1,15,50,000

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

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



**NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2013**

Note No. 3 - RESERVES AND SURPLUS

(Amount in Rs.)

Particulars	Opening as at April 1, 2012	Additions	Deductions / Adjustments	Balance as at March 31, 2013
Capital Reserve	1,82,000	41,93,251	-	43,75,251
Share Premium Account	4,03,30,442	-	-	4,03,30,442
General Reserves	1,32,77,975	-	-	1,32,77,975
Surplus as per Profit and Loss Account	-	(36,31,594)		(36,31,594)
Total	5,37,90,417	5,61,657	-	5,43,52,074

Details of Profit and Loss Surplus is as given below:

(Amount in Rs.)

Particulars	As at March 31, 2013	As at March 31, 2012
Net Profit/(loss) after Tax	(36,31,594)	(57,03,704)
Balance brought forward	-	1,21,42,403
Profit Available for Appropriation	(36,31,594)	64,38,699
APPROPRIATIONS:		
Transferred to Demerged Company	-	64,38,699
Surplus Carried to Balance Sheet	(36,31,594)	-

NOTE NO. 4 - LONG TERM BORROWINGS

(Amount in Rs.)

Particulars	March 31, 2013	March 31, 2012
Unsecured Borrowings:		
a. Loans and advances from Related Parties Refer Note 4.1	27,36,000	1,50,00,000
b. Loans and advances from Others Refer Note 4.2	11,22,540	-
Total Long Term Borrowings	38,58,540	1,50,00,000

Additional Information to Secured / Unsecured Long Term Borrowings:**4.1 Unsecured Long terms loans and advances from Related Parties :**

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

4.2 Unsecured Long terms loans and advances from Others :

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



**NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2013**

Note No. 5 - SHORT - TERM BORROWINGS

(Amount in Rs.)

Particulars	March 31, 2013	March 31, 2012
Unsecured Borrowings		
a. Others		
- Temporary Bank Overdrawn a/c as per books	3,57,561	18,33,861
Total Short Term Borrowings	3,57,561	18,33,861

Note No. 6 - TRADE PAYABLES

(Amount in Rs.)

Particulars	March 31, 2013	March 31, 2012
Trade Payables		
- Due to Micro and Small Enterprises		
- Other than Micro and Small Enterprises		
i. To Others	33,15,407	66,76,506
Total	33,15,407	66,76,506

Note No. 7 - OTHER CURRENT LIABILITIES

(Amount in Rs.)

Particulars	March 31, 2013	March 31, 2012
a. Current maturities of Long Term Debt	-	-
b. Deposits	-	-
c. Others		
- Statutory Dues	-	-
- Creditors for Expenses	2,25,99,254	31,29,672
- Creditors for Capital Goods	-	3,27,995
- Outstanding Expenses	1,34,832	9,402
- Advance from Debtors	28,40,495	-
- Statutory Dues		
TDS Payable	21,89,802	1,55,448
Excise Payable	6,837	13,77,007
VAT Payable	1,49,198	4,41,121
CST Payable	147	2,65,236
Total	2,79,20,564	57,05,882

Note No. 8 - SHORT TERM PROVISIONS

(Amount in Rs.)

Particulars	March 31, 2013	March 31, 2012
Provision for Employee Benefits		
- Salary payable	1,43,300	2,09,543
- Profession Tax Payable	200	-
Total	1,43,500	2,09,543



SCHEDULE ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2013
Note No. 9 Fixed Assets

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	Value as on 01/04/2012	Addition during the Year	Deduction during the Year	Value as at 31/03/2013	Value as on 01/04/2012	Addition during the Year	Deduction during the Year	Value as at 31/03/2013	WDV as on 31/03/2012
Electrical Installation	7,33,447	-	5,28,978	2,04,469	2,24,101	30,290	1,54,016	1,00,375.25	5,09,346
Furniture & Fixtures	5,13,811	-	-	5,13,811	2,51,787	47,426	-	2,99,213.76	2,62,023
Plant & Machinery	3,97,48,260	-	3,45,94,198	51,54,062	92,53,046	13,97,997	83,03,691	23,47,352.45	3,04,95,214
Computer	1,43,434	-	80,263	63,171	91,518	20,766	59,766	52,518.25	51,916
Office Equipments	17,870	-	-	17,870	6,200	1,623	-	7,823.37	11,671
Factory Equipment	3,37,721.00	-	3,37,721	-	89,182	8,619	97,801	-	2,48,539
Motor Vehicle	1,18,518	-	62,800	55,718	29,062	23,160	17,381	34,840.91	89,456
Total (Current Year)	4,16,13,061	-	3,56,03,960	60,09,101	99,44,897	15,29,882	86,32,655	28,42,124	3,16,68,168
(Previous Year)	3,89,94,540	26,18,521	-	4,16,13,061	49,85,170	49,59,727	-	99,44,897	6,46,95,913



**NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2013**

Note No. 10 - DEFERRED TAX ASSET

(Amount in Rs.)

Particulars	March 31, 2013	March 31, 2012
Deferred Tax Asset at the beginning of the year	14,56,072	
Deferred Tax adjustment during the year	41,93,251	14,56,072
Deferred Tax Expense	19,78,943	
Total	76,28,265	14,56,072

Note No. 11 - LONG TERM LOANS AND ADVANCES

(Amount in Rs.)

Particulars	March 31, 2013	March 31, 2012
I Secured, Considered good	-	-
II. Unsecured, Considered good		
a. Capital Advances	12,00,50,000	12,00,50,000
b. Security Deposits	-	
Electricity	19,925	30,000
Rent	36,000	12,36,000
c. Loans and Advances to Related Parties	41,73,436	-
Total Long Term Loans and Advances	12,42,79,361	12,13,16,000

Note No. 12 - INVENTORIES

(Amount in Rs.)

Particulars	March 31, 2013	March 31, 2012
a. Raw Materials	14,81,932	26,16,342
b. Work in Progress	-	10,90,006
c. Finished Goods (other than those acquired for trading purpose)	39,57,057	83,94,637
Total Inventories	54,38,990	1,21,00,985

Note No. 13 - TRADE RECEIVABLES

(Amount in Rs.)

Particulars	March 31, 2013	March 31, 2012
a Secured, Considered good	-	-
b Unsecured, Considered good		
- Outstanding for a period exceeding six months from the date its due	5,69,53,131	40,00,637
- Others	46,47,712	2,68,14,647
Total Trade receivables	6,16,00,843	3,08,15,284



**NOTES FORMING INTEGRAL PART OF THE BALANCE SHEET
AS AT 31ST MARCH, 2013**

Note No. 14 - CASH AND CASHEQUIVALENTS

(Amount in Rs.)

Particulars	March 31, 2013	March 31, 2012
Cash and Cash Equivalents		
- Cash on hand	4,91,567	1,99,974
- Bank balance	56,898	4,81,839
Total Cash and Bank Balances	5,48,465	6,81,813

Note No. 15 - SHORT TERM LOANS AND ADVANCES

(Amount in Rs.)

Particulars	March 31, 2013	March 31, 2012
a. Secured, Considered good	-	-
b. Unsecured, Considered good		
- Others		
Employee Advance	-	80,000
- Balance with revenue authorities		
Excise CENVAT	30,302	-
VAT Receivable	6,57,338	5,27,095
Service Tax Input Credit	98,880	-
TDS Receivable (FY: 2011-12)	28,268	30,948
TDS Receivable (FY: 2012-13)	19,27,504	-
Total	27,42,292	6,38,043

Note No. 16 - OTHER CURRENT ASSETS

(Amount in Rs.)

Particulars	March 31, 2013	March 31, 2012
Others		
- Prepaid Expenses	42,455	39,846
Total	42,455	39,846



**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS
AS AT 31ST MARCH, 2013**

Note No. 17 - REVENUE FROM OPERATIONS IN RESPECT OF NON FINANCE COMPANY (Amount in Rs.)

Particulars	March 31, 2013	March 31, 2012
<u>Revenue from Sale of Products</u>		
Exports Sales	65,66,732	28,07,979
Local Sales	3,15,80,240	5,26,13,023
<u>Other Operating Revenue</u>		
Scrap Sales	9,08,188	4,80,358
Labour Charges	1,60,776	30,29,220
Export Incentives	3,15,484	2,70,047
Total Revenue from Operations	3,95,31,420	5,92,00,627

Note No. 18 - OTHER INCOME (Amount in Rs.)

Particulars	March 31, 2013	March 31, 2012
Interest Income	11,587	67,672
Dividend Income	-	8,405
Rent Income	1,92,44,552	1,16,24,200
Profit on sale of fixed assets	26,30,855	64,85,295
Discount Received	16,080	-
Sundry Balance W/off	-	35,368
Total	2,19,03,074	1,82,20,940



**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS
AS AT 31ST MARCH, 2013**

Note No. 19 - COST OF MATERIALS INCLUDING PACKAGING MATERIALS CONSUMED

(Amount in Rs.)

Particulars	March 31, 2013	March 31, 2012
Raw Material Consumption		
Raw Material-Garment		
Opening Stock		72,14,089
Add: Purchases		55,38,925
Less: Closing Stock		9,168
	-	1,27,43,846
Raw Material-Plastic		
Opening Stock	6,01,179	-
Add: Purchases	97,66,639	-
Less: Closing Stock	-	-
	1,03,67,818	-
Raw Material-Paper		
Opening Stock	18,85,665	31,90,005
Add: Purchases	1,22,06,756	95,12,331
Less: Closing Stock	14,81,932	18,85,665
	1,26,10,488	1,08,16,671
Packaging Materials		
Opening Stock	-	-
Add: Purchases	1,09,955	2,01,090
Less: Closing Stock	-	-
	1,09,955	2,01,090
Consumables		
Opening Stock	82,501	3,06,495
Add: Purchases	3,48,273	27,02,747
Less: Closing Stock	-	2,37,780
	4,30,774	27,71,462
Total	2,35,19,035	2,65,33,069



**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS
AS AT 31ST MARCH, 2013**

Note No. 20 - CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(Amount in Rs.)

Particulars	March 31, 2013	March 31, 2012
Closing Stocks:		
Finished Goods	39,57,057	45,49,106
Work-in-Progress	-	10,90,006
Stock-in-Trade	-	2,17,38,670
Total (A)	39,57,057	2,73,77,782
Less: Opening Stocks:		
Finished Goods	95,31,641	64,08,612
Work-in-Progress	-	73,52,702
Stock-in-Trade	-	2,52,34,675
Total (B)	95,31,641	3,89,95,989
Total (A-B)		
(Increase)/Decrease in Excise Duty on Stocks		
Total	(55,74,584)	(1,16,18,207)

NOTE NO. 21 - EMPLOYEE BENEFIT EXPENSES

(Amount in Rs.)

Particulars	March 31, 2013	March 31, 2012
Salaries and Wages	46,63,411	26,44,563
Directors Remuneration	9,00,000	
Contribution to Provident and Other Funds	92,312	1,00,704
Staff Welfare Expenses	76,149	3,12,452
Total	57,31,872	30,57,718

Note No. 22 - FINANCE COST

(Amount in Rs.)

Particulars	March 31, 2013	March 31, 2012
Interest on TDS	6,829	-
Interest Expenses	-	13,49,619
Total	6,829	13,49,619



**NOTES FORMING PART OF STATEMENT OF PROFIT AND LOSS
AS AT 31ST MARCH, 2013**

Note No. 23 - OTHER EXPENSES

(Amount in Rs.)

Particulars	March 31, 2013	March 31, 2012
<u>Manufacturing Expenses</u>	-	
Power and Fuel	19,74,890	9,71,788
Labour & Processing Charges	4,51,310	62,20,415
Loading & Unloading charges	35,334	2,09,767
<u>Indirect Expenses</u>		
Rent	2,17,65,820	22,31,716
Discount paid	22,373	-
<u>Repairs and Maintenance of :</u>		-
Buildings	-	9,050
Plant and Machinery	28,000	2,09,766
Others	72,483	4,57,168
Insurance	1,42,512	14,78,103
Listing Fees	1,12,559	2,85,628
Legal & Professional Fees	4,92,346	24,26,466
Service Charges	1,798	1,48,10,827
Security Charges	-	5,34,340
Postage. Telephone & Telefax	43,929	8,27,150
Rates and Taxes	1,35,685	6,34,445
Printing & Stationery	2,77,252	7,54,447
Travelling Exps.	74,985	10,45,552
Donation	13,501	35,600
<u>Payment to Auditors</u>		-
As Auditor	1,34,832	5,57,015
Commission to other than Sole Selling Agents	-	1,88,443
Advertisement / Other Selling Expenses	10,39,650	20,52,418
Transport Charges	2,80,872	-
Prior Period Expenses	5,90,198	-
Sundry balance w/off	1,22,460	-
Miscellaneous Expenses	2,12,677	13,54,189
Total	2,80,25,467	3,72,94,294

**24) EARNING PER SHARE**

	<u>2012-13</u> <u>Rupees</u>	<u>2011-12</u> <u>Rupees</u>
Net Profit / (Loss) as per P/L A/c.	(36,31,594)	(57,03,704)
No. of equity shares outstanding (nos.)	1,15,50,000	1,15,50,000
Basic earnings per share	(0.31)	(0.49)
Diluted earnings per share	(0.31)	(0.49)

25) CONTINGENT LIABILITIES AND COMMITMENTS

PARTICULARS	2012-13	2011-12
(I) Contingent Liabilities		
(A) Claims against the company/ disputed liabilities not acknowledged as debts.	NIL	1,54,00,000/-
(i) Income Tax		
(B) Guarantees		
(i) Guarantees to Banks and Financial Institutions against credit facility extended to third parties.	10,00,00,000/-	7,26,00,000/-
(II) Capital Commitments	20,00,00,000/-	20,00,00,000/-
(i) Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances)		

The company has demerged its garment division in the previous year and hence the liability of Income tax demand on disputed dues of Rs. 1,54,00,000/- is transferred to the demerged division as the dispute was in respect of the garment division.

26. EMPLOYEE BENEFITS:

This clause is not applicable to the company as the gratuity is waived off by the directors.

27. DETAILS OF AUDITORS' REMUNERATION:

Payments to Statutory Auditor:	2012-13 Rs.	2011-12 Rs.
As Auditors:		
For Audit Fees	1,34,832/-	5,57,015/-
Total	1,34,832/-	5,57,015/-

**28. RAW MATERIALS CONSUMED**

PARTICULARS	2012-13	2011-12
Raw Material - Fabric	-	1,27,43,846
Raw Material - Plastic	1,03,67,818	-
Raw Material - Paper	1,26,10,488	1,08,16,671
Raw Material - Consumable	4,30,774	27,71,462
Raw Material – Packing Material	1,09,955	2,01,090
Total	2,35,19,035	2,65,33,069

FINISHED STOCK AND TURNOVER

PARTICULARS	SALES VALUE		CLOSING STOCK		OPENING STOCK / TRANSFERRED STOCK*	
	2012-13	2011-12	2012-13	2011-12	2012-13	2011-12
- Garment	-	3,86,94,412	-	14,20,232	-	3,50,100
- Plastic	2,23,83,039	-	-	63,55,770	63,55,770*	-
- Notebook	1,57,63,933	1,67,26,590	39,57,057	31,75,871	31,75,871	60,58,512
TOTAL	3,81,46,972	5,54,21,002	39,57,057	1,09,51,873	95,31,641	64,08,612

* The stock represents transfer on account of merger/demerger. Plastic division has merged and garment division has demerged.

29. VALUE OF IMPORTED AND INDIGENIOUS RAW MATERIALS AND SPARES CONSUMED AND PERCENTAGE OF EACH TO TOTAL CONSUMPTION:

PARTICULARS	2012-2013		2011-2012	
	Rs.	% to total	Rs.	% to total
A) Raw Materials:				
Imported	NIL	NIL	NIL	NIL
Indigenous (including value of consumption of imported raw materials purchased through indigenous sources)	2,29,78,306	100	2,35,60,517	100
Total	2,29,78,306	100	2,35,60,517	100
B) Stores and spares:				
Imported	NIL	NIL	NIL	NIL
Indigenous	5,40,729	100	29,72,552	100
Total	5,40,729	100	29,72,552	100



30. FOREIGN CURRENCY TRANSACTIONS

PARTICULARS	2012-13	2011-12
I) Value of imports on CIF basis	NIL	NIL
II) Expenditure in foreign currency	NIL	NIL
III) Earnings in foreign exchange Export (including deemed) of goods (on FOB basis)	65,66,732	28,07,979

31. Foreign exchange gain/loss (net) of Rs. NIL/- (Previous year Rs. NIL/-) has been included in respective heads of the Statement of Profit and Loss

32. SEGMENT REPORTING

1) Information about Primary segment (by business segment)

- a) Plastics.
- b) Note books.

The Company's business segments are organised around product lines which have been identified taking into account the nature of products, the different risks and returns the organisational structure and internal reporting systems.

- i) Segment revenue segment results, segment assets and segment liabilities include the respective amount identifiable to each of the segment as also the amount allocated on reasonable basis. The expenses which are not directly relatable to the business segment are shown as unallocated corporate cost.

ii) Segment Revenue

	BUSINESS SEGMENT		(Rs. In Lacs)
	Notebook	Plastic	Total
<u>REVENUE</u>			
<u>NET SALES/INCOME</u>	3,60,83,251	2,27,03,160	5,87,86,411
Total Segment Revenue			
Total Sales	3,60,83,251	2,27,03,160	5,87,86,411
Segment Results Before			
Interest, Tax &			
Unallocable Cost	(61,26,203)	5,24,946	(56,01,257)
<u>Add:</u> Unallocable Income	-	-	-
<u>Less:</u> Interest	-	-	-
<u>Less:</u> Unallocable corporate Cost	-	-	-
Profit before Tax	(61,26,203)	5,24,946	(56,01,257)



Taxes	(9,11,573)	(10,58,090)	(19,69,663)
Profit after Tax	(52,14,630)	15,83,036	(36,31,594)

	BUSINESS SEGMENT		(Amount In Rs.)
	Notebook	Plastic	Total
OTHER INFORMATION			
Segment Assets	13,48,28,857	7,06,18,791	20,54,47,648
Segment Liabilities	13,48,28,857	7,06,18,791	20,54,47,648
Depreciation	5,33,758	9,96,124	15,29,882

2) Information about secondary segment (by Geographical Segment)

	GEOGRAPHICAL SEGMENT		(Amount In Rs.)
	Domestic	International	Total
External Revenue			
- Notebook	2,95,16,519	65,66,732	3,60,83,251
- Plastic	2,27,03,160	-	2,27,03,160
Segment Assets	20,54,47,649	-	20,54,47,649

33. RELATED PARTY DISCLOSURE :

List of Related Parties

Particulars

Associates	1) Vilco Pharma Pvt Ltd
Enterprise in which key management personnel, and their relatives have significant influence	1) Kumar International 2) Plastex Products Pvt Ltd 3) Haria Investments Pvt Ltd
Key Management Personnel	1) Kantilal Haria 2) Manish Haria 3) Jaysukh Maru
Relative of key management personnel	1) Bimal Haria



Transaction for year ended 31st March 2012 (Rs. In Lacs)

Particulars	Subsidiaries	Enterprise in which / Associates	Key Management management personnel and relatives have significant influence	Total Personnel & their Relatives
1. Loan Given	NIL (NIL)	41,35,000/- (NIL)	8,78,436/- (NIL)	50,13,436/- (NIL)
2. Loan Received	NIL (NIL)	NIL (NIL)	25,86,000/- (1,50,00,000/-)	25,86,000/- (1,50,00,000/-)
3. Loan Repaid	NIL (NIL)	NIL (NIL)	1,48,50,000/- (NIL)	1,48,50,000/- (NIL)
4. Salary	NIL (NIL)	NIL (NIL)	7,39,000/- (4,80,000/-)	7,39,000/- (4,80,000/-)
5. Rent Paid	8,00,000/- (12,00,000/-)	1,71,27,600/- (NIL)	NIL (NIL)	1,79,27,600/- (12,00,000/-)
6. Director Remuneration	NIL (NIL)	NIL (NIL)	9,00,000/- (9,00,000/-)	9,00,000/- (9,00,000/-)
7. Guarantees Given	NIL (NIL)	10,00,00,000/- (7,26,00,000/-)	NIL (NIL)	10,00,00,000/- (7,26,00,000/-)

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:

As at As at 31st March,	2013	2012
Minimum Lease Rent	2,17,65,820/-	22,31,716/-
Total	2,17,65,820/-	22,31,716/-

35. During the year under consideration, the deferred tax asset of Rs. 14,56,072/- has been further Debited to rectify the effect of demerger of garment division by Rs.41,93,251/- and further credited to give effect of Current year by Rs.19,78,943/-, resulting in net Deferred Tax Asset of Rs.76,28,266/- at the year end.
36. As informed to us by the management, the term loan was sanctioned by Punjab National Bank of Rs.3,48,00,000/- in the name of Haria Exports Limited for garment division which has been secured against the plots numbers 278/279/345-358 at GIDC Vapi Industrial Estate, Vapi, Taluka: PARDI, District- Valsad, Gujarat which is demerged to Haria



Apparels Limited, the term loan was disbursed to Haria Apparels Limited which is the demerged company from Haria Exports Limited. The documentation was done in the name of Haria Exports Limited since the change of name process for land was not complete then. However the repayment for the same is done from Haria Apparels Limited only. The Company is however in the process of changing the name in GIDC records and consequently with Punjab National Bank from Haria Exports Limited to Haria Apparels Limited.

37. The Balance confirmations have been sent to Sundry Debtors, Creditors, Deposits and Loans & Advances parties, due adjustments, if any shall be done on receipt of 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.
38. 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.
39. 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.
40. 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.
41. Sundry balances are written off amounting to net Rs.1,22,460/- as per the resolution passed by the Board of Directors at their meeting held on 15th April, 2013.
42. Previous Year Figures have been regrouped & reclassified/rearranged wherever necessary.

As per our Report of even date

For SUNDERJI GOSAR & CO.
Chartered Accountants
Firm Registration No. 115543W

For HARIA EXPORTS LTD

(Alpesh Savla - Partner)
Membership No. 047828

Kantilal L. Haria
(Director)

Manish K. Haria
(Director)

Place: Mumbai
Date : 30/05/2013

**ATTENDANCE SLIP****HARIA EXPORTS LIMITED****REGD. OFF : HARIA CENTRE, 8, SUBHASH ROAD, VILE PARLE (E), MUMBAI - 400 057**

PLEASE FILL IN ATTENDANCE SLIP & HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL, JOINT SHAREHOLDER MAY OBTAIN ADDITIONAL ATTENDANCE SLIP ON REQUEST.

NAME & ADDRESS OF THE SHAREHOLDERS OR PROXY

NO. OF SHARES HELD :		MASTER FOLIO NO.	
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I hereby record my presence at the 43rd Annual General Meeting of the Company to be held on Friday, 27th September, 2013 at 9.30 a.m. at Vilco Centre, 8, Subhash Road, Vile Parle (E), Mumbai – 400 057.

SIGNATURE OF THE SHAREHOLDER OF PROXY :

Strike out whichever is not applicable.

----- TEAR HERE -----

PROXY FORM**HARIA EXPORTS LIMITED****REGD. OFF : HARIA CENTRE, 8, SUBHASH ROAD, VILE PARLE (E), MUMBAI - 400 057**

MASTER FOLIO NO :

I/We _____

of _____ Being a member / members of HARIA EXPORTS LIMITED hereby

appoint _____ of _____ or failing him _____

of _____ or _____ of _____

As my/our proxy to vote for me/us and on my/our behalf at the 43rd Annual General Meeting of the company to be held on Friday, 27th September, 2013 at 9.30 a.m. at 8, Subhash Road, Vile Parle (E), Mumbai – 400 057 and at any adjournment thereof.

Signed this _____ day of _____ 2013 _____ Revenue _____
Stamp
Rs.

Note :

1. The Proxy Form should be signed across the stamp as per specimen registered with the company.
2. The Proxy Form must be returned so as to reach the Registered Office of the Company at Haria Centre, 8, Subhash Road, Vile Parle (East), Mumbai – 400 057 not less than 48 hours before the time for Holding the aforesaid meeting. The Proxy need not be a member of the Company.

BOOK - POST

If undelivered, please return to :

HARIA EXPORTS LIMITED

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

Tel. No.: 4097 3000