



September 07, 2019

To,  
BSE Ltd.  
Corporate Relations Department,  
1<sup>st</sup> Floor, New Trading Ring,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
Mumbai-400001

Security Code:542682

Dear Sir,

**Sub: Annual Report of Harish Textile Engineers Limited for Financial Year 2018-2019**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed herewith Annual Report of the Harish Textile Engineers Limited for Financial Year 2018-2019.

Kindly take the same on record and acknowledge the receipt.

Thanking You,

**For Harish Textile Engineers Limited**

A handwritten signature in black ink, appearing to read "Hitendra Desai", is written over the printed name.

**Hitendra Desai**  
**Director**  
**Din: 00452481**

Encl.: Copy as above

# **9<sup>th</sup> ANNUAL REPORT**

**HARISH TEXTILE ENGINEERS  
LIMITED**

**2018-2019**

**CIN: U29119MH2010PLC201521**

**Board of Directors**

Mr. Sandeep Gandhi  
Managing Director

Ms. Ratna Jhaveri  
Non- Executive,Independent Director

Mr. Kirtikumar Gandhi  
Executive Director  
(Resigned w.e.f June 21,2019)

Mr. Rajesh Sahu  
Executive Director  
(Resigned w.e.f February 11,2019)

Mr. Hitendra Desai  
Whole-time, Executive Director

Mr. Abhinav Anand  
Non- Executive, Independent Director

Mr. Darshit Parikh  
Non-Executive,Independent Director  
(Resigned w.e.f June 15,2019)

Mr. Sunil Bhirud  
Executive Director  
(Resigned w.e.f February 11,2019)

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**Corporate Information:**

Name: Harish Textile Engineers Limited  
CIN: U29119MH2010PLC201521  
Scrip Code: 542682  
Scrip Name: HARISH  
ISIN: INE01K301012  
Listing: BSE Limited

**Banker**

Corporation Bank  
HDFC Bank

**Statutory Auditor:**

M/s. K.M. Swadia & Co.,  
Chartered Accountants  
314, Shriram Chambers,  
R. C. Dutt Road, Alkapuri,  
Vadodara-390 005.

**Registered Office:**

Harish Textile Engineers Limited  
19, Parsi Panchayat Road  
Andheri (East), Mumbai-400069  
Website: [www.harishtextile.com](http://www.harishtextile.com)

**Registrar & Share Transfer Agent:**

Bigshare Services Pvt.Ltd.,  
1<sup>st</sup> Floor, Bharat Tin Works Building  
Opp. Vasant Oasis, Makwana Road  
Marol, Andheri East  
Mumbai-400059

## NOTICE

**NOTICE** is hereby given that the 9<sup>th</sup> Annual General Meeting of the members of **Harish Textile Engineers Limited** (CIN: U29119MH2010PLC201521) will be held on Monday, 30<sup>th</sup> Day of September, 2019 at 9.30 A.M., at 2<sup>nd</sup> Floor, 19 Parsi Panchayat Road, Andheri (East), Mumbai - 400069, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Reports of the Board of Directors and the Auditors thereon;
2. To appoint a Director in place of Mr. Hitendra Desai (Din: 00452481), who retires from the office of director by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. K M Swadia & Company, Statutory Auditors from the conclusion of this Annual General Meeting until the conclusion of the Fourteenth Annual General Meeting and to fix their remuneration:

**"RESOLVED THAT** pursuant to Sections 139, 142 of the Companies Act, 2013 ("Act") and other applicable provisions, if any, of the said Act and Companies (Audit and Auditors) Rules, 2014 made thereunder and other applicable rules, if any, under the said Act (including any statutory modification(s) or re-enactment thereof for the time being in force) M/s. K M Swadia & Company, Chartered Accountants (Registration No. 110740W), be and is hereby re-appointed as the Statutory Auditors of the Company commencing from the conclusion of this Annual General Meeting till the conclusion of Fourteenth Annual General Meeting at a remuneration to be fixed by the Audit Committee and/or Board of Directors of the Company, in addition to the re-imbusement of applicable taxes and actual out of pocket and travelling expenses incurred.

### SPECIAL BUSINESS

#### **4. Appointment of Mr. Sandeep Gandhi (DIN No. : 00941665) as Managing Director:**

To consider and if thought fit to pass, the following resolution as **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, including any statutory modifications or re-enactment(s) (including corresponding provisions, if any of the Companies Act, 1956) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and subject to such other consent(s), approval(s), permission(s) as may be necessary in this regard, and as per Article 59 of the Articles of Association of the Company and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s), permission(s) as may be agreed to by Board of Directors (hereinafter referred as board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorized by the Board in this behalf), consent of the members be and is hereby accorded to the appointment of Mr. Sandeep Gandhi (Din no. 00941665), as Managing Director of the Company, for a period of 5 (Five) years with effect from December 30, 2018, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Sandeep Gandhi, as Managing Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

**RESOLVED FURTHER THAT** any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be necessary, expedient or proper to give effect to the above resolution."

**5. Appointment of Mr. Hitendra Desai (Din no.: 00452481) as Whole-time Director:**

To consider and if thought fit to pass, the following resolution as Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 including any statutory modifications or re-enactment(s) (including corresponding provisions, if any of the Companies Act, 1956) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, or any other law and subject to such other consent(s), approval(s), permission(s) as may be necessary in this regard and as per Article 59 of the Articles of Association of the Company and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s), permission(s) as may be agreed to by Board of Directors (hereinafter referred as board, which term shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorized by the Board in this behalf), consent of the members be and is hereby accorded to the appointment of Mr. Hitendra Desai (Din. No. 00452481), as Whole Time Director of the Company, for a period of 5 (Five) years with effect from December 30,2018, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Mr. Hitendra Desai, as Whole Time Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Companies Act, 2013.

**RESOLVED FURTHER THAT** any one of the Directors or Company Secretary of the Company be and are hereby authorized to do all necessary acts, deeds and things, which may be necessary, expedient or proper to give effect to the above resolution."

**6. Appointment of Ms. Ratna Jhaveri (Din no.: 07732263) as an Independent Director:**

To consider and if thought fit to pass, the following resolution as **Ordinary Resolution**

**"RESOLVED that MS. RATNA VIKRAM JHAVERI (DIN 07732263)** who was appointed by the Board of Directors as an Additional Director of the Company with effect from December 10, 2018 and who holds

office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and Article 64 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company."

**"RESOLVED FURTHER** that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the appointment of **MS. RATNA VIKRAM JHAVERI (DIN 07732263)** who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing December 12, 2018 to December 11, 2023, be and is hereby approved."

#### **7. Appointment of Mr. Abhinav Anand (Din no.: 07732241) as an Independent Director:**

To consider and if thought fit to pass, the following resolution as **Ordinary Resolution**

**"RESOLVED THAT** Mr. Abhinav Anand (**DIN07732241**) who was appointed by the Board of Directors as an Additional Director of the Company with effect from December 10, 2018 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 ("Act") and Article 64 of the Articles of Association of the Company but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company."

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the appointment of Mr. Abhinav Anand (**DIN-07732241**) who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing December 12, 2018 to December 11, 2023, be and is hereby approved."

## **8. Borrowing Powers:**

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

**"RESOLVED THAT** in supersession of earlier resolution passed with approval of members in general meeting and pursuant to Section 180(1) (c) and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the "Act"), read with the Companies (Meetings of Board and its Powers) Rules, 2014, including any statutory modification(s) or re-enactment thereof, for the time being in force, and the Articles of Association of the Company, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board) or its Committee as may be authorized by the Board of Directors to borrow for the purpose of the business of Company any sum or sums of moneys for and on behalf of the Company in Indian Rupees and/or in any foreign currency by way of availing of long/short term loans, commercial papers, by way of issue of bonds/notes and all kinds of financial assistance, secured/unsecured from banking companies, financial institutions, bodies corporate, by way of issue of redeemable non-convertible debentures, subordinated debentures or any other security or instrument(s) on private placement basis as well as by way of public issue by all permissible methods including shelf-disclosure documents, prospectus, shelf-prospectus, information memorandum, offering circular or otherwise, from persons, institutional investors, foreign institutional investors, qualified institutional buyers, resident public financial institutions, statutory corporations, provident funds, pension funds, superannuation funds, gratuity funds, alternative investments funds, insurance companies, mutual funds, national investment fund, insurance funds, non-institutional investors, companies, bodies corporate, societies, educational institutions and association of persons, trusts, scientific and/or industrial research organizations, partnership firms, Limited Liability Partnerships, Resident Individuals, High Net worth Individuals (HNIs), Hindu Undivided Families (HUFs), retail individual investors, by way of acceptance of deposits from public, shareholders, directors, relatives of directors, HUF, resident individuals, Non-resident Indians (through NRO accounts), trusts, firms, corporates or issuance of commercial papers, bonds, any other permissible instruments or methods of borrowing whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge or otherwise of the Company's assets and properties, whether movable or immovable notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company, apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business, will or may exceed the aggregate of the paid up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), provided that the total amount borrowed and outstanding at any point of time shall not exceed Rs. 100 Crores (Rupees Hundred Crores Only).

**RESOLVED FURTHER THAT** the Board or such Committee/ or person/(s) as authorized by the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it/they may consider necessary, expedient, usual or proper to give full effect to the aforesaid resolution, including but not limited to settle any questions or resolve difficulties that may arise in this regard, if any, as it may, in its absolute discretion, deem fit, without requiring the Board to secure any further consent or approval of the Members of the Company to the intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**By Order of the Board of Directors**

For **Harish Textile Engineers Ltd.**

**Sandeep Gandhi**  
**Managing Director**  
**DIN No.: 00941665**

**Hitendra Desai**  
**Executive Director**  
**DIN No.: 0045248**

**Date:** September 05, 2019

**Place:** Mumbai

**Registered Office**

2<sup>nd</sup> Floor, 19 Parsi Panchayat Road,

Andheri (East),

Mumbai-400069



NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 3 & 4 of the Notice, is annexed hereto. The relevant details as required under Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/reappointment at the Annual General Meeting for Item no. 3 to 8 is furnished as annexure to the Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED, STAMPED AND MUST BE DEPOSITED AT THE OFFICE OF THE REGISTRAR AND SHARE TRANSFER AGENTS OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FOR COMMENCEMENT OF THE MEETING.
3. At the 4<sup>th</sup> AGM held on September 30, 2014 the members approved appointment of M/s. K. M. Swadia & Co., Chartered Accountants Firm (Firm Registration No. 110740W) as Statutory Auditors of the Company to hold office from the conclusion of 4<sup>th</sup> AGM till the conclusion of the 9<sup>th</sup> AGM, subject to ratification of their appointment by Members at every AGM. The statutory auditors are completing its term as statutory auditors and they are eligible for the Re appointment for the further term of 5 years.
4. SEBI in its press release dated December 03, 2018 had decided that securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019. In view of the above and to avail the benefits of dematerialization and ease portfolio management, Members are requested to consider dematerialize shares held by them in physical form.
5. Members / Proxies should bring the enclosed attendance slip duly filled in, mentioning details of their DP ID and Client ID/Folio No. for attending the meeting, along with the Annual Report.
6. The proxy holder shall provide his identity proof at the time of attending the meeting. The proxies shall be available for inspection during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting.
7. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of

the Board Resolution authorizing their representative(s) to attend and vote in their behalf at the Meeting.

8. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer books of the Company will remain closed from Monday, the 23<sup>rd</sup> day of September, 2019 to Sunday, the 29<sup>th</sup> day of September, 2019. (both days inclusive).
9. The Members holding the shares in physical form may obtain the nomination form from the Company's Registrar & Share transfer agent- Bigshare Services Pvt. Ltd. (BSPL) and are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or BSPL for assistance in this regard.
10. Members desirous of getting any information in respect of the content of the annual report are requested to forward the queries to the Company at least 10 days prior to the annual general meeting so that the required information can be made available at the Company.
11. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or BSPL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
12. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
13. Pursuant to Rule 18(3) of the Companies (Management and Administration) Rules, 2014, the Members are requested to provide their e-mail id to the Company or Registrar and Share Transfer Agent in order to facilitate easy and faster dispatch of Notices of the general meetings and other communication by electronic mode from time to time.
14. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, BSPL in case the shares are held by them in physical form.
15. Members who hold shares in dematerialized form are requested to bring their DP ID and Client ID numbers for easy identification of attendance at the meeting.

16. The Equity Shares of the Company are mandated for trading in the compulsory demat mode. The ISIN Number allotted for the Company's shares is INE417B01040.
17. Annual Listing fees for the year 2019-20 has been paid to all stock exchange wherein shares of the Company are listed.
18. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members holding shares in physical form may submit the same to BSPL. Members holding shares in electronic form may submit the same to their respective depository participant.
19. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2018-19 will also be available on the Company's website viz. [www.harishtextile.com](http://www.harishtextile.com).
17. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Members are provided with the facility to cast their vote electronically, through e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
18. A Route Map showing directions to reach the venue of 9th Annual General Meeting is annexed in the last page.
19. Voting through electronic means:
- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services as provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The process and manner for remote e-voting are as under:

**A. How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2 : Cast your vote electronically on NSDL e-Voting system.

**Details on Step 1 is mentioned below:**

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. cast your vote electronically.
4. Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in Demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in Demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your Demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.
- 6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?"(If you are holding shares in your Demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your Demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- 8. Now, you will have to click on "Login" button.
- 9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG format) of the relevant Board Resolution/Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [csshrutishah@gmail.com](mailto:csshurutishah@gmail.com), with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
  3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) - Shareholders and remote e-voting user manual for members, available at the downloads Section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or toll free no. 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)
- B.** In case a Member receives physical copy of the Notice of AGM (for Members whose email addresses are not registered with the Company/Depositories) or requesting physical copy]:
- i. Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:  

<u>EVEN (Remote e-voting Event Number)</u>	<u>USER ID</u>	<u>PASSWORD/PIN</u>
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  - ii. Please follow all steps from point A above, to cast vote.
- C.** Other Instructions:
- i. The remote e-voting period commences on September 24, 2019 (9:00 am IST) and ends on September 28, 2019 (5:00 pm IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of September 23, 2019, may cast their vote by remote e-voting. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
  - ii. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
  - iii. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. September 23, 2019, may obtain the login ID and password by sending a request at [www.evoting@nsdl.co.in](http://www.evoting@nsdl.co.in).  
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting@nsdl.com](http://www.evoting@nsdl.com) or contact NSDL at the following toll free no. 1800-222-990.
  - iv. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 23, 2019.
  - v. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

- vi. Ms. Shruti H. Shah, Practicing Company Secretary (FCS No.8852) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner and she has consented to act as a scrutinizer.
- vii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- viii. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- ix. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
- x. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.harishtextile.com](http://www.harishtextile.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within two days of the passing of the resolutions at the 9<sup>th</sup> AGM of the Company on September 30, 2019 and communicated to the BSE Limited, where the shares of the Company are listed.

**By Order of the Board of Directors**

For **Harish Textile Engineers Ltd.**

**Sandeep Gandhi**  
**Managing Director**  
**DIN No.: 00941665**

**Hitendra Desai**  
**Executive Director**  
**DIN No.: 0045248**

**Date:** September 05, 2019

**Place:** Mumbai

**Registered Office**

2<sup>nd</sup> Floor, 19 Parsi Panchayat Road,

Andheri (East),

Mumbai-400069

## **EXPLANATORY STATEMENTS**

As required under Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to business mentioned under Item Nos.3 to8 of the accompanying Notice

### **Item No. 3:**

In terms of Section 139 of the Companies Act, 2013 ("the Act"), and the Companies (Audit and Auditors) Rules, 2014, made thereunder, the present Statutory Auditors of the Company, M/s. K M Swadia & Company, Chartered Accountants (Registration No. 110740W), term expires at the ensuing Annual General Meeting.

M/s. K M Swadia & Company, Chartered Accountants (Registration No. 110740W), being eligible for re-appointment have offered themselves for re-appointment.

The Board of Directors after considering the recommendations of the Audit Committee had re- appointment of M/s. K M Swadia & Company, Chartered Accountants, (Registration No. 110740W), as the Statutory Auditors of the Company, subject to the approval of the members. The Board has proposed remuneration of Rs. 10,00,000 per annum and re-imbursement of applicable taxes, and actual out of pocket and travelling expenses and such other cost incurred, as may be mutually agreed between the Board of Directors of the Company and the Auditors. The quantum of the annual increase will be decided by the Board of Directors. The proposed Auditors shall hold office for a period of five consecutive terms from the conclusion of this Annual General Meeting till the conclusion of Fourteenth Annual General Meeting of the Company to be held in the year 2024.

M/s. K M Swadia & Company, Chartered Accountants, have consented to the aforesaid appointment and confirmed that their appointment, if made, will be within the limits specified under Section 141(3)(g) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as the Statutory Auditors in terms of the Companies Act, 2013 and the rules made thereunder.

The Board considered various parameters like capability to serve a diverse and complex business landscape, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc., and found M/s. K M Swadia & Company to be best suited to handle the scale, diversity and complexity associated with the audit of the financial statements of the Company.

Pursuant to Section 139 of the Companies Act, 2013, approval of the members is required for appointment of the Statutory Auditors and fixing their remuneration by means of an ordinary resolution. Accordingly, approval of the members is sought for appointment of M/s. K M Swadia & Company, Chartered Accountants as the Statutory Auditors of the Company and to fix their remuneration.

None of the Directors and Key Managerial Personnel of the Company, or their relatives, is interested in this Resolution



The Board recommends the resolution at item No. 3 for approval by member.

#### **ITEM NO. 4**

Mr. Sandeep Gandhi, who was appointed as Managing Director by Board of Directors at the Board meeting held on 30<sup>th</sup> day of December, 2018 for a period of 5 (Five) Years with effect from 30/12/2018.

Mr. Sandeep Gandhi is Master of Business Administration from USA and having handsome experience of more than 3 decades.

The remuneration package of Mr. Sandeep Gandhi, as determined by the Remuneration Committee at its meeting held on 10.12.2018 and approved by the Board of Directors at the Board Meeting held on December 30, 2018, is forming the part of Item no. 4 of the Agenda for this Meeting.

The Board of directors will also be at liberty to alter, vary and revise the remuneration from time to time within the limit prescribed under Schedule V to the Companies Act, 2013, or any amendment or statutory modifications thereto.

In the terms of provisions of the Companies Act, 2013, consent of shareholders is required for the appointment of Mr. Sandeep Gandhi as the Managing Director. The Board recommends the resolution for the approval of the members as a Special resolution. The copy of the Board resolution and the letter issued to Mr. Sandeep Gandhi, Managing Director will be available for inspection between 11.00 A.M. to 1.00 P.M. on all working days (Monday to Friday) at the corporate office of the Company.

None of the Directors of the Company except Mr. Sandeep Gandhi is concerned or interested in the proposed resolution.

The broad particulars of the Remuneration payable to and the terms of appointment of Mr. Sandeep Gandhi are as under:

Period of Agreement: From 30.12.2018 to 29-12-2023

1. Salary : Rs. 14,00,000/- per month (Rupees Fourteen Lakhs Only)
2. Commission : No Commission
3. Perquisites : In addition to the above, the Managing Director shall be entitled to the all the perquisites listed herein below:
  1. The Managing Director shall be entitled to use the company's car, all the expenses for maintenance and running of the same including salary of the driver to be borne by the company;
  2. The Managing Director shall be entitled to participate in provident fund, gratuity fund or such other schemes for the employees, which the company may establish from time to time.
  3. Leave Travel Allowance for the Managing Director and his family once in a year in accordance with the Company policy.
  4. Bonus for the financial year, at the discretion of the board.
  5. Reimbursement of expenses incurred by him on account of business of the Company in accordance with the Company policy.
  6. Reimbursement of any other expenses properly incurred by him in accordance with the rules and policies of the Company.
  7. The Managing Director shall be entitled to such increment from time to time as the Board may by its discretion determine.

Other terms and conditions:

- a. In the event of absence or inadequacy of profits in any financial year during the tenure of the Chairman, salary and perquisites as determined by the Board of Directors, subject to the limits stipulated under Part II Section II of Schedule V read with Section 196 and 197 of the Companies Act, 2013, subject to maximum remuneration to be paid, as might be decided by the Board of Directors.
- b. In the event of loss or inadequacy of profits in any financial year during the tenure, the Company would pay Mr. Sandeep Gandhi remuneration, perquisites not exceeding the ceiling laid down in Part II Section II of Schedule V of the Companies Act, 2013, as might be decided by the Board of Directors.
- c. "Family" means the spouse and dependent children of the Managing Director.
- d. Leave with full pay and allowances shall be allowed as per the Company's rules.
- e. Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be allowed.
- f. No sitting fees shall be paid to the Managing Director for attending the meetings of the Board of Directors or Committees thereof.
- g. The Managing Director shall not be liable to retire by rotation.  
The Company entered into separate agreement with Mr. Sandeep Gandhi, which contained inter alia, the above terms and conditions.

The information below is in relation to the proposal contained in item No.4 of the Notice relating to re-appointment of Mr. Sandeep Gandhi as Managing Director of the Company.

I. General Information

(1) Nature of Industry:

The Company is in the business of Manufacturing of Textile Processing and Finishing Machineries.

(2) Date or expected date of commencement of commercial production:

The Company has been in business for the past 9 Years.

(3) In case of new companies, expected date of commencement of activities:

Not applicable, as the Company is an existing Company.

(4) Financial performance based on given indicators:

(in Lakhs)

<b>Particulars</b>	<b>31.03.2019</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
Sales(Gross)	3932.74	3934.35	4184.73
Profit before Tax	133.06	82.18	118.95
Profit after Tax	94.87	57.60	82.39
Shareholders fund	805.96	698.59	560.99
Rate of dividend on equity shares (%)	-	-	-

(5) Foreign investments or collaborators, if any: N. A.

II. Information about the appointee:

(i) Background details:

Mr. Sandeep Gandhi is Master of Business Administration from USA and having handsome experience of more than 3 decades.

(ii) Past Remuneration:

For the financial year 2017-2018, Mr. Sandeep Gandhi has total remuneration was Rs. 52,20,000/-.

(iii) Recognition or awards/ Job profile and his suitability:

Mr. Sandeep Gandhi has managed the Company ably since inception. In the opinion of the Board, he is eminently suited for the position he holds.

(iv) Remuneration proposed:

The remuneration of Mr. Sandeep Gandhi is set out in point no.1.

(v) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.:

The remuneration of Mr. Sandeep Gandhi is in tune with the remuneration in similar sized companies in similar segment of business.

(vi) Pecuniary relationship directly or indirectly with the Company, or relationship with managerial personnel, if any:

Mr. Sandeep Gandhi is the promoter of the Company and founder of the Company. He has equity holdings in the Company. He has no other pecuniary relationship directly or indirectly with the Company or any of its directors other than Mr. Kirti Gandhi, Non-Executive director of the Company.

(III) Other Information

Reasons of inadequate profits: Overall Liquidity crunch in the market and general industry has affected the operational capacity utilization of the company. These has resulted in higher Cost in terms of production and hence inadequate profits during the year.

Steps taken or proposed to be taken for improvements:

The Company has taken various steps to improve efficiency and reduce costs including right sizing of manpower. The agreement also sets out the duties and various obligations of Mr. Sandeep Gandhi. The appointment of Mr. Sandeep Gandhi by way of a special resolution, as Managing Director and minimum remuneration payable to him are required to be approved by the Members at this Annual General Meeting.

Mr. Sandeep Gandhi is concerned and interested in this resolution, as it relates to his relative's reappointment and payment of remuneration. No other director is directly or indirectly concerned or interested.

The Board recommends the resolution at item No. 4 for approval by member.

## **ITEM NO. 5**

Mr. Hitendra Desai Director of the Company (DIN: 00452481) who retires by rotation in the ensuing annual general meeting and, being eligible, offers himself for re-appointment.

Subject to the approval of Members in the – Annual General Meeting to be held on 30<sup>th</sup> September, 2019, the Board of Directors of the Company (the Board), at its meeting, held on December 30, 2018, appointed Mr. Hitendra Desai (DIN: 00452481) as Whole Time Director (Executive Director) of the Company, for a period of 5 (Five) years with effect from December 30,2018, on the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this meeting.

Subject to the approval of Members in the ensuing Annual General Meeting, Mr. Hitendra Desai Director of the Company (DIN: 00452481) to be appointed as Whole Time Director of the Company for a period of 5 (Five) years with effect from December 30, 2018 on the remuneration determined by the Remuneration Committee of the Board (the Remuneration Committee) at its meeting held on 10.12.2018.

A brief profile of Mr. Hitendra Desai, nature of their expertise in specific functional areas and names of companies in which they hold Directorship and membership/chairmanship of Board Committee's as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India, are annexed hereto.

The remuneration package of Mr. Hitendra Desai, as determined by the Remuneration Committee dated 10.12.2018 and approved by the Board of Directors at the Board Meeting held on December 30, 2018 is forming the part of the Resolution under Item no. 5 of the Agenda for this Meeting.

Mr. Hitendra Desai appointment as a Whole-time director on the Board of the Company was on the basis of them being liable to retire by rotation. They will continue to be the Whole-time director of the Company till his term comes for retirement by rotation. They are eligible to seek re-election at the Annual General Meeting in which they retire by rotation.

The Board of directors will also be at liberty to alter, vary and revise the remuneration from time to time within the limit prescribed under Schedule V to the Companies Act, 2013, or any amendment or statutory modifications thereto.

The broad particulars of the Remuneration payable to and the terms of the respective appointment of Mr. Hitendra Desai are as under:

Period of Agreement: From 30.12.2018 to 29.12.2024

1. Salary : Rs. 14,00,000/- per month (Rupees Fourteen Lakhs Only)
2. Perquisites : In addition to the above, the Whole Time Director shall be entitled to the all the perquisites listed herein below:
  - i. The Whole Time Director shall be entitled to use the company's car, all the expenses for maintenance and running of the same including salary of the driver to be borne by the company;
  - ii. The Whole Time Director shall be entitled to participate in provident fund, gratuity fund or such other schemes for the employees, which the company may establish from time to time.
  - iii. Leave Travel Allowance for the Whole Time Director and his family once in a year in accordance with the Company policy.
  - iv. Bonus for the financial year, at the discretion of the board.
  - v. Reimbursement of expenses incurred by him on account of business of the Company in accordance with the Company policy.
  - vi. Reimbursement of any other expenses properly incurred by him in accordance with the rules and policies of the Company.
  - vii. The Whole Time Director shall be entitled to such increment from time to time as the Board may by its discretion determine.

Other terms and conditions:

a. In the event of absence or inadequacy of profits in any financial year during the tenure of the Whole Time Director, salary and perquisites as determined by the Board of Directors, subject to the limits stipulated under Part II Section II Schedule V read with Section 196 and 197 of the Companies Act, 2013, subject to maximum remuneration to be paid, as might be decided by the Board of Directors.

b. In the event of loss or inadequacy of profits in any financial year during the tenure, the Company would pay Mr. Hitendra Desai, remuneration, perquisites not exceeding the ceiling laid down under Part II Section II of Schedule V read with Section 196 and 197 of the Companies Act, 2013, as might be decided by the Board of Directors.

c. "Family" means the spouse and dependent children of the Whole Time Director.

d. Leave with full pay and allowances shall be allowed as per the Company's rules.

e. Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be allowed.

f. No sitting fees shall be paid to the Whole Time Director for attending the meetings of the Board of Directors or Committees thereof.

g. The Whole Time Director shall be liable to retire by rotation.

The Company has entered into separate agreement with Mr. Hitendra Desai which contains inter alia, the above terms and conditions.

Mr. Hitendra Desai is concerned and interested in this resolution, as it relates to his / relatives appointment and payment of remuneration.

No other director is directly or indirectly concerned or interested.

The information below is in relation to the proposal contained in item No.5 of the Notice relating to re-appointment of Mr. Hitendra Desai as Whole-Time Directors of the Company.

#### I. General Information

##### I. General Information

###### (1) Nature of Industry:

The Company is in the business of Manufacturing of Textile Processing and Finishing Machineries.

###### (2) Date or expected date of commencement of commercial production:

The Company has been in business for the past 9 Years.

###### (3) In case of new companies, expected date of commencement of activities:

Not applicable, as the Company is an existing Company.

(4) Financial performance based on given indicators:

(in Lakhs)

<b>Particulars</b>	<b>31.03.2019</b>	<b>31.03.2018</b>	<b>31.03.2017</b>
Sales(Gross)	3932.74	3934.35	4184.73
Profit before Tax	133.06	82.18	118.95
Profit after Tax	94.87	57.60	82.39
Shareholders fund	805.96	698.59	560.99
Rate of dividend on equity shares (%)	-	-	-

(5) Foreign investments or collaborators, if any: N. A.

## II. Information about the appointee:

(i) Background details:

Mr. Hitendra Desai is Commerce Graduate with over 3 decades of Experience in Accounts and Legal.

(ii) Past Remuneration:

Remuneration for the Financial Year 2017-18

Mr. Hitendra Desai: Rs. 16,80,000/-

(iii) Recognition or awards/ Job profile and his suitability:

Mr. Hitendra Desai have managed the affairs of the Company ably since inception. In the opinion of the Board, they are eminently suited for the position they holds.

(iv) Remuneration proposed:

The remuneration of Mr. Hitendra Desai is set out in point no.1.

(v) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person. The remuneration of Mr. Hitendra Desai is in tune with the remuneration in similar sized companies in similar segment of business.

(vi) Pecuniary relationship directly or indirectly with the Company, or relationship with managerial personnel, if any.

Mr. Hitendra Desai has no other pecuniary relationship directly or indirectly with the Company or any of its directors.

## (III) Other Information

Reasons of inadequate profits: Overall Liquidity crunch in the market and general industry has affected the operational capacity utilization of the company. These has resulted in higher Cost in terms of production and hence inadequate profits during the year.

Steps taken or proposed to be taken for improvements:

The Company has taken various steps to improve efficiency and reduce costs including right sizing of manpower.

The agreement also sets out the duties and various obligations of Mr. Hitendra Desai

The appointment of Mr. Hitendra Desai, by way of a special resolution, as Whole time Director and minimum remuneration payable to them are required to be approved by the Members at this Annual General meeting.

In the terms of provisions of the Companies Act, 2013 consent of shareholders is required for the appointment of Mr. Hitendra Desai as the Whole Time Director of the Company. The Board recommends the resolution for the approval of the members as a Special resolution. The copy of the Board resolution and the letters issued to Mr. Hitendra Desai, Whole Time Director will be available for inspection between 11.00 A.M. to 1.00 P.M. on all working days (Monday to Friday) at the corporate office of the Company.

None of the Directors of the Company except Mr. Hitendra Desai is concerned or interested in the proposed resolution.

The Board recommends the resolution at item No. 5 for approval by member.

#### **Item No. 6**

Pursuant to the provisions of Section 149 of Companies Act, 2013(The Act), which came into effect from April 1, 2014, the Independent Directors are not liable to retire by rotation.

Ms. Ratna Jhaveri, Non-executive Director of the Company, has given a declaration to the board that she meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the board, the director fulfills the conditions specified in the Act and rules framed thereunder for appointment as an Independent Director. The board has recommended the appointment of Ms. Ratna Jhaveri, as an Independent, Non-Executive Director of the Company till the conclusion of the 9<sup>th</sup> Annual General Meeting of the Company to be held in the year 2024.

In compliance with the provision of Section 149 of the act, the appointment of Ms. Ratna Jhaveri, as an independent director is now being placed before the members for their approval.

A brief profile of Ms. Ratna Jhaveri, nature of his expertise in specific functional areas and names of companies in which she hold Directorship and membership/chairmanship of Board Committee's as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India, is annexed hereto.

The Board recommends the resolution at item No. 6 for approval by member.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in item No. 6 of the Notice except Ms. Ratna Jhaveri.

## **ITEM NO. 7**

Pursuant to the provisions of Section 149 of Companies Act, 2013(The Act), which came into effect from April 1, 2014, the Independent Directors are not liable to retire by rotation.

Mr. Abhinav Anand, Non-executive Director of the Company, has given a declaration to the board that he meets the criteria of independence as provided under Section 149(6) of the Act. In the opinion of the board, the director fulfills the conditions specified in the Act and rules framed thereunder for appointment as an Independent Director. The board has recommended the appointment of Mr. Abhinav Anand, as an Independent, Non-Executive Director of the Company till the conclusion of the 9<sup>th</sup> Annual General Meeting of the Company to be held in the year 2024.

In compliance with the provision of Section 149 of the act, the appointment of Mr. Abhinav Anand, as an independent director is now being placed before the members for their approval.

A brief profile of Mr. Abhinav Anand, nature of his expertise in specific functional areas and names of companies in which he hold Directorship and membership/chairmanship of Board Committee's as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges in India, is annexed hereto.

The Board recommends the resolution at item No. 7 for approval by member.

None of the Directors, Key Managerial Personnel and their relatives are concerned or interested in item No. 7 of the Notice except Mr. Abhinav Anand.

## **Item No. 8**

Section 180(1) (c) of the Companies Act, 2013, provides that the Board of Directors of a public company shall not, except with the consent of the Company in General Meeting, borrow monies in excess of the Company's paid up share capital and free reserves (apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business). Directors are of the view that the business would steadily grow in future as well and as a result of which, the mobilization of funds may substantially increase.

Therefore, it is considered desirable to enhance the limit of borrowings to Rs. 100 Crores (Rupees Hundred Crores Only) apart from temporary loans obtained/to be obtained by the Company from its bankers in the ordinary course of business.

The said proposal for borrowing is only an enabling sanction for creation of charges/mortgages and the Management shall seek approval of the Board as and when the actual borrowings are to be made. Your consent is required under the provisions of Sections 180(1) (c) and 180(1)(a) of the Act, to increase the borrowing limits and to mortgage and / or create a charge on any of the moveable and / or immovable properties and / or the whole or any part of the undertaking(s) of your Company to secure its borrowings.



The Board of Directors commend passing of the resolution set out in item no. 8 of the Notice.

None of the Directors, Key Managerial Personnel of the Company nor their relatives are concerned or interested, financially or otherwise in the proposed resolution.

**By Order of the Board of Directors**

For **Harish Textile Engineers Ltd.**

**Sandeep Gandhi**  
**Managing Director**  
**DIN No.: 00941665**

**Hitendra Desai**  
**Executive Director**  
**DIN No.: 0045248**

**Date:** September 05, 2019

**Place:** Mumbai

**Registered Office**

2<sup>nd</sup> Floor, 19 Parsi Panchayat Road,  
Andheri (East),  
Mumbai-400069

**Details of Directors appointment/re-appointment/retiring by rotation, as required to be provided pursuant to the provisions of (i) Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India and approved by the Central Government are provided herein below:**

Particulars	Mr. Sandeep Gandhi	Mr. Hitendra Desai	Mr. Abhinav Anand	Ms. Ratna Jhaveri
Director Identification Number (DIN)	00941665	00452481	07732241	07732263
Date of Birth		04/07/1962	25/05/1991	19/11/1987
Date of First Appointment on the Board	31/03/2010	12/02/2013	10/12/2018	10/12/2018
Experience in functional Area	Mr. Sandeep, has lead the diversification of the group. Under his leadership the group has diversified into polyester staple fibres, nonwoven and technical textile fabrics and auto interiors	Professional Director And Management Graduate Looking After Administration And Having Experience Since Past Three Decades.	Qualified LLB and having experience in various areas of Corporate Law, Trademark, Contract Law, Constitutional Law	Post Graduate in finance and having experience in Accounts, Audit and Taxation. Wide experience in the financial service and insurance industry
Qualification	MBA	Commerce Graduate	LLB	Post Graduate in Finance
Directorship in other Companies (Public Limited Companies)	1	1	0	0
Membership of Committees of other public limited companies (Audit Committee and Shareholder's/Investor's Grievance Committee only)	0	0	2	2
No. of Shares held in the Company	23,83,344 shares	Nil	NIL	NIL
The number of Meetings of the Board attended during the F.Y. 2018-19	14	14	4	4
Remuneration Proposed	Rs. 14,00,000 per month	Rs. 14,00,000 per month	N.A.	N.A.
Remuneration Paid	Rs. 4,35,000 per month	Rs. 1,65,000 per month	Sitting Fees will be paid to independent Directors	Sitting Fees will be paid to independent Directors
Disclosure of relationship with other Directors, Manager and other Key	The Directors, Mr. Kirtikumar Gandhi & Mr. Sandeep Gandhi having father and son	There are no inter-se relationships between the Directors	There are no inter-se relationships between the Directors mentioned above,	There are no inter-se relationships between the Directors

Managerial Personnel of the Company	relationship are related to each other within the meaning of the term "relative" as per Section 2(77) of the Act and per SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015.	mentioned above, and Manager and other Key Managerial Personnel of the Company.	and Manager and other Key Managerial Personnel of the Company.	mentioned above, and Manager and other Key Managerial Personnel of the Company.
Terms and conditions of re-appointment alongwith details of remuneration sought to be paid	The re-appointment is for a term of 5(five) years commencing from December 30, 2018. Details of remuneration sought to be paid is provided in Explanatory Statement for Item No. 4 annexed to the notice.	The re-appointment is for a term of 5(five) years commencing from December 30, 2018. Details of remuneration sought to be paid is provided in Explanatory Statement for Item No. 5 annexed to the notice.	The re-appointment is for a term of 5(five) years commencing from ensuing 9 <sup>th</sup> AGM. Sitting Fees will be paid to independent Directors	The re-appointment is for a term of 5(five) years commencing from ensuing 9 <sup>th</sup> AGM. Sitting Fees will be paid to independent Directors

**By Order of the Board of Directors**

For **Harish Textile Engineers Ltd.**

**Sandeep Gandhi**  
**Managing Director**  
**DIN No.: 00941665**

**Hitendra Desai**  
**Executive Director**  
**DIN No.: 00452481**

**Date :** September 05, 2019

**Place:** Mumbai

**Registered Office**

2<sup>nd</sup> Floor, 19 Parsi Panchayat Road,  
Andheri (East),  
Mumbai-400069

CIN No: **U29119MH2010PLC201521**

## Directors Report

Your Directors are pleased to present the **Ninth** Annual Report on the business and operations of the Company for the year ended March 31, 2019.

### 1. Financial Highlights

(Rs. In Lakhs)

Particulars	Year ended 31/03/2019	Year ended 31/03/2018
Gross Income	3932.74	3934.35
Profit Before Interest and Depreciation	316.50	313.49
Finance Charges	105.12	114.80
Gross Profit	211.38	198.69
Provision for Depreciation	78.32	116.51
Net Profit Before Tax	133.06	82.18
Provision for Tax	38.19	24.58
Net Profit After Tax	94.87	57.60
Balance of Retained earnings brought forward	458.59	510.99
Balance of Retained Earnings carried Forward	553.46	568.59

### 2. Management Analysis and Discussions

#### Company performance:

Your Company delivered yet another year of strong performance for the year in report i.e. FY: 2018-19, with total revenues of Rs. 3932.74 Lakhs as compared with Rs. 3934.35 Lakhs during the previous year. The profit before tax stood at Rs. 133.06 Lakhs as compared to Rs. 82.18 Lakhs in the previous year. The Company has made a provision of tax totaling to Rs. 38.19 Lakhs and the profit after tax stood at Rs. 94.87 Lakhs for the year in report, showing an increase of 64.70 % over the previous year.

Despite economic slow- down and severe liquidity constraints, Your Company posted another year of strong performance in FY: 2018-19 and continued to maintain its growth momentum.

#### Brief Introduction of Your Company

This being the first communication from the Company of the Public shareholders, the Board is pleased to give a brief introduction of your company. Your Company is one of the leading producers of textile processing and finishing machinery in India. The Machinery produced by your company has found acceptance by reputed clients in India and abroad. Your company has also exported its products to over 25 countries, including to a prestigious market like U.K.

Your company has manufacturing facilities spread over 120,000 square feet in Umbergam, Gujarat and another 65,000 square feet in Bhilad Gujarat.

With effect from 1/4/2019, the Businesses of Non-Woven Fabrics, Technical Textiles, Auto Interiors and Recycled Polyester Staple Fiber (which is a eco-friendly project) have also started contributing handsomely to the top-line and bottom line of your company. With all the business segments contributing from 1/4/2019, the Board is very hopeful of attaining substantially higher top-line and bottom-line for the current FY: 2019-20.

## **Review of operations**

Despite economic slow- down and severe liquidity constraints, Your Company posted another year of strong performance in FY: 2018-19 and continued to maintain its growth momentum.

## **Strengths**

Over the years your company has acquired Product and Domain Expertise in all the products manufactured. Your Company also has excellent technical and design team that can take up special tailor made projects even for non-textile applications. Your company has best in class infrastructure and plant and machinery in this business.

## **Quality**

Harish Machines are known and well respected for its Quality and productivity and command a premium valuation.

## **Outlook**

With all three business segments contributing from 1/4/2019, the Board is very hopeful of attaining substantially higher top-line and bottom-line for the current FY: 2019-20.

## **Opportunities and threats**

### **Opportunities:**

Export markets offer exciting opportunities. Specialised, tailor made non textile customers also offer excellent growth prospects.

### **Threats:**

The threats are in relation to the economic slow-down, liquidity issues and any adverse government policies. However, since textile industry is one of the top-three employment generators, the government policies are expected to be conducive and supportive.

## **Risks and Concerns**

The recent liquidity crunch and economic down turn are the risks and concerns being faced by the industry.

## **Internal Financial control systems and their adequacy**

The company has adequate systems for Internal Financial Control Systems. The company has also appointed a CA firm as independent Internal Auditors.

## **3. Dividend**

With a view to plough back the profits of the Company and keeping in mind the expansion of business activities, the Board of Directors consider it prudent and recommend not declaring any dividend for the year ended March 31, 2019.

## **4. Transfer To Reserves**

The entire balance in Retained Earnings is proposed to be carried forward

## **5. Transfer of Unclaimed Dividend to Investor Education and Protection Fund:**

The Provisions of Sec.125 (2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.

**6. Material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report**

On and with effect from April 01, 2019 the Non-Woven and PSF businesses have been integrated with the Company. These businesses will strengthen the Financial Position of the Company and will expand its Balance Sheet Size.

The National Company Law Tribunal, Mumbai Bench on August 09, 2018 passed an order for approving the Scheme of Arrangement for the Demerger under Sections 230 to 232 of the Companies Act, 2013 between Corporate Courier and Cargo Limited("CCCL" or the Transferor Company) and Harish Textile Engineers Private Limited (Now Harish Textile Engineers Limited) ("HTEPL" or "Transferee Company" No. 1) and Mahesh Developers Private Limited (Now Mahesh Developers Limited) ("MDL" or "Transferee Company" No. 2) their respective shareholders and creditors (The "Scheme"). The Company announced September 05, 2018 as effective date for the said Scheme.

The Company had allotted 9,36,000 equity shares on October 29,2018 pursuant to the Scheme of Amalgamation between Corporate Courier and Cargo Limited("CCCL" or the Transferor Company) and Harish Textile Engineers Private Limited (Now Harish Textile Engineers Limited) ("HTEPL" or "Transferee Company" No. 1) and Mahesh Developers Private Limited (Now Mahesh Developers Limited) ("MDL" or "Transferee Company" No. 2) their respective shareholders and creditors (The "Scheme") and Trading approval for the same had been received from BSE Limited on June 06, 2019.

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

There are no significant and material orders passed by the Regulators or courts or tribunals impacting the going concern status and company's operations in future, except for the order passed by National Company Law Tribunal, Mumbai Bench on August 09, 2018 for approving the Scheme of Arrangement for the Demerger under Sections 230 to 232 of the Companies Act, 2013 between Corporate Courier and Cargo Limited("CCCL" or the Transferor Company) and Harish Textile Engineers Private Limited (Now Harish Textile Engineers Limited) ("HTEPL" or "Transferee Company" No. 1) and Mahesh Developers Private Limited (Now Mahesh Developers Limited) ("MDL" or "Transferee Company" No. 2) their respective shareholders and creditors (The "Scheme"). The Company announced September 05, 2018 as effective date for the said Scheme.

The Company had allotted 9,36,000 equity shares on October 29, 2018 pursuant to the Scheme of Amalgamation between Corporate Courier and Cargo Limited("CCCL" or the Transferor Company) and Harish Textile Engineers Private Limited (Now Harish Textile Engineers Limited) ("HTEPL" or "Transferee Company" No. 1) and Mahesh Developers Private Limited (Now Mahesh Developers Limited) ("MDL" or "Transferee Company" No. 2) their respective shareholders and creditors (The "Scheme") and Trading approval for the same had been received from BSE Limited on June 06, 2019.

- There was no change in the nature of business of the Company.

**8. Details of Holding/Subsidiary/Joint Ventures/Associate Companies:**

The Company does not have any Holding/Subsidiary/Joint Ventures/Associate Companies.

**9. Directors and Key Managerial Personnel**

During the year, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any, incurred by them for the purpose of attending meetings of the Company.

The Board of Directors appointed Mr. Sandeep Gandhi as Managing Director and Mr. Hitendra Desai as Whole-Time Director, subject to approval of members at the ensuing 9<sup>th</sup> AGM.

The Board of Directors appointed Mr. Pinkesh Upadhyay as Chief Financial Officer w.e.f. December 30, 2018.

Mr. Kirtikumar Gandhi resigned from the post of directorship w.e.f. June 21, 2019

Mr. Darshit Parikh resigned from the post of directorship w.e.f. June 15, 2019

Mr. Rajesh Sahu and Mr. Sunil Bhirud resigned from the post of directorship w.e.f. February 11, 2019

All the above appointments/re-appointments by the Board of Directors are based on the recommendation of the Nomination and Remuneration Committee. The resolutions for aforementioned appointment/re-appointments and for payment of remuneration to Managing Director, Whole time- Director together with requisite disclosures are set out in the Notice of the ensuing 9<sup>th</sup> AGM. The Board recommends all the resolutions for your approval.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial personnel of the Company are - Mr. Sandeep Gandhi, Managing Director, Mr. Hitendra Desai, Whole Time Director and Mr. Pinkesh Upadhyay, Chief Financial Officer of the Company.

#### **10. Remuneration to Director and Employees**

Details/Disclosures of ratio of remuneration to each Director to median employee`s remuneration as required pursuant to Section 197(12) of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and details of remuneration paid to Employees vide Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as Annexure- IV

#### **11. Nomination Remuneration Committee**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

Nomination remuneration and compensation committee policy (NRC Committee)

The NRC Committee of the Company shall be formed by the Board of Directors of the Company out of its Board members. The NRC Committee shall consist of minimum three non-executive directors out of which two shall be independent directors. The chairperson of the company may be appointed as a member of the NRC Committee but shall not chair the NRC Committee. The Chairman of the NRC Committee shall be an independent director. No member of the NRC Committee shall have a relationship that may interfere with his independence from management and the Company or with the exercise of his duties as a NRC committee member. The NRC Committee may invite such of the executives of the Company, as it considers appropriate (and particularly the Managing Director) to be present at the meetings of the NRC committee, but on occasions it may also meet without the presence of any executives of the company. The Company Secretary shall act as the secretary to the NRC Committee.

The Nomination Remuneration Committee is chaired by Mr. Abhinav Anand. The Committee comprises of #Mr. Darshit Parikh, Non-Executive, Independent Director, Mr. Abhinav Anand, Non-Executive , Independent Director, \*Mr. Hitendra Desai, Executive Director and Ms. Ratna Jhaveri Non-Executive , Independent Director composition of the committee constituted and details of the meetings attended by the Directors are given below:

Note #Mr. Darshit Parikh has resigned from the post of Independent director and as a member of Audit committee, Nomination and Remuneration committee and Stakeholder Relationship Committee w.e.f. 15<sup>th</sup> June, 2019.

\*Mr. Hitendra Desai Chimanlal has been inducted as a member of Nomination and Remuneration committee w.e.f. 15<sup>th</sup> June, 2019.

The Company has not issued any Stock options to the Directors. Independent Directors of the Company have disclosed that they do not hold any Equity Shares of the Company. There has been no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the year under review.

## **12. Auditors**

Pursuant to the provisions of Section 139 of the Act and the rules framed thereunder, M/s. K.M. Swadia & Co. Chartered Accountants, (ICAI Firm Registration No. 110740W), hold the office till the conclusion of 9<sup>th</sup> AGM of the Company. The Board had recommended re-appointment of M/s. K.M. Swadia & Co. Chartered Accountants, (ICAI Firm Registration No. 110740W) as the statutory auditors of the Company, for a further period of five years, at the ensuing 9<sup>th</sup> AGM.

Auditors have confirmed that they are not disqualified to act as Auditors and are eligible to hold office as Auditors of your Company. They have also confirmed that they hold a valid peer review certificate as prescribed under Listing Regulations.

## **13. Auditors' Report**

The Auditors' Report contains one Qualification regarding non provision of Gratuity Liability on actuarial basis as required by Ind AS 19. The company is in the process of getting the liability ascertained on actuarial basis and in the current year hopes to provide for the same. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

## **14. Corporate Governance**

### **Non-applicability of Corporate Governance provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

Pursuant to the provisions of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the provisions of the Corporate Governance are not applicable to the ***Companies having paid up equity share capital not exceeding Rs. 10 Crore and Net Worth not exceeding Rs. 25 Crore, as on the last day of previous financial year or on the Companies listed on SME Exchange.***

In view of above, as per the latest Audited Financial Statement of the Company as at 31<sup>st</sup> March 2018, the paid-up Equity Share Capital and the Net Worth of the Company does not exceed the respective threshold limit of Rs. 10 Crore and Rs. 25 Crore, as aforesaid; hence compliance with the provisions of the Corporate Governance are not applicable to the Company.

## **15. Code of Conduct for Directors and Senior Management**

The Directors and members of Senior Management have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company. The copies of Code of Conduct as applicable to the Executive Directors (including Senior Management of the Company) and Non-Executive Directors are uploaded on the website of the Company.



## **16. Familiarization Program for Independent Directors**

The Company has practice of conducting familiarization program of the Independent directors.

## **17. Relationship Between Directors Inter-Se**

The Directors \*Mr. Kirti Gandhi and Mr. Sandeep Gandhi are related to each other within the meaning of the term "relative" as per Section 2(77) of the Act and per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Other than these, none of the Directors are related.

\*Mr. Kirti Gandhi resigned from the post of directorship w.e.f. June 21, 2019

## **18. Particulars of the Employees**

The information as required under Section 197 of the Act and rules made there-under is not applicable as none of the employees are in receipt of remuneration which exceeds the limits specified under the said rules.

## **19. Documents placed on the Website of the Company:**

The following documents have been placed on the website in compliance with the Act:

- Financial statements of the Company and consolidated financial statements along with relevant documents as per third proviso to Section 136(1).
- Details of Vigil mechanism for directors and employees to report genuine concerns as per proviso to Section 177(10).
- The terms and conditions of appointment of independent directors as per Schedule IV to the act.
- Latest Announcements
- Annual Reports
- Shareholding Pattern
- Code of Conduct
- Nomination and Remuneration Policy

## **20. Human Resource Management (Material developments in Human Resources / Industrial Relations front, including number of people employed)**

The Company offers a growth environment along with monetary benefits in line with industry standards. The Company has a number of employee initiatives to attract, retain and develop talent in the organization. The industrial relations during the year were cordial on all the fronts. The number of people employed in the year of report were 53.

## **21. Secretarial Audit Report**

Pursuant to Section 204 of the Companies Act, 2013, the Company had appointed, H B Upasani & Co, Practicing Company Secretary as its Secretarial Auditor to conduct the Secretarial Audit of the Company for the F.Y. 2018-19. The Company has provided all the assistance and facilities to the Secretarial Auditor for conducting their audit. Report of Secretarial Auditors for the F.Y 2018-19 in Form MR-3 is annexed to this report as Annexure-II.

## **22. Explanation or comments on Qualifications, reservations or adverse remarks made by Auditors and the Practicing Company Secretary in their Reports:**

The Auditors' Report contains one Qualification regarding non provision of Gratuity Liability on actuarial basis as required by Ind AS 19. The company is in the process of getting the liability ascertained on actuarial basis and in the current year hopes to provide for the same. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

The Secretarial Audit Report does not contain any Qualifications, reservations or adverse remarks.

### **23. Share Capital**

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2018 was Rs. 2,40,00,000 divided into 24,00,000 shares of Rs.10/- each which has increased as on 31<sup>st</sup> March, 2019 to Rs. 3,33,60,000 divided into 33,36,000 Equity shares of Rs.10/- each. The increase in capital was due to allotment of 936,000 Equity shares of Rs. 10/- each pursuant to Scheme of Arrangement for the Demerger under Sections 230 to 232 of the Companies Act, 2013 between Corporate Courier and Cargo Limited("CCCL" or the Transferor Company) and Harish Textile Engineers Private Limited (Now Harish Textile Engineers Limited) ("HTEPL" or "Transferee Company" No. 1) and Mahesh Developers Private Limited (Now Mahesh Developers Limited) ("MDL" or "Transferee Company" No. 2) their respective shareholders and creditors (The "Scheme").

### **24. Shares:**

- a. Buyback of Securities: The Company has not bought back any of the securities during the year under review.
- b. Sweat Equity: The Company has not issued any sweat equity shares during the year under review.
- c. Employee Stock Option Plan: The Company has not provided any stock options to the employees.

### **25. Credit Rating**

The company is in the process of obtaining credit rating for its Bank Finances from Care Ratings.

### **26. Fixed Deposits**

Your Company has not accepted any fixed deposits and, as such, no amount of principal or interest was outstanding as on the date of the Balance Sheet.

### **27. Directors Responsibility Statement**

Pursuant to the provisions of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Directors confirm that, to the best of their knowledge and belief:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with no material departures;
- (b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) They have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) They have prepared the annual accounts on a going concern basis; and
- (e) They have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## **28. Conservation of Energy, Technology Absorption, Research & Development and Foreign Exchange Earnings and Outgo**

Information pursuant to Section 134(3)(m) of the Companies Act 2013 read with Rule 8(3) the Companies (Accounts) Rules, 2014 forming part of Directors' Report for the year ended 31<sup>st</sup> March, 2019 is as under :

**Conservation of Energy:** The Company's operations involve low energy consumption. However efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.

**Technology Absorption:** The Technology available and utilized is continuously being upgraded to improve overall performance and productivity.

**Research & Development:** Your Company believes that research & development is a continuous process for sustained corporate excellence. Our research & development activities help us in product and service improvement, effective time management and are focused to provide unique benefits to our customers. Such methods do not involve any specific cost burden to the Company.

Foreign Exchange Earnings : Rs. 4,35,53,025/- (previous year 1,97,86,861/-)

Foreign Exchange Outgo : Rs. 7,86,52,297/- (previous year 68,65,305/-)

## **29. Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committee.

Criteria for Performance Evaluation of Independent Directors includes:

1. Attendance and Participation.
2. Maintaining confidentiality.
3. Acting in good faith and in the interest of the company as a whole.
4. Exercising duties with due diligence and reasonable care.
5. Complying with legislations and regulations in letter and spirit.
6. Openness to ideas, perspectives and opinions and ability to challenge old practices and throwing up new ideas for discussion.
7. Capacity to effectively examine financial and other information on operations of the company and the ability to make positive contribution thereon.

## **30. Number of Meetings of the Board**

During the year, 14 Board Meetings were held.

The dates on which the Board Meetings were held alongwith attendance are as follows:

<b>Sr. No.</b>	<b>Board Meeting Date</b>	<b>Directors Present</b>
1.	01-04-2018	Hitendra Desai, Sandeep Gandhi, Kirtikumar Gandhi, Rajesh Sahu, Sunil Bhirud
2.	10-05-2018	Hitendra Desai, Sandeep Gandhi, Kirtikumar Gandhi, Sunil Bhirud
3.	29-06-2018	Hitendra Desai, Sandeep Gandhi, Kirtikumar Gandhi, Rajesh Sahu, Sunil Bhirud
4.	30-07-2018	Hitendra Desai, Sandeep Gandhi, Kirtikumar Gandhi, Sunil Bhirud
5.	31-08-2018	Hitendra Desai, Sandeep Gandhi, Kirtikumar Gandhi, Sunil Bhirud
6.	03-09-2018	Hitendra Desai, Sandeep Gandhi, Kirtikumar Gandhi, Rajesh Sahu, Sunil Bhirud
7.	10-09-2018	Hitendra Desai, Sandeep Gandhi, Kirtikumar Gandhi, Rajesh Sahu, Sunil Bhirud
8.	29-09-2018	Hitendra Desai, Sandeep Gandhi, Kirtikumar Gandhi, Sunil Bhirud

9.	29-10-2018	Hitendra Desai, Sandeep Gandhi, Kirtikumar Gandhi, Sunil Bhirud
10.	15-11-2018	Hitendra Desai, Sandeep Gandhi, Kirtikumar Gandhi, Rajesh Sahu, Sunil Bhirud
11.	10-12-2018	Hitendra Desai, Sandeep Gandhi, Abhinav Anand, Ratna Jhaveri, Darshit Parikh
12.	30-12-2018	Hitendra Desai, Sandeep Gandhi, Abhinav Anand, Ratna Jhaveri, Darshit Parikh
13.	11-02-2019	Hitendra Desai, Sandeep Gandhi, Abhinav Anand, Ratna Jhaveri, Darshit Parikh
14.	22-02-2019	Hitendra Desai, Sandeep Gandhi, Abhinav Anand, Ratna Jhaveri, Darshit Parikh

### **31. Declaration by an Independent Director(s)**

The Board has received the declaration from all the Independent Directors as per the Section 149(7) of the Companies Act, 2013 and the Board is satisfied that all the Independent Directors meet the criterion of independence as mentioned in Section 149(6) of the Companies Act, 2013.

### **32. Internal Financial Control System**

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

### **33. Composition of Audit Committee**

The Audit Committee comprises of \*Mr. Darshit Parikh, Independent Director #Mr. Abhinav Anand, Independent Director, Ms. Ratna Jhaveri, Independent Director and Mr. Hitendra Desai, Whole-Time Director. The Audit Committee is chaired by Ms. Ratna Jhaveri

\*Mr. Darshit Parikh has resigned from the post of Independent director and as a member of Audit committee, Nomination and Remuneration committee and Stakeholder Relationship Committee w.e.f. 15<sup>th</sup> June, 2019.

#Mr. Abhinav Anand has been inducted as a member of Audit committee, w.e.f. 15<sup>th</sup> June, 2019

### **34. Stakeholders Relationship Committee:**

The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with Section 178 of the Act.

Terms of reference

The Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities relating to attending and redressal of the grievances of the security holders of the Company.

Functions

The Shareholders Relationship Committee is chaired by Mr. Abhinav Anand. The Committee comprises of #Mr. Darshit Parikh, Non-Executive, Independent Director, Mr. Abhinav Anand, Non-Executive, Independent Director, Mr. Hitendra Desai, Executive Director and \*Ms. Ratna Jhaveri Non-Executive, Independent Director composition of the committee constituted and details of the meetings attended by the Directors are given below:

Note #Mr. Darshit Parikh has resigned from the post of Independent director and as a member of Audit committee, Nomination and Remuneration committee and Stakeholder Relationship Committee w.e.f. 15<sup>th</sup> June, 2019.

\*Ms. Ratna Vikram Jhaveri has been inducted as a member of Stakeholder Relationship Committee w.e.f. 15<sup>th</sup> June, 2019.

The Committee in particular looks into:

1. To oversee and review redressal of shareholder and investor grievances, on matters relating to transfer of securities, non-receipt of annual report, non-receipt of dividends/interests.
2. To issue duplicate share/debenture certificate(s) reported lost, defaced or destroyed as per the laid down procedure and to resolve the grievances of security holders of the Company, if any.
3. Attending to complaints of security holders routed by SEBI (SCORES)/Stock Exchanges/RBI or any other Regulatory Authorities.
4. Taking decision on waiver of requirement of obtaining the Succession Certificate/Probate of Will on case to case basis within the parameters set out by the Board of Directors.
5. To monitor transfer of the amounts/shares transferable to Investor Education and Protection Fund.
6. To list the securities of the Company on Stock Exchanges.
7. Any other matters that can facilitate better investor services and relations.

During the year under review, no queries/complaint were received from shareholders/investors. The numbers of pending share transfers as on March 31, 2019 were Nil.

### **35. Vigil Mechanism (Whistle Blower Policy):**

Your Company has established a mechanism called 'Vigil Mechanism' for directors and employees to report the unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy and provides safeguards against victimization of employees who avail the mechanism. The Vigil Mechanism Policy has been uploaded on the website of the Company.

### **36. Risk Management Policy:**

Risk Management Policy identifies, communicate and manage material risks across the organization. The policy also ensures that responsibilities have been appropriately delegated for risk management. Key Risk and mitigation measures are provided in the Management Discussion and Analysis annexed to the Annual Report.

### **37. Corporate Social Responsibility:**

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within the purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

### **38. Extract of Annual Return:**

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT-9 as a part of this Annual Report annexed as Annexure-I. The same is also available on the website of the company at the website- [www.harishtextile.com](http://www.harishtextile.com)

### **39. Particulars of Loans, Guarantees or investments:**

The company has not given any Loans or Guarantees and not made any Investments covered under the provisions of Section 186 of the Companies Act, 2013.

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

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto have been disclosed in Form No. AOC-2 as Annexure-III.

#### **41. Acknowledgements**

Your Directors thank the Company's Investors, Clients, Vendors, Bankers, Business and various governmental as well as regulatory agencies for their continued support and confidence in the management.

Your Directors wish to place on record their deep sense of appreciation of the dedicated and sincere services rendered by employees at all levels during the year. Your Company's consistent growth was made possible by their hard work, solidarity, cooperation and support.

**For and on behalf of the Board of Directors**

**Sandeep Gandhi**  
**Managing Director**  
**DIN No.: 00941665**

**Hitendra Desai**  
**Executive Director**  
**DIN No.: 00452481**

**Date:** 05.09.2019

**Place:** Mumbai

**Annexure I**

**FORM NO. MGT 9  
EXTRACT OF ANNUAL RETURN**

**As on financial year ended on 31.03.2019**

**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U29119MH2010PLC201521
2.	Registration Date	31/03/2010
3.	Name of the Company	HARISH TEXTILE ENGINEERS LIMITED
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES/ INDIAN NON-GOVERNMENT COMPANY
5.	Address of the Registered office & contact details	2 <sup>ND</sup> FLOOR, 19 PARSİ PANCHAYAT ROAD, ANDHERI (EAST), MUMBAI- 400069
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	1 <sup>ST</sup> FLOOR BHARAT TIN WORKS BUILDING, OPP. VASANT OASIS, MAKWANA ROAD, MAROL, ANDHERI EAST, MUMBAI- 400059
8.	E-mail Id	skg2664@gmail.com
9.	Telephone number	+91-22-40373000

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY** (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Textile Processing and Finishing Machineries	1313	78.68%
2	Non Ferrous Metal	4662	21.31%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES [No. of Companies for which information is being filled]**

Sr. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE
1	N.A.	N.A.	N.A.

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**  
**A) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2018]				No. of Shares held at the end of the year[As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) <b>Indian</b>									
a) Individual/HUF	239998	2	2400000	100	239998	2	2400000	71.94	(28.06)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	-	2400000	2400000	100	-	2400000	2400000	71.94	(28.06)
(2) <b>Foreign</b>									
a) Individuals (Non-Resident Individuals /Foreign Individuals)	-	-	-	-	671519	264481	936000	28.06	28.06
b) Bodies Corporate	-	-	-	-	-	-	-	-	-
c) Institutions	-	-	-	-	-	-	-	-	-
d) Any Other	-	-	-	-	-	-	-	-	-



(Specify)									
Sub Total A2	-	-	-	-	671519	264481	93600 0	28.06	28.06
Total Shareholding of Promoter Group A(1+2)	239998	2	2400000	100	-	3336000	333600 00	100	0.00
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share	-	-	-	-	-	-	-	-	-

capital up to Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1) + (B)(2)	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>239998</b>	<b>2</b>	<b>240000</b>	<b>100</b>	<b>-</b>	<b>333600</b>	<b>3336000</b>	<b>100</b>	<b>0.00</b>

Note- The Company had allotted 9,36,000 equity shares on October 29,2018 pursuant to the Scheme of Amalgamation between Corporate Courier and Cargo Limited("CCCL" or the Transferor Company) and Harish Textile Engineers Private Limited (Now Harish Textile Engineers Limited) ("HTEPL" or "Transferee Company" No. 1) and Mahesh Developers Private Limited (Now Mahesh Developers Limited) ("MDL" or "Transferee Company" No. 2) their respective shareholders and creditors (The "Scheme") and Trading approval for the same had been received from BSE Limited on June 06, 2019.

**B) Shareholding of Promoter (including Promoter Group):**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Mr. Sandeep Gandhi	23,83,344	99.31	0.00	23,83,344	71.44	0.00	(27.87)
2	*Mr. Kirti Gandhi	16,650	0.69	0.00	16,650	0.50	0.00	(0.19)
3	Sandeep Gandhi (HUF)	1	0.00	0.00	1	0.00	0.00	0.00
4	Kirtikumar Gandhi (HUF)	1	0.00	0.00	1	0.00	0.00	0.00
5	Mr. Shovan Gandhi	1	0.00	0.00	1	0.00	0.00	0.00
6	Mr. Shaiv Gandhi	1	0.00	0.00	1	0.00	0.00	0.00
7	Mrs. Saher Shovan Gandhi	1	0.00	0.00	1	0.00	0.00	0.00
8	Mrs. Shaila Gandhi	1	0.00	0.00	1	0.00	0.00	0.00
	<b>Total</b>	<b>24,00,000</b>	<b>100.00</b>	<b>0</b>	<b>24,00,000</b>	<b>71.94</b>	<b>0</b>	<b>(28.06)</b>

Note- The Company had allotted 9,36,000 equity shares on October 29,2018 pursuant to the Scheme of Amalgamation between Corporate Courier and Cargo Limited("CCCL" or the Transferor Company) and Harish Textile Engineers Private Limited (Now Harish Textile Engineers Limited) ("HTEPL" or "Transferee Company" No. 1) and Mahesh Developers Private Limited (Now Mahesh Developers Limited) ("MDL" or "Transferee Company" No. 2) their respective shareholders and creditors (The "Scheme") and Trading approval for the same had been received from BSE Limited on June 06, 2019.

\*Mr. Kirtikumar Gandhi resigned from the post of directorship w.e.f. June 21, 2019

**C) Change in Promoters' (including Promoter Group) Shareholding:**

SN	Name of Promoter	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Sandeep Gandhi	At the beginning of the year	23,83,344	99.31	23,83,344	99.31
		Increase/Decrease	0	(27.87)	0	(27.87)
		At the end of the year	23,83,344	71.44	23,83,344	71.44
2	*Mr. Kirti Gandhi	At the beginning of the year	16,650	0.69	16,650	0.69
		Increase/Decrease	0	(0.19)	0	(0.19)
		At the end of the year	16,650	0.50	16,650	0.50
3	Sandeep Gandhi (HUF)	At the beginning of the year	1	0.00	1	0.00
		Increase /Decrease	0	0	0	0
		At the end of the year	1	0.00	1	0.00
4	Kirtikumar Gandhi (HUF)	At the beginning of the year	1	0.00	1	0.00
		Increase/Decrease		0	0	0
		At the end of the year	1	0.00	1	0.00
5	Mr. Shovan Gandhi	At the beginning of the year	1	0.00	1	0.00
		Increase/Decrease		0	0	0
		At the end of the year	1	0.00	1	0.00
6	Mr. Shaiv Gandhi	At the beginning of the year	1	0.00	1	0.00
		Increase/Decrease		0	0	0
		At the end of the year	1	0.00	1	0.00
7	Mrs. Saher Gandhi	At the beginning of the year	1	0.00	1	0.00
		Increase/Decrease		0	0	0
		At the end of the year	1	0.00	1	0.00
8	Mrs. Shaila Gandhi	At the beginning of the year	1	0.00	1	0.00
		Increase/Decrease		0	0	0
		At the end of the year	1	0.00	1	0.00

Note- The Company had allotted 9,36,000 equity shares on October 29,2018 pursuant to the Scheme of Amalgamation between Corporate Courier and Cargo Limited("CCCL" or the Transferor Company) and Harish Textile Engineers Private Limited (Now Harish Textile Engineers Limited) ("HTEPL" or "Transferee Company" No. 1) and Mahesh Developers Private Limited (Now Mahesh Developers Limited) ("MDL" or

"Transferee Company" No. 2) their respective shareholders and creditors (The "Scheme") and Trading approval for the same had been received from BSE Limited on June 06, 2019.

\*Mr. Kirtikumar Gandhi resigned from the post of directorship w.e.f. June 21, 2019

**D) Shareholding Pattern of top ten Shareholders: -  
(Other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Name of top ten shareholder	Shareholding at the beginning of the year as on 1.4.2018		Change in share-Holding during the year		Shareholding at the end of the year as on 31.3.2019	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Dineshbhai Ambalal Patel	-	-	66950	2.01	66950	2.01
2	Renaud Infracons Limited Liability Partnership	-	-	56069	1.68	56069	1.68
3	Priya Prakash	-	-	26466	0.79	26466	0.79
4	Anilkumar	-	-	20956	0.63	20956	0.63
5	Ketankumar V Patel	-	-	18460	0.55	18460	0.55
6	Patel Mayur Rajendrabhai	-	-	17171	0.51	17171	0.51
7	Vijay Gadhia	-	-	16237	0.49	16237	0.49
8	N B Trivedi HUF	-	-	14170	0.42	14170	0.42
9	Jayshreeben Rajendrabhai Patel	-	-	14055	0.42	14055	0.42
10	Kushal Sanjaybhai Patel	-	-	13256	0.40	13256	0.40

Note- The Company had allotted 9,36,000 equity shares on October 29,2018 pursuant to the Scheme of Amalgamation between Corporate Courier and Cargo Limited("CCCL" or the Transferor Company) and Harish Textile Engineers Private Limited (Now Harish Textile Engineers Limited) ("HTEPL" or "Transferee Company" No. 1) and Mahesh Developers Private Limited (Now Mahesh Developers Limited) ("MDL" or "Transferee Company" No. 2) their respective shareholders and creditors (The "Scheme") and Trading approval for the same had been received from BSE Limited on June 06, 2019.

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

Sr. No.	Name of the shareholder	Shareholding at the beginning of the year as on 1.4.2018		Change in share-Holding during the year		Shareholding at the end of the year as on 31.3.2019	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Hitendra Desai	-	-	-	-	-	-
2	*Kirtikumar Gandhi	16,650	0.69	0	(0.19)	16,650	0.50
3	Sandeep Gandhi	23,83,344	99.31	0	(27.87)	23,83,344	71.44
4	#Darshit Parikh	-	-	-	-	-	-
5	Abhinav Anand	-	-	-	-	-	-
6	Ratna Jhaveri	-	-	-	-	-	-
7	Pinkesh Upadhyay	-	-	-	-	-	-
8	<sup>§</sup> Rajesh Sahu	-	-	-	-	-	-
9	<sup>§</sup> Sunil Bhirud	-	-	-	-	-	-

Note- The Company had allotted 9,36,000 equity shares on October 29,2018 pursuant to the Scheme of Amalgamation between Corporate Courier and Cargo Limited("CCCL" or the Transferor Company) and Harish Textile Engineers Private Limited (Now Harish Textile Engineers Limited) ("HTEPL" or "Transferee Company" No. 1) and Mahesh Developers Private Limited (Now Mahesh Developers Limited) ("MDL" or "Transferee Company" No. 2) their respective shareholders and creditors (The "Scheme") and Trading approval for the same had been received from BSE Limited on June 06, 2019.

\*Mr. Kirtikumar Gandhi resigned from the post of directorship w.e.f. June 21, 2019

#Mr. Darshit Parikh resigned from the post of directorship w.e.f. June 15, 2019

§Mr. Rajesh Sahu and Mr. Sunil Bhirud resigned from the post of directorship w.e.f. February 11, 2019

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

(Rs. In Lakhs)

	<b>Secured Loans excluding deposits</b>	<b>Unsecured Loans</b>	<b>Deposits</b>	<b>Total Indebtedness</b>
<b>Indebtedness at the beginning of the financial year</b>				
<b>i) Principal Amount</b>	74875288	12948138	-	87823426
<b>ii) Interest due but not paid</b>	559703	-	-	559703
<b>iii) Interest accrued but not due</b>	-	-	-	-
<b>Total (i+ii+iii)</b>	75434991	12948138	-	88383129
<b>Change in Indebtedness during the financial year</b>				
<b>* Addition</b>	1967005	60156527	-	62123532
<b>* Reduction</b>	15161896	19574537	-	34736433
<b>Net Change</b>	15402687	40581990	-	55984677
<b>Indebtedness at the end of the financial year</b>				
<b>i) Principal Amount</b>	61680397	53530128	-	115210525
<b>ii) Interest due but not paid</b>	318912	-	-	318912
<b>iii) Interest accrued but not due</b>	-	-	-	-
<b>Total (i+ii+iii)</b>	61999309	53530128	-	115529437

**V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-**

**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

<b>SN.</b>	<b>Particulars of Remuneration</b>	<b>Name of Director</b>		<b>Total</b>
		Sandeep Gandhi	Hitendra Desai	
1	<b>Gross salary</b>	52,20,000	19,80,000	72,00,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			
2	<b>Stock Option</b>			
3	<b>Sweat Equity</b>			
4	<b>Commission</b> - as % of profit - others, specify...			
5	<b>Others, please specify</b>			
	<b>Total (A)</b>	52,20,000	19,80,000	72,00,000
	<b>Ceiling as per the Act</b>	84,00,000	84,00,000	1,68,00,000

Note- Salary includes professional fees taken by Directors till December, 2018

B. REMUNERATION TO OTHER DIRECTORS- Sitting fees –N.A.



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

SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO#	Total
1	<b>Gross salary</b>	-	25,000	1,50,000	1,75,000
	<b>(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961</b>	-	-	-	-
	<b>(b) Value of perquisites u/s 17(2) Income-tax Act, 1961</b>	-	-	-	-
	<b>(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961</b>	-	-	-	-
2	<b>Stock Option</b>	-	-	-	-
3	<b>Sweat Equity</b>	-	-	-	-
4	<b>Commission</b>	-	-	-	-
	<b>- as % of profit</b>	-	-	-	-
	<b>others, specify...</b>	-	-	-	-
5	<b>Others, please specify</b>	-	-	-	-
	<b>Total</b>	-	25,000	1,50,000	1,75,000

# Note- Mr. Pinkesh Upadhyay were appointed as CFO of the Company w.e.f December 30, 2018 and Ms. Khushboo Desai resigned w.e.f. April 11, 2019

**VI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

## **Annexure II to the Directors' Reports**

### **Form No. MR-3**

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

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2019

To,

The Members,

**HARISH TEXTILE ENGINEERS LIMITED**

CIN: **U29119MH2010PLC201521**

2<sup>ND</sup> FLOOR, 19 PARSI PANCHAYAT ROAD,

ANDHERI (EAST),

MUMBAI 400069

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by HARISH TEXTILE ENGINEERS LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the Financial Year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

The secretarial audit is carried out for financial year ending 31/03/2019, the company is Listed on BSE w.e.f 06<sup>th</sup> day of June, 2019 therefore the provisions of SEBI (LODR) Regulations,2015 were not applicable during the period under Audit. However, the Company is complying with requirements of SEBI (LODR) Regulations, 2015 from the date of the listing.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. During the audit period, there were no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Not Applicable to the Company during the Audit Period);
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. (Not Applicable to the Company during the Audit Period);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not Applicable to the Company during the Audit Period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations,1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (*Not Applicable to the Company during the Audit Period*);

(vi) Other laws applicable specifically to the Company namely:

1. Factory Act, 1948.
2. Employees Compensation Act, 1923.
3. Payment of Wages Act, 1936
4. Payment of Gratuity Act, 1972
5. Minimum Wages Act, 1948.
6. Payment of Bonus Act, 1965.
7. The Employees Provident Funds & Miscellaneous Provisions Act, 1952
8. Employees State Insurance Act, 1948
9. Maharashtra State Tax on Professions / Trades Act, 1975
10. Goods and Service Tax Act, 2017
11. Sexual Harassment Act, 2013
12. Income Tax Act, 1961
13. Industrial Employment (Standing Order Act) 1946
14. Environmental Management and Pollution Control Act, 1994

We have examined compliance of SEBI (Listing Obligations and Disclosure requirements) Regulation 2015 for the financial year ended 31/03/2019.

We have examined compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India as notified by the Central Government and applicable from 01/07/2015.

We have not examined compliance by the Company with the applicable financial laws, like direct and indirect tax laws, since the same have been subject to review by statutory financial audit and other designated professionals.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

We further report that:

The Board of Directors of the Company is constituted as follows:

1. Mr. Sandeep Kirtikumar Gandhi -Executive -Managing Director.
2. Mr. Hitendra Desai Chimanlal - Executive -Whole Time Director
3. Mr. Abhinav Anand -Non-Executive -Independent Director
4. Ms. Ratna Vikram Jhaveri- Non-Executive Woman & Independent Director
5. Mr. Pinkesh Hasmukhlal Upadhyay- Chief Financial Officer (CFO)
6. Ms. Khushboo Desai (Company Secretary)\*

\* Ms. Khushboo Desai has resigned from the post of Company secretary w.e.f. 11.04.2019.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Audit Committee, Nomination & Remuneration Committee, and Stakeholder Relationship Committee the Company are constituted as follows:

7. i) Members of Audit Committee:

1. Ms. Ratna Vikram Jhaveri -Non-Executive- Independent Director
2. Mr. Darshit Parikh – Non Executive – Independent Director \*\*
3. Mr. Abhinav Anand -Non-Executive -Independent Director \*\*\*
4. Mr. Hitendra Desai Chimanlal - Executive -Whole Time Director \*\*\*\*\*

ii) Members of Nomination and Remuneration Committee:

1. Mr. Abhinav Anand -Non-Executive -Independent Director \*\*\*
2. Mr. Darshit Parikh – Non Executive – Independent Director\*\*
3. Mrs. Ratna Vikram Jhaveri -Non-Executive- Independent Director \*\*\*\*
4. Mr. Hitendra Desai Chimanlal - Executive -Whole Time Director

iii) Members of Stakeholder Relationship Committee:

1. Mr. Abhinav Anand -Non-Executive -Independent Director \*\*\*
2. Mr. Darshit Parikh – Non Executive – Independent Director\*\*
3. Mrs. Ratna Vikram Jhaveri -Non-Executive- Independent Director
4. Mr. Hitendra Desai Chimanlal - Executive -Whole Time Director

\*\*Mr. Darshit Parikh has resigned from the post of Independent director and as a member of Audit committee, Nomination and Remuneration committee and Stakeholder Relationship Committee w.e.f. 15<sup>th</sup> June, 2019.

\*\*\* Mr. Abhinav Anand has been inducted as a member of Audit committee, w.e.f. 15<sup>th</sup> June, 2019.

\*\*\*\*Mrs. Ratna Vikram Jhaveri has been inducted as a member of Stakeholder Relationship Committee w.e.f. 15<sup>th</sup> June, 2019.

\*\*\*\*\*Mr. Hitendra Desai Chimanlal has been inducted as a member of Nomination and Remuneration committee w.e.f. 15<sup>th</sup> June, 2019.

The Board Directors of the Company should be constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors.

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

As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

We further report that:

- i) During the year under audit the company has increased the authorized share capital from 5 crore to 10 crores.
- ii) The Company had allotted 9,36,000 equity shares on October 29,2018 pursuant to the Scheme of Amalgamation between Corporate Courier and Cargo Limited("CCCL" or the Transferor Company) and Harish Textile Engineers Private Limited (Now Harish Textile Engineers Limited) ("HTEPL" or "Transferee Company" No. 1) and Mahesh Developers Private Limited (Now Mahesh Developers Limited) ("MDL" or "Transferee Company" No. 2) their respective shareholders and creditors (The "Scheme") and Trading approval for the same had been received from BSE Limited on June 06, 2019.

- iii) The Company has filed the forms and returns with register of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and rules made there under. Wherever the forms were not filed within prescribed time, had been filed along with the additional fee.

**For H B Upasani & Co.  
Company Secretaries**

**H B Upasani**  
Proprietor  
Membership No. FCS 4891 COP-5966  
**Place:** Mumbai  
**Date :** 5<sup>th</sup> September, 2019

This report is to be read with our letter of even date which is annexed as ANNEXURE-A- and forms an integral part of this report.

## **Annexure A to the Secretarial Audit Report**

To,  
The Members,  
HARISH TEXTILE ENGINEERS LIMITED

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

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

For **H B Upasani & Co.**  
**Company Secretaries**

**H B Upasani**  
**Proprietor**  
Membership No. FCS-4891 COP-5966

Place: Mumbai  
Date : 5<sup>th</sup> September, 2019

**Annexure III to the Directors' Reports**

**FORM NO. AOC -2**

**(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2019, which were not at arm's length basis.

2. Details of material contracts or arrangements or transactions at Arm's length basis.

There were no material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2019.

**For and on behalf of the Board of Directors**

**Sandeep Gandhi**  
**Managing Director**  
**DIN No.: 00941665**

**Hitendra Desai**  
**Executive Director**  
**DIN No.: 0045248**

## **ANNEXURE IV to the Directors' Reports**

### **PARTICULARS OF REMUNERATION**

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is follows:-

**(a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;**

Executive Directors	Ratio to Median Remuneration
Mr. Sandeep Gandhi	7.07:1
Mr. Hitendra Desai	2.68:1

**(b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;**

	% Increase in remuneration
Mr. Sandeep Gandhi	-
Mr. Hitendra Desai	17.85%

**(c) The percentage increase in the median remuneration of employees in the financial year: 10%**

Note: Percentage in bracket represents negative percentage.

**(d) The number of permanent employees on the rolls of company: 53**

**(e) The explanation on the relationship between average increase in remuneration and company performance;**

On an average, employees received an increase of 10%. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects company performance, the performance pay is linked to organization performance.

**(f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

Particulars	Rs. In lakhs
Remuneration of Key Managerial Personnel (KMP) during financial year 2018-19 (aggregated)	73.50
Revenue from operations	3754.37
Remuneration (as % of revenue)	1.96%
Profit before tax (PBT)	118.99
Remuneration (as % of PBT)	61.77%



**(g) variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;-**

Not Applicable to the Company as the Company got listed on June 06,2019 pursuant to the Scheme of Arrangement for the Demerger under Sections 230 to 232 of the Companies Act, 2013 between Corporate Courier and Cargo Limited("CCCL" or the Transferor Company) and Harish Textile Engineers Private Limited (Now Harish Textile Engineers Limited) ("HTEPL" or "Transferee Company" No. 1) and Mahesh Developers Private Limited (Now Mahesh Developers Limited) ("MDL" or "Transferee Company" No. 2) their respective shareholders and creditors (The "Scheme").

**(h) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration**

The average increase in salaries of employees other than managerial personnel in 2017-18 was 10%. Percentage increase in the managerial remuneration for the year was 4.35%.

**(i) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company**

Particulars	Chief Executive Officer	Chief Financial Officer	Company Secretary
	Rs. /Lac	Rs./Lac	Rs./Lac
<b>Remuneration</b>	-	1.50	0.25
<b>Revenue from operations</b>	-	3754.37	3754.37
<b>Remuneration (as % of revenue)</b>	-	0.039%	0.006%
<b>Profit before Tax (PBT)</b>	-	118.99	118.99
<b>Remuneration (as % of PBT)</b>	-	1.26%	0.21%

**(j) The key parameters for any variable component of remuneration availed by the directors;**

No Variable Component in the Remuneration availed by Directors

**(k) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;**

Not applicable.

**(l) Affirmation that the remuneration is as per the remuneration policy of the Company**

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavors to attract, retain, develop and motivate a high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance

and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the Company.

(2)The statement to the board's report shall include a statement showing the name of every employee of the company-.

who-

(i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore two lakh rupees;- **Not Applicable to the Company**

(ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh fifty thousand rupees per month;- **Not Applicable to the Company**

(iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.- **Not Applicable to the Company.**

**For and on behalf of the Board of Directors**

**Sandeep Gandhi**  
**Managing Director**  
**DIN No.: 00941665**

**Hitendra Desai**  
**Executive Director**  
**DIN No.: 0045248**

**Date:** 05.09.2019

**Place:** Mumbai

## INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

To the Members of Harish Textile Engineers Limited.

### Qualified Opinion

We have audited the accompanying financial Statements of **Harish Textile Engineers Limited** ("the Company") which comprises the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid financial Statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, the profit and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### Basis for Qualified Opinion

The Company has not provided for gratuity liability of employees as required by Ind AS 19 on "Employee Benefits" (Refer Note No. 28.1). The impact of the same could not be quantified in the absence of actuarial valuation/management estimate. Our audit opinion on the financial statements for the year ended 31 March 2019 is qualified in respect of the said matter.

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the independence requirements that are relevant to our audit of the financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the Financial Statements.

### Report on Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are

no key audit matters to communicate in our report.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for preparation of the other information. The other information comprises the information included in Board's Report including Annexure to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and those charged with governance for the financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial Statements that give a true and fair view of the financial position, financial performance, including total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of financial statement**

Our objectives are to obtain reasonable assurance about whether the financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial Statements, including the disclosures, and whether the financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts)

Rules, 2014.

- e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the Internal Financial Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of the section 197(16) of the Act, as amended:  
In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial Statements;
  - ii. The Company has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

**For K. M. Swadia and Company**  
Chartered Accountants  
(Firm's Registration No. 110740W)

Place: Vadodara  
Date: 5th September 2019

**Archit Antani**  
Partner  
(Membership No. 149221)

## ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under “Report on the Other Legal and Regulatory Requirements’ section of our report of even date)

### i.

- a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b. The Company has a regular program of physical verification of fixed assets by the management in a phased periodical manner, which, in our opinion is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain assets were verified by the management during the year and no material discrepancies were noticed on such verification.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except for the following properties.

Sr. No.	Description Property	Amount in Rs.
01	Freehold Agricultural Land*	Rs. 6,50,00,000/-

\* The said land is presently registered in the name of Mr. Sandeep Gandhi, Director of the Company.

- ii. As explanations given to us, the management has conducted physical verification of inventories at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- iii. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liabilities Partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of Para 3 (iii) [(a) to (c)] of the Companies (Auditor’s Report) Order, 2016 are not applicable to the company.
- iv. In our opinion and according to the information and explanations given to us, no loans or guarantees or securities have been given as per the provision of section 185 and 186 of the Act. However, the company has complied with the provisions of section 186 of the Act to the extent applicable in respect of investments made.
- v. According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of provisions of section 73



to 76 of the Companies Act, 2013 and the rules framed there under and therefore, reporting under clause (V) of the order is not applicable to the Company.

- vi.** We have broadly reviewed the books of account maintained by the Company pursuant to the order of the Central Government for maintenance of cost records under sub section (1) of the Section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- vii.**

  - a. In our opinion and according to the information and explanations given to us, the Company has been regular in depositing with appropriate authorities, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, GST, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, cess and any other statutory dues applicable to it and there are no such outstanding dues as at the year end for a period of more than six months from the date they became payable;
  - b. According to the information and explanations given to us there are no dues outstanding of Income-tax, Sales-tax, GST, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax on account of any dispute.
- viii.** Based on our audit procedures and according to the information and explanations given to us by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company does not have any loans or borrowings from any government or debenture holders.
- ix.** In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which raised. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year.
- x.** In our opinion and according to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.
- xi.** In our opinion and according to information and explanation given to us, the company has complied with the provisions of section 197 read with schedule 5 to the Companies Act, 2013 with respect to managerial remuneration.
- xii.** In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company and therefore, reporting under clause (xii) of the order is not applicable to the Company.

- xiii. In our opinion and according to information and explanation given to us the Company's transactions with its related party are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to information and explanation given to us, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. In our opinion and according to information and explanation given to us, the company has not entered in to any non cash transactions with directors or persons connected with him. Therefore, the provisions of clause (XV) of the order are not applicable to the Company.
- xvi. According to the information and explanation given to us, the company is not required to register under section 45-IA of the Reserve Bank of India Act, 1934.

**For K. M. Swadia and Company**  
Chartered Accountants  
(Firm's Registration No. 110740W)

Place: Vadodara  
Date: 5th September 2019

**Archit Antani**  
Partner  
Membership No. 149221)

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 2(f) under "Report on the Other Legal and Regulatory Requirements" section of our report of even date)**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Harish Textile Engineers Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

#### **1. Management's Responsibility for Internal Financial Controls**

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

#### **2. Auditors' Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the internal financial controls with reference to Financial Statement of the Company and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the

risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **3. Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

### **5. Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an internal financial controls with reference to Financial Statements of the Company and such internal financial controls over financial

reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India.

**For K. M. Swadia and Company**  
Chartered Accountants  
(Firm's Registration No. 110740W)

Place: Vadodara  
Date: 5th September 2019

**Archit Antani**  
Partner  
(Membership No. 149221)

# HARISH TEXTILE ENGINEERS LIMITED

Balance Sheet as at 31st March 2019

(Amounts in Rs.)

Particulars	Note No.	As at 31st March 2019	As at 31st March 2018	As at 1st April 2017
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	4	17,29,84,940	13,58,24,383	12,12,00,463
Capital work-in-progress	5	2,99,39,717	2,92,71,625	2,89,14,044
<b>Financial assets</b>				
Investments	6	-	6,46,79,225	6,23,41,987
Other Financial assets	7	6,49,43,341	4,29,10,501	3,51,02,315
Other Non Current Assets	8	1,18,28,416	1,51,43,309	1,89,87,374
<b>Total Non-Current Assets</b>		<b>27,96,96,414</b>	<b>28,78,29,043</b>	<b>26,65,46,184</b>
<b>Current assets</b>				
Inventories	9	9,29,08,701	8,84,71,057	5,35,37,248
<b>Financial Assets</b>				
Trade receivables	10	3,74,82,622	3,99,18,153	5,04,55,702
Cash and cash equivalents	11	33,01,678	6,36,509	33,57,666
Bank balances other than (ii) above	12	-	-	20,00,000
Other current assets	13	2,74,38,771	4,67,40,783	3,51,34,159
<b>Total Current Assets</b>		<b>16,11,31,772</b>	<b>17,57,66,502</b>	<b>14,44,84,776</b>
<b>TOTAL ASSETS</b>		<b>44,08,28,186</b>	<b>46,35,95,545</b>	<b>41,10,30,959</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share Capital	14	3,33,60,000	2,40,00,000	50,00,000
Other Equity	15	4,72,36,174	4,58,59,275	5,10,99,220
<b>Total Equity</b>		<b>8,05,96,174</b>	<b>6,98,59,275</b>	<b>5,60,99,220</b>
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	16	4,69,30,661	1,73,58,136	1,57,88,328
Deferred tax liabilities (Net)	17	1,08,83,490	1,09,21,128	1,00,12,785
<b>Total Non-Current Liabilities</b>		<b>5,78,14,151</b>	<b>2,82,79,264</b>	<b>2,58,01,113</b>
<b>Current liabilities</b>				
<b>Financial Liabilities</b>				
Borrowings	18	6,85,98,774	7,08,79,596	7,11,55,628
Trade payables	19	-	-	-
Total outstanding dues of Micro enterprises and Small enterprises.		-	-	-
Total outstanding dues of creditors other than Micro enterprises and Small		17,33,24,867	18,86,55,663	17,43,09,184
Other current liabilities	20	5,53,68,044	10,41,05,345	7,84,47,875
Short term Provisions	21	22,72,630	25,69,084	27,25,768
Current Tax Liabilities (Net)	22	28,53,545	(7,52,682)	24,92,171
<b>Total Current Liabilities</b>		<b>30,24,17,860</b>	<b>36,54,57,006</b>	<b>32,91,30,626</b>
<b>Total liabilities</b>		<b>36,02,32,011</b>	<b>39,37,36,270</b>	<b>35,49,31,740</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>44,08,28,186</b>	<b>46,35,95,545</b>	<b>41,10,30,959</b>

See accompanying notes to the financial statements

As per our report attached

For K M Swadia & Co.

FRN - 110740W

Chartered Accountants

CA. Archit D Antani

Partner

M. No. - 149221

For HARISH TEXTILE ENGINEERS LIMITED

Mr. Sandeep Gandhi

DIN : 00941665

Managing Director

Mr. Hitendra Desai

DIN : 00452481

Whole Time Director

Mr. Pinkesh Upadhyay  
Chief Financial Officer

Place : Mumbai

Date : 5th September, 2019

Place : Mumbai

Date : 5th September, 2019

# HARISH TEXTILE ENGINEERS LIMITED

Statement of Profit and Loss for the year ended on 31st March 2019

(Amounts in Rs.)

Particulars	Note No.	For the Year ended 31st March 2019	For the Year ended 31st March 2018
<b>Revenue</b>			
Revenue from Operations	23	37,71,63,921	37,28,14,331
Other income	24	1,61,09,692	2,06,21,123
<b>Total Income</b>		<b>39,32,73,613</b>	<b>39,34,35,454</b>
<b>Expenses</b>			
Cost of materials consumed	25	15,92,19,564	24,55,40,013
Changes in inventories of Finished Goods, Work-in-progress and Stock in Trade	26	(31,99,145)	(3,57,72,705)
Purchase of stock in trade	27	8,27,50,417	58,29,884
Employee Benefits Expenses	28	3,50,52,550	2,60,99,801
Finance Costs	29	1,05,12,048	1,14,80,308
Depreciation and Amortization Expenses	4	78,32,318	1,16,50,569
Other Expenses	30	8,77,99,804	12,03,89,186
<b>Total Expenses</b>		<b>37,99,67,555</b>	<b>38,52,17,056</b>
<b>Profit Before Tax</b>		<b>1,33,06,057</b>	<b>82,18,398</b>
<b>Tax expense:</b>			
Current Tax	31	38,56,796	15,50,000
Adjustment for earlier tax expense	31	-	-
Deffered Tax	31	(37,638)	9,08,343
<b>Profit for the year</b>		<b>94,86,899</b>	<b>57,60,055</b>
<b>Other comprehensive income</b>			
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>94,86,899</b>	<b>57,60,055</b>
Earnings per equity share of FV of Rs. 10 each		25,56,000	15,38,630
Basic	32	3.39	3.74
Diluted	32	3.39	3.74
See accompanying notes to the financial statements			

As per our report attached

For K M Swadia & Co.

FRN - 110740W

Chartered Accountants

For HARISH TEXTILE ENGINEERS LIMITED

CA. Archit D Antani

Partner

M. No. - 149221

Mr.Sandeep Gandhi

DIN : 00941665

Managing Director

Mr. Hitendra Desai

DIN :00452481

Whole Time Director

Mr. Pinkesh Upadhyay

Chief Financial Officer

Place : Mumbai

Date : 5th September, 2019

Place : Mumbai

Date : 5th September, 2019

## HARISH TEXTILE ENGINEERS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2019

(Amounts in Rs.)

Particulars	For the Year ended 31st March 2019	For the Year ended 31st March 2018
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before Tax	1,33,06,057	82,18,398
<b>Adjustments for:</b>		
Depreciation and amortisation	78,32,318	1,16,50,569
(Profit) / Loss on sale of Fixed assets	16,915	14,24,783
Interest Income	(36,75,213)	(33,69,710)
Interest Paid	97,51,997	1,13,34,911
<b>Operating Profit before Working Capital Changes</b>	<b>2,72,32,074</b>	<b>2,92,58,951</b>
<b>Adjustments for changes in Working Capital</b>		
(Increase)/Decrease in Trade Receivables	36,85,531	1,05,37,549
(Increase)/Decrease in Other - Non Current Assets	33,14,893	38,44,065
(Increase)/Decrease in Non Current financial assets	(2,20,32,840)	(78,08,185)
(Increase)/Decrease in Other Current Assets	1,93,02,012	(1,16,06,624)
(Increase)/Decrease in Inventories	(44,37,644)	(3,49,33,809)
<b>Changes in Trade and Other Receivables</b>	<b>(1,68,048)</b>	<b>(3,99,67,004)</b>
Increase/(Decrease) in Trade Payables	(1,53,30,796)	1,43,46,479
Increase/(Decrease) in Other current Liabilities	(4,87,37,301)	2,56,57,470
Increase/(Decrease) in Short-term provisions	(2,96,454)	(1,56,684)
<b>Changes in Trade and Other Payables</b>	<b>(6,43,64,551)</b>	<b>3,98,47,265</b>
<b>Cash Generated from Operations</b>	<b>(3,73,00,525)</b>	<b>2,91,39,212</b>
Income tax paid ( Net of refunds)	2,50,569	47,94,853
<b>Net Cash from Operating Activities</b>	<b>(3,75,51,094)</b>	<b>2,43,44,359</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Increase/(Decrease) in Investments	6,46,79,225	(23,37,238)
Proceeds from sale of Assets	2,53,36,990	18,53,000
Purchase of Assets.	(7,03,46,780)	(2,95,52,272)
Capital Work-in-process	(6,68,092)	(3,57,581)
Interest Received	36,75,213	33,69,710
<b>Net Cash used in Investing Activities</b>	<b>2,26,76,556</b>	<b>(2,70,24,381)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of equity shares		80,00,000
Proceeds from Long-term borrowings (Incl. current maturities of long term borrowing)	5,53,55,922	2,33,82,713
Repayment of Long term loans borrowings (Incl. current maturities of long term borrowing)	(2,78,23,426)	(2,33,33,294)
Change in Short-term borrowings	(2,40,791)	12,44,357
Interest Paid	(97,51,997)	(1,13,34,911)
<b>Net Cash from Financing Activities</b>	<b>1,75,39,707</b>	<b>(20,41,135)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>26,65,169</b>	<b>(47,21,157)</b>
Cash and Cash Equivalents at the beginning of the year	6,36,509	53,57,666
Cash and Cash Equivalents at the end of the year	33,01,678	6,36,509
<b>Closing Cash and Cash Equivalents comprise:</b>		
Cash in hand	1,99,216	6,17,152
Balances with Scheduled Banks		
Balance in Current and Savings Account	31,02,462	19,357
<b>Total</b>	<b>33,01,678</b>	<b>6,36,509</b>
<b>Notes to Cash Flow Statement:</b>		
Cash and Cash equivalents comprise of:		
Cash on Hands	1,99,216	6,17,152
Deposit In TMB Bank	-	-
Balance with Scheduled Banks in Current Accounts	31,02,462	19,357
Closing Cash and Cash Equivalents	<b>33,01,678</b>	<b>6,36,509</b>

The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3(AS-3) "Cash Flow Statement).

Previous year figures have been regrouped wherever necessary.

As per our report attached

For K M Swadia & Co.

FRN - 110740W

Chartered Accountants

For HARISH TEXTILE ENGINEERS LIMITED

Mr.Sandeep Gandhi

DIN : 00941665

Managing Director

Mr. Hitendra Desai

DIN :00452481

Whole Time Director

CA. Archit D Antani

Partner

M. No. - 149221

Place : Mumbai

Date : 5th September, 2019

Mr. Pinkesh Upadhyay  
Chief Financial Officer



## Note 6

## Non-current Financial Assets : Investments

(Amounts in Rs.)

Particulars	As at	As at	As at
	31st March, 2019	31st March, 2018	1st April, 2017
<b>Non-current Investments.</b>			
Investment in Partnership Firm (Agratha Enterprise) Share in profit /loss 65% (Refer Note -6.1)		6,46,79,225	6,23,41,987
<b>Total</b>	-	<b>6,46,79,225.00</b>	<b>6,23,41,987.00</b>

## Note -6.1

The Board of Directors of the Company at its meeting held on December 10, 2018 has considered and approved a draft deed of reconstitution to be entered into between the existing partners of M/s Agratha Enterprises and the Company for retirement of the Company from the partnership with effect from December 31, 2018.

Pursuant to the deed of reconstitution entered into on January 01, 2019, the Company has retired from the Partnership Firm with effect from December 31, 2018 and received the Agricultural land measuring approximately 23815 Square meter in lieu of the Company's Capital Account Balance in partnership firm. The Company will initiate the process of converting the said land from Agricultural into Non Agricultural Land and transfer of title deeds in the name of the Company. The said land is presently registered in the name of Mr. Sandeep Gandhi, Director of the Company.

## Note 7

## Other Non-current Financial Assets

(Amounts in Rs.)

Particulars	As at	As at	As at
	31st March, 2019	31st March, 2018	1st April, 2017
Rent Deposit (To Related Parties)	6,49,43,341	4,29,10,501	3,51,02,315
<b>Total</b>	<b>6,49,43,341</b>	<b>4,29,10,501</b>	<b>3,51,02,315</b>

## Note 8

## Non-current other assets

(Amounts in Rs.)

Particulars	As at	As at	As at
	31st March, 2019	31st March, 2018	1st April, 2017
Other Deposits, Balance with Government	4,17,307	4,14,877	13,97,875
Prepaid Expenses	1,14,11,109	1,47,28,432	1,75,89,499
<b>Total</b>	<b>1,18,28,416</b>	<b>1,51,43,309</b>	<b>1,89,87,374</b>

## Note 9

## Inventories

(Amounts in Rs.)

Particulars	As at	As at	As at
	31st March, 2019	31st March, 2018	1st April, 2017
(At lower of cost and net realisable value)	-	-	-
Work in Process	7,99,84,500	7,67,85,355	4,10,12,650
Raw Materials	1,29,24,201	1,16,85,702	1,25,24,598
<b>Total</b>	<b>9,29,08,701</b>	<b>8,84,71,057</b>	<b>5,35,37,248</b>

## Note 10

## Trade receivables

(Amounts in Rs.)

Particulars	As at	As at	As at
	31st March, 2019	31st March, 2018	1st April, 2017
Unsecured, Considered Good			
Outstanding for a period less than Six Months	2,38,83,134	1,53,10,127	4,17,30,925
Others	1,47,79,887	2,60,09,465	1,46,92,521
	3,86,63,021	4,13,19,592	5,64,23,446
Less: Provision for Doubtful Receivables (Including Expected credit loss allowance)	11,80,399	14,01,439	59,67,744
<b>Total</b>	<b>3,74,82,622</b>	<b>3,99,18,153</b>	<b>5,04,55,702</b>

## Note 10.1

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a Provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking informations. The expected credit loss allowance is based on ageing of the days the receivables are over/past due and the rates as given in the provision matrix.

## Provision for Adjusted Expected Credit Loss Allowance:

(Amounts in Rs.)

Particulars	As at	As at
	31st March, 2019	31st March, 2018
Opening Balance	14,01,439	59,67,744
Additions/(Reversal) during the year	(2,21,040)	(45,66,305)
Closing Balance	11,80,399	14,01,439

Note : The fair value of Trade Receivables is not materially different from the carrying value presented.

**Note 11****Cash and cash equivalents****(Amounts in Rs.)**

Particulars	As at	As at	As at
	31st March, 2019	31st March, 2018	1st April, 2017
Bank Balances: Current accounts	31,02,462	19,357	32,58,448
Cash on hand	1,99,216	6,17,152	99,218
<b>Total</b>	<b>33,01,678</b>	<b>6,36,509</b>	<b>33,57,666</b>

**Note 12****Bank Balances (Other than Cash and Cash Equivalents)****(Amounts in Rs.)**

Particulars	As at	As at	As at
	31st March, 2019	31st March, 2018	1st April, 2017
Deposits with maturity less than 12 months from reporting date	-	-	20,00,000
<b>Total</b>	<b>-</b>	<b>-</b>	<b>20,00,000</b>

## Note 12.1

The fair value of Bank Balances (Other than Cash and Cash Equivalents) is not materially different from the carrying value presented.

**Note 13****Other Current assets****(Amounts in Rs.)**

Particulars	As at	As at	As at
	31st March, 2019	31st March, 2018	1st April, 2017
(Unsecured and Considered Good)			
Advance to suppliers	1,49,58,756	1,23,42,628	1,83,60,684
Advance recoverable in cash or kind	74,37,195	2,51,47,618	96,41,456
Balance with government authority	13,91,392	56,74,745	36,39,324
Prepaid Expenses	36,01,426	35,18,086	34,50,650
Security Deposit	50,002	57,706	42,045
	<b>2,74,38,771</b>	<b>4,67,40,783</b>	<b>3,51,34,159</b>

**Note 16****Non- current financial liabilities : Borrowings**

Particulars	As at 31st March 2019		As at 31st March 2018
	Non-Current	Current*	Non-Current
<b>Secured</b>			
Term Loan from Banks ( Refer Note No. 16.1)	-	40,97,336	40,97,336
Vehicle Loans ( Refer Note No. 16.2)	12,27,882	4,52,514	94,37,060
<b>Total secured borrowing [A]</b>	12,27,882	45,49,850	1,35,34,396
<b>Unsecured</b>			
From Bank and NBFC( Refer Note No. 16.3)	55,25,479	37,30,012	16,73,740
<b>Unsecured from Related Party</b>			
From Director Interest free	3,65,77,300	-	50,000
Inter Corporate Loan interest free	36,00,000	-	21,00,000
<b>Total unsecured borrowing [B]</b>	4,57,02,779	37,30,012	38,23,740
<b>TOTAL [A+B]</b>	<b>4,69,30,661</b>	<b>82,79,862</b>	<b>1,73,58,136</b>

\*Amount disclosed under the head "Current financial liabilities : Others" (Note 18)

The Company does not have any continuing defaults in repayment of loans and interest as at the reporting date.

**Note 16.1**

Primary Security: The term loan is secured way of Mortgage of Kolkatta Office - 2nd Floor, Sikara.

Rate of interest is 12%.

Repayable in 120 equal instalments.

**Note 16.2**

Term loans (vehicle Loans) for acquisition of vehicles are secured only by the hypothecation of the respective Vehicle financed. Rate of interest is 9%.

Term loan are repayable in 60 Equal Installment.

**Note 16.3**

Repayable within 3 years

Rate of interest is in the range of 15% to 18%

**Note 18****Current financial liabilities : Borrowings****(Amounts in Rs.)**

Particulars	As at	As at	As at
	31st March, 2019	31st March, 2018	1st April, 2017
<b>Short Term Loan From Bank</b>			
Overdraft Loan (Refer Note 18.1)	6,03,18,912	6,05,59,703	5,93,15,346
<b>Current maturities of long term borrowings - (Please refer Note 18):-</b>			
<b>a. Term Loan from Banks</b>			
Vehicle Loan	4,52,514	54,38,228	40,54,437
Term Loan	40,97,336	1,52,495	1,18,967
<b>b. Unsecured</b>			
Term Loan	37,30,012	47,29,170	76,66,878
<b>Total</b>	<b>6,85,98,774</b>	<b>7,08,79,596</b>	<b>7,11,55,628</b>

**Note 18.1**

Mortgage Bank Loan carries interest 11.85% p.a. repayable on demand consists of a Bank overdraft from Corporation Bank of Rs. 6,00,00,000/- (P.Y. Rs. 6,00,00,000/-) which is secured by hypothecation of stocks and debtors and mortgage of factory building situated at Plot No. 12, 13, 14, 19, 20 and 21 at Daga Udyognagar, bhilad and Personal guarantee of Director.

**Note 19****Trade payables****(Amounts in Rs.)**

Particulars	As at	As at	As at
	31st March, 2019	31st March, 2018	1st April, 2017
Total outstanding dues of micro enterprises and small enterprises - Trade payables others (Refer Note 19.1)	-	-	-
Other trade payables			
a. Trade payables for goods	15,47,26,734	17,36,76,633	16,05,79,570
b. Trade payables for Expenses	1,75,04,205	1,45,62,714	1,37,29,614
c. Trade payables for Capital goods	10,93,928	4,16,316	-
<b>Total</b>	<b>17,33,24,867</b>	<b>18,86,55,663</b>	<b>17,43,09,184</b>

Note 19.1

The Company is in the process of determining the list of undertaking covered under MSMED. Therefore, the required information could not be furnished.

Note 20

Other Current liabilities

(Amounts in Rs.)

Particulars	As at	As at	As at
	31st March, 2019	31st March, 2018	1st April, 2017
Advance from Customers	5,19,79,235	10,34,04,221	6,27,12,361
Statutory Dues	33,88,809	7,01,124	1,57,35,514
<b>Total</b>	<b>5,53,68,044</b>	<b>10,41,05,345</b>	<b>7,84,47,875</b>

Note 21

Current provisions

(Amounts in Rs.)

Particulars	As at	As at	As at
	31st March, 2019	31st March, 2018	1st April, 2017
Employee benefits	8,74,417	22,39,604	17,17,853
Provision for Expenses	13,98,213	3,29,480	10,07,915
<b>Total</b>	<b>22,72,630</b>	<b>25,69,084</b>	<b>27,25,768</b>

Note 22

Details of Income tax assets and income tax liabilities

(Amounts in Rs.)

Particulars	As at	As at	As at
	31st March, 2019	31st March, 2018	1st April, 2017
Current Tax Liabilities (Net off Advance Tax and TDS)	28,53,545	(7,52,682)	24,92,171

Note 23

Revenue from Operations

(Amounts in Rs.)

Particulars	For the year ended	For the year ended
	31st March, 2019	31st March, 2018
<b>Revenue from Operations</b>		
Sale of products (Refer Note 23.1)	28,79,14,476	36,53,75,889
Sales of Traded Goods Sold	8,38,45,068	58,04,728
Sale of Service	54,04,377	16,33,714
<b>Total</b>	<b>37,71,63,921</b>	<b>37,28,14,331</b>

Note 23.1

The Government of India has implemented Goods and Service Tax ("GST") from July 01, 2017 replacing Excise Duty, Service Tax and various other indirect taxes. Revenue for the period upto June 30, 2017 are inclusive of excise duty of Rs. 95,14,927 /- , however, revenue for the period July 01, 2017 to March 31, 2018 and for their period ended March 31, 2019 are shown net of GST.

Note 24

Other Income

(Amounts in Rs.)

Particulars	For the year ended	For the year ended
	31st March, 2019	31st March, 2018
Interest	36,75,213	33,69,710
Discount Received /Sundry Bal w.back	13,69,458	1,23,22,676
Net Gain on Foreign Currency Transactions and Translation	2,46,446	-
Expected Credit Loss Reversal	2,21,040	45,66,305
Duty Draw Back / Export Incentive	27,58,938	3,62,432
Forfeiture of Advances against orders	78,28,597	-
Miscellaneous Income	10,000	-
<b>Total</b>	<b>1,61,09,692</b>	<b>2,06,21,123</b>

**Note 25****Cost of materials consumed****(Amounts in Rs.)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Raw Material and Packing Material</b>		
Opening Stock Raw Material	1,16,85,702	1,25,24,598
Add : Purchase Raw Material	16,04,58,063	24,47,01,117
	17,21,43,765	25,72,25,715
Less: Closing Stock Raw Material	1,29,24,201	1,16,85,702
<b>Total</b>	<b>15,92,19,564</b>	<b>24,55,40,013</b>

**Note 26****Changes in inventories of Finished Goods, Work-in-progress and Stock in Trade****(Amounts in Rs.)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Changes in inventories of finished goods and stock in trade</b>		
Inventory at the beginning of the year		
Work in Process	7,67,85,355	4,10,12,650
<b>sub total (a)</b>	<b>7,67,85,355</b>	<b>4,10,12,650</b>
Less: Inventory at the end of the year		
Work in Process	7,99,84,500	7,67,85,355
<b>sub total (b)</b>	<b>7,99,84,500</b>	<b>7,67,85,355</b>
<b>Total</b>	<b>(31,99,145)</b>	<b>(3,57,72,705)</b>

**Note 27****Purchase of stock in trade****(Amounts in Rs.)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Purchases	8,27,50,417	58,29,884
<b>Total</b>	<b>8,27,50,417</b>	<b>58,29,884</b>

**Note 28****Employee benefits expense****(Amounts in Rs.)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salaries, Wages, Bonus and Allowances	1,80,64,941	1,02,82,026
Contribution to Provident Fund	5,28,121	2,89,157
Directors' Professional Fees	1,53,36,000	1,41,08,000
Welfare Expenses	11,23,488	14,20,618
<b>Total</b>	<b>3,50,52,550</b>	<b>2,60,99,801</b>

**Note 28.1**

The company has not made provision for gratuity liability as per requirement of IndAS -19 " Employee Benefits".

**Note 29****Finance Costs****(Amounts in Rs.)**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Bank Interest	97,51,997	1,13,34,911
Other Interest	1,56,887	-
Bank Processing Fees and Documentation Fees	6,03,164	1,45,397
<b>Total</b>	<b>1,05,12,048</b>	<b>1,14,80,308</b>

Note 30

Other Expenses

(Amounts in Rs.)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>Other Manufacturing Expenses</b>		
Job work Charges	2,33,89,669	4,06,71,260
Excise Duty on Sale of goods	-	95,14,927
Power and Fuel	18,30,000	22,44,600
Factory Rent	12,00,000	12,00,000
Loading & Unloading Expenses	49,090	19,585
Repairs to Buildings	4,47,917	5,19,237
Repairs to Plant and Machinery	-	40,432
Hire Charges	3,14,411	2,55,542
Excise Expenses	-	35,365
Testing Expenses	8,810	7,490
	<b>2,72,39,897</b>	<b>5,45,08,438</b>
<b>Administrative &amp; Other Expenses</b>		
Rates & Taxes	8,79,927	1,49,915
Auditor's Remuneration	3,75,000	4,00,000
Insurance	10,97,570	6,86,758
Professional Fees / Manpower Expenses	3,13,09,803	3,15,08,637
Printing & Stationery	3,89,163	8,58,306
Rent	39,44,330	37,50,890
Donation	76,000	43,702
Membership & Subscription Fees	2,01,246	-
Tours and Travelling expense	23,85,364	19,13,518
Conveyance	3,74,147	5,01,691
Vehicle expenses	27,78,907	38,56,882
Computer Expenses	2,08,475	2,80,376
Security Charges	19,50,049	28,95,619
Postage & Telephone Charges	6,68,514	4,43,115
Sales Tax / Service Tax / GST Exp	2,78,692	5,55,973
Income Tax w.off	-	-
Loss on Sale of DEPB Licence	22,534	-
Water Charges	94,000	1,04,000
General Expenses	5,49,021	23,15,741
Electricity charges	1,84,176	7,52,685
Car/ Bus Hire Charges	3,36,760	17,54,393
Net Loss on Foreign Currency Transactions and Translations	2,37,663	1,92,849
Repairs and Maintenance	25,97,278	32,50,422
Amortization of Goodwill	-	-
Demerger Expenses	9,50,000	-
Bank Charges	8,26,355	8,06,977
Depository and listing Expenses	62,080	-
Loss on Sale of Asset	16,915	14,24,783
	<b>5,27,93,969</b>	<b>5,84,47,232</b>
<b>Marketing, Selling &amp; Distribution</b>		
<b>Selling Expenses</b>		
Advertisement & Sales Promotion Expenses	1,06,077	42,040
Commission and Brokerage	7,68,947	15,45,020
Exhibition cum Seminar Expenses	45,229	4,24,712
Outward Freight, Forwarding ,Transport, Octroi etc. (Net)	61,72,051	44,24,450
Lodging and Boarding expenses	6,73,634	9,97,294
	<b>77,65,938</b>	<b>74,33,516</b>
<b>Total</b>	<b>8,77,99,804</b>	<b>12,03,89,186</b>

**Note 31****Tax expense****(a) Amounts recognised in profit and loss****(Amounts in Rs.)**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>Current Tax</b>		
(a) Current income tax	38,56,796	15,50,000
(b) Deferred Tax	(37,638)	9,08,343
(b) Short/(Excess) provision of income tax in respect of previous years	-	-
<b>Tax expense for the year ( a+b)</b>	<b>38,19,158</b>	<b>24,58,343</b>

**(c) Reconciliation of effective tax rate**

The following is a reconciliation of the Company's effective tax rates for the years ended 31 March 2019 and 31 March 2018

**(Amounts in Rs.)**

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before income tax as per Statement of Profit and Loss	1,33,06,057	82,18,398
Enacted tax rate in India In Percentage	27.82%	25.75%
Computed expected tax expense	37,01,745	21,16,237
Other difference On account of:		
Difference in depreciation between books and income tax purpose	(38,338)	2,33,019
Others	(42,942)	1,09,086
Expenses of increase in authorised Capital	1,98,693	
<b>Income Tax Expense</b>	<b>38,19,158</b>	<b>24,58,343</b>
<b>Effective tax rate</b>	<b>28.70%</b>	<b>29.91%</b>

**Note 32****Earning per Share -(EPS)****Earnings per equity share of FV of Rs. 10 each**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Profit for the year (Profit attributable to equity shareholders)	94,86,899	57,60,055
Weighted average number of ordinary equity shares for Basic EPS (in Nos.)	27,94,915	15,38,630
Weighted average number of ordinary equity shares for Diluted EPS (in Nos.)	27,94,915	15,38,630
Face Value of equity share ( RS)	10	10
Basic EPS ( RS.)	3.39	3.74
Diluted EPS ( RS)	3.39	3.74

**HARISH TEXTILE ENGINEERS LIMITED**  
Notes to financial statements for the year ended 31st March 2019

**(a) Equity share capital**

(Amounts in Rs.)

Equity share capital	As at 31st March 2019	As at 31st March 2018	As at 1 April 2017
	Amount	Amount	Amount
Balance at the beginning of the reporting period	2,40,00,000	50,00,000	50,00,000
Additions/(Reductions)	93,60,000	1,90,00,000	-
Additions/(Reductions)	-		
Balance at the end of the reporting period	<b>3,33,60,000</b>	<b>2,40,00,000</b>	<b>50,00,000</b>

**(b) Other equity**

(Amounts in Rs.)

Other equity	Attributable to the equity holders of the Company	
	Retained earnings	Total Other Equity
<b>Balance at April 01, 2017</b>	<b>5,10,99,220</b>	<b>5,10,99,220</b>
Add: Profit during the Period	57,60,055	57,60,055
Less : Issue of Shares	(1,10,00,000)	(1,10,00,000)
<b>Balance at March 31, 2018</b>	<b>4,58,59,275</b>	<b>4,58,59,275</b>
Add: Profit during the Period	94,86,899	94,86,899
Less : Transfer on account of Demerger (Refer Note 34 C)	(81,10,000)	(81,10,000)
<b>Balance at March 31, 2019</b>	<b>4,72,36,174</b>	<b>4,72,36,174</b>

As per our report attached  
For K M Swadia & Co.  
FRN - 110740W  
Chartered Accountants

For HARISH TEXTILE ENGINEERS LIMITED

Mr.Sandeep Gandhi  
DIN : 00941665  
Managing Director

Mr. Hitendra Desai  
DIN :00452481  
Whole Time Director

CA. Archit D Antani  
Partner  
M. No. - 149221

-

Mr. Pinkesh Upadhyay  
Chief Financial Officer

Place : Mumbai  
Date : 5th September, 2019

Place : Mumbai  
Date : 5th September, 2019



**Authorization of financial statements:**

The Financial Statements were authorized for issue in accordance with a resolution passed in meeting of Board of the Directors held on 5th September, 2019.

**Note 1 Corporate Information**

Harish Textile Engineers Limited ("Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The registered office of the Company is located 2nd Floor 19, Parsi Panchayat Road, Andheri (East), Mumbai- 400069, India.

Harish Textile Engineers Limited ("the Company") is manufacturing organization engaged in manufacturing of Textile Processing and Finishing Machineries. The Company is also engaged in trading of non ferrous metals.

**Note 2 Statement of Compliance with Ind AS**

The financial statements has been prepared in accordance and comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements for all the periods up to year ended 31 March 2018 were prepared in accordance with the accounting standards notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act and read with Rule 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP) and other relevant provisions.

**Note 3 Basis of Preparation of Financial Statements**

**3.01 Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

**3.02 First-time Adoption of Ind AS**

The company has adopted all the Ind AS standards and the adoptions was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards including clarification issued by Ind AS Transition Facility Group (ITFG) on various issues. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec. 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

These financial statements for the year ended 31 March 2019 are the first financial statements of the Company under Ind AS. The date of transition to Ind AS is 1st April 2017. Reconciliations and descriptions of the effect of the transition has been summarized in note 34 e for an explanation of how the transition from Indian GAAP (IGAAP) to Ind AS has affected the Company's financial position, financial performance and cash flows.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**3.03 Historical Cost Convention**

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

**3.04 Use of Estimates and Judgements**

The presentation of the financial statements are in conformity with the Ind AS which requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and the accompanying disclosures and the disclosure of contingent liabilities. Such estimates and assumptions are based on management's evaluation of relevant facts and circumstances as on the date of financial statements. The actual outcome may differ from these estimates.

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

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the following notes:

Note 17 :- Current/deferred tax expense

Note 34 (d) :- Contingent liabilities and assets

Note 33 & 10:- Expected credit loss for receivables

**3.05 Property, Plant and Equipment**

An item of Property, plant and equipment that qualifies as an assets is measured at their cost. Following initial recognition, items of property, plant and equipment are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

The Company identifies and determines the cost of each part of an item of property, plant and equipment separately, if the part has a cost which is significant to the total cost of that item of property, plant and equipment and has useful life that is materially different from that of the remaining item.

The cost of an item of property, plant and equipment comprises of its purchase price including import duties and other non-refundable purchase taxes or levies, directly attributable cost of bringing the asset to its working condition for its intended use and the initial estimate of decommissioning, restoration and similar liabilities, if any. Any trade discounts and rebates are deducted in arriving at the purchase price. Cost includes cost of replacing a part of a plant and equipment if the recognition criteria are met. Expenditure related to plans, designs and drawings of buildings or plant and machinery is capitalized under relevant heads of property, plant and equipment if the recognition criteria are met.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of property, plant and equipment are capitalized at cost and depreciated over their useful life.

Subsequent expenditures, including replacement costs where applicable, incurred for an item of Property plant and equipment are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognised when replaced.

Costs in nature of repairs and maintenance are recognized in the Statement of Profit and Loss as and when incurred.

Any item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is charged to revenue in the income statement when the asset is derecognised.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset.

### **3.06 Capital work-in-progress**

Capital work-in-progress represents expenditure incurred in respect of capital projects and are carried at cost. Cost includes related acquisition expenses, development/ construction costs, borrowing costs and other direct expenditure.

### **3.07 Depreciation and amortisation methods, estimated useful lives and residual values**

Depreciation is recognised so as to write off the cost of assets (other than freehold land and Capital work-in- progress) less their residual values on straight-line method over their useful lives of the assets.

The estimate of the useful life of the assets has been assessed based on technical advice which considers the nature of the asset, the usage of the asset, expected physical wear and tear, the operating conditions of the asset, anticipated technological changes, manufacturers warranties and maintenance support, etc. The management believes that these useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The useful lives are reviewed by the management at each financial year end and revised, if appropriate. In case of a revision, the unamortised depreciable amount (remaining net value of assets) is charged over the revised remaining useful lives.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and adjusted prospectively if appropriate.

Component accounting of assets: If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment and accordingly depreciated at the useful lives.

### **3.08 Impairment of non-financial assets**

At the balance sheet date, non-financial assets are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit is made. The recoverable amount of an asset is the greater of its fair value less cost to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risk specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Fair value less cost to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss, except for properties previously revalued with the revaluation surplus taken to Other Comprehensive Income (OCI). For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

### **3.09 Revenue recognition**

Revenue is recognized when it is probable that economic benefits associated with a transaction flows to the Company in the ordinary course of its activities and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates allowed by the Company. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue includes only the gross inflows of economic benefits net off taxes collected on behalf of third parties, if any.

Revenue from sale of products is recognized when the Company transfers all the significant risks and rewards of ownership to the buyer, while the company retains neither continuing managerial involvement nor effective control over the products sold. No significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods, amount of sale can be measured reliably, and the cost incurred and to be incurred can be measured reliably. Sales figure are inclusive of excise duty and freight in case of landed rates, but are of net of sales returns, and rate or quantity adjustments.

Export benefits available under the prevalent schemes are recognized when there exists no significant uncertainty regards to its realisation.

Interest is recognised on time proportion basis taking into account the amount outstanding and the Effective Interest Rate applicable.

Dividend income is recognised, when the right to receive payment is established.

Other operating income and misc. income are accounted on accrual basis as and when the right to receive arises.

### **3.10 Borrowing**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings –interest bearing loans are subsequently measured at amortised cost by using the effective interest method (EIR method). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of borrowing using the effective interest method (EIR). The EIR Amortization is included as Finance Costs in the statement of profit and loss.

Fees paid on the establishment of loan facilities are recognised as transaction costs of loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is deferred as a payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss or other income or other expenses as well as through the EIR amortization process.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of reporting period with the effect that the liability becomes payable on demand on the reporting date, the Company does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statement for

### 3.11 Borrowing Cost

The Company is capitalising general and specific borrowing costs that are directly attributable to the acquisition or construction of qualifying asset up to the date of commissioning. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. The Expenses incurred in connection with the arrangement of specific borrowings are capitalized over the period of the borrowing and every year such cost is apportioned to assets based on the actual amount borrowed during the year. All other borrowing costs are recognized as expense in the period in which they are incurred and charged to the statement of profit and loss.

Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

### 3.12 Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### 3.13 Financial Asset

#### (i) Initial Recognition

A financial asset or a financial liability is recognised in the balance sheet only when, the Company becomes party to the contractual provisions of the instrument.

#### (ii) Initial Measurement

At initial recognition, the Company measures a financial asset or financial liability at its fair value.

#### (iii) Subsequent Measurement

For purpose of subsequent measurement, financial assets are classified into:

- Financial assets measured at amortised cost;
- Financial assets measured at fair value through profit or loss (FVTPL); and
- Financial assets measured at fair value through other comprehensive income (FVTOCI).

The Company classifies its financial assets in the above mentioned categories based on:

- The Company's business model for managing the financial assets, and
- The contractual cash flows characteristics of the financial asset.

A financial assets is measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting the contractual cash flows and selling financial assets and
- The assets contractual cash flows represent SPPI.

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Accounting policy relevant to each type of financial instrument is as follows:

Cash and Cash equivalents :

Cash and Cash equivalents comprises of cash balance, balance with bank in current accounts and bank overdrafts. In statement of financial position, the bank overdrafts are shown within bank borrowings under current liabilities.

Accounts receivables:

Accounts receivables are amounts due from customers towards sale of goods or in the ordinary course of business. Accounts receivables are recognised initially at the transaction price. They are subsequently measured at amortized cost using the effective interest method, less reserves for impairment of accounts receivables . A reserve for impairment of accounts receivables is recognised when it is probable that the company will not be able to collect all amounts due according to original terms of the accounts receivables.

Accounts payables:

Accounts payable represent obligations towards purchase of goods in the ordinary course of business. Same is free of interest and payable at the end of credit period granted by the suppliers. Accounts payables are recognized initially at the transaction price. They are subsequently measured at amortized cost using the Effective Interest method.

Other financial ASSETS:

Other financial ASSETS are recognised initially at transaction value and subsequently measured at amortised cost using the effective interest method less impairment. However, all Other financial ASSETS have a value on realization in the ordinary course of the company's business, which is at least equal to the amounts at which They are stated in the statement of financial position.

Other Financial liabilities.

Other financial liabilities including borrowing are initially measured at transaction value, net of transaction costs. They are subsequently measured at amortised cost using the Effective Interest method.

#### (iv) De-recognition

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

1. The contractual rights to the cash flows from the financial asset have expired, or
2. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either.

(1) The Company has transferred substantially all the risks and rewards of the asset, or

(2) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

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

#### (v) Impairment of Financial Assets

The Company assesses impairment based on expected credit loss (ECL) model to the following:

- Financial assets measured at amortised cost
- Financial assets measured at fair value through other comprehensive income

Expected credit losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivable and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of Profit and Loss. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost and contractual revenue receivables - ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the company does not reduce impairment allowance from the gross carrying amount.
- Financial assets measured at FVTOCI - Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as accumulated impairment amount in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

### 3.14 Financial Liabilities

#### (i) Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loan and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

#### (ii) Subsequent measurement

- Financial liabilities measured at amortised cost.
- Financial liabilities subsequently measured at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognised in OCI. These gains/ loss are not subsequently transferred to Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

#### (iii) Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

#### (iv) Loan and Borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

#### (v) Derecognition

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

#### (vi) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

### 3.15 Fair Value measurement

The Company measures certain financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as under, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The management comprises of the Managing Director and Whole Director and Chief Finance Officer.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes. (refer note 33)

1. Disclosures for valuation methods, significant estimates and assumptions.
2. Quantitative disclosures of fair value measurement hierarchy.
3. Financial instruments (including those carried at amortised cost).

### 3.16 Inventories

Raw materials, work-in-progress, finished goods, packing materials, stores, spares, components, consumables and stock-in trade are carried at the lower of cost and net realizable value. However, materials and other items held for use in production of inventories are not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

Items of inventories are measured at lower of cost and net realisable value after providing for obsolesces, if any. Cost of inventories comprise of cost of purchase, cost of conversion and other costs including manufacturing over heads net of recoverable taxes incurred in bringing them to their respective present location and condition.

Cost of inventories are determined on the following basis.

Inventories	Cost Formula
Raw Material	At cost on first in first out basis.
Work in Process	Raw material cost plus conversion cost, wherever applicable.
Traded Goods	At cost on first in first out basis.

### 3.17 Foreign Currency Transactions

#### Functional and Presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the functional and presentation currency of the Company.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the year-end exchange rates are generally recognised in profit or loss.

All foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income or other expenses.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

### 3.18 Employee Benefits

#### Defined Contribution Plan

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period.

#### Defined Benefit Plans

The company has not made provision for gratuity liability as per requirement of IndAS 19 "Employee Benefits".

### Short Term Employee Benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered by employees is recognized during the period when the employee renders the services. Short term employee benefits includes salary and wages, bonus, incentive and ex-gratia and also includes accrued leave benefits, which are expected to be availed or en-cashed within 12 months from the end of the year.

### 3.19 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

#### As a lessee

##### Operating lease

Leases in which a significant portion of the risks and rewards incidental to ownership is not transferred to the Company as lessee are classified as operating leases. Lease payments under an operating lease are recognised as an expenses on a straight-line basis over the lease term unless either:

- another systematic basis is more representative of the time pattern of the user's benefit even if the payments to the lessors are not on that basis; or
- the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. If payments to the lessor vary because of factors other than general inflation, then this condition is not met.

### 3.20 Taxation

Tax expenses is the aggregate amount included in the determination of profit or loss for the period in respect of current tax (i.e. amount of tax for the period determined in accordance with the Income Tax Law) and deferred tax (reflecting the tax effects of timing differences between accounting income and taxable income for the period). Income tax expenses are recognised in statement of profit or loss except tax expenses related to items recognised directly in reserves (including statement of other comprehensive income) which are recognised with the underlying items.

#### Current Tax

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

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

Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction for relevant tax paying units and where the Company is able to and intends to settle the asset and liability on a net basis.

#### Deferred Taxes

Deferred tax is provided in full on temporary difference arising between the tax bases of the assets and liabilities and their carrying amounts in financial statements at the reporting date. Deferred taxes are recognised in respect of deductible temporary differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods, the carry forward of unused tax losses and the carry forward of unused tax credits.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. In case of temporary differences that arise from initial recognition of assets or liabilities in a transaction (other than business combination) that affect neither the taxable profit nor the accounting profit, deferred tax assets are not recognised.

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

Any tax credit available including Minimum Alternative Tax (MAT) under the provision of the Income Tax Act, 1961 is recognised as deferred tax to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised. The said asset is created by way of credit to the statement of profit and loss and shown under the head deferred tax asset.

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

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

### 3.21 Earnings Per Share

#### Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the company's earnings per share is the net profit for the period after deducting preference dividends, if any, and any attributable distribution tax thereto for the period.

#### Diluted earnings per share

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

### 3.22 Cash Equivalents

Cash and cash equivalents comprise cash and deposits with banks and corporations. The Company considers all highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

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

### 3.23 Segment Reporting

The Company primarily operates in the segment of Textile Engineering and Trading activities. The Managing Director of the Company allocate resources and assess the performance of the Company; thus, they are the Chief Operating Decision Maker (CODM). The CODM monitors the operating results of the business as a one, hence no separate segment need to be disclosed.

### 3.24 Statement of Cash Flows

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

### 3.25 Dividend to Equity Shareholders of the Company

The Company recognises a liability for dividends to equity holders of the Company when the dividend is authorised and the dividend is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the Shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

### 3.26 Provisions, Contingent Liabilities and Contingent Assets.

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision for contractual obligation is disclosed based on management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.

Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period and are not discounted to present value. The estimates of outcome and financial effect are determined by the judgment of the management, supplemented by experience of similar transactions and, in some cases, reports from independent experts.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

Contingent liability is disclosed in the case of:

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

Contingent liabilities are not provided for and if material, are disclosed by way of notes to financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, Contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

A contingent asset is disclosed by way of notes to financial statements, where an inflow of economic benefits is probable.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

Notes to financial statements for the year ended 31st March 2019

Note 4

Property, Plant and Equipment (PPE) as at 31st March 2019

(Amounts in Rs.)

Particulars	Gross Block				Depreciation and Amortization				Net Block	
	As at 1st April 2018	Addition during the year	Disposal/ Adjustment	As at 31st March 2019	As at 1st April 2018	For the year	Disposal/ Adjustment	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
Freehold land (Refer Note 4.1)	5,75,67,480	6,50,00,000	-	12,25,67,480	-	-	-	-	12,25,67,480	5,75,67,480
Building	3,12,06,076	-	17,61,581	2,94,44,495	23,55,663	20,80,709	3,31,755	41,04,617	2,53,39,878	2,88,50,413
Plant & Machinery	2,59,19,357	14,22,946	-	2,73,42,303	26,78,924	25,71,853	-	52,50,777	2,20,91,526	2,32,40,433
Furniture and fixtures	28,06,334	-	-	28,06,334	3,18,967	2,77,113	-	5,96,080	22,10,254	24,87,367
Vehicles	2,99,75,705	39,23,834	2,65,18,287	73,81,252	62,97,015	29,02,643	25,94,208	66,05,450	7,75,802	2,36,78,690
<b>Total PPE</b>	<b>14,74,74,952</b>	<b>7,03,46,780</b>	<b>2,82,79,868</b>	<b>18,95,41,864</b>	<b>1,16,50,569</b>	<b>78,32,318</b>	<b>29,25,963</b>	<b>1,65,56,924</b>	<b>17,29,84,940</b>	<b>13,58,24,384</b>

Note 4.1

The Board of Directors of the Company at its meeting held on December 10, 2018 has considered and approved a draft deed of reconstitution to be entered into between the existing partners of M/s Agartha Enterprises and the Company for retirement of the Company from the partnership with effect from December 31, 2018.

Pursuant to the deed of reconstitution entered into on January 01, 2019, the Company has retired from the Partnership Firm with effect from December 31, 2018 and received the Agricultural land admeasuring approximately 23815 Square meter In lieu of the Company's Capital Account Balance In partnership firm. The Company will initiate the process of converting the said land from Agricultural Into Non Agricultural Land and transfer of title deeds In the name of the Company. The said land is presently registered In the name of Mr. Sandeep Gandhi, Director of the Company.

Property, Plant and Equipment (PPE) as at 31st March 2018

(Amounts in Rs.)

Particulars	Deemed Cost				Depreciation and Amortization				Net Block	
	As at 1st April 2017	Addition during the year	Disposal/ Adjustment	As at 31st March 2018	As at 1st April 2017	For the year	Disposal/ Adjustment	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Freehold land	5,75,67,480	-	-	5,75,67,480	-	-	-	-	5,75,67,480	5,75,67,480
Building	2,35,56,617	76,49,459	-	3,12,06,076	-	23,55,663	-	23,55,663	2,88,50,413	2,35,56,617
Plant & Machinery	2,37,35,717	21,83,640	-	2,59,19,357	-	26,78,924	-	26,78,924	2,32,40,433	2,37,35,717
Furniture and fixtures	27,51,854	54,480	-	28,06,334	-	3,18,967	-	3,18,967	24,87,367	27,51,854
Vehicles	1,35,88,795	1,96,64,693	32,77,783	2,99,75,705	-	62,97,015	-	62,97,015	2,36,78,690	1,35,88,795
<b>Total PPE</b>	<b>12,12,00,463</b>	<b>2,95,52,272</b>	<b>32,77,783</b>	<b>14,74,74,952</b>	<b>-</b>	<b>1,16,50,569</b>	<b>-</b>	<b>1,16,50,569</b>	<b>13,58,24,383</b>	<b>12,12,00,463</b>

Note 4.1.1 - Impairment of Assets : There is no impairment of any assets in terms of Ind AS - 36 on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of PPE.

Note 4.1.2 - Security Pledge of Assets : Refer to Note 16 on borrowings for details in terms of pledge of assets as security.

Note 5

Capital work in progress as at 31st March 2019

(Amounts in Rs.)

Particulars	2018-19	2017-18
Opening Balance	2,92,71,625	2,89,14,044
Addition:	6,68,092	80,07,040
Less: Capitalised during the year	-	76,49,459.00
<b>Closing Balance</b>	<b>2,99,39,717</b>	<b>2,92,71,625</b>

Note 5.1

The Company has incurred capital expenditure of Rs. 2,99,39,717/- on construction of Building on leasehold land for Nature Cure Project. The estimated total project cost is Rs 8,00,00,000/-.

Refer to Note No. 34 D (B) for disclosure of contractual commitments for the acquisition of property, plant and equipment.



# HARISH TEXTILE ENGINEERS LIMITED

Notes to financial statements for the year ended 31st March 2019

## Note 14

### Share capital

#### Authorised, issued, subscribed, fully paid up share capital

(Amount in Rs.)

Particulars	As at 31st March 2019		As at 31st March 2018		As at 1st April 2017	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
<b>Authorised</b>						
Equity Shares of Rs.10 each	1,00,00,000	10,00,00,000	30,00,000	3,00,00,000	30,00,000	3,00,00,000
<b>Issued, Subscribed and Paid up</b>						
Equity Shares of Rs.10 each fully paid up	33,36,000	3,33,60,000	24,00,000	2,40,00,000	5,00,000	50,00,000
<b>Total</b>	<b>33,36,000</b>	<b>3,33,60,000</b>	<b>24,00,000</b>	<b>2,40,00,000</b>	<b>5,00,000</b>	<b>50,00,000</b>

### Note 14.1

#### Reconciliation of shares outstanding at the beginning and at the end of the reporting period

(Amount in Rs.)

Particulars	As at 31st March 2019		As at 31st March 2018		As at 1st April 2017	
	Equity Shares of Rs. 10 each fully paid		Equity Shares of Rs. 10 each fully paid		Equity Shares of Rs. 10 each fully paid	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the period	24,00,000	2,40,00,000	5,00,000	50,00,000	5,00,000	50,00,000
Add: Shares issued during the period (Refer Note 14.1.1)	9,36,000	93,60,000	19,00,000	1,90,00,000		
<b>Shares outstanding at the end of the period</b>	<b>33,36,000</b>	<b>3,33,60,000</b>	<b>24,00,000</b>	<b>2,40,00,000</b>	<b>5,00,000</b>	<b>50,00,000</b>

### Note 14.1.1

Pursuant to clause 5.2 of Part VI of the Scheme of Arrangement between Corporate Courier & Cargo Limited (the Transferor Company) and Harish Textile Engineers Private Limited (Now Harish Textile Engineers Limited - the transferee company No. 1) and Mahesh Developers Private Limited (Now Mahesh Developers Limited - the transferee company No. 2) and their respective shareholders and creditors, the Company issued 13 Equity Shares of Rs 10 each of the Company for every 100 fully paid up equity share held in Corporate Courier Cargo Limited.

### Note 14.2

#### Terms/ rights attached to equity shares

For all matters submitted to vote in a shareholders' meeting of the Company, every holder of an equity share as reflected in the records of the Company on the date of the shareholders' meeting shall have one vote in respect of each share held. Any dividend declared by the company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company, all preferential amounts if any shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

### Note 14.3

#### Shareholders holding more than 5 % of total share capital

Name of Shareholder	As at 31st March 2019		As at 31st March 2018		As at 1st April 2017	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares of Rs. 10 each fully paid</b>						
Sandeep K Gandhi	23,83,350	71.49%	23,83,350	99.31%	4,95,000	99.00%
<b>Total</b>	<b>23,83,350</b>	<b>71.49%</b>	<b>23,83,350</b>	<b>99.31%</b>	<b>4,95,000</b>	<b>99.00%</b>

### Note 15

#### OTHER EQUITY

Particulars	As at 31st March, 2019	As at 31st March, 2018	As at 1st April, 2017
<b>a. Retained Earnings</b>			
Opening balance	4,58,59,275	5,10,99,220	1,27,15,609
Add: Profit during the Period	94,86,899	57,60,055	
Add: On account of Fair Value of land considered as Deemed Cost	-	-	5,37,27,380
Less : Deferred Tax	-	-	(96,56,776)
Less : Issue of Shares	-	(1,10,00,000)	-
<b>Less : Expected credit loss</b>	<b>-</b>	<b>-</b>	<b>(59,67,744)</b>
Less: Prior Period Expense	-	-	(10,043)
Less: Transfer on account of Demerger (Refer Note 34 C)	(81,10,000)	-	2,90,794
<b>Closing Balance (A)</b>	<b>4,72,36,174</b>	<b>4,58,59,275</b>	<b>5,10,99,220</b>
<b>b. Other Comprehensive Income (OCI)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Closing Balance (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A+B)</b>	<b>4,72,36,174</b>	<b>4,58,59,275</b>	<b>5,10,99,220</b>

**HARISH TEXTILE ENGINEERS LIMITED**

Notes to financial statements for the year ended 31st March 2019

**Note 17**

**Deferred tax Liabilities**

**(a) Deferred tax balances and movement for FY 2018-19**

(Amounts in Rs.)

Particulars	Net balance April 1, 2018	Recognised in profit or loss	Recognised in OCI	As at 31st March 2019
<b>Deferred tax Liabilities</b>				
Freehold Land	1,15,59,797.65	(33,212.40)		1,15,26,585.24
Other PPE	(2,47,589.34)	(67,119.17)		(3,14,708.51)
Income Tax 43B	(30,210.00)	30,210.00		-
Trade Receivables - provision for doubtful debts	(3,60,870.55)	32,483.46		(3,28,387.09)
<b>Net deferred tax Liabilities</b>	<b>1,09,21,127.76</b>	<b>(37,638.12)</b>	-	<b>1,08,83,489.64</b>

**(a) Deferred tax balances and movement for FY 2017-18**

(Amounts in Rs.)

Particulars	Net balance April 1, 2017	Recognised in profit or loss	Recognised in OCI	As at 31st March 2018
<b>Deferred tax Liabilities</b>				
Freehold Land	1,15,93,010.31	(33,212.66)	-	1,15,59,797.65
Other PPE	4,43,911.19	(6,91,500.53)		(2,47,589.34)
Income Tax 43B	(87,901.94)	57,691.94		(30,210.00)
Trade Receivables - provision for doubtful debts	(19,36,234.39)	15,75,363.84		(3,60,870.55)
<b>Net deferred tax Liabilities</b>	<b>1,00,12,785.17</b>	<b>9,08,342.58</b>	-	<b>1,09,21,127.76</b>

The company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

## Note 33 Financial Instrument and Fair Value Measurement

(Amounts in Rs.)

Particulars	Amount as at March 31, 2019			
	FVTPL	FVTOCI	Amortised Cost	Total
<b>Non Current Financial assets</b>				
Investments (Non-Current)	-	-	-	-
Other Financial assets (Non - Current)	-	-	6,49,43,341	6,49,43,341
<b>Current Financial assets</b>				
Trade receivables	-	-	3,74,82,622	3,74,82,622
Cash and cash equivalents	-	-	33,01,678	33,01,678
Bank balances other than (ii) above	-	-	-	-
<b>Total</b>	-	-	<b>10,57,27,640</b>	<b>10,57,27,640</b>
<b>Financial liabilities</b>				
Non current borrowings	-	-	4,69,30,661	4,69,30,661
Current borrowings	-	-	6,85,98,774	6,85,98,774
Trade payables	-	-	17,33,24,867	17,33,24,867
<b>Total</b>	-	-	<b>28,88,54,303</b>	<b>28,88,54,303</b>

(Amounts in Rs.)

Particulars	Amount as at March 31, 2018			
	FVTPL	FVTOCI	Amortised Cost	Total
<b>Non Current Financial assets</b>				
Investments (Non-current)	-	-	6,46,79,225	6,46,79,225
Other Financial assets (Non - Current)	-	-	4,29,10,501	4,29,10,501
<b>Current Financial assets</b>				
Trade receivables	-	-	3,99,18,153	3,99,18,153
Cash and cash equivalents	-	-	6,36,509	6,36,509
Bank balances other than (ii) above	-	-	-	-
<b>Total</b>	-	-	<b>14,81,44,388</b>	<b>14,81,44,388</b>
<b>Financial liabilities</b>				
Non current borrowings	-	-	1,73,58,136	1,73,58,136
Current borrowings	-	-	7,08,79,596	7,08,79,596
Trade payables	-	-	18,86,55,663	18,86,55,663
<b>Total</b>	-	-	<b>27,68,93,395</b>	<b>27,68,93,395</b>

(Amounts in Rs.)

Particulars	Amount as at April 01, 2017			
	FVTPL	FVTOCI	Amortised Cost	Total
<b>Non Current Financial assets</b>				
Investments (Non-current)	-	-	6,23,41,987	6,23,41,987
Other Financial assets (Non - Current)	-	-	3,51,02,315	3,51,02,315
<b>Current Financial assets</b>				
Trade receivables	-	-	5,04,55,702	5,04,55,702
Cash and cash equivalents	-	-	33,57,666	33,57,666
Bank balances other than (ii) above	-	-	20,00,000	20,00,000
<b>Total</b>	-	-	<b>15,32,57,671</b>	<b>15,32,57,671</b>
<b>Financial liabilities</b>				
Non current borrowings	-	-	1,57,88,328	1,57,88,328
Current borrowings	-	-	7,11,55,628	7,11,55,628
Trade payables	-	-	17,43,09,184	17,43,09,184
<b>Total</b>	-	-	<b>26,12,53,140</b>	<b>26,12,53,140</b>

**Fair Value hierarchy**

The below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follow:

**Level 1:** Quoted prices in active markets for identical assets and liabilities**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).**Level 3:** Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).**Financial risk management objectives and policies**

The Company's principal financial liabilities comprises of trade and other payables. The Company's financial assets include trade and other receivables, and cash &amp; cash equivalents that it derives directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by the Board of Directors that advises on financial risks and the appropriate financial risk governance framework for the Company. This provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

**HARISH TEXTILE ENGINEERS LIMITED**

**Notes to financial statements for the year ended 31st March 2019**

**Note 33 Financial instruments – Fair values and risk management (continued)**

**Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, investments, and loans given. The Company is having majority of the receivables from private sectors. The Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk to any counterparty did not exceed 5% of gross monetary assets at any time during the year.

**The carrying amount of following financial assets represents the maximum credit exposure:**

**Cash and Cash equivalent and Other Bank Balances**

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

**Trade and other receivables**

The Company's exposure to credit Risk is the exposure that Company has on account of goods sold or services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received. The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Assets are written off when there are no reasonable expectation of recovery such as debtor declaring bankruptcy or failing to engage in a repayment plan with group. Where receivables have been written off the company continues to engage in enforcement activity to attempt to recover the receivables. Where recoveries are made, these are recognised in profit and loss.

The maximum exposure to the credit risk at the reporting date from Trade Receivable is as amounts mentioned in Note No. 10.

**Movement in Allowance for bad and doubtful Trade receivable**

(Amount in Rs.)

Particulars	31-03-2019	31-03-2018
Opening Allowance for bad and doubtful Trade receivable	14,01,439	59,67,744
Recovery/Adjustment during the year	(2,21,040)	(45,66,305)
Closing Allowance for bad and doubtful Trade receivable	11,80,399	14,01,439

The impairment provisions above are based on management judgment / assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history as well as forward looking estimates at the end of each reporting period.

In view of the management based on the company's past history as well as forward looking estimates at the end of each reporting period, receivables are good and fully recoverable.

**Deposits**

(Amounts in Rs.)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018	As at April 01, 2017
Rent Deposit	6,49,43,341	4,29,10,501	3,51,02,315

**HARISH TEXTILE ENGINEERS LIMITED**

Notes to financial statements for the year ended 31st March 2019

**Note 33 Financial instruments – Fair values and risk management (continued)**

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between working capital of the company. The Company generates sufficient cashflow from operations to maintain a The Company maintains the following lines of credit outstanding:

(Amounts in Rs.)		
Particulars	Outstanding amount as at March 31, 2019	Security and Rate of Interest
<b>Secured</b>		
Term Loan from Banks	40,97,336	Refer Note No.16.1
Vehicle Loans	16,80,396	Refer Note No. 16.2
Overdraft Loan	6,03,18,912	Refer Note 18.1
<b>Unsecured</b>		
From Bank and NBFC	92,55,492	Refer Note No. 16.3
Unsecured from Related Party		
From Director Interest free	3,65,77,300	
Inter Corporate Loan Interest free	36,00,000	

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Particulars	(Amounts in Rs.)			
	Within 1 Year	1 to 5 Year	More than 5 Year	Carrying Amount
<b>As at March 31, 2019</b>				
Non current borrowings	-	4,69,30,661	-	4,69,30,661
Current borrowings	6,85,98,774	-	-	6,85,98,774
Trade payables	17,33,24,867	-	-	17,33,24,867
<b>As at March 31, 2018</b>				
Non current borrowings	-	1,73,58,136	-	1,73,58,136
Current borrowings	7,08,79,596	-	-	7,08,79,596
Trade payables	18,86,55,663	-	-	18,86,55,663
<b>As at April 01, 2017</b>				
Non current borrowings	-	1,57,88,328	-	1,57,88,328
Current borrowings	7,11,55,628	-	-	7,11,55,628
Trade payables	17,43,09,184	-	-	17,43,09,184

HARISH TEXTILE ENGINEERS LIMITED

Notes to financial statements for the year ended 31st March 2019

**Note 33 Financial Instruments – Fair values and risk management (continued)**

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and FVTOCI investments.

**Foreign Currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's foreign currency risk arises out of various imports of raw materials and trading goods and exports of its finished goods. The Company follows netting principle for managing the foreign exchange exposure. The Carrying Amounts of the Company's Foreign Currency Denominated Monetary Assets and Liabilities based on Gross Exposure at the end of the Reporting Period is as under.

**Net Open Exposures Outstanding as at the Balance Sheet Date**

(Amounts in Rs.)

Particulars	Foreign Currency Denomination	Year ended March 31, 2019		Year ended March 31, 2018	
		Foreign Currency Amount	Amount in Rs.	Foreign Currency Amount	Amount in Rs.
Trade Payables	USD	88,725	61,61,064	-	0
Trade Receivables	USD	1,07,525	74,66,536	55,000.00	3564965

**Sensitivity analysis**

Profit or loss is sensitive to higher/lower Exchange rate of currency. A possible 3% change in exchange rate would affect profit/loss at the reporting date by amount shown below:

Particulars	Profit or (Loss)		Equity (net of tax)	
	3% Increase	3% decrease	3% Increase	3% decrease
31st March 2019				
Trade Payables	1,84,832	(1,84,832)	1,33,412	(1,33,412)
Trade Receivables	3,22,575	(2,23,996)	2,32,835	(1,61,680)
Total	(1,37,743)	39,164	(99,423)	28,269
31st March 2018				
Trade Payables	-	-	-	-
Trade Receivables	1,06,949	(1,06,949)	79,410	(79,410)
Total	1,06,949	(1,06,949)	79,410	(79,410)

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risks is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company's interest rate exposure is mainly related to debt obligation. On period under review the Company do not have any term loans at fixed rate and has not entered into interest rate swaps for its exposure to long term borrowings at floating rate.

Particulars	Year ended March 31, 2019	Year ended March 31, 2018	As at April 01, 2017
Non-current - Borrowings	67,53,361	1,52,08,136	1,14,82,528
Current - Borrowings	6,85,98,774	7,08,79,596	7,11,55,628
Total	7,53,52,136	8,60,87,732	8,26,38,156

**Sensitivity analysis**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates

Based on the composition of debt a reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amount shown below:

(Amounts in Rs.)

Particulars	Profit or (Loss)		Equity (net of tax)	
	100 bp Decrease	100 bp Increase	100 bp Decrease	100 bp Increase
31st March 2019				
Non current - Borrowings	67,534	(67,534)	48,746	(48,746)
Current portion of Long term borrowings	6,85,988	(6,85,988)	4,95,146	(4,95,146)
Total	7,53,521	(7,53,521)	5,43,892	(5,43,892)
31st March 2018				
Non current - Borrowings	1,52,081	(1,52,081)	1,12,920	(1,12,920)
Current portion of Long term borrowings	7,08,796	(7,08,796)	5,26,281	(5,26,281)
Total	8,60,877	(8,60,877)	6,39,201	(6,39,201)

**c) Commodity Price Risk**

The Company is affected by price volatility of certain commodities. Its operating activities require the on-going purchase or continuous supply of such commodities. Therefore the Company monitors its purchases closely to optimise the prices.

**d) Equity Price Risk**

The Company do not have any investment in quoted equity shares hence not expose to equity price risk.

**HARISH TEXTILE ENGINEERS LIMITED**

**Notes to financial statements for the year ended 31st March 2019**

**Note 33**

**Capital Management**

The Company's objectives when managing capital are to

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

The Company determines the amount of capital required on the basis of the annual business plan coupled with long term and short term strategic investments and expansion plans. The funding needs are met through equity, cash generated from operations, long terms and short term bank borrowings.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio is as follows.

(Amounts in Rs.)

Particulars	Amounts in Rs.		
	As at 31st March 2019	As at 31st March 2018	As at 31st March 2017
<b>Borrowings</b>	11,55,29,436	8,82,37,732	8,69,43,956
Less : Current Investment	-	-	-
Less : Cash and bank balances	33,01,678	6,36,509	33,57,666
<b>Adjusted net debt</b>	<b>11,22,27,758</b>	<b>8,76,01,223</b>	<b>8,35,86,290</b>
Borrowings	11,55,29,436	8,82,37,732	8,69,43,956
Total equity	8,05,96,174	6,98,59,275	5,60,99,220
Adjusted net debt to adjusted equity ratio	1.39	1.25	1.49
<b>Debt equity ratio</b>	<b>1.43</b>	<b>1.26</b>	<b>1.55</b>

**HARISH TEXTILE ENGINEERS LIMITED**

**Notes to financial statements for the year ended 31st March 2019**

**Note 34**

**Note 34 a Related party disclosure:**

a Related party disclosure as required by AS-18, "Related Party Disclosure", is given below:

**Key Management Personnel:**

Name		Designation
Mr. Sandeep K Gandhi	(with effect from December 30, 2018)	Managing Director
Mr. Hitendra Desai	(with effect from December 30, 2018)*	Whole Time Director
Mr. Pinkesh Upadhyay	(with effect from December 30, 2018)	Chief Financial Officer
Mrs. Khusboo N. Desai	(from December 10, 2018 till April 11, 2015)	Company Secretary
Mr. Sachin Mishra	(from May 27, 2019 till June 17, 2019)	Company Secretary

**Non-Executive Directors**

Name	
Mr. Kirtikumar S Gandhi	(upto June 21, 2019)
Mr. Rajesh Kumar Sahu	(upto February 05, 2019)
Mr. Sunil Bhirud	(upto February 05, 2019)

**Independent Director**

Name	
Mr. Abhinav Anand	(with effect from December 10, 2018)
Mrs. Ratna Vikram Jhaveri	(with effect from December 10, 2018)
Mr. Darshith Parikh	(from December 10, 2018 till June 06, 2019)

**Relative of Directors**

Mrs. Vaishali Bhirud  
Mrs. Anshu Sahu  
Shri. Shovan S Gandhi

**Entities where Directors/Close family members of Directors having control/significant influence**

Harish Enterprise Private Limited.  
Pacific Harish Industries Limited.  
Everys Health Care Private Limited.  
Technofield Marketing Private Limited.  
Sanish Investment & Trading Co P Limited.  
Agratha Enterprise-Partnership Firm

\*He was appointed as Director on February 12, 2013 and During the year, he has been appointed as Whole Time Director w.e.f. December 30, 2018)

**b Transactions with Related Parties**

During the year, the following transactions were carried out with Related Parties:

(Amounts in Rs.)

Sr. No.	Name of Related Party and nature of transactions	Relationship	For the year ended 31st March, 2019	For the year ended 31st March, 2018	For the year ended April 01, 2017
1	<b>Harish Enterprise Private Limited.</b> Rent Expense Rent Deposit given -Closing Balance Balance Receivable (Escrow Account)-Closing Balance	<b>Entities where Directors/Close family members of Directors having control/significant influence</b>	12,00,000	12,00,000	
2	<b>Pacific Harish Industries Limited.</b> Loan Given Closing Balance Trade Receivable-Closing Balance		7,95,00,000	5,55,00,000	19,01,511
3	<b>Everys Health Care Private Limited.</b> Interest Income Advance given-Closing Balance			1,43,01,056	
4	<b>Technofield Marketing Private Limited.</b> Inter Corporate Loan Received Balance		7,27,901	42,42,191	24,06,500
5	<b>Sanish Investment &amp; Trading Co P Limited.</b> Inter Corporate Loan Received Balance		6,37,888	5,44,246	59,12,115
6	<b>Agratha Enterprise-Partnership Firm</b> Receipt of Land In lieu of Capital Account Balance (Refer Note 4.1) Investment Closing Payable -Closing Balance		53,15,736	52,33,002	29,65,720
7	<b>Mr. Sandeep K Gandhi</b> Professional Fees Director Remuneratlon Interest Free Loan Received -Balance as period end		21,00,000	21,00,000	21,00,000
			15,00,000	5,00,000	5,00,000
			6,50,00,000		
			-	6,46,79,225	-
			30,398		-
			39,15,000	52,20,000	
			13,05,000		
			3,23,01,000	50,000	



	Issue of Equity Share Capital			1,88,83,500	
8	<b>Mr. Hitendra Desai</b>	<b>Director and Key managem ent Personnel</b>			
	Professional Fees		14,85,000	14,00,000	
	Director Remuneration		4,95,000		
	Deposit Received				
	Commission Paid				
	Balance as period end				
9	<b>Mr. Pinkesh Upadhyay</b>				
	Remuneration		1,50,000		
10	<b>Mrs. Khusboo N. Desai</b>				
	Remuneration Paid		25,000		
11	<b>Mr. Sunil Bhirud</b>	<b>Directors</b>			
	Professional Fees		13,20,000	11,40,000	
12	<b>Mr. Rajesh Kumar Sahu</b>				
	Professional Fees		17,60,000	12,48,000	
13	<b>Mr. Kirtikumar S Gandhi</b>				
	Professional Fees		51,00,000	51,00,000	
	Interest Free Loan Received -Balance as period end		42,76,300		
	Issue of Equity Share Capital			1,16,500	
14	<b>Mrs. Vaishali Bhirud</b>	<b>Relative of Director</b>			
	Professional Fees		6,60,000	7,20,000	
15	<b>Shri. Shovan S Gandhi</b>				
	Professional Fees		7,65,000	6,00,000	
16	<b>Mrs. Anshu Sahu</b>				
	Professional Fees		11,00,000	9,00,000	

Notes to financial statements for the year ended 31st March 2019

Segment Reporting

Primary Segment:

Part I

(Amounts in Rs.)

Particulars	Engineering		Non Ferrous Metal		Total	
	For the Year ended 31st March 2019	For the Year ended 31st March 2018	For the Year ended 31st March 2019	For the Year ended 31st March 2018	For the Year ended 31st March 2019	For the Year ended 31st March 2018
<b>Segment Revenue</b>						
Revenue from Operations	29,33,18,853.00	36,70,09,632.00	8,38,45,068.00	58,04,699.00	37,71,63,921.00	37,28,14,331.00
Other Operating Income	1,61,09,691.56	2,06,21,122.74		-	1,61,09,691.56	2,06,21,122.74
<b>Total Revenue from Operations</b>	<b>30,94,28,544.56</b>	<b>38,76,30,754.74</b>	<b>8,38,45,068.00</b>	<b>58,04,699.00</b>	<b>39,32,73,612.56</b>	<b>39,34,35,453.74</b>
<b>Segment Result</b>						
Profit / (Loss) before exceptional Items and tax	2,28,22,139.97	1,97,23,861.50	9,95,965.00	-25,156.00	2,38,18,104.97	1,96,98,705.50
Less: Finance Cost	1,03,21,040.61	1,14,80,307.74	1,91,007.00		1,05,12,047.61	1,14,80,307.74
Profit before tax	1,25,01,099.36	82,43,553.76	8,04,958.00	(25,156.00)	1,33,06,057.36	82,18,397.76
Add: Unallocated Income						
Less: Unallocated Expense						
Less: Tax Expense					38,19,157.88	24,58,342.58
<b>Net Profit after tax</b>					<b>94,86,899.48</b>	<b>57,60,055.18</b>
Other Comprehensive Income					-	-
Total Comprehensive Income for the period					<b>94,86,899.48</b>	<b>57,60,055.18</b>

Part II

Rs in Lacs

Particulars	Engineering		Non Ferrous Metal		Total	
	For the Year ended 31st March 2019	For the Year ended 31st March 2018	For the Year ended 31st March 2019	For the Year ended 31st March 2018	For the Year ended 31st March 2019	For the Year ended 31st March 2018
<b>Segment Assets and Liabilities</b>						
Segment Assets	40,84,64,387.93	43,42,96,287.77	24,24,081.00	27,632.19	41,08,88,468.93	43,43,23,919.96
Segment Liabilities	34,58,25,683.83	38,35,48,762.95	6,69,293.00	19,061.31	34,64,94,976.83	38,35,67,824.26
Add: Unallocable Assets					2,99,39,717.00	2,92,71,625.00
Less: Unallocable Liabilities					1,37,37,034.64	1,01,68,445.76
<b>Capital Employed</b>	<b>6,26,38,704.10</b>	<b>5,07,47,524.82</b>	<b>17,54,788.00</b>	<b>8,570.88</b>	<b>8,05,96,174.46</b>	<b>6,98,59,274.95</b>

Information about secondary business segments

The Company uses same set of assets for the sales made in the India and outside India. The expenses incurred for sales to be made in India and outside are Common. Hence, the only the details related to Revenue related to the geographical segments are presented to the CODM.

Secondary Segment information

Sales revenue is based on the location of sales :

Segment Revenue	For the Year ended 31st March 2019	For the Year ended 31st March 2018
International	4,52,92,730	1,97,86,861
Domestic	33,18,71,191	35,30,27,470
<b>Total</b>	<b>37,71,63,921</b>	<b>37,28,14,331</b>

**Note 34 C Scheme of Arrangement between Corporate Courier & Cargo Limited, The Transferor Company and Harish Textile Engineers Private Limited (Now Harish Textile Engineers Limited), The transferee Company No.1 and Mahesh Developers Private Limited (Now Mahesh Developers Limited) The Transferee Company No.2 and their respective shareholders and creditors :**

The aforesaid Scheme was sanctioned by the National Company Law Tribunal ('NCLT') vide Order dated August 09, 2018. The Scheme became effective on October 06, 2018 on filing with the Registrar of Companies (RoC) with effect from April 01, 2017 i.e. Appointed Date. Pursuant to the Scheme, the Engineering Service Business of Corporate Courier Cargo Limited has been transferred to Harish Textile Engineers Limited (the Company). Hence, in accordance with the Scheme:

- a On Scheme becoming effective with effect from Appointed Date, the Company has recorded all the assets aggregating to Rs. 12,50,000/- as appearing in the books of Corporate Courier & Cargo Limited related to Engineering Service Business at their respective book value as on Appointed Date.
- b The difference between value of assets and liabilities of Corporate Courier & Cargo Limited 's Engineering Service business and the value of the shares allotted to the shareholders of Corporate Courier & Cargo Limited, amounting to Rs. 81,10,000/- has been transferred to Retained Earnings.
- c There are no inter-company balances and transactions between the Company and Corporate Courier & Cargo Limited on appointed date.
- d As the financial statements for previous year ended March 31, 2018 have been already approved by the shareholders of the Company, the previous year accounts have not been reopened and all the relevant accounting entries with respect to the Scheme have been accounted during the current financial year.
- e The appointed date of the scheme is April 01, 2017 as approved by the NCLT, though it has become effective on October 06, 2018. Therefore, all transactions from April 01, 2017 to October 06, 2018 of the Engineering Service Business were carried on behalf of Harish Textile Engineers Limited and the same are recorded as receivable or payable on account of demerger from the Corporate Courier Cargo Limited as at October 06, 2018.

**Note 34 d**

**CONTINGENT LIABILITIES & CONTINGENT ASSETS AND CAPITAL COMMITMENTS**

**A) Contingent Liabilities not provided for in respect of:**

Particulars	As at 31st March 2019	As at 31st March 2018	As at April 01, 2017
<b>Contingent Liabilities</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

The Honourable Supreme Court of India vide its order dated 28th February, 2019 held that 'Basic Wages' for the contribution towards Provident Fund (PF) should only exclude [in addition to specific exclusions under Section 2(b)(ii) of the Employees Provident Fund Act, 1952]:

- a) amounts that are payable to the employee for undertaking work beyond the normal work which he/she is otherwise required to put in and;
- b) allowances which are either variable or linked to any incentive for production resulting in greater output by an employee and that the allowances are not paid across the board to all employees in a particular category or were being paid especially to those who avail the opportunity.

With reference to the above mentioned judgment, The Company's management is of the view that there is considerable uncertainty around the timing, manner and extent in which the judgment will be interpreted and applied by the regulatory authorities. Further, a review petition has been filed with the Honourable Supreme Court with reference to the aforementioned judgement and the same is pending disposal. Management is of the view that any incremental outflow in this regard can only be determined once the position being taken by the regulatory authorities in this regard is known and the Management is able to evaluate all possible courses of action available. Accordingly, no provision has been currently recognized in Financial Statements in this regard.

**B) Commitments**

(Amounts in Rs.)

Particulars	As at 31st March 2019	As at 31st March 2018	As at April 01, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for.	5,00,60,283	5,07,28,375	5,87,35,415
<b>Total</b>	<b>5,00,60,283</b>	<b>5,07,28,375</b>	<b>5,87,35,415</b>

Notes to financial statements for the year ended 31st March 2019

Note 34 e

Transition to Ind AS:

These financial statements, for the year ended 31 March 2019, are the first the company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2018, the company prepared its financial statements in accordance with IGAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March 2019, the comparative information presented in these financial statements for the year ended 31 March 2018 and in the preparation of an opening Ind AS balance sheet at 01 April 2017 (the "transition date").

In preparing the opening Ind AS balance sheet, the company has adjusted amounts reported in financial statements prepared in accordance with IGAAP. An explanation of how the transition from IGAAP to Ind AS has affected financial performance, cash flows and financial position is set out in the following tables and the notes that accompany the tables. On transition, the Company did not revise estimates previously made under IGAAP except where required by Ind AS.

Ind AS 101 provides exemption to certain classification and measurement requirement of financial assets under Ind AS 109, where these are impracticable to implement. Classification and measurement is done on the basis of facts and circumstances existing on the transition date.

Accordingly the Company has determined classification of financial asset based on facts and circumstances existing on the transition date.

A Reconciliations between previous GAAP and Ind AS

B.1 Effect of Ind AS adoption on the Balance Sheet as at March 31, 2017 and March 31, 2018

(Amounts in Rs.)

Particulars	Footnote ref.	As at March 31, 2018			As at April 01, 2017		
		Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>I. ASSETS</b>							
<b>1 Non-current assets</b>							
Property, plant and equipment	1	8,20,97,003	5,37,27,380	13,58,24,383	6,74,73,083	5,37,27,380	12,12,00,463
Capital work in progress		2,92,71,625	-	2,92,71,625	2,89,14,044	-	2,89,14,044
Financial assets							
i. Investments		6,46,79,225	-	6,46,79,225	6,23,41,987	-	6,23,41,987
ii. Other Financial Assets	2	2,80,00,000	1,49,10,501	4,29,10,501	2,80,00,000	71,02,315	3,51,02,315
Other Non Current Assets	2	3,31,44,356	(1,80,01,047)	1,51,43,309	2,89,19,920	(99,32,546)	1,89,87,374
Deferred tax Assets		2,39,824	(2,39,824)	-	-	-	-
<b>Total Non-Current Assets</b>		<b>23,74,32,033</b>	<b>5,03,97,010</b>	<b>28,78,29,043</b>	<b>21,56,49,034</b>	<b>5,08,97,150</b>	<b>26,65,46,184</b>
<b>2 Current assets</b>							
Inventories		8,84,71,057	-	8,84,71,057	5,35,37,248	-	5,35,37,248
Financial Assets							
(i) Trade receivables	3	5,56,21,592	(1,57,03,439)	3,99,18,153	5,83,24,957	(78,69,255)	5,04,55,702
(ii) Cash and cash equivalents	4	6,36,509	-	6,36,509	53,57,666	(20,00,000)	33,57,666
(iii) Bank balances other than (ii) above	4	-	-	-	-	20,00,000	20,00,000
Other current assets		2,93,48,237	1,73,92,546	4,67,40,783	3,04,02,418	47,31,741	3,51,34,159
<b>Total Current Assets</b>		<b>17,40,77,395</b>	<b>16,89,107</b>	<b>17,57,66,502</b>	<b>14,76,22,289</b>	<b>(31,37,513)</b>	<b>14,44,84,776</b>
<b>TOTAL ASSETS</b>		<b>41,15,09,428</b>	<b>5,20,86,117</b>	<b>46,35,95,545</b>	<b>36,32,71,323</b>	<b>4,77,59,636</b>	<b>41,10,30,959</b>
<b>II. EQUITY AND LIABILITIES</b>							
<b>1 Equity</b>							
Equity share capital		2,40,00,000	-	2,40,00,000	50,00,000	-	50,00,000
Other Equity		45,48,889	4,13,10,386	4,58,59,275	1,27,15,609	3,83,83,611	5,10,99,220
<b>Total equity</b>		<b>2,85,48,889</b>	<b>4,13,10,386</b>	<b>6,98,59,275</b>	<b>1,77,15,609</b>	<b>3,83,83,611</b>	<b>5,60,99,220</b>
<b>2 Liabilities</b>							
<b>Non-Current Liabilities</b>							
Financial Liabilities							
Borrowings	5	7,79,17,839	(6,05,59,703)	1,73,58,136	7,52,49,071	(5,94,60,743)	1,57,88,328
Deferred tax liabilities (Net)	8	-	1,09,21,128	1,09,21,128	3,56,009	96,56,776	1,00,12,785
<b>Total Non-Current Liabilities</b>		<b>7,79,17,839</b>	<b>(4,96,38,575)</b>	<b>2,82,79,264</b>	<b>7,56,05,080</b>	<b>(4,98,03,967)</b>	<b>2,58,01,113</b>
<b>Current liabilities</b>							
Financial Liabilities							
Borrowings	5	1,04,65,290	6,04,14,306	7,08,79,596	1,19,85,679	5,91,69,949	7,11,55,628
Trade payables		18,86,55,663	-	18,86,55,663	17,42,99,141	10,043	17,43,09,184
Other current liabilities		10,41,05,345	-	10,41,05,345	7,84,47,875	-	7,84,47,875
Provisions		25,69,084	-	25,69,084	27,25,768	-	27,25,768
Current Tax Liabilities (Net)		(7,52,682)	-	(7,52,682)	24,92,171	-	24,92,171
<b>Total Current Liabilities</b>		<b>30,50,42,700</b>	<b>6,04,14,306</b>	<b>36,54,57,006</b>	<b>26,99,50,634</b>	<b>5,91,79,992</b>	<b>32,91,30,626</b>
<b>Total liabilities</b>		<b>38,29,60,539</b>	<b>1,07,75,731</b>	<b>39,37,36,270</b>	<b>34,55,55,714</b>	<b>93,76,026</b>	<b>35,49,31,740</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>41,15,09,428</b>	<b>5,20,86,117</b>	<b>46,35,95,545</b>	<b>36,32,71,323</b>	<b>4,77,59,636</b>	<b>41,10,30,959</b>

**B.2 Effect of Ind AS adoption on the Statement of Profit and Loss for the year ended March 31, 2018**

Particulars	Footnote ref.	Amount as per IGAAP*	Effects of transition to Ind AS	Amount as per Ind AS
<b>Revenue</b>				
Revenue from Operations	6	36,36,61,836	91,52,495	37,28,14,331
Other income	7	1,28,84,201	77,36,922	2,06,21,123
<b>Total Income</b>		<b>37,65,46,037</b>	<b>1,68,89,417</b>	<b>39,34,35,454</b>
<b>Expenses</b>				
Cost of materials consumed		24,55,40,013	-	24,55,40,013
Changes in Inventories of Finished Goods		(3,57,72,705)	-	(3,57,72,705)
Cost of Sales for Trading Activity		58,29,884	-	58,29,884
Employee Benefits Expenses		2,60,99,801	-	2,60,99,801
Finance Costs	5	1,13,34,911	1,45,397	1,14,80,308
Depreciation and Amortization Expenses		1,16,50,569	-	1,16,50,569
Other Expenses	6 & 7	10,80,66,074	1,23,23,112	12,03,89,186
		<b>37,27,48,547</b>	<b>1,24,68,509</b>	<b>38,52,17,056</b>
<b>Total Expenses</b>				
<b>Profit Before Tax</b>		<b>37,97,490</b>	<b>44,20,908</b>	<b>82,18,398</b>
Prior period items		10,043	(10,043)	-
		37,87,447	44,10,865	82,18,398
<b>Tax expense:</b>				
Current Tax		15,50,000	-	15,50,000
Adjustment for earlier tax expense		-	-	-
Differed Tax		(5,95,833)	15,04,176	9,08,343
<b>Profit for the year</b>		<b>28,33,280</b>	<b>29,06,689</b>	<b>57,60,055</b>
<b>Other comprehensive income</b>		-	-	-
<b>Total comprehensive income for the period</b>		<b>28,33,280</b>	<b>29,06,689</b>	<b>57,60,055</b>

**B.3 Statement of Reconciliation of total equity as at March 31, 2018 and April 01, 2017 between Ind AS and previous GAAP:**

Ind AS 101 requires an entity to reconcile equity for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS standalone Financial Statement.

(Amounts in Rs.)

Particulars	31-Mar-18	01-Apr-17
<b>IGAAP Equity</b>	<b>45,48,889</b>	<b>1,27,15,609</b>
<b>Ind AS adjustments</b>		
Fair valuation as deemed cost of land	5,37,27,380	5,37,27,380
Provision for doubtful debts	(14,01,439)	(59,67,744)
Amortisation of transaction costs of Interest bearing	1,45,397	2,90,794
Interest income on Rent Deposit	28,08,185	
Rent Expense	(28,08,185)	
Deferred Tax	(1,11,60,952)	(96,56,776)
Restatement of Prior Period Expense		(10,043)
<b>Total Adjustments accounted through P&amp;L</b>	<b>4,13,10,386</b>	<b>3,83,83,611</b>
<b>Total Impact on account of Ind AS adjustments</b>	<b>4,13,10,386</b>	<b>3,83,83,611</b>
<b>Equity after Ind AS adjustments</b>	<b>4,58,59,275</b>	<b>5,10,99,220</b>

\*IGAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purposes of this note.

Footnotes to the above reconciliation are as under:

**1 Property, Plant and Equipment**

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP as 'deemed cost' for all the items of property, plant and equipment and intangible assets.

The company has availed option of considering fair value as deemed cost as on transition date for freehold lands. Accordingly the said lands have been revalued as on 01.04.2017 and gain arising due to fair value amounting to Rs. 5,37,27,380/- is added to opening Profit and Loss account.

**2 Non Current Financial Assets**

Non-Current Financial Assets includes interest free rent deposit which have been stated at fair value as at April 01, 2017 and difference between the fair value and carrying amount has been transferred to pre paid rent as at April 01, 2017.

Non Current Financial assets have been reclassified to confirm to Ind AS presentation requirement.

**3 Trade Receivable**

Under the previous GAAP, provision for doubtful debts on trade receivables were carried on the basis of an incurred loss model. As per Ind AS, the Company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result there is an increase in the amount of allowance for doubtful debts and corresponding deferred tax has also been recognised. The net effect of this change is a decrease in total equity as at March 31, 2018 of Rs. 54.47 Lacs (Rs. 59.68 Lacs as at April 1, 2017) and decrease in total profit for the year ended March 31, 2018 of Rs. 54.47 Lacs.

**4 Reclassification of Bank Balance**

Cash and cash equivalents amounting to Rs. 20.00 Lacs for the year ended March 31, 2018 has been reclassified to Bank balances other than (ii) above.

**5 Loan processing fees / transaction cost:**

Under Ind AS such expenditure are considered for calculating effective interest rate. The impact for the periods subsequent to the date of transition is reflected in the Statement of Profit and Loss.

Reclassification of Borrowing in to Current and Non Current Liabilities: Borrowing repayable within twelve months have been reclassified into current liabilities.

**6 Interest Income and Other Expense**

Under Ind AS, Other Financial Assets comprising of rent deposit given have been initially recognised at fair value as at 01.04.2017 and differential amount between carrying balance and fair value has been transferred to prepaid expense. The impact for the subsequent to the date of transition is reflected under Interest Income and Rent Expense in the Statement of Profit and Loss Interest income.

**7 Accounting for excise duty on sale of goods**

Under IGAAP, sale of goods was presented as net of excise duty. However, under Ind AS, sale of goods includes excise duty which is considered as an expense. This adjustment has no impact on the total equity on the transition date as well as 31 March 2018.

**8 Deferred tax assets (net) :**

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on certain temporary differences which was not required under IGAAP.

**Cash flow statement**

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

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**HARISH TEXTILE ENGINEERS LIMITED**

**Notes to financial statements for the year ended 31st March 2019**

**Note 34 f Lease**

**Expense**

The company has obtained part of building and Factory for its business operations under leave and license agreement. These are generally not non-cancellable lease and are renewable by mutual consent on mutually agreeable terms. The Company has given refundable interest free security deposits in accordance with the agreed terms.

Lease payments are recognized in the Statement of Profit and Loss as "Rent Expenses" amounting Rs. 1,00,000 p.m. (Previous Year Rs. 1,00,000 p.m.)

**Note 34g Previous year figures**

Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current period's presentation.

**For K M Swadia & Co.**  
**Chartered Accountants**  
**FRN - 110740W**

**For Harish Textile Engineers Limited**

**Mr.Sandeep Gandhi**  
**DIN : 00941665**  
**Managing Director**

**Mr. Hitendra Desai**  
**DIN :00452481**  
**Whole Time Director**

**Archit D Antani**  
**Partner**  
**M. No. 149221**

**Mr. Pinkesh Upadhyay**  
**Chief Financial Officer**

**Place : Mumbai**  
**Date : 5th September, 2019**

**Place : Mumbai**  
**Date : 5th September, 2019**

**HARISH TEXTILE ENGINEERS LIMITED**

CIN: U29119MH2010PLC201521

2nd Floor, 19 Parsi Panchayat Road, Andheri (East), Mumbai - 400069.

Tel: 91-22-40373000, E-mail: skg2664@gmail.com, Website: www.harishtextile.com

**ATTENDANCE SLIP**

**9<sup>th</sup> ANNUAL GENERAL MEETING ON MONDAY, 30<sup>th</sup> SEPTEMBER, 2019 at 9.30 A.M.**

**(To be presented at the entrance)**

Mr./Mrs./Miss.....

Address.....

Folio No. (Physical holding)..... DP ID (Demat holding).....

Client ID..... No. of shares held.....

I/We certify that I/We am/are registered shareholder/proxy for the registered shareholder of the Company.

I/We hereby record my/our presence at the 9<sup>th</sup> Annual General Meeting (AGM) of the Company held on Monday, 30<sup>th</sup> September, 2019, at 09:30 A.M. at 2nd Floor, 19 Parsi Panchayat Road, Andheri (East), Mumbai - 400069, India or any adjournment thereof.

[Signature of Shareholders/Proxy(s)] .....

**Notes:**

1. Shareholder/proxyholder(s) are requested to bring the attendance slips with them when they come to the meeting and hand over the same at the entrance after filling and affixing their signatures on them.
2. If it is intended to appoint a proxy, the proxy form should be completed and deposited at the Registered Office of the Company atleast 48 hours before the Meeting.



**PROXY FORM**  
**(Form No. MGT-11)**

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

**9<sup>th</sup> ANNUAL GENERAL MEETING ON MONDAY, 30<sup>th</sup> SEPTEMBER, 2019 at 9.30 A.M.**

CIN : U29119MH2010PLC201521  
 Name of the Company : Harish Textile Engineers Limited  
 Registered Office : 2nd Floor, 19 Parsi Panchayat Road, Andheri (East), Mumbai - 400069  
 Name of the member (s) :  
 Registered address :  
 Folio No. / Client Id :  
 DP ID :  
 E-mail Id :

I/We, being the member (s) of ..... shares of the above named Company, hereby appoint:

1. Name : ..... E-mail Id: .....  
 Address: .....  
 Signature: .....or failing him/her

2. Name : ..... E-mail Id: .....  
 Address : .....  
 Signature: .....or failing him/her

3. Name : ..... E-mail Id: .....  
 Address : .....  
 Signature: .....or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 9<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 30<sup>th</sup> September, 2019 at 09:30 A.M. at 2nd Floor, 19 Parsi Panchayat Road, Andheri (East), Mumbai – 400069 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Description of Resolutions	Assent	Dissent
<b>Ordinary Business:</b>			
1.	To receive, consider and adopt the Audited Balance Sheet and Profit & Loss Account for the financial year ended as at March 31, 2019, the Audited Consolidated Financial Statements for the said financial year and the Reports of Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Hitendra Desai (Din: 00452481), who retires from the office of whole –time director by rotation and being eligible, offers himself for re-appointment.		
<b>Special Business:</b>			
3.	To appoint Mr. Sandeep Gandhi (DIN No. : 00941665) as Managing Director		
4.	To appoint Mr. Hitendra Desai (Din no.: 00452481) as Whole-time Director		
5.	To appoint Ms. Ratna Jhaveri (Din no.: 07732263) as an Independent Director		

6.	To appoint Mr. Abhinav Anand (Din no.: 07732241) as an Independent Director		
7.	Borrowing Powers		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Signature of shareholder.....

Signature of Proxy holder(s).....

Affix Revenue Stamp
---------------------------

**Notes:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as a proxy. However, such person shall not act as proxy for any other shareholders.
3. The proxy need not be a member of the Company and shall provide his/her identity proof such as PAN Card, Aadhar Card at the time of attending AGM.
4. In the case of Jointholders, the signature of any one holder will be sufficient, but names of all jointholders should be stated.
5. If Company receives multiple proxies for the same holdings of a member, the proxy which is dated last will be considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple proxies will be treated as invalid.

Search this area

Vodafone Mini Store  
व्होडाफोन  
मिनी स्टोर

Sai Baba Temple  
(Bairagi Samaj)

Pacific Harish  
Industries Ltd

Airtel Store  
एअरटेल स्टोर

DirectiPlex  
डिरेक्टिप्लेक्स

DCB Bank

Sana Residency

Village Rd

Allahabad Bank  
अलाहाबाद बँक

Canara Bank -  
SSB Branch

BMC Market

Ram Mandir  
राम मंदिर

Shri Chinai College of  
Commerce & Economics  
श्री चिनाई  
वाणिज्य आणि...

Siesta Andheri

n Madarsa

Andheri RS  
Sub Post Office  
अंधेरी सब  
पोस्ट ऑफिस

J. K. Shah Classes  
जे. के. शाह  
क्लासेस

Central Bank of India  
सेंट्रल बँक  
ऑफ इंडिया

Andheri  
अंधेरी  
मेट्रो स्टेशन

Manj  
Diagr  
मंगला  
केंद्र



Cama Rd

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अंधेरी

Andheri Court  
अंधेरी न्यायालय

Azad Rd

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HDEC Bank

70  
Center

SN Patti Ln

SV Rd

New Nagardas Rd

SV Rd

106