

INFORMATION MEMORANDUM

HARISH TEXTILE ENGINEERS LIMITED

The Company was incorporated as “HARISH TEXTILE ENGINEERS PRIVATE LIMITED” (NOW HARISH TEXTILE ENGINEERS LIMITED) on March 31, 2010 under the Companies Act, 1956, at Mumbai with a Certificate of Incorporation granted by the Registrar of Companies, Mumbai (the “RoC”).

Registered Office: 2nd Floor, 19, Parsi Panchayat Road, Andheri (East), Mumbai- 400069

CIN NO: U29119MH2010PLC201521

Tel: 91-22 40373000/28367151/2/3

E-mail: pinkesh@harishtextile.com

Website: www.harishtextile.com

INFORMATION MEMORANDUM FOR LISTING OF 33,36,000 EQUITY SHARES OF RS.10 EACH FULLY PAID-UP.

General Risks

Investment in equity and equity-related securities involve a degree of risk and investors should not invest in the equity shares of Harish Textile Engineers Limited unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk Factors carefully before taking an investment decision in the shares of Harish Textile Engineers Limited. For taking an investment decision, investors must rely on their own examination of the Company including the risks involved.

Forward Looking Statement

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from our expectations include, among others:

- a. General economic and business conditions in India and other countries;
- b. Our ability to successfully implement our strategy, our growth and expansion plans and technological changes;
- c. Changes in the value of the Rupee and other currency changes;
- d. Changes in Indian or international interest rates;
- e. Changes in laws and regulations in India;
- f. Changes in political conditions in India;
- g. Changes in the foreign exchange control regulations in India; and
- h. The monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally.

By their nature, certain risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “Management’s Discussion and Analysis” “Industry Overview” and “Our Business”.

We do not have any obligation to, and do not intend to, update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not materialize.

Absolute Responsibility of Harish Textile Engineers Limited

Harish Textile Engineers Limited (HTEL) having made all reasonable inquiries, accepts responsibility for, and confirms that this Information Memorandum contains all information with regard to Harish Textile Engineers Limited, which is material, that the information contained in this Information Memorandum is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

Listing

The Equity Shares of Harish Textile Engineers Limited is proposed to be listed on the BSE Limited.

REGISTRAR & SHARE TRANSFER AGENT

Bigshare Services Private Limited

Registered Office: 1st Floor, Bharat Tin

Works Building, Opp. Vasant Oasis,

Makwana Road, Marol, Andheri East

Mumbai 400059

Tel: 02262638206

Fax: +91 22 62638299

Email id: rajeshm@bigshareonline.com

TABLE OF CONTENTS

S. No	Particulars	Page No.
1.	Risks and Management perception	4
2.	General Information	4
3.	Scheme of Arrangement	5
4.	Capital Structure	8
5.	Statement of Tax Benefits	9
6.	Shareholding Pattern of Transferor and Transferee Company	10
7.	Industry Overview	13
8.	Business	13
9.	History	13
10.	Management	14
11.	Human Resource	16
12.	Promoter	17
13.	Related Party Transaction	17
14.	Management Discussion & Analysis	18
15.	Outstanding Litigation and Material Developments	19
16.	Government Approvals	19
17.	Regulatory and Statutory Disclosures	19
18.	Main Provisions of the Articles of Association	24
19.	Financial Information	36
20.	Dividend Policy	60
21.	Material Contracts and Documents	60
22.	Declaration	61

1. Risks and Management perception

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the equity of the Issuing Company unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision. For taking an investment decision, investors must rely on their own examination of the Issuing Company and this offer, including the risks involved. The Equity shares have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Scheme or Information Memorandum.

Issue Name	Name of Merchant Banker	+/- % Change in closing price, (+/- closing Benchmark)		
		30 th calendar day from listing	90 th calendar day from listing	180 th calendar day from listing
Not Applicable Since the proposed issue is not to public shareholders but to the shareholders of the Transferor Company pursuant to the Scheme				

1. HTEL is a manufacture of textile and other machinery and both HTEL has also diversified into Business of Real Estate Development and related activities hence, political instability or a change in economic liberalization and policy changes could seriously harm business and economic conditions in India generally and our business in particular.
2. Any downturns or disruptions in the financial markets could reduce transaction volumes, and could cause a decline in the business and impact our profitability.
3. The Company might be required to obtain approvals for the proposed operations and any failure to obtain licenses and approvals could adversely affect the business, financial condition and results of operations.
4. If the Indian real estate market weakens leading to a slowdown in construction activities, the company's business, financial condition and results of operations may be adversely affected.

2. General Information

Authority for Listing

The National Company Law Tribunal ,Mumbai Bench, vide its Orders dated 9th August, 2018 approved the Scheme of Arrangement by way of Demerger between Corporate Courier And Cargo Limited("CCCL" or the transferor company) and Harish Textile Engineers Private Limited (Now Harish Textile Engineers Limited) ("HTEL" Or "Transferee Company" No. 1) and Mahesh Developers Private Limited (Now Mahesh Developers Limited) ("MDPL" or "Transferee Company" No. 2) their respective shareholders and creditors (The "Scheme"). The Preamble of the Scheme is as under:

Preamble

This Scheme of Arrangement is presented under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (Act), for demerger between Corporate Courier And Cargo Limited ("CCCL" or the transferor company) and Harish Textile Engineers Private Limited (Now Harish Textile Engineers Limited) ("HTEL" Or "Transferee Company" No. 1) and Mahesh Developers Private Limited (Now Mahesh Developers Limited) ("MDPL" or "Transferee Company" No. 2) their respective shareholders and creditors (The "Scheme").

Whereas

Corporate Courier And Cargo Limited ("CCCL"/ "Transferor Company") is a public limited company incorporated under the provisions of the Companies Act, 1956 (defined hereinafter) vide CIN L70100MH1986PLC040280 on 01st July, 1986, having its registered office at 19, Parsi Panchayat Road, Andheri (East), Mumbai- 400069. The equity shares of the Transferor Company are listed with BSE Limited (BSE). The Transferor Company is primarily engaged in the business of real Estate and civil contracting Business, Engineering Services Business and Logistics and Infrastructure business.

I. CCCL has the following business units:

- a. Company commenced the Promising real Estate and civil contracting Business and the Engineering Services Business. Both these businesses are shaping up well and have reported decent turnover and profitability.
- b. The Good performance of both these businesses has continued in the current year as well.

3. Scheme of Arrangement

Rationale behind the Scheme:

- The Transferor Company wants to enter into various sectors namely Textile Engineering, Construction and Development of Real Estate, and wants to grow in future in these sectors without making major investment currently.
- The only option for the company is to associate with the major players in these business and get the first hand plans checked for future growth, hence the company has based on its future plans made 2 undertakings for association with Harish and Mahesh
- There has been a promoters family internal arrangement where in this scheme of arrangement allows the promoters to do all the businesses without interference from each other in the allocated business to them.
- apart from the existing business of the company and such activities and business are already being carried on by the resulting companies directly as following:-
 - I. Undertaking 1 shall be demerged into Harish, the shareholders of the transferor company will benefit hugely by getting the shares of already leading player in the Industry of manufacturing of Textile Machinery having a good facilities to manufacture the products and excellent brand in the market.
 - II. Undertaking 2 shall be demerged into Mahesh, the shareholders of the transferor company will benefit hugely by getting the shares of already leading player in the real estate sector and allied business.
 - III. Residual Undertaking wherein the Transferor Company carries on its remaining business and activities.
- The Transferor Company has not been able to grow its core business and is not looking to unlock the

opportunities for increasing the shareholder value by associating with the resulting companies who are already major players in their particular businesses.

- With that end in view, the Transferor Company has formed 2 undertakings for demerging to Harish, Mahesh for demerging demerger into resulting companies and, consequent upon demerger, each of the Resulting Companies shall issue shares to the shareholders of the Transferor Company in as per the swap ratio so that every shareholder of the Transferor Company, by virtue of his shareholding in the Transferor Company, is issued and allotted, shares in each of the Resulting Company without any further application.

Upon the Scheme being sanctioned and demerger of the Demerged Undertakings to the Resulting Companies becoming effective the Resulting Companies shall, without any further application, issue and allot equity shares in the Resulting Companies as per agreed swap ratio to the equity shareholders of the Transferor Company whose names appear in the Register of Members of the Transferor Company on the Record Date i.e. September 21,2018, for every 100 (Hundred) equity share of nominal value of Rs. 10/-each fully paid up in the Transferor Company;

- (a) 13 (Thirteen) equity share of nominal value of Re. 10/- credited as fully paid up in Harish;
- (b) 16 (Sixteen) equity share of nominal value of Re. 10/- credited as fully paid up in Mahesh;

The Scheme is for demerger of various undertakings of Corporate Courier and Cargo Limited and is contained in the following Parts

- (a) Part I contains Definitions;
- (b) Part II contains Capital Structure of the Demerged Company and the Resulting Companies;
- (c) Part III relates to the Rationale behind the Scheme;
- (d) Part V relates to Transfer and Vesting of the Demerged Undertakings into the Resulting Companies;
- (e) Part VI relates to Issue of New Shares by the Resulting Companies;
- (f) Part VIII relates of the Accounting Treatment; and
- (g) Part IX contains the General Terms and Conditions.

Harish Textile Engineers Private Limited (Now Harish Textile Engineers Limited) ("HTEL" Or "Transferee Company" No. 1) incorporated as Private Company under the Companies Act, 1956 vide CIN U29119MH2010PLC201521 on 31st March, 2010, having its registered office at 2nd Floor,19 Parsi Panchayat Road, Andheri (East), Mumbai-400069. HTEL is incorporated for doing business of manufacture of Textile Processing and Finishing Machinery like Hot Air Stenters, Rotary Screen Printing Machinery, Jiggers and other Processing and Finishing Machinery.

Harish Textile Engineers Limited is submitting Information Memorandum in compliance with the directions of BSE containing information about itself making disclosures in line with the disclosure requirement for issue and allotment of shares pursuant to the Scheme of Arrangement approved by the National Company Law Tribunal, Mumbai Bench, vide its Orders dated 09th August, 2018, to BSE for making the said Information Memorandum available to public through their Website. Harish Textile Engineers Limited will also make the said Information Memorandum available on its Website (<http://www.harishtextile.com/>).

Harish Textile Engineers Limited had published an advertisement on May 27, 2019 in Financial Express (English Newspaper), Jansatta (Hindi Newspaper) and Mumbai Lakshadweep (Marathi Newspaper) in in the newspapers containing its details in line with the SEBI Circular. The advertisement had drawn a specific reference to the

availability of aforesaid Information Memorandum on its Website and that of BSE.

Harish Textile Engineers Limited also undertakes that all material information shall be disclosed to Stock Exchange on a continuous basis so as to make the same available to public, in addition to the requirements, if any, specified in Listing Agreement.

No Prohibition by SEBI

The Company, its Directors, its Promoters, other companies promoted by the Promoters and companies with which the Company's Directors are associated as Directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Caution

The Company accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements to be published in terms of SEBI Circular or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. The Company shall make all information available to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Filing

A Copy of this Information Memorandum has been filed with BSE in due compliance with the BSE requirements.

Listing

Applications have already been made to BSE, for permission to deal in and for an official quotation of the Equity Shares of the Company. Harish Textile Engineers Limited is to be listed on BSE for 33,36,000 Equity shares of Rs.10/ each fully paid up of the Company. Harish Textile Engineers Limited ensures that all steps for the completion of necessary formalities for listing and commencement of trading at the BSE Limited mentioned above are taken within such period as approved by SEBI.

Registrar and Share Transfer Agent

Bigshare Services Private Limited
Registered Office: 1st Floor, Bharat Tin
Works Building, Opp. Vasant Oasis,
Makwana Road, Marol, Andheri East
Mumbai 400059
Tel: 02262638206
Fax: +91 22 62638299
Email id: rajeshm@bigshareonline.com

Auditors

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

Bankers to the Company

1. Corporation Bank
SME Marol Branch,
Bonanza, Sahar Plaza Complex,
Andheri – Kurla Road,
J. B. Nagar,
Andheri (East),
Mumbai – 400 059.
And

2. HDFC Bank
Vishal Hall Branch,
Vishal Hall, Taili Galli, Andheri (East), Mumbai – 93.

Compliance Officer and Company Secretary

Mr. Sachin Mishra, Company Secretary and Compliance Officer, appointed on 27.05.2019.

Investors can contact the Registrar and Share Transfer Agent in case of any grievances pertaining to shares.

4. CAPITAL STRUCTURE**1) Share Capital History of our Company:**

Sr. No.	Date of Allotment	No. of shares	Cumulative Number of Shares	Face Value(Rs.)	Premium	Cumulative Paid-up Equity Share Capital (Rs.)	Nature of Allotment	Consideration
1.	31.03.2010	10000	10000	10	-	1,00,000	Subscriber to the Memorandum	Cash
2.	20.03.2012	90000	100000	10	-	10,00,000	Preferential Issue	Cash
3.	16.08.2013	400000	500000	10	-	50,00,000	Preferential Issue	Cash
4.	30.05.2017	200000	700000	10	-	70,00,000	Preferential Issue	Cash
5.	26.09.2017	1700000	2400000	10	-	2,40,00,000	Preferential Issue	Cash

2. Share Capital (as on 31st March, 2019) (Audited Figures)

A. Authorized Capital:

50,00,000 Equity Shares of Rs. 10/ each fully paid up Rs. 5,00,00,000

B. Issued, Subscribed and Paid-Up Capital:

24,00,000 Equity shares of Rs 10/- each fully paid up Rs. 2,40,00,000

9,36,000 will be allotted as per Scheme of Arrangement approved by the National Company Law Tribunal, Mumbai Bench, vide its Order dated 09th August, 2018

C. Equity Capital after implementation of the Scheme:

33,36,000 equity Shares of Rs. 10/- each fully paidup Rs. 3,33,60,000

Issue of Equity Shares for consideration other than cash

Other than the allotment of Equity Shares pursuant to the Scheme, our Company has not allotted any Equity Shares for consideration other than cash

History of the Equity Share Capital held by our Promoter

As on the date of this Information Memorandum, our Promoters hold 24,00,000 Equity shares, Constituting 100% of the issued, subscribed and paid-up Equity Share capital of our Company

Notes to the Capital Structure:

- 1) 9,36,000 Equity Shares of Rs.10 each allotted on 29th October,2018 pursuant to the Scheme of Arrangement approved by the National Company Law Tribunal, Mumbai Bench, vide its Order dated 09th August, 2018

5. Statement of Tax Benefits

There is no specific Tax Benefits of Arrangement under the Scheme to Company or Shareholders, but general tax benefits as applicable under the Income Tax Act, as subjectively applicable in all individual cases.

6. Shareholding Pattern of the Transferor and transferee company as on date of allotment i.e. October,29,2018 (same as on date) there is no change post allotment

		Transferor Company		Transferee Company			
		Pre-arrangement shareholding - as on Record Date		Pre-arrangement shareholding		Post-arrangement shareholding – as on date of allotment of shares	
		No. of shares	% of shares	No. of shares	% of shares	No. of shares	% of shares
(A)	Shareholding of Promoter and Promoter Group						
1	Indian						
(a)	Individuals/ Hindu Undivided Family	-	-	2400000	100	2400000	71.94%
(b)	Central Government/ State Government(s)	-	-	-	-	-	-
(c)	Bodies Corporate	431300	5.99%	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-	-
(e)	Any Others(Specify)	-	-	-	-	-	-
	Sub Total(A)(1)	431300	5.99%	2400000	100	2400000	71.94%
2	Foreign						
A	Individuals (Non-Residents Individuals/ Foreign Individuals)	-	-	-	-	-	-
B	Bodies Corporate	-	-	-	-	-	-
C	Institutions	-	-	-	-	-	-
D	Any Others(Specify)	-	-	-	-	-	-
	Sub Total(A)(2)	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	431300	5.99%	2400000	100	2400000	71.94%
(B)	Public shareholding						
1	Institutions						
(a)	Mutual Funds/ UTI	17200	0.24%	-	-	-	-
(b)	Financial Institutions / Banks	100	0.00%	-	-	-	-
(c)	Central Government/ State Government(s)	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-
(f)	Foreign Institutional Investors	-	-	-	-	-	-
(g)	Foreign Venture Capital	-	-	-	-	-	-

	Investors						
(h)	Any Other (specify)	-	-	-	-	-	-
	Sub-Total (B)(1)	17300	0.24%	-	-	-	-
B 2	Non-institutions						
(a)	Bodies Corporate (Including Foreign Bodies Corporates)	-	-	-	-	-	-
(b)	Individuals	-	-	-	-	-	-
I	Individuals -i. Individual shareholders holding nominal share capital up to Rs 1 lakh	2903014	40.32%	-	-	936000	28.06%
II	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	2597848	36.08%	-	-	-	-
(c)	Any Other (specify)	1250538	17.37%	-	-	-	-
	Sub-Total (B)(2)	6751400	93.77%	-	-	936000	28.06%
(B)	Total Public Shareholding (B)= (B)(1)+(B)(2)	6768700	94.01%	-	-	936000	28.06%
	TOTAL (A)+(B)	7200000	100%	2400000	100%	3336000	100%
(C)	Shares held by Custodians and against which Depository Receipts have been issued						
	GRAND TOTAL (A)+(B)+(C)	7200000	100%	2400000	100%	3336000	100%

- The list of top 10 Shareholders (Promoters) of Harish Textile Engineers Limited and the number of Equity Shares held by them as on 31.03.2019

S No	Name of the Shareholder	Shares	% Equity
1	Mr. Sandeep Kirtikumar Gandhi	23,83,344	99.31%
2	Mr. Kirti Shantilal Gandhi	16,650	0.69%
3	Sandeep Kirtikumar Gandhi (HUF)	1	0.00%
4	Kirtikumar Gandhi (HUF)	1	0.00%
5	Mr. Shovan Gandhi	1	0.00%
6	Mr. Shaiv Gandhi	1	0.00%
7	Mrs. Saher Shovan Gandhi	1	0.00%
8	Mrs. Shaila Gandhi	1	0.00%
	Total	24,00,000	

- The list of top 10 Shareholders(Promoters & Non-Promoters) of Harish Textile Engineers Limited and the number of Equity Shares held by them as on March 31, 2019

S No	Name of the Shareholder	Shares	% Equity
1	Sandeep Kirtikumar Gandhi*	23,83,344	71.44%
2	Dineshbhai Ambalal Patel	66950	2.01%
3	Renaud Infracons Limited Liability Partnership	56069	1.68%
4	Priya Prakash	26466	0.79%
5	Anilkumar	20956	0.63%
6	Ketankumar V Patel	18460	0.55%
7	Patel Mayur Rajendrabhai	17171	0.51%
8	Kirti Shantilal Gandhi*	16,650	0.50%
9	Vijay Gadhia	16237	0.49%
10	N B Trivedi HUF	14170	0.42%
	Total	2636473	79.02%

*The above shareholders form a part of promoter and promoter group and are interested to the extent of their shareholding in the Company.

- As on the date of this Information Memorandum, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into equity shares of Harish Textile Engineers Limited.
- There will be no further issue of capital whether by way of issue of bonus Shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of approval of the Scheme by the National Company Law Tribunal, Mumbai Bench, till listing of the Equity Shares allotted as per the Scheme except allotment of 9,36,000 Equity Shares of Rs.10 each fully paid up will be allotted to the

shareholders of Corporate Courier and Cargo Limited pursuant to the Scheme of Arrangement approved by the National Company Law Tribunal, Mumbai Bench, vide its Order dated 09th August, 2018 .

- Harish Textile Engineers Limited presently does not have any intention or proposal to alter its capital structure for a period of six months from the date of listing the shares, by way of split/consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise.
- There shall be only one denomination for the Equity Shares of Harish Textile Engineers Limited, subject to applicable regulations and Harish Textile Engineers Limited shall comply with such disclosure and accounting norms specified by SEBI, from time to time.
- Harish Textile Engineers Limited has 9916 Members as on the date of filing this Information Memorandum.

7. Industry Overview

Textile Processing Machinery manufacturing in India is growing at 10-12% PA.

There are only a few Manufacturers of Textile Processing Machinery in India due to Technology Barrier and other constraints.

The Imports of new and second hand machinery is receding due to Rupee Depreciation in the last few months. Export Markets are opening up for the same reasons.

No major new player has entered this industry in the last few years.

With Textile Industry poised to grow the Prospects of Textile Processing Industry in India are fair.

8. Business of the Company

HTEL is basically engaged in manufacture of Textile Processing and Finishing Machinery like Hot Air Stenters, Rotary Screen Printing Machinery, Jiggers and other Processing and Finishing Machinery.

HTEL also manufactures tailor made and specialised Non Textile Machinery on turnkey basis or on tailor made basis.

HTEL has also diversified into Pre Engineered Buildings Segment at its Umbergaon Factory.

HTEL has also diversified into Metals Business.

9. History

HTEL was incorporated as "HARISH TEXTILE ENGINEERS PRIVATE LIMITED" (NOW HARISH TEXTILE ENGINEERS LIMITED) on March 31, 2010 under the Companies Act, 1956, as amended, at Mumbai with a Certificate of Incorporation granted by the Registrar of Companies, Mumbai (the "ROC"). Pursuant to the Scheme of Arrangement by way of demerger between Corporate Courier and Cargo Limited("CCCL" or the Transferor Company) and Harish Textile Engineers Private Limited (Now Harish Textile Engineers Limited) ("HTEL" or "Transferee Company" No. 1) and Mahesh Developers Private Limited (Now Mahesh Developers Limited) ("MDPL" or "Transferee Company" No. 2) Their Respective Shareholders And Creditors (The "Scheme") duly approved by the National Company Law Tribunal, Mumbai Bench, vide its Order dated August 09, 2018, certified copies of the orders was received on August 21, 2018 and the same was filed with Registrar of Companies, Mumbai on September 05, 2018. Hence, the effective date of the Scheme of Arrangement is September 05, 2018 and appointed date was April 1, 2017. Company is going to be listed with BSE Limited as envisaged in the Scheme.

10. Management

Board of Directors

The following table sets forth details regarding the Board of Directors of the Company:

S No	Name	Designation	PAN	DIN	Residential/ Correspondence Address	Other Directorships
1	Hitendra Desai Chimanlal	Director	AJJP2087N	00452481	78-A, Ratan Terrace, T H Katharia Marg Opp Matunga Railway Station Mahim Mumbai 400016	1.CJ Commodities Private Limited 2.Technofield Marketing Private Limited 3.Pacific-Harish Industries Limited 4.Harish Enterprise Private Limited
2	Kirtikumar Shantilal Gandhi	Promoter & Director	AAAPG8406G	00485798	6, Krishna, 11th N. S. Road J.V.P.D. Scheme, Vile Parle (W) Mumbai 400049	1.Pacific-Harish Industries Limited 2.Pacific Recreation and Hospitality Private Limited 3.Gujarat JHM Hotels Limited 4.Sangesh Investments and Trading Company Private Limited 5.Sanish Investments and Trading Company Private Limited 6.Pumb Investments and Trading Company Private Limited 7.Everys Healthcare Private Limited 8.Nature Cure Centre Private Limited 9.Swachhdhara Multi Services Private Limited
3	Sandeep Kirtikumar Gandhi	Promoter & Director	AAFP8373H	00941665	6, Krishna Ashok Nagar Society Ns Road No 11, Near Daftary Hospital, Juhu Scheme, Mumbai 400049	1.Pacific-Harish Industries Limited 2.Pacific Recreation and Hospitality Private Limited 3.Sangesh Investments and Trading Company Private Limited 4.Sanish Investments

						and Trading Company Private Limited 5.Pumb Investments and Trading Company Private Limited 6.Everys Healthcare Private Limited 7.Nature Cure Centre Private Limited 8.Swachhdhara Multi Services Private Limited 9.Harish Enterprise Private Limited
4	Abhinav Anand	Additional Director	ASHPA5142L	07732241	Sherpur, P.S. Maner, District Patna, Bihar: 801503	1. Ducon Infratechnologies Limited 2. Aryaman Financial Services Limited
5	Darshit Parikh	Additional Director	AKFPP7368B	07732263	302, Chrismaa Enclave, Dharamdas Road, Babhai Naka, Borivali (W) Mumbai 400092	1. Corporate Courier and Cargo Limited 2. Aryaman Capital Markets Limited 3. Aryaman Financial Services Limited 4. Escorp Asset Management Limited
6	Ratna Vikram Jhaveri	Additional Director	ATNPJ8912A	07732263	46, Indraneel Swastic Society, N.S. Road No.3, Opp. Brahmakumari Rajyog Center, JVPD Scheme, Vile Parle(W), Mumbai-400056	1. Harish Textile Engineers Limited 2. Ducon Infratechnologies Limited

Brief biographies of the Directors

1. Mr. Hitendra Desai, Professional Director and Management Graduate Looking after Administration and Having Experience since Past Three Decades.
2. Mr. Kiritkumar Gandhi, graduate in Mechanical Engineering and one of the key promoters in setting up textile engineering activity under the name and brand of "Harish". He is a presently actively involved in the research and development of the group.
3. Mr. Sandeep Gandhi, a commerce graduate from Mumbai and Masters in business administration from U.S.A. after graduation in the year 1984. He has lead the diversification of the group in the various field other than textile engineering in order to spread the wings and have presence in the varied industries under his able leadership
4. Mr. Abhinav Anand, qualified LLB and having experience in various areas of Corporate Law, Trademark,

- Contract Law, Constitutional Law
5. Mr. Darshit Parikh, qualified Company Secretary and LLB, having expertise in various issues of Corporate Law, Mergers, Amalgamation etc.
 6. Ms. Ratna Jhaveri Post Graduate in finance and having experience in Accounts, Audit and Taxation and having wide experience in the financial service and insurance industry.

Compensation of Managing Directors:

Details of Remuneration payable to proposed Managing Director, Mr. Kiritkumar Gandhi,

- a) Basic Salary: Rs.3,50,000/- per month
- b) Perquisites: No other perquisites are to be provided

Interest of the Directors:

Other than their respective shareholding and employment contract as stated above, the Directors have no other interest in Harish Textile Engineers Limited.

Change in Board of Directors of HARISH TEXTILE ENGINEERS LIMITED since its inception:

Sr. No.	Name of director	Date of Appointment	Date of Resignation
1	Mr. Kirti S. Gandhi	31.03.2010	-
2	Mr. Sandeep K. Gandhi	31.03.2010	-
3	Mr. Hitendra C. Desai	12.02.2013	-
4	Mr. Sunil N. Bhirud	12.02.2013	11.02.2019
5	Mr. Rajesh Kumar Sahu	17.02.2017	11.02.2019
6	Mr. Dhaval Rambhia	07.03.2015	06.04.2016
7	Mr. Manish Barot	07.03.2015	06.04.2016
8	Mr. Abhinav Anand	10.12.2018	-
9	Mr. Darshit Parikh	10.12.2018	-
10	Ms. Ratna Jhaveri	10.12.2018	-

Corporate Governance:

The provisions of the Listing Agreement entered by Harish Textile Engineers Limited with the BSE Limited with respect to Corporate Governance will be applicable to Harish Textile Engineers Limited immediately upon Listing.

11. Human Resource

Employees:

Harish Textile Engineers Limited constantly reviews the man power requirements and has properly equipment department to take care of the requirements of the employees/workers. Details of the human resources are as follows:

The details of its human resource are as stated below:

S. No.	Employee Category	Number of Employees as on 31.03.2019
1.	Whole time Directors (including Managing Director)	2
2.	Managerial	6
3.	Staff & Workers	165
Total		173

12. Promoters

Harish Textile Engineers Limited was incorporated as "HARISH TEXTILE ENGINEERS PRIVATE LIMITED"(NOW HARISH TEXTILE ENGINEERS LIMITED) on March 31, 2010 under the Companies Act, 1956. The Promoters of HTEL, Mr. Kirtikumar Shantilal Gandhi and Mr. Sandeep Kirtikumar Gandhi hold 24,00,000 equity shares of HTEL equivalent to 100% of the issued, subscribed and paid up equity share capital of HPIL as on date of this Information Memorandum.

13. Related Party Transaction

Below are the details of Related Party Transactions of the Company-

Name of the related part) and nature of transaction	Nature of Relationship	Balance As at 31 March, 2018	Transactions 2017-18	Balance as at 31 March, 2017	T ransactions 2016-17
i. Harish Enterprise Pvt. Ltd. Escrow A/c (Sales)		1.43,01,056/-	Nil	19,01,511/-	3,74,07,244/-
ii. Harish Enterprise Pvt. Ltd. (Purchase / Expenses)	Associates	Nil	12.00.000/-	Nil	69,41,631/-
iii. Pacific Harish Industries Ltd (Sales)	Associates	42,42,191/-	Nil	59,12,115/-	13,09,000/-
iv. Pacific Harish Industries Ltd (Loan)	Associates	Nil	Nil	24.06.500/-	Nil
v. Every's Health Care P Ltd (Interest Income & Loan Balance)	.Associates	52,33.002/-	4,89,821/-	29,65,720/-	2,22,340/-
vi. Sandeep K Gandhi - Loan	Director	50,000/-			21.65,800/-
vii. Sandeep K. Gandhi-Professional Fees	Director		52,20.000/-		52,20,000/-
viii. Technofield Marketing Pvt Ltd (Loan taken)	Associates	21,00,000/-		21,00,000/-	
ix. Pacific Global Impex Pte Ltd.- Singapore	.Associates	Nil			75,21.440/-
x. Vaishali Bhirud-Professional Fees	Wife of Director		7,20,000/-		6,60.000/-
xi. Sunil Bhirud-Professional Fees	Director		11.40,000/-		10.45,000/-
xii. Rajeshkumar Sahu-Professional Fees	Director		12.48.000/-		2,12,630/-
xiii. Hitendra Desai-Professional Fees	Director		14.00.000/-		7,00,000
xv. Kirtikumar S Gandhi-Professional Fees	Director		51,00,000/-		51,00.000/-
xvi. Shovan Gandhi-Professional Fees	Son of Director		6,00.000/-		Nil
xvii. Sanish Investment & Trading Co P Ltd (Loan Taken)	Associates	5.00,000/-		5,00,000/-	
xviii. Anshu Sahu	Wife of Director		9,00,000/-		9,00.000/-

14. Management Discussion & Analysis

Industry structure, development and product wise performance

There is no direct competition to the Company in the field of manufacture of specialised Non-Textile Machinery segment.

HTEL is one of the leading manufacturers in Textile Processing Machinery. There are virtually no other manufacturer in India which offers complete range of products offered by the Company.

In the segment of Stenters there are 10 competitors in India. Company ranks 3rd in the number of Stenters produced and ranks 2nd in value of production.

There are 25 competitors in the segment of Rotary Screen Printing Machines based in India. Company ranks 2nd in this segment.

This industry is growing at a steady pace of 10 to 12% PA and this trend is expected to continue.

There is a very good scope for Exports with Latin American and South East Asian Markets reviving in a big way.

Opportunities and threats, risks and concerns

Opportunities

1. With Korean Imports becoming unviable due to recent Rupee Depreciation, there is huge scope for Quality manufacturers like HTEL.
2. Revival of export Markets in Latin America, South East Asia, Bangla Desh and Vietnam.
3. Huge opportunity to consolidate other group businesses of Non-woven and PSF.
4. The new PEB business offers huge opportunity.

Threats:

1. Usual Threats of economic slow- down, Political turmoil and other factors as would affect the industry.
2. The threat of Competition. However, no major new competition is expected to emerge.
3. Threat of imports in case Rupee appreciates sharply

Risks and concerns:

1. No major risks are envisaged from change in technology or competition.
2. Sharp rise in raw material prices like steel products is both a risk and concern.
3. Down turn of user industries could be a risk as also a concern.

Outlook:

1. Outlook for textile processing machinery would appear to be stable and steady growth above industry growth rates seem reasonable in the medium to long term.
2. Outlook for PEB business looks to be very strong.
3. Outlook for Non Textile Business looks very good.
4. Outlook for the new Metals division appears to be very bright.

Internal Control Systems and their adequacy

The company has adequate internal control systems at all levels through proper man power and technology controls. The company/group has not seen any material slippages or losses over the past six decades

Material Developments in Human Resources / Industrial Relations Front, including number of people employed:

The company has employed 173 persons. Our industrial and employee relations have been cordial and excellent and company has not has even smallest HR strife since its inception. The company is able to attract the required talent at all the levels.

15. Outstanding Litigation and Material Developments

There are no outstanding or pending material litigation, suit, criminal or civil prosecution, proceedings initiated for offence or litigation for tax liabilities against the Company and there are no material defaults, non-payments or overdue of statutory dues, Institutional or Bank dues or dues towards holders of debentures, bonds, fixed deposits and arrears of preference shares.

16. Government Approvals

No special Government Approvals are required by the Company since the Company is not carrying any restricted business.

17. Regulatory and Statutory Disclosures

Authority for the scheme

The National Company Law Tribunal, Mumbai Bench, vide its Order dated August 09, 2018 approved Pursuant to the Scheme of Arrangement by way of demerger between Corporate Courier and Cargo Limited ("CCCL" or the Transferor Company) and Harish Textile Engineers Private Limited (Now Harish Textile Engineers Limited) ("HTEL" or "Transferee Company" No. 1) and Mahesh Developers Private Limited (Now Mahesh Developers Limited) ("MDPL" or "Transferee Company" No. 2) Their Respective Shareholders And Creditors (The "Scheme").

HARISH TEXTILE ENGINEERS LIMITED received the certified copies of the Order on August 21, 2018 and the same was filed with Registrar of Companies, Registrar of Companies, Mumbai, on September 05, 2018. Hence, the effective date of the Scheme of Arrangement is September 05, 2018 and appointed date was April 1, 2017. HARISH TEXTILE ENGINEERS LIMITED fixed record date as September 21, 2018 for the purpose of ascertaining eligible member for the allotment of shares pursuant to the Scheme and the same was taken on record vide BSE notice reference no:20180912-33 dated September 12,2018. Upon Scheme becoming effective w.e.f. September 05, 2018 the shareholders of Corporate Courier and Cargo ltd, without any further act or ,deed allotted equity Shares of the face value of Rs 10/- each, fully paid up, in the following manner for every existing 100 shares held in the Courier and Cargo ltd:

- a) 13 (Thirteen) equity shares of Rs.10/- each] fully paid up equity shares in Harish Textile Engineers Limited
- b) 16(Sixteen) equity shares of Rs.10/- each] fully paid up equity shares in Mahesh Developers Limited

In accordance with the said scheme, the Equity shares of HARISH TEXTILE ENGINEERS LIMITED issued pursuant

to the Scheme shall be listed and admitted to trading on BSE. Such listing and admission for trading is not automatic and is subject to fulfillment by HARISH TEXTILE ENGINEERS LIMITED of listing criteria of BSE and also subject to such other terms and conditions prescribed by BSE at the time of application seeking listing.

Eligibility Criterion

There being no initial public offering or rights issue, the eligibility criteria of SEBI (ICDR) Regulations 2009 do not become applicable. Pursuant to SEBI circular SEBI/CFD/DIL3/CIR/2017/21 dated March 10, 2017, our Company has applied for exemption from strict enforcement of provisions of clause (b) to sub-rule (2) of rule 19 thereof by making an application to the Board under sub-rule (7) of rule 19 of the SCRR, 1957. The Company is awaiting the approval from SEBI for the same.

Harish Textile Engineers Limited has submitted the Information Memorandum, containing information about itself, making disclosure in line with the disclosure requirement for public issues, as applicable to BSE for making the said Information Memorandum available to public through their websites www.bseindia.com. Harish Textile Engineers Limited has made the said Information Memorandum available on the website www.harishtextile.com. Harish Textile engineers Limited had published an advertisement on May 27, 2019 in Financial Express (English Newspaper), Jansatta (Hindi Newspaper) and Mumbai Lakshadweep (Marathi Newspaper) in the newspapers containing its details in line with the SEBI Circular. The advertisement had drawn specific reference to the availability of this Information Memorandum on the website.

Prohibition by SEBI

The Company, its directors, its promoter, other companies promoted by the promoter and companies with which the Company's directors are associated as directors have not been prohibited from accessing the capital markets under any order or direction passed by SEBI.

Disclaimer Statement by Harish Textile Engineers Limited

Harish Textile Engineers Limited accepts no responsibility for statements made otherwise than in the Information Memorandum or in the advertisements published in terms of SEBI circular or any other material issued by or at the instance of the Company and that any one placing reliance on any other source of information would be doing so at his own risk should be incorporated. All information shall be made available by our Company to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner.

Listing

Application has been made to BSE for permission to deal in and for an official quotation of the Equity Shares of Harish Textile Engineers Limited. The Company shall ensure that all steps for the completion of necessary formalities for listing and commencement of trading at BSE Limited within such period as approved by SEBI.

In Principle Approval from BSE

The Company has received in-principle approval from BSE bearing no. DCS/AMAL/SV/R37/990/2017-18 dated November 24, 2017 and listing approval from BSE vide letter having reference no. DCS/AMAL/PB/IP/1462/2018-19 dated April 12, 2019 for listing of 41,52,000 Equity shares of Rs.10/- each fully paid up .

SEBI Relaxation of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957

Pursuant to SEBI circular SEBI/CFD/DIL3/CIR/2017/21 dated March 10, 2017, our Company has applied for exemption from strict enforcement of provisions of clause (b) to sub-rule (2) of rule 19 and approval for the same has been received by SEBI vide its letter dated 26th April, 2019 having reference no. CFD/DIL-I/YJ/KB/10473/2019.

Disclaimer Clause – BSE

As required, a copy of this Information Memorandum has been submitted to BSE. BSE has vide its letter dated November 24, 2017 and April 12, 2019 respectively approved the Scheme of Arrangement and granted listing approval and by virtue of that approval, the BSE's name is included in this Information Memorandum as one of the Stock Exchanges on which the Company's securities are proposed to be listed.

The BSE does not in any manner:

- a. warrant, certify or endorse the correctness or completeness of any of the contents of this Information Memorandum; or
- b. warrant that this Company's securities will be listed or will continue to be listed on the BSE; or
- c. take any responsibility for the financial or other soundness of this Company; and
- d. It should not for any reason be deemed or construed to mean that this Information Memorandum has been cleared or approved by the BSE.

Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Filing

Copy of this Information Memorandum has been filed with BSE.

Demat Credit

The Company has executed Agreements with NSDL and CDSL for admitting its securities in demat form. The ISIN allotted to the Company's Equity Shares is INE197R01010. Shares have been allotted to those shareholders who have provided necessary details to the Company and/or who were holding their shares in Corporate Courier and Cargo Limited in demat form as on the Record Date, September 21, 2018. The demat shares were credited to the demat accounts of the shareholders by NSDL on January 07, 2019 and CDSL on December 20, 2018.

Dispatch of share certificates

Pursuant to the Scheme, Harish Textile Engineers Limited will issue and allot its Shares to eligible shareholders of Corporate Courier and Cargo Limited on the Record Date, September 21, 2018 and Harish Textile Engineers Limited will dispatch share certificates to those shareholders holding shares in Corporate Courier and Cargo Limited in physical form through its Registrar and Transfer Agent (RTA) i.e. Bigshare Services Private Limited on February 06, 2019.

Expert Opinions

Save as stated elsewhere in this Information Memorandum, we have not obtained an expert opinions.

Previous Rights and Public Issues

The Company has not made any public or rights issue since incorporation.

Commission and Brokerage on previous issues

Since the Company has not issued shares to the public in the past, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since its inception.

This is for the first time the Company is getting listed on the Stock Exchange.

Outstanding Debenture or Bonds and Redeemable Preference Shares and Other Instruments Issued by the Company

There are no outstanding debentures or bonds and redeemable preference shares and other instruments issued by the Company.

Stock Market Data for Equity Shares of the Company

Equity shares of the Company are not listed on any stock exchanges. The Company is seeking approval for listing of shares through this Information Memorandum.

Disposal of Investor Grievances

Bigshare Services Private Limited is the Registrar and Transfer Agent of the Company to accept the documents/requests/complaints from the investors/shareholders of the Company. All documents are received at the inward department, where the same are classified based on the nature of the queries/actions to be taken and coded accordingly. The documents are then electronically captured before forwarding to the respective processing units. The documents are processed by professionally trained personnel. The Company has set up service standards for each of the various processors involved such as affecting the transfer/dematerialization of securities/change of address. Bigshare Services Private Limited maintains an age-wise analysis of the process to ensure that the standards are duly adhered to.

Mr. Sandeep Gandhi, Director of the Company is vested with responsibility of addressing the Investor Grievance in coordination with Registrar & Transfer Agents.

Change in auditors during last three years

M/s. K M Swadia & Company, Chartered Accountants (Firm Registration No. 110740W) was appointed as the first auditor of our Company. There is no change in Auditors.

18. Main Provisions of the Articles of Association

19. Audited Financials of last 3 years along with as on 31.0.3.2019

18. Main Provisions of the Articles of Association (as amended on 15th November, 2017)

Interpretation

I. 1. The Regulations contained in Table 'F' in the First Schedule to the Companies Act, 2013 shall not apply to the Company except in so far as they are embodied in the following Articles, which shall be the regulations for the Management of the Company.

“public company” means a company which—

- (a) is not a private company;
- (b) has a minimum paid-up share capital of five lakh rupees or such higher paid-up capital, as may be prescribed:

Provided that a company which is a subsidiary of a company, not being a private company, shall be deemed to be public company for the purposes of this Act even where such subsidiary company continues to be a private company in its articles

Share capital and variation of rights

- II. 1. Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
2. (i) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,—
- (a) one certificate for all his shares without payment of any charges; or
 - (b) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first.
- (ii) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.
- (iii) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
3. (i) If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deem adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of twenty rupees for each certificate.
- (ii) The provisions of Articles (2) and (3) shall *mutatis mutandis* apply to debentures of the company.
4. Except as required by law, no person shall be recognized by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

5. (i) The company may exercise the powers of paying commissions conferred by sub-section (6) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
- (ii) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40.
- (iii) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
6. (i) If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.
- (ii) To every such separate meeting, the provisions of these regulations relating to general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.
7. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.
8. Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.

Lien

9. (i) The company shall have a first and paramount lien—
 - (a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and
 - (b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:

Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.
- (ii) The company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.
10. The company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien:

Provided that no sale shall be made—

 - (a) unless a sum in respect of which the lien exists is presently payable; or
 - (b) until the expiration of fourteen days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
11. (i) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof.
- (ii) The purchaser shall be registered as the holder of the shares comprised in any such transfer.
- (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

12. (i) The proceeds of the sale shall be received by the company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
- (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Calls on shares

13. (i) The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times:
Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.
- (ii) Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares.
- (iii) A call may be revoked or postponed at the discretion of the Board.
14. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
15. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
16. (i) If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. per annum or at such lower rate, if any, as the Board may determine.
- (ii) The Board shall be at liberty to waive payment of any such interest wholly or in part.
17. (i) Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.
- (ii) In case of non-payment of such sum, all the relevant provisions of these regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
18. The Board—
 - (a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and
 - (b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the company in general meeting shall otherwise direct, twelve per cent per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Transfer of shares

19. (i) The instrument of transfer of any share in the company shall be executed by or on behalf of both the transferor and transferee.
- (ii) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.
20. The Board may, subject to the right of appeal conferred by section 58 declines to register—
 - (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

- (b) any transfer of shares on which the company has a lien.
- 21.** The Board may decline to recognise any instrument of transfer unless—
- (a) the instrument of transfer is in the form as prescribed in rules made under subsection (1) of section 56;
 - (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
 - (c) the instrument of transfer is in respect of only one class of shares.
- 22.** On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine:

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.

Transmission of shares

- 23.** (i) On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognised by the company as having any title to his interest in the shares.
- (ii) Nothing in clause (i) shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.
- 24.** (i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—
- (a) to be registered himself as holder of the share; or
 - (b) to make such transfer of the share as the deceased or insolvent member could have made.
- (ii) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.
- 25.** (i) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the company a notice in writing signed by him stating that he so elects.
- (ii) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.
- (iii) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.
- 26.** A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be

entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Forfeiture of shares

27. If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
28. The notice aforesaid shall—
 - (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
 - (b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
29. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
30.
 - (i) A forfeited share may be sold or otherwise disposed off on such terms and in such manner as the Board thinks fit.
 - (ii) At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
31.
 - (i) A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the company all monies which, at the date of forfeiture, were presently payable by him to the company in respect of the shares.
 - (ii) The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.
32.
 - (i) A duly verified declaration in writing that the declarant is a director, the manager or the secretary, of the company, and that a share in the company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share;
 - (ii) The company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;
 - (iii) The transferee shall thereupon be registered as the holder of the share; and
 - (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.
33. The provisions of these regulations as to forfeiture shall apply in the case of nonpayment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of capital

34. The company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.
35. Subject to the provisions of section 61, the company may, by ordinary resolution,—
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
 - (b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;
 - (c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the memorandum;
 - (d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.
36. Where shares are converted into stock,—
- (a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.
 - (b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.
 - (c) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
37. The company may, by special resolution, reduce in any manner and with, and subject to, any incident authorised and consent required by law,—
- (a) its share capital;
 - (b) any capital redemption reserve account; or
 - (c) any share premium account.

Capitalisation of profits

38. (i) The company in general meeting may, upon the recommendation of the Board, resolve—
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and
 - (b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- (ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained in clause (iii), either in or towards—
- (A) paying up any amounts for the time being unpaid on any shares held by such members respectively;

- (B) paying up in full, unissued shares of the company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;
 - (C) partly in the way specified in sub-clause (A) and partly in that specified in sub-clause (B);
 - (D) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the company as fully paid bonus shares;
 - (E) The Board shall give effect to the resolution passed by the company in pursuance of this regulation.
39. (i) Whenever such a resolution as aforesaid shall have been passed, the Board shall—
- (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares if any; and
 - (b) generally do all acts and things required to give effect thereto.
- (ii) The Board shall have power—
- (a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and
 - (b) to authorise any person to enter, on behalf of all the members entitled thereto, into an agreement with the company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or as the case may require, for the payment by the company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing shares;
- (iii) Any agreement made under such authority shall be effective and binding on such members.

Buy-back of shares

40. Notwithstanding anything contained in these articles but subject to the provisions of sections 68 to 70 and any other applicable provision of the Act or any other law for the time being in force, the company may purchase its own shares or other specified securities.

General meetings

41. All general meetings other than annual general meeting shall be called extraordinary general meeting.
42. (i) The Board may, whenever it thinks fit, call an extraordinary general meeting.
- (ii) If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.

Proceedings at general meetings

43. (i) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business.
- (ii) Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103.

44. The chairperson, if any, of the Board shall preside as Chairperson at every general meeting of the company.
45. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chairperson of the meeting, the directors present shall elect one of their members to be Chairperson of the meeting.
46. If at any meeting no director is willing to act as Chairperson or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

Adjournment of meeting

47. (i) The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.
- (ii) No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- (iii) When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- (iv) Save as aforesaid, and as provided in section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

Voting rights

48. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—
 - (a) on a show of hands, every member present in person shall have one vote; and
 - (b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company.
49. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
50. (i) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders.
- (ii) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
51. A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
52. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
53. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.
54. (i) No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.
- (ii) Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

Proxy

55. The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the company not less than 48 hours before the time for holding

the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.

56. An instrument appointing a proxy shall be in the form as prescribed in the rules made under section 105.

57. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.

Board of Directors

58. Unless otherwise determined by a General Meeting, the number of Directors shall not be less than 3 and not more than 15.

59. (i) The remuneration of the directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day-to-day.

(ii) In addition to the remuneration payable to them in pursuance of the Act, the directors may be paid all travelling, hotel and other expenses properly incurred by them—

(a) in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the company; or

(b) in connection with the business of the company.

60. The Board may pay all expenses incurred in getting up and registering the company.

61. The company may exercise the powers conferred on it by section 88 with regard to the keeping of a foreign register; and the Board may (subject to the provisions of that section) make and vary such regulations as it may think fit respecting the keeping of any such register.

62. All cheques, promissory notes, drafts, *hundis*, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

63. Every director present at any meeting of the Board or of a committee thereof shall sign his name in a book to be kept for that purpose.

64. (i) Subject to the provisions of section 149, the Board shall have power at any time, and from time to time, to appoint a person as an additional director, provided the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles.

(ii) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a director at that meeting subject to the provisions of the Act.

Proceedings of the Board

65. (i) The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

(ii) A director may, and the manager or secretary on the requisition of a director shall, at any time, summon a meeting of the Board.

66. (i) Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

- (ii) In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.
67. The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the company, but for no other purpose.
68. (i) The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be Chairperson of the meeting.
69. (i) The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit.
- (ii) Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.
70. (i) A committee may elect a Chairperson of its meetings.
- (ii) If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairperson of the meeting.
71. (i) A committee may meet and adjourn as it thinks fit.
- (ii) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.
72. All acts done in any meeting of the Board or of a committee thereof or by any person acting as a director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such director or such person had been duly appointed and was qualified to be a director.
73. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Chief Executive Officer, Manager, Company Secretary or Chief Financial Officer

74. Subject to the provisions of the Act,—
- (i) A chief executive officer, manager, company secretary or chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary or chief financial officer so appointed may be removed by means of a resolution of the Board;
- (ii) A director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
75. A provision of the Act or these regulations requiring or authorising a thing to be done by or to a director and chief executive officer, manager, company secretary or chief financial officer shall not be satisfied by its being done by or to the same person acting both as director and as, or in place of, chief executive officer, manager, company secretary or chief financial officer.

The Seal

76. (i) The Board shall provide for the safe custody of the seal.
- (ii) The seal of the company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a committee of the Board authorised by it in that behalf, and except in the presence of at least two directors and of the secretary or such other person as the Board may appoint for the purpose; and those two directors and the secretary or other person aforesaid shall sign every instrument to which the seal of the company is so affixed in their presence.

Dividends and Reserve

77. The company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
78. Subject to the provisions of section 123, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the company.
79. (i) The Board may, before recommending any dividend, set aside out of the profits of the company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the company) as the Board may, from time to time, think fit.
- (ii) The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
80. (i) Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the company, dividends may be declared and paid according to the amounts of the shares.
- (ii) No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.
- (iii) All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.
81. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the company on account of calls or otherwise in relation to the shares of the company.
82. (i) Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.
- (ii) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.
83. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.
84. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.
85. No dividend shall bear interest against the company.

Accounts

- 86.** (i) The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the company, or any of them, shall be open to the inspection of members not being directors.
- (ii) No member (not being a director) shall have any right of inspecting any account or book or document of the company except as conferred by law or authorised by the Board or by the company in general meeting.

Winding up

- 87.** Subject to the provisions of Chapter XX of the Act and rules made thereunder—
- (i) If the company shall be wound up, the liquidator may, with the sanction of a special resolution of the company and any other sanction required by the Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (ii) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.
- (iii) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

88. Every officer of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the Tribunal.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HARISH TEXTILE ENGINEERS PRIVATE LIMITED.

Report on the Financial Statements.

We have audited the accompanying financial statements of Harish Textile Engineers Pvt. Ltd. ("the Company"), which comprises the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements:

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

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act. These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the

financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its losses and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in exercise of power conferred by sub-section 11 of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraphs 3 and 4 of the Order.
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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d. In our opinion, the aforesaid standalone 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 31st March, 2016 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in “Annexure-B”.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigation on its financial position in its financial statement vide not no. 28.
 - The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For K.M.Swadia & Co.
Chartered Accountants

CA. Archit D. Antani
Partner
Membership No.: 149221
Firm Reg. No.: 110740W
Place: Vadodara
Date: 05/09/2016

The Annexure A to the Independent Auditor’s Report.

Referred to in the paragraph 1 under the heading ‘Report on other Legal and Regulatory Requirement’ of our report of even date to the financial statements of “Harish Textile Engineers Private Limited ” for the year ended on March 31, 2016:

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b. In our opinion and according to the information and explanations given to us, the assets have been physically verified by the management in phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the book records and the physical fixed assets have been noticed.
- c. The title deeds of immovable properties are held in the name of the company.
2. Physical verification of Inventory has been conducted at reasonable intervals by the management and No material discrepancies were noticed on physical verification.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public during the year. Therefore, directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. As per the information and explanations given to us, under the provisions of The Companies (Cost Records and Audit) amendment rules, 2014, the Company’s turnover is less than the threshold specified in the said rules and hence there is no requirement for maintenance of

cost records by the Company.

7. a. According to information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
 - b. There were no disputed statutory dues, that have not been deposited on account of disputed matters pending before appropriate authorities.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company did not raise any money by way of initial public offer or further public offer including debt instruments and term loan.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013;
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
14. Based upon the audit procedures performed and the information and explanations given by

the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the compliance of the requirement of Section 42 of the Companies Act, 2013 is not applicable.

15. Based upon the audit procedures performed and the explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For K.M.Swadia & Co.
Chartered Accountants

CA. Archit D. Antani
Partner
Membership No.: 149221
Firm Reg. No.: 110740W
Place: Vadodara
Date:05/09/2016

“Annexure B” to the Independent Auditor’s Report of even date on the financial statement of Harish Textile Engineers Private Limited.

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 Pvt. Ltd (“the Company”) as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls.

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

Auditors’ Responsibility:

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

material respects.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls 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.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to

future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For K.M.Swadia & Co.
Chartered Accountants

CA. Archit D. Antani
Partner
Membership No.: 149221
Firm Reg. No.: 110740W
Place: Vadodara
Date: 05/09/2016

HARISH TEXTILE ENGINEERS PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2016

	Note No.	As at March 31, 2016		As at March 31, 2015	
		Rs.	Rs.	Rs.	Rs.
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	3	5,000,000		5,000,000	
Reserves & Surplus	4	<u>4,476,759</u>	9,476,759	<u>11,099,143</u>	16,099,143
Non-Current Liabilities					
Long Term Borrowings	5	81,314,340		26,011,372	
Deferred Tax Liabilities (Net)	30	-		303,131	
Other Long term Liabilities	6	7,694,616		13,356,935	
Long Term Provision		-	89,008,956	-	39,671,438
Current Liabilities					
Short Term Borrowings	7	3,933,190		2,057,381	
Trade Payables	8	56,631,657		59,498,255	
Other Current Liabilities	9	24,339,801		31,464,322	
Short Term Provision	10	<u>2,317,492</u>	87,222,140	<u>4,304,254</u>	97,324,212
TOTAL			<u><u>185,707,855</u></u>		<u><u>153,094,794</u></u>
ASSETS					
Non-Current Assets					
Fixed Assets :					
(a) Tangible assets	11	52,901,877		53,673,498	
(b) Intangible assets		-		-	
(c) Capital Work-in-Progress		-		32,451,806	
(d) Intangible assets under development		-	52,901,877	-	86,125,304
Non Current Investments	12	60,229,825		-	
Deferred tax Assets (Net)		600,276		-	
Long Term Loans and Advances	13	16,793,247		-	
Other Non-Current Assets		-	77,623,348	-	
Current Assets					
Inventories	14	36,291,970		53,415,825	
Trade Receivables	15	8,541,499		3,684,066	
Cash & Cash Equivalents	16	876,316		331,195	
Short Term Loans & Advances	17	9,472,846		9,538,404	
Other Current Assets		-	55,182,630	-	66,969,490

Branch

TOTAL

185,707,855

153,094,794

Significant Accounting Policies

2

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The Notes referred above are an integral part of the Financial Statements

In Terms of our report attached

For K. M. SWADIA & COMPANY

Chartered Accountants

105, 106, 107, 108

As Antani

CA Archit Antani

Partner

Sl.No. 149221

Place Mumbai

Date: 05/09/2016



For and on behalf of Board of Directors

Director

Director

Place : Mumbai

Date :

Director

Director

HARISH TEXTILE ENGINEERS PRIVATE LIMITED

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2016

YEAR / PERIOD ENDED	Note No.	Rupees 31.03.2016	Rupees 31.03.2015
<u>INCOME</u>			
Revenue from Operations	18	247,950,837	167,719,332
Other income	19	4,706,129	662,370
		252,656,966	168,381,702
<u>EXPENDITURE</u>			
Cost of Material Consumed	20	155,735,356	116,318,879
Changes in Inventories of finished goods work in progress and stock in Trade	21	11,160,200	(13,197,000)
Employee Benefit Expenses	22	15,484,228	12,134,121
Finance Expenses	23	8,727,175	3,377,002
Depreciation	11	8,166,102	7,035,696
Other Expenses	24	60,909,696	40,917,484
		260,182,757	166,586,181
Profit before exceptional and extraordinary items and Tax		(7,525,791)	1,795,520
Exceptional Items		-	-
PROFIT BEFORE TAX		(7,525,791)	1,795,520
<u>Provision for tax:</u>			
Current Year		-	895,007
Deferred Tax		(903,407)	101,925
NET PROFIT AFTER TAX		(6,622,384)	798,588
Number of Equity Shares Outstanding during the year of Rs. 10/- Each		500,000	500,000
Basic Earning per share (Rs.)	31	-13.24	1.60

Significant Accounting Policies 2

The Notes referred above are an integral part of the Financial Statements

In Terms of our report attached

For K M SWADIA & COMPANY

Chartered Accountants

FRN NO. 110740W

Ab Antani

CA Archit Antani
Partner

M.No. 149221

Place : Mumbai

Date :



For and on behalf of Board of Directors

[Signature]
Director

Place : Mumbai

Date :

[Signature]

Director

HARISH TEXTILE ENGINEERS PRIVATE LIMITED

NOTES FORMING PART OF THE ACCOUNTS

	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
NOTE 3		
SHARE CAPITAL		
Authorised :		
10,00,000 Equity Shares of Rs. 10/- each	10,000,000	10,000,000
(Previous Year 10,00,000 Equity shares of Rs. 10/- Each)	10,000,000	10,000,000
Issued		
5,00,000 Equity shares of Rs. 10/- Each	5,000,000	5,000,000
	5,000,000	5,000,000
Subscribed, Paid-up Capital		
5,00,000 Equity shares of Rs. 10/- Each fully paid up	5,000,000	5,000,000
(Previous Year 5,00,000 Equity shares of Rs. 10/- Each fully Paid)	5,000,000	5,000,000

NOTE 3 A : Reconciliation of Number of Shares

Particulars	Equity Shares	
	Number	Amount
Shares outstanding at the beginning of the year	500,000	5,000,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	500000	5000000

A. Rights, Preference and restrictions attached to the shares

The Company has one class of equity shares having a par value of Rs. 10/- per Share. Each Share Holder is eligible for one vote per share held. The dividend Proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, Except in case of interim dividend. In the event of liquidation, The Equity shareholders are eligible to receive remaining assets of the company after distribution of all preferential accounts, in proportion to their holding.

NOTE 3 B : Details of Shares held by shareholders holding more than 5 % of Aggregate shares in the company

Sr. No.	Name of Share Holder	As at March 31, 2016		As at March 31, 2015	
		No.of Shares Held	% of Holding	No.of Shares Held	% of Holding
1	Kirtikumar S. Gandhi	5,000	1.00	5,000	1.00
2	Sandeep K Gandhi	495,000	99.00	495,000	99.00

NOTE 4

RESERVES & SURPLUS

A. Profit & Loss Account

Opening Balance	11,099,143	10,300,555
Add : Net Profit / (Loss) for Current Year	(6,622,384)	798,588
Add : Transfer from Reserves	-	-
Less : Transfer to Reserves	-	-
Less : Writtern Back in Current Year	-	-
Closing Balance	4,476,759	11,099,143
Total	4,476,759	11,099,143



HARISH TEXTILE ENGINEERS PRIVATE LIMITED

NOTES FORMING PART OF THE ACCOUNTS

	As at March 31, 2016 Rs.	As at March 31, 2015 Rs.
NOTE 5		
LONG TERM BORROWINGS - SECURED		
Vehicle Finance	3,029,266	2,480,640
(Term Loan for Vehicle is secured by first charge by Way of hypothecation of Vehicle carries interest around 14% p.a. (Term loan are repayable in 36 Equal Installment)		
Loan From Bank		
Corporation Bank	60,519,003	23,405,732
(Mortgage Loan is secured against mortgage of factory building) Loan carries interest @ 13 % p.a. .repayment to be renewed annually by the bank.		
UNSECURED LOAN		
Unsecured Loan from others	17,641,071	
Loan from Related Party		
From others	-	-
From Directors	125,000	125,000
	81,314,340	26,011,372
NOTE 6		
OTHER LONG TERM LIABILITIES		
Advance from Customers	7,694,616	13,356,935
	7,694,616	13,356,935
NOTE 7		
SHORT TERM BORROWINGS		
SECURED		
Instalment Due for Vehicle Loan - Secured	3,933,190	2,057,381
UNSECURED		
Loans From Others	-	-
	3,933,190	2,057,381
NOTE 8		
Trade Payables		
- Sundry Creditors for Goods **	48,788,021	54,653,720
- Sundry Creditors for Expenses	7,344,499	1,903,082
- Sundry Creditors for Capital Goods	499,137	2,941,453
	56,631,657	59,498,255
** The Company has not received information from vendors regarding their status under the Micro,Small and Medium Enterprise development Act,2006. Hence, the disclosure relating to the amount unpaid could not be made.		
** Trade Payable Net of Advances		
NOTE 9		
Other Current Liabilities		
Statutory Liabilities for Taxes	4,626,904	1,593,254
Advance from Customers	19,712,897	29,871,068
	24,339,801	31,464,322
NOTE 10		
Short Term Provisions		
Provision for Employee benefits	658,868	685,078
Provision for Expenses	1,658,624	2,511,308
Provision for Income Tax /Wealth Tax	-	1,107,868
	2,317,492	4,304,254



HARISH TEXTILE ENGINEERS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2016

**NOTE 11
FIXED ASSETS**

Particulars	Gross Block				Depreciation			Net Block	
	As at 01.04.2015 Rs.	Additions/Transfer during the year Rs.	Deletion/Transfer during the year Rs.	As at 31.03.2016 Rs.	As at 01.04.2015 Rs.	for the period Rs.	Adjusted Rs.	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Land	3,840,100	-	-	3,840,100	-	-	-	3,840,100	3,840,100
Leasehold Land	-	-	-	-	-	-	-	-	-
Building	34,319,411	476,520	-	34,795,931	5,722,655	2,899,256	-	8,621,911	28,596,756
Plant & Machinery	14,397,953	10,117,047	3,630,142	20,884,858	3,364,642	2,708,250	-	6,072,892	11,033,311
Furniture & Fixtures	1,840,828	-	-	1,840,828	520,804	238,924	-	759,726	1,320,024
Vehicles	13,740,572	1,789,303	2,683,543	12,846,332	4,857,265	2,319,672	1,325,296	5,851,641	8,883,307
Factory Shed - WIP	32,451,806	33,299,593	65,751,399	-	-	-	-	-	32,451,806
TOTAL	100,590,670	45,682,463	72,065,084	74,208,049	14,465,366	8,166,102	1,325,296	21,306,172	86,125,304
Previous year	36,400,393	34,109,541	2,977,972	67,531,962	3,053,654	6,102,539	699,729	8,456,464	33,346,739



HARISH TEXTILE ENGINEERS PRIVATE LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS

		As at March 31, 2016	As at March 31, 2015
		Rs.	Rs.
NOTE 12			
Non Current Investments (At cost)			
Investment in partnership firm			
Capital with Agratha Enterprise			
		60,229,825	-
(The company is partner in Agratha Enterprise, a registered partnership firm. The particulars are given hereunder :			
Sr No	Name of Partner	Share in profit /loss	Capital Contribution
1	Mr. Sandeep Gandhi	65%	63,422,500
2	Mr. Kirtikumar Gandhi	1%	7,500
3	Harish Textile Engineers P Ltd	34%	60,229,825
		<u>60,229,825</u>	<u>-</u>
NOTE 13			
Long Term Loans & Advances			
Long Term Advances given			
Given to Related parties (Unsecured)			
		16,793,247	-
-The above advances have been given for business purpose and fall under the category of Long term Loans & Advances			
-The above advances are free of interest. Terms of repayment are indeterminate.			
		<u>16,793,247</u>	<u>-</u>
NOTE 14			
Inventory			
- Raw Materials			
		9,575,297	13,303,307
- Work in Process			
		26,202,800	37,363,000
- Goods in Transit			
		513,873	2,749,518
- Finished goods			
		-	-
		<u>36,291,970</u>	<u>53,415,825</u>
Note :			
1. Raw Material are valued at cost on FIFO Method			
2. Process Stock are valued at inclusive of cost of Raw Material plus allocable manufacturing Overheads			
NOTE 15			
Trade Receivables			
Trade Receivable outstanding for a period less than Six month from the date they are due for payment			
Secured , Considered Good			
		-	-
Unsecured , Considered Good			
		6,958,811	1,914,544
		<u>6,958,811</u>	<u>1,914,544</u>
Trade Receivable outstanding for a period more than Six month from the date they are due for payment			
Secured , Considered Good			
		-	-
Unsecured , Considered Good			
		1,582,688	1,769,522
		<u>1,582,688</u>	<u>1,769,522</u>
Total		<u>8,541,499</u>	<u>3,684,066</u>



NOTE 16**Cash & Cash Equivalent**

- Cash on Hand	130,952	215,714
- With Schedule Banks:	-	
- In Current Accounts	745,364	115,481
	<u>876,316</u>	<u>331,195</u>

NOTE 17**Short Term Loans & Advances**

- Advance recoverable in cash or kind	1,549,141	1,024,368
- Deposits	1,302,163	1,368,587
- Balance with excise authorities	3,247,138	3,087,745
- Export Benefit Receivables	1,719,221	1,600,216
- Excise Rebate Receivables	-	1,247,404
- Sales Tax Refund Receivables	738,952	133,150
- Prepaid Taxes	1,300	10,550
- Prepaid expenses	914,931	1,066,384
	<u>9,472,846</u>	<u>9,538,404</u>

NOTE 18

Sale of Manufactured Products	262,084,341	173,681,532
Sales - Branch Transfer	-	-
Less : Excise Duty	16,819,780	10,094,355
	<u>245,264,561</u>	<u>163,587,177</u>

Income From Resale Activity	-	-
Less : Excise Duty	-	-
	<u>-</u>	<u>-</u>

Service / Hire / Other Income	3,982	2,135,000
Duty Draw Back / Export Incentive	2,682,294	1,997,155
	<u>247,950,837</u>	<u>167,719,332</u>

NOTE 19**Other Income**

Interest	6,576	6,415
Discount Received /Sundry Bal w.back	3,049,553	226,102
Incentive Income	1,650,000	-
Foreign Exchange Gain	-	429,852
Total	<u>4,706,129</u>	<u>662,379</u>

NOTE 20**Material Consumed**

Opening Stock	16,052,825	8,859,199
Add: Purchases	149,771,701	123,512,505
	<u>165,824,526</u>	<u>132,371,704</u>
Less: Closing Stock	10,089,170	16,052,825
Total Materials Consumed	<u>155,735,356</u>	<u>116,318,879</u>



NOTE 21

Changes in Inventories of Finished Goods, Work in Progress and

Stock in Trade

Opening Stock

Work-in-process

Finished Goods

37,363,000

24,166,000

-

-

37,363,000

24,166,000

Less:

Closing Stock

Work-in-process

Finished Goods

26,202,800

37,363,000

-

-

26,202,800

37,363,000

(11,160,200)

13,197,000

NOTE 22

EMPLOYEES COSTS

Salaries & Wages

Staff Welfare Expenses

14,585,729

11,458,271

898,499

675,850

15,484,228

12,134,121



HARISH TEXTILE ENGINEERS PRIVATE LIMITED

PROVISIONAL BALANCE SHEET AS AT 31ST MARCH, 2016

	Note No.	As at March 31, 2016		As at March 31, 2015	
		Rs.	Rs.	Rs.	Rs.
NOTE 23					
FINANCE EXPENSES					
Interest			8,727,175		3,377,002
			<u>8,727,175</u>		<u>3,377,002</u>
NOTE 24					
OTHER EXPENSES					
<u>A - Manufacturing Expenses</u>					
Job Work Charges			13,616,005		12,921,611
Power & Fuel			690,865		359,037
Factory Rent			-		625,000
Loading & Unloading Expenses			14,700		5,600
Repairs and Maintenance Plant & Machinery			27,881		33,940
Hire Charges			241,099		196,770
Excise Expenses			131,538		9,780
Testing charges			5,252		-
<u>B - Selling & Distribution Expenses</u>					
Advertisement Expenses			79,000		160,778
Commission and Brokerage			2,161,905		1,622,350
Business Promotion			-		-
Exhibition cum Seminar Expenses			800,049		142,737
Forwarding Transport etc. (Net)			2,641,362		1,274,967
Freight Outward			1,369,984		218,900
Lodging & Boarding expenses			427,052		361,632
<u>C - Administrative & Other Expenses</u>					
Auditors' Remuneration			250,000		250,000
Bank Charges & Commission			1,091,682		383,999
Insurance			390,090		349,673
Rates & Taxes			506,370		167,253
Professional Manpower Expenses			21,586,016		11,662,895
Printing & Stationery			252,762		237,680
Travelling Expenses			2,095,100		1,690,954
Conveyance			212,240		170,415
Rent			4,423,983		1,027,963
Vehicle Expenses			2,049,834		2,138,743
Bad Debts			-		-
Donations			221,150		7,000
Membership & Subscription Fees			66,690		39,072
Computer Expenses			96,169		90,467
Loss on Sale of fixed Asset			372,916		645,502
General Expenses			479,659		308,363
Postage & Telephone Charges			684,739		576,937
Sales Tax / Service Tax Exp			560,809		153,889
Water Charges			89,276		32,046
Electricity charges			179,012		158,814
Car/ Bus Hire Charges			1,398,286		1,386,425
Cash Loss by Theft			-		30,000
Foreign Exchange Loss			239,352		-
Security charges			1,095,929		980,521
Repairs & Maintenance			360,940		495,771
			<u>60,909,696</u>		<u>40,917,484</u>
Signatures to Notes to Financial Statements					
For and on behalf of Board of Directors					

[Signature]
Director

[Signature]
Director



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2016

1. Corporate Information

Harish Textile Engineers Private Limited ("the Company") is manufacturing organization manufacturing Textile Processing Machineries at its manufacturing facility situated at Bhilad, Dist. Umbergaun, Gujarat.

2. Significant Accounting Policies

a. Basis of preparation of Financial Statements:

- i) These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), under the historical cost convention on an accrual basis of accounting.
- ii) The Company has prepared financial statements to comply in all material respect with the Accounting Standards specified u/s 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.
- iii) The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b. Estimates:

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

c. Fixed Assets:

i) Tangible Assets:

The Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use and adjustments arising from exchange rate variations attributable to the assets.



ii) **Depreciation And Amortisation :**

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided based on the estimated useful life of the asset which is different than those prescribed in Schedule II for all categories of assets.

*Depreciation on Addition and deletion of assets during the year is provided on pro-rata basis.

iii) **Impairment of Assets:**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

d. **Valuations of Inventories:**

Items of inventories are valued at lower of cost or net realizable value after providing provision for obsolesces if any. Cost of inventories comprises of cost of purchase, cost of conversion and other manufacturing overheads incurred in bringing the inventory to their present location and condition. The basis of valuation is as under:

- i) Raw materials are valued Cost on First in First Out Method
- ii) Process stock are valued at cost plus allocable overheads.

e. **Taxes on income:**

- i) Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961.
- ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred Tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situation where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.
- iii) At each balance sheet date the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient



future taxable income will be available against which such deferred tax assets can be realized.

f. Foreign Currency Transactions:

i) Initial Recognition:

Foreign currency transactions are accounted at reporting currency by applying to the foreign currency amount at the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion:

Monetary items denominated in foreign currencies at the year end are restated at year end rates.

iii) Exchange Difference:

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at the rate different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as an expense in the year in which such difference arise.

iv) Non Monetary Items:

Non Monetary foreign currency items are stated at cost.

g. Revenue recognition :

i) Sale of Goods :

a) Sale of Goods Revenue is recognized only when:

- i. Risks and rewards incidental to ownership are transferred to the customer,
- ii. It can be reliably measured and
- iii. It is reasonable to expect ultimate collection.

Excise duty, deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability accrued during the year. Sales are accounted net of discount, VAT and Central Sales Tax.

b) Interest Income :

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

c) Export Incentive :

Duty Draw Back income is recognized based on Shipping Bill of material.



h. Segment Reporting:

The Company is presently operating in Textile Processing Machinery business across the country and overseas market. The entire operations are governed by the same set of risks and returns. Hence, it has been considered as representing a single segment.

i. Earning Per Share:

Basic earning per share is calculated by dividing net profit or loss for the period attributable to equity shareholders by weighted average.

j. Provisions, Contingent Liabilities and Contingent Assets :

A provision is recognized when an enterprise has a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

	As at 31 March, 2016	As at 31 March, 2015
24. Auditor's remuneration		
Audit fee including tax audit fee	2,50,000/-	2,50,000/-
	<u>2,50,000/-</u>	<u>2,50,000/-</u>
25. Expenditure in Foreign Currency		
i. Commission	17,08,905/-	10,32,350/-
ii. Foreign Travelling	8,68,109/-	5,08,525/-
iii. Purchase	63,13,343/-	52,35,239/-
	<u>85,15,977/-</u>	<u>67,76,114/-</u>
26. Earnings in Foreign Currency		
Export Sales – FOB	Rs. 7,28,61,956/-	Rs. 4,07,68,537/-
	<u>Rs.7,28,61,956 /-</u>	<u>Rs. 4,07,68,537/-</u>



27. Related Party Disclosures

Name of the related party and nature of transaction	Nature of Relationship	As at 31 March, 2016	As at 31 March, 2015
i. Harish Enterprise Pvt. Ltd. (Sales)	Associates	1,56,73,917/-	2,41,087/-
ii. Harish Enterprise Pvt. Ltd. (Purchase / Expenses)	Associates	2,89,46,416/-	40,02,572/-
iii. Pacific Harish Industries Ltd (Sales)	Associates	70,87,500/-	9,61,265/-
iv. Pacific Harish Industries Ltd (Loan)	Associates	64,52,924/-	-
v. Shaoxing Harish Trading Co Pvt Ltd. (Purchase)	Associates	-	24,12,460/-
vi. Heatrans Manufacturing Co P Ltd (Purchase)	Associates	79,70,641/-	37,75,952/-
vii. Pacific Global Impex Pte. Ltd-Sales	Associates	78,34,400/-	2,25,91,000/-
viii. Sanish Investment & Trading Co P Ltd	Associates	10,03,246/-	13,48,320/-
ix. Sandeep K Gandhi – Loan	Director	1,25,000/-	1,25,000/-
x. Sandeep K. Gandhi	Director	48,60,000/-	49,20,000/-
xi. Technofield Marketing Pvt Ltd	Associates	21,00,000/-	12,00,000/-
xii. Pacific Global Impex Pte Ltd.- Singapore	Associates	76,94,616/-	72,28,470/-
xiii. Vaishali Bhirud	Wife of Director	4,20,000/-	NIL
xiv. Sunil Bhirud	Director	6,65,000/-	NIL
xv. Pacific Global Impex Pte Ltd – Singapore (Purchase)	Associates	16,80,262	NIL

28. Contingent Liability

Particulars

2015-16

2014-15

Note: The Company does not have any liability of contingent nature.



29. Particulars of Sales, Closing Stock and Opening Stock – manufactured goods.

Particulars	As at 31 March, 2016 Nil	As at 31 March, 2015 Nil
Opening Stock		
Sales		
Pacific Jigger	8	6
Loop Steamer	-	-
Accumalator	-	-
Dryer Chamber Frame	-	-
Rotary Screen Printing Machine	8	7
Dyeing Range	-	-
Coater	-	2
Washing Range	-	1
Tumbler Dryer	-	-
Stenter	9	5
Relax Dryer	4	2
Project	-	1
Indoflex	-	1
Singeing	-	-
Calender	1	-
Total	30	25
Closing Stock	Nil	Nil

30. Value of Indigenous and Imported rawmaterial consumed

Particulars	2015-16	2014-15
Value on Imports on C.I.F. Basis	Rs.63,13,343/-	Rs.63,82,688/-
Raw Material Consumed		
Raw Material – Indigenous		
For Manufacturing	Rs.13,64,20,837/-	Rs.11,18,22,220/-
% of Total	95.58%	96.13%
For Trading	Rs.0 /-	Rs.0/-
% of Total	0.00%	0.00%
For Imported	Rs.63,13,343/-	Rs.44,96,659/-
% of Total	4.42%	3.87%



31. Deferred Tax Liabilities :

Particulars	2015-16(Rs.)	2014-15(Rs.)
Deferred Tax Liabilities		
i. Related to Fixed Assets	Nil	3,19,091/-
Deferred Tax Assets		
ii. Related to others	Nil	15,960/-
	<u>3,03,131/-</u>	<u>3,03,131/-</u>

31. Deferred Tax Assets :

Particulars	2015-16(Rs.)	2014-15(Rs.)
Deferred Tax Assets		
iii. Related to Fixed Assets	5,68,872	Nil
Deferred Tax Assets		
iv. Related to others	31,404	Nil
	<u>6,00,276/-</u>	<u>Nil</u>

33. Basic Earning Per Share :

	2015-16(Rs.)	2014-15(Rs.)
a. Profit After Tax	(66,82,384/-)	7,98,588/-
b. Weighted average number of ordinary shares for Basic EPS	5,00,000	5,00,000
c. Earning Per Share - Basic (a/b)	N.A.	1.60

34. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HARISH TEXTILE ENGINEERS PRIVATE LIMITED.

Report on the Financial Statements.

We have audited the accompanying financial statements of Harish Textile Engineers Pvt. Ltd. ("the Company"), which comprises the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements:

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

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act. These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the

financial statements are free from material misstatement.

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

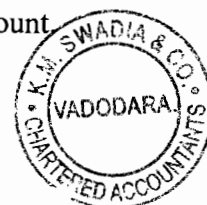
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

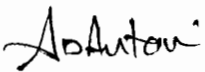
Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in exercise of power conferred by sub-section 11 of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraphs 3 and 4 of the Order.
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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account



- d. In our opinion, the aforesaid standalone 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 31st March, 2017 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. 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:
- The Company has disclosed the impact of pending litigation on its financial position in its financial statement vide not no. 28.
 - The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - The Company has provided requisite disclosures in the financial statements as regards to its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated 8 November, 2016 of the Ministry of Finance, during the period from 8 November, 2016 to 30 December, 2016. Based on audit procedures performed and the representations provided to us by the management, we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us by the Management.

For K.M.Swadia & Co.
Chartered Accountants



CA. Archit D. Antani
Partner

Membership No.: 149221
Firm Reg. No.: 110740W
Place: Vadodara
Date: 05/09/2017

The Annexure A to the Independent Auditor's Report.

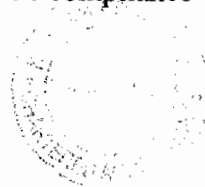
Referred to in the paragraph 1 under the heading 'Report on other Legal and Regulatory Requirement' of our report of even date to the financial statements of "Harish Textile Engineers Private Limited" for the year ended on March 31, 2017:

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b. In our opinion and according to the information and explanations given to us, the assets have been physically verified by the management in phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the book records and the physical fixed assets have been noticed.
- c. The title deeds of immovable properties are held in the name of the company.
2. Physical verification of Inventory has been conducted at reasonable intervals by the management and No material discrepancies were noticed on physical verification.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public during the year. Therefore, directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies ACT, 2013. We have broadly reviewed the cost records maintained by the company pursuant to the companies (Cost records and audit) Rules, 2014, as amended



prescribed by the Central Government under sub-section (1) of Section 148 of the Companies ACT, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

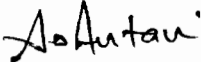
7. a. According to information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2017 for a period of more than six months from the date on when they become payable.
- b. There were no disputed statutory dues, that have not been deposited on account of disputed matters pending before appropriate authorities.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company did not raise any money by way of initial public offer or further public offer including debt instruments and term loan.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013;
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177



and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the compliance of the requirement of Section 42 of the Companies Act, 2013 is not applicable.
15. Based upon the audit procedures performed and the explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and, accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For K.M.Swadia & Co.
Chartered Accountants



CA. Archit D. Antani
Partner

Membership No.: 149221

Firm Reg. No.: 110740W

Place: Vadodara

Date:05/09/2017

HARISH TEXTILE ENGINEERS PRIVATE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2017

	Note No.	As at March 31, 2017		As at March 31, 2016	
		Rs.	Rs.	Rs.	Rs.
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	3	5,000,000		5,000,000	
Reserves & Surplus	4	<u>12,715,609</u>	17,715,609	<u>4,476,759</u>	9,476,759
Non-Current Liabilities					
Long Term Borrowings	5	75,249,071		76,258,566	
Deferred Tax Liabilities (Net)	30	356,009		-	
Other Long term Liabilities	6	7,521,440		7,694,616	
Long Term Provision		-	83,126,520	-	83,953,182
Current Liabilities					
Short Term Borrowings	7	11,985,679		11,088,964	
Trade Payables	8	153,621,281		54,531,657	
Other Current Liabilities	9	70,926,435		24,339,801	
Short Term Provision	10	<u>5,425,768</u>	241,959,163	<u>2,317,492</u>	92,277,914
TOTAL			<u><u>342,801,292</u></u>		<u><u>185,707,855</u></u>
ASSETS					
Non-Current Assets					
Fixed Assets :					
(a) Tangible assets	11	67,473,083		52,901,877	
(b) Intangible assets		-		-	
(c) Capital Work-in-Progress		28,914,044		-	
(d) Intangible assets under development		-	96,387,127	-	52,901,877
Non Current Investments	12	62,341,987		60,229,825	
Deferred tax Assets (Net)		-		600,276	
Long Term Loans Advances & Deposits	13	56,919,920		18,095,410	
Other Non-Current Assets		-	119,261,907	-	78,925,511
Current Assets					
Inventories	14	53,537,248		36,291,970	
Trade Receivables	15	58,324,957		8,541,499	
Cash & Cash Equivalents	16	5,357,666		876,316	
Short Term Loans & Advances	17	9,932,387		8,170,683	
Other Current Assets		-	127,152,258	-	53,880,467
TOTAL			<u><u>342,801,292</u></u>		<u><u>185,707,855</u></u>

Significant Accounting Policies 2
 The Notes referred above are an integral part of the Financial Statements

In Terms of our report attached
 For K M SWADIA & COMPANY
 Chartered Accountants
 FRN NO. 110740W

For and on behalf of Board of Directors

CA Archit Antani
 Partner
 M.No. 149221
 Place : Mumbai
 Date :



[Signature]

Director

[Signature]

Director

HARISH TEXTILE ENGINEERS PRIVATE LIMITED**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2017**

YEAR / PERIOD ENDED	Note No.	Rupees 31.03.2017	Rupees 31.03.2016
INCOME			
Revenue from Operations	18	411,683,132	247,950,857
Other income	19	6,790,181	4,706,129
		418,473,313	252,656,966
EXPENDITURE			
Cost of Material Consumed	20	281,043,104	155,735,356
Changes in Inventories of finished goods work in progress and stock in Trade	21	(14,809,850)	11,160,200
Employee Benefit Expenses	22	28,206,249	15,484,228
Finance Expenses	23	13,026,428	9,818,857
Depreciation	11	9,336,474	8,166,102
Other Expenses	24	89,775,773	59,818,014
		406,578,178	260,182,757
Profit before exceptional and extraordinary items and Tax		11,895,135	(7,525,791)
Exceptional Items			-
PROFIT BEFORE TAX		11,895,135	(7,525,791)
Provision for tax:			
Current Year		2,700,000	-
Deferred Tax		956,285	(903,407)
NET PROFIT AFTER TAX		8,238,850	(6,622,384)

Number of Equity Shares Outstanding during the year of Rs. 10/- Each
Basic Earning per share (Rs.)

31

500,000
-13.24

Significant Accounting Policies

2

The notes referred above are an integral part of the Financial Statements

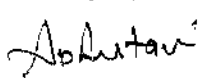
In Terms of our report attached

For K. M. SWADIA & COMPANY

For and on behalf of Board of Directors

Chartered Accountants

FRN NO. 110740W



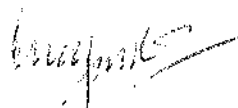
CA Archit Antani

Partner

M.No. 149221

Place : Mumbai

Date :

Director



Director

HARISH TEXTILE ENGINEERS PRIVATE LIMITED

NOTES FORMING PART OF THE ACCOUNTS

As at March 31, 2017

As at March 31, 2016

NOTE 3

SHARE CAPITAL

Authorised :

30,00,000 Equity Shares of Rs. 10/- each	30,000,000	10,000,000
(Previous Year 10,00,000 Equity shares of Rs. 10/- Each)	30,000,000	10,000,000

Issued 5,00,000 Equity shares of Rs. 10/- Each	5,000,000	5,000,000
	5,000,000	5,000,000

Subscribed, Paid-up Capital 5,00,000 Equity shares of Rs. 10/- Each fully paid up (Previous Year 5,00,000 Equity shares of Rs. 10/- Each fully Paid)	5,000,000	5,000,000
	5,000,000	5,000,000

NOTE 3 A : Reconciliation of Number of Shares

Particulars	Equity Shares	
	Number	Amount
Shares outstanding at the beginning of the year	500,000	5,000,000
Shares Issued during the year	-	-
Shares bought back during the year	-	-
Shares outstanding at the end of the year	500,000	5000000

A. Rights, Preference and restrictions attached to the shares

The Company has one class of equity shares having a par value of Rs. 10/- per Share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive remaining assets of the company after distribution of all preferential accounts, in proportion to their holding.

NOTE 3 B : Details of Shares held by shareholders holding more than 5 % of Aggregate shares in the company

Sr. No.	Name of Share Holder	As at March 31, 2017 No. of Shares Held
1	Kirtikumar S. Gandhi	5,000
2	Sandeep K Gandhi	495,000

NOTE 4

RESERVES & SURPLUS

A. Profit & Loss Account

Opening Balance	4,476,759	11,099,143
Add : Net Profit / (Loss) for Current Year	8,238,850	(6,622,364)
Add : Transfer from Reserves	-	-
Less : Transfer to Reserves	-	-
Less : Written Back in Current Year	-	-
Closing Balance	12,715,609	4,476,759
Total	12,715,609	4,476,759

HARISH TEXTILE ENGINEERS PRIVATE LIMITED

NOTES FORMING PART OF THE ACCOUNTS

As at March 31, 2017

As at March 31, 2016

NOTE 5

LONG TERM BORROWINGS - SECURED

Vehicle Finance	4,413,317	3,029,266
(Term Loan for Vehicle is secured by first charge by Way of hypothecation of Vehicle carries interest around 14% p.a. (Term loan are repayable in 36 Equal Installment)		
Loan From Bank		
Corporation Bank	59,315,346	60,519,003
(Mortgage Loan is secured against mortgage of factory building) Loan carries interest @ 13 % p.a. .repayment to be renewed annually by the bank.		
Loan From Others		
Loan from HDB Financial Services	4,395,228	
Loan carries interest @ 11.50 % p.a. repayable in 120 equal instalments (Mortgage Loan is secured against mortgage of Kolkatta Office - 2nd Floor, Sikara Height Premises No.63, Park Street, Kolkatta, West Bengal)		
UNSECURED LOAN		
Unsecured Loan from others	2,819,380	10,485,297
Lo from Related Party		
From Directors	2,165,800	125,000
From Others	2,140,000	2,100,000
	75,249,071	76,258,566

NOTE 6

OTHER LONG TERM LIABILITIES

Advance from Customers	7521440	7,694,616
	7,521,440	7,694,616

NOTE 7

SHORT TERM BORROWINGS

SECURED

Instalments Due within next year for Vehicle Loan	4,054,437	3,933,190
Instalments Due within next year for loan from HDB Financial Services	264,364	

UNSECURED

Instalments Due within next year for unsecured Business Loans	7,666,878	7,155,774
Loans From Others	-	-
	11,985,679	11,088,964

NOTE 8

Trade Payables

- Sundry Creditors for Goods **	142,208,843	46,688,021
- Sundry Creditors for Expenses	11,412,438	7,344,499
- Sundry Creditors for Capital Goods	-	499,137
	153,621,281	54,531,657

** The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprise development Act, 2006 Hence, the disclosure relating to the amount unpaid could not be made.

** Trade Payable Net of Advances

NOTE 9

Other Current Liabilities

Statutory Liabilities for Taxes	8,214,074	4,626,904
Advance from Customers	62,712,361	19,712,897
	70,926,435	24,339,801

NOTE 10

Short Term Provisions

Provision for Employee benefits	1,717,853	658,868
Provision for Expenses	1,007,915	1,658,624
Provision for Income Tax /Wealth Tax	2,700,000	-
	5,425,768	2,317,492

HARISH TEXTILE ENGINEERS PRIVATE LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2017

NOTE 11

FIXED ASSETS

Particulars	As at 01.04.2016 Rs.	Additions / Transfer during the year Rs.	Gross Block		As at 31.03.2017 Rs.	As at 01.04.2016 Rs.	Addition on account of merger	Depreciation		As at 31.03.2017 Rs.	Net Block	
			Addition on account of merger	Deletion/Transfe r during the year Rs.				for the period Rs.	Adjusted Rs.		As at 31.03.2017 Rs.	As at 31.03.2016 Rs.
Land	3,840,100	-	-	-	3,840,100	-	-	-	-	-	3,840,100	3,840,100
Technical Know-how	-	-	-	-	-	-	-	-	-	-	-	-
Building	34,795,931	-	-	-	34,795,931	8,621,911	-	2,617,403	-	11,239,314	23,556,617	26,174,020
Plant & Machinery	20,206,316	5,109,900	100,131,783	-	125,447,999	98,642,713	93,248,362	3,069,569	-	194,960,644	23,735,717	21,695,386
Furniture & Fixtures	1,840,828	362,277	12,333,033	-	14,536,138	11,458,602	10,698,874	325,682	-	22,483,158	2,751,854	2,715,259
Vehicles	12,846,332	2,704,098	17,633,091	13,331,475	19,852,046	9,030,126	3,178,485	3,323,820	6,090,695	9,441,736	13,588,795	21,449,297
Capital WIP	-	28,914,044	-	-	28,914,044	-	-	-	-	-	28,914,044	-
TOTAL	73,529,507	37,090,319	130,097,907	13,331,475	227,386,258	127,753,352	107,125,721	9,336,474	6,090,695	238,124,852	96,387,127	75,874,062
Previous year	100,590,670	45,662,463	-	72,065,084	74,208,049	14,465,366	-	8,166,102	1,325,296	21,306,172	52,901,877	86,125,304

HARISH TEXTILE ENGINEERS PRIVATE LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS

As at March 31, 2017
Rs. Rs. As at March 31, 2016
Rs. Rs.

NOTE 12

Non Current Investments (At cost)

Investment in partnership firm

Capital with Agratha Enterprise

62,341,987

60,229,825

(The company is partner in Agratha Enterprise, a registered partnership firm. The particulars are given hereunder :

Sr No	Name of Partner	Share in profit /loss	Capital Contribution	
1	Mr. Sandeep Gandhi	65%	63,422,500	
2	Mr. Kirtikumar Gandhi	1%	7,500	
3	Harish Textile Engineers P Ltd	34%	60,229,825	
			<u>62,341,987</u>	<u>60,229,825</u>

NOTE 13

Long Term Loans & Advances (Unsecured considered good)

Advances given

-To Related parties (Unsecured)

-

16,793,247

-The above advances have been given for business purpose and fall under the category of Long term Loans & Advances

-The above advances are free of interest. Terms of repayment are indeterminate.

Advance Against Sale of Property

28,000,000

Deposits

28,919,920

1,302,163

56,919,920

18,095,410

NOTE 14

Inventory

- Raw Materials

12,524,598

9,575,297

- Work in Process

41,012,650

26,202,800

- Goods in Transit

-

513,873

- Finished goods

53,537,248

36,291,970

Note

1. Raw Material are valued at cost on FIFO Method

2. Process Stock are valued at inclusive of cost of Raw Material plus allocable manufacturing Overheads

NOTE 15

Trade Receivables

Trade Receivable outstanding for a period less than Six months from the date they are due for payment

Secured , Considered Good

-

-

Unsecured , Considered Good

43,632,436

6,958,811

43,632,436

6,958,811

Trade Receivable outstanding for a period more than Six months from the date they are due for payment

Secured , Considered Good

14,692,521

1,582,688

Unsecured , Considered Good

14,692,521

1,582,688

Total

58,324,957

8,541,499

HARISH TEXTILE ENGINEERS PRIVATE LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS

NOTE 16

Cash & Cash Equivalent

	As at March 31, 2017	As at March 31, 2016
- Cash on Hand	99,218	130,952
- With Schedule Banks:	-	-
- In Current Accounts	3,258,448	745,364
- In Fixed Deposits	2,000,000	-
	<u>5,357,666</u>	<u>876,316</u>

NOTE 17

Short Term Loans & Advances

- Advance recoverable in cash or kind	5,422,769	1,382,454
- Deposits	20,000	-
- Balance with Government authorities	3,639,324	5,705,311
- Prepaid Taxes	207,829	167,987
- Prepaid expenses	642,465	914,931
	<u>9,932,387</u>	<u>8,170,683</u>

**For the year ended
31st March, 2017**

**For the year ended
31st March, 2016**

NOTE 18

Sale of Manufactured Products

Less : Excise Duty	447,966,947	262,084,341
	<u>43,607,153</u>	<u>16,819,780</u>
	404,359,794	245,264,561

Income From Resale Activity

Less : Excise Duty	5,470,177	-
	<u>538,591</u>	<u>-</u>
	4,931,586	-

Service / Hire / Other Income

Duty Draw Back / Export Incentive	1,641,190	3,982
	<u>750,562</u>	<u>2,682,294</u>
	411,683,132	247,950,837

NOTE 19

Other Income

Interest	294,453	6,576
Discount Received /Sundry Bal w.back	6,022,621	3,049,553
Incentive Income	-	1,650,000
Miscellaneous Income	4,841	-
Foreign Exchange Gain	468,266	-
Total	<u>6,790,181</u>	<u>4,706,129</u>

NOTE 20

Material Consumed

Opening Stock	10,089,170	16,052,825
Add: Purchases	283,478,532	149,771,701
	<u>293,567,702</u>	<u>165,824,526</u>
Less: Closing Stock	12,524,598	10,089,170
Total Materials Consumed	<u>281,043,104</u>	<u>155,735,356</u>

NOTE 21**Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade**

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Opening Stock		
Work-in-process	26,202,800	37,363,000
Finished Goods	-	-
	<u>26,202,800</u>	<u>37,363,000</u>
Less:		
Closing Stock		
Work-in-process	41,012,650	26,202,800
Finished Goods	-	-
	<u>41,012,650</u>	<u>26,202,800</u>
	<u>14,809,850</u>	<u>(11,160,200)</u>

NOTE 22**EMPLOYEES COSTS**

Salaries & Wages	14,286,401	9,421,991
Directors Remuneration	12,277,630	4,860,000
Contribution to Provident Fund	388,846	303,738
Staff Welfare Expenses	1,253,372	893,499
	<u>28,206,249</u>	<u>15,484,228</u>

Note	No.	Rs.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
------	-----	-----	--	--

NOTE 23**FINANCE EXPENSES**

Interest	11,337,162	8,727,175
Bank Charges & Commission	1,689,266	1,091,682
	<u>13,026,428</u>	<u>9,818,857</u>

HARISH TEXTILE ENGINEERS PRIVATE LIMITED**PROVISIONAL BALANCE SHEET AS AT 31ST MARCH, 2016****NOTE 24****OTHER EXPENSES****A - Manufacturing Expenses**

Job Work Charges	30,442,687	13,616,005
Power & Fuel	1,982,479	690,865
Factory Rent	1,200,000	-
Loading & Unloading Expenses	-	14,700
Repairs and Maintenance Plant & Machinery	171,020	27,881
Repairs and Maintenance Factory Building	266,094	-
Hire Charges	158,132	241,099
Excise Expenses	17,456	131,538
Testing charges	15,720	5,252

B - Selling & Distribution Expenses

Advertisement & Sales Promotion Expenses	25,268	79,000
Commission and Brokerage	1,707,173	2,161,905
Exhibition cum Seminar Expenses	5,734,719	800,049
Outward Freight, Forwarding, Transport, Octroi etc. (Net)	4,091,974	4,011,346
Loading & Boarding expenses	1,103,062	427,052

C - Administrative & Other Expenses

Auditors' Remuneration	250,000	250,000
Insurance	973,207	390,090
Rates & Taxes	292,508	506,376
Professional Fees / Manpower Expenses	25,626,323	21,586,016
Printing & Stationery	245,591	252,762
Prior Period Expenses	110,256	-
Travelling Expenses	2,145,809	2,095,100
Conveyance	546,096	212,240
Rent	1,282,000	4,423,983
Vehicle Expenses	3,181,327	2,049,834
Donations	33,503	221,150
Membership & Subscription Fees	58,488	66,690
Computer Expenses	240,749	96,169
Loss on Sale of fixed Asset	544,780	372,916
General Expenses	695,153	479,659
Postage & Telephone Charges	872,897	684,739
Sales Tax / Service Tax Exp	337,748	560,809
Income Tax w/off	1,300	-
Water Charges	101,215	89,276
Electricity charges	620,932	179,012
Car/ Bus Hire Charges	322,110	1,398,286
Foreign Exchange Loss	-	239,352
Security charges	2,351,639	1,095,929
Repairs & Maintenance	2,026,358	360,940

89,775,773

59,818,014

Signatures to Notes to Financial Statements
For and on behalf of Board of Directors



Director



Director

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HARISH TEXTILE ENGINEERS LIMITED.**

Report on the Financial Statements.

We have audited the accompanying financial statements of Harish Textile Engineers Ltd. ("the Company"), which comprises the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements:

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

Auditor's Responsibility:

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under sub-section 10 of Section 143 of the Act. These Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the

financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

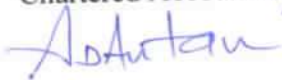
Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in exercise of power conferred by sub-section 11 of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraphs 3 and 4 of the Order.
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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d. In our opinion, the aforesaid standalone 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 31st March, 2018 taken on record by the Board of Directors, none of the directors are disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure-B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigation on its financial position in its financial statement vide not no. 28.
 - The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For K.M.Swadia & Co.
Chartered Accountants



CA. Archit D. Antani
Partner

Membership No.: 149221

Firm Reg. No.: 110740W

Place: Vadodara

Date:



The Annexure A to the Independent Auditor's Report.

Referred to in the paragraph 1 under the heading 'Report on other Legal and Regulatory Requirement' of our report of even date to the financial statements of "Harish Textile Engineers Limited" for the year ended on March 31, 2018:

1. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b. In our opinion and according to the information and explanations given to us, the assets have been physically verified by the management in phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the book records and the physical fixed assets have been noticed.
- c. The title deeds of immovable properties are held in the name of the company.
2. Physical verification of Inventory has been conducted at reasonable intervals by the management and No material discrepancies were noticed on physical verification.
3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
5. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public during the year. Therefore, directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
6. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies ACT, 2013. We have broadly reviewed the cost records maintained by the company pursuant to the companies (Cost records and audit) Rules, 2014, as amended



prescribed by the Central Government under sub-section (1) of Section 148 of the Companies ACT, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. a. According to information and explanations given to us and on the basis of our examination of the books of account and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2018 for a period of more than six months from the date on when they become payable.
- b. There were no disputed statutory dues, that have not been deposited on account of disputed matters pending before appropriate authorities.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders.
9. Based upon the audit procedures performed and the information and explanations given by the management, the company did not raise any money by way of initial public offer or further public offer including debt instruments and term loan.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
11. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013;
12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177



and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the compliance of the requirement of Section 42 of the Companies Act, 2013 is not applicable.
15. Based upon the audit procedures performed and the explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For K.M.Swadia & Co.
Chartered Accountants

Archit D. Antani

CA. Archit D. Antani
Partner

Membership No.: 149221

Firm Reg. No.: 110740W

Place: Vadodara

Date:



“Annexure B” to the Independent Auditor’s Report of even date on the standalone financial statement of Harish Textile Engineers Limited.

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 Ltd. (“the Company”) as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls.

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

Auditors’ Responsibility:

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls 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.

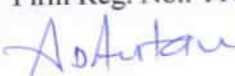
Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For K. M. Swadia & Co.
Chartered Accountants
Firm Reg. No.: 110740W


CA. Archit D. Antani
Partner

Membership No.: 149221
Place: Mumbai
Date:



HARISH TEXTILE ENGINEERS LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2018

	Note No.	As at March 31, 2018		As at March 31, 2017	
		Rs.	Rs.	Rs.	Rs.
EQUITY AND LIABILITIES					
Shareholders' Funds					
Share Capital	3	2,40,00,000		50,00,000	
Reserves & Surplus	4	<u>45,48,889</u>	2,85,48,889	<u>1,27,15,609</u>	1,77,15,609
Non-Current Liabilities					
Long Term Borrowings	5	7,79,17,839		7,52,49,071	
Deferred Tax Liabilities (Net)		-		3,56,009	
Other Long term Liabilities	6	-		75,21,440	
Long Term Provision		<u>-</u>	7,79,17,839	<u>-</u>	8,31,26,520
Current Liabilities					
Short Term Borrowings	7	1,04,65,290		1,19,85,679	
Trade Payables	8	18,86,55,663		17,42,99,141	
Other Current Liabilities	9	10,41,05,345		7,09,26,435	
Short Term Provision	10	<u>41,19,084</u>	30,73,45,382	<u>54,25,768</u>	26,26,37,023
TOTAL			<u><u>41,38,12,110</u></u>		<u><u>36,34,79,152</u></u>
ASSETS					
Non-Current Assets					
Fixed Assets :					
(a) Tangible assets	11	8,20,97,003		6,74,73,083	
(b) Intangible assets		-		-	
(c) Capital Work-in-Progress		<u>2,92,71,625</u>	11,13,68,628	<u>2,89,14,044</u>	9,63,87,127
Non Current Investments	12	6,46,79,225		6,23,41,987	
Deferred tax Assets (Net)		<u>2,39,824</u>		<u>-</u>	
Long Term Loans Advances & Deposits	13	6,11,44,356		5,69,19,920	
Other Non-Current Assets		<u>-</u>	12,60,63,405	<u>-</u>	11,92,61,907
Current Assets					
Inventories	14	8,84,71,057		5,35,37,248	
Trade Receivables	15	5,56,21,592		5,83,24,957	
Cash & Cash Equivalents	16	6,36,509		53,57,666	
Short Term Loans & Advances	17	3,16,50,919		3,06,10,247	
Other Current Assets		<u>-</u>	17,63,80,077	<u>-</u>	14,78,30,118
Branch					
TOTAL			<u><u>41,38,12,110</u></u>		<u><u>36,34,79,152</u></u>

Significant Accounting Policies 2

The Notes referred above are an integral part of the Financial Statements

In Terms of our report attached

For K M SWADIA & COMPANY

Chartered Accountants

FRN NO. 110740W

CA Archit Antani

Partner

M.No. 149221

Place : Mumbai

Date :

For and on behalf of Board of Directors



Director

Director

HARISH TEXTILE ENGINEERS LIMITED

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

YEAR / PERIOD ENDED	Note No.	Rupees 31.03.2018	Rupees 31.03.2017
<u>INCOME</u>			
Revenue from Operations	18	36,36,61,836	41,16,83,132
Other income	19	1,28,84,201	67,90,181
		37,65,46,037	41,84,73,313
<u>EXPENDITURE</u>			
Cost of Material Consumed	20	24,55,11,375	28,10,43,104
Changes in Inventories of finished goods work in progress and stock in Trade	21	(3,57,44,067)	(1,48,09,850)
Cost of Sales for Trading Goods	22	58,29,884	
Employee Benefit Expenses	23	2,60,99,801	2,82,06,249
Finance Expenses	24	1,21,41,888	1,30,26,428
Depreciation	11	1,16,50,569	93,36,474
Other Expenses	25	10,72,59,097	8,96,65,517
Prior Period Expenses		10,043	1,10,256
		37,27,58,590	40,65,78,178
		37,87,447	1,18,95,135
Items and Tax			
Exceptional Items			-
PROFIT BEFORE TAX		37,87,447	1,18,95,135
<u>Provision for tax:</u>			
Current Year		15,50,000	27,00,000
Deferred Tax		(5,95,833)	9,56,285
NET PROFIT AFTER TAX		28,33,280	82,38,850
Number of Equity Shares Outstanding during the year of Rs. 10/- Each		15,38,630	5,00,000
Basic Earning per share (Rs.)	31	1.84	16.48

Significant Accounting Policies

2

The Notes referred above are an integral part of the Financial Statements

In Terms of our report attached

For K M SWADIA & COMPANY

For and on behalf of Board of Directors

Chartered Accountants

FRN NO. 110740W

Archit Antani
CA Archit Antani
Partner

M.No. 149221

Place : Mumbai

Date :



[Signature]
Director

[Signature]
Director

HARISH TEXTILE ENGINEERS LIMITED

NOTES FORMING PART OF THE ACCOUNTS

As at March 31, 2018

As at March 31, 2017

NOTE 3

SHARE CAPITAL

Authorised :

30,00,000 Equity Shares of Rs. 10/- each	30,00,000	30,00,000
(Previous Year 30,00,000 Equity shares of Rs. 10/- Each)	30,00,000	30,00,000

Issued

24,00,000 Equity shares of Rs. 10/- Each	24,00,000	5,00,000
(Previous Year 5,00,000 Equity shares of Rs. 10/- Each)	24,00,000	5,00,000

Subscribed, Paid-up Capital

24,00,000 Equity shares of Rs. 10/- Each fully paid up	24,00,000	5,00,000
(Previous Year 5,00,000 Equity shares of Rs. 10/- Each fully Paid)	24,00,000	5,00,000

24,00,000/- shares represent after issue of 17,00,000/- Bonus Shares of face value of Rs.10/- per share which were issued as fully paid up Bonus shares by utilisation of Rs.1,10,00,000/- from General Reserve and Rs.60,00,000/- from Security Premium account vide Board Resolution dated 26th September, 2017.

NOTE 3 A : Reconciliation of Number of Shares

Particulars	As at 31/3/2018		As at 31/3/2017	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	500,000	5,00,000	500,000	5,00,000
Shares Issued during the year	1,900,000	19,00,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	2,400,000	24,00,000	500,000	5,00,000

A. Rights, Preference and restrictions attached to the shares

The Company has one class of equity shares having a par value of Rs. 10/- per Share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the Equity shareholders are eligible to receive remaining assets of the company after distribution of all preferential accounts, in proportion to their holding.

NOTE 3 B : Details of Shares held by shareholders holding more than 5 % of Aggregate shares in the company

Sr. No.	Name of Share Holder	No. of Shares Held	% of Holding	No. of Shares Held	% of Holding
1	Sandeep K Gandhi	2,383,350	99.31%	495,000	99.00%

NOTE 4

RESERVES & SURPLUS

A. Share Premium Account

Opening Balance	-	-
Add : On account of issue of shares	2,000,000	-
Less : Utilised for Issue of Bonus shares	2,000,000	-
Closing Balance	-	-

A. Profit & Loss Account

Opening Balance	12,715,609	4,476,759
Add : Net Profit / (Loss) for Current Year	2,833,280	8,238,850
Less : Utilised for Issue of shares	11,000,000	-
Less : Transfer to Reserves	-	-
Less : Written Back in Current Year	-	-
Closing Balance	4,548,889	12,715,609
Total	4,548,889	12,715,609



HARISH TEXTILE ENGINEERS LIMITED

NOTES FORMING PART OF THE ACCOUNTS

	As at March 31, 2018	As at March 31, 2017
NOTE 5		
LONG TERM BORROWINGS - SECURED		
Vehicle Finance	9,437,060	4,413,317
<small>(Term Loan for Vehicle is secured by first charge by Way of hypothecation of Vehicle carries interest around 14% p.a. (Term loan are repayable in 36 Equal Installment)</small>		
Loan From Bank		
Corporation Bank	60,559,703	59,315,346
<small>(Mortgage Loan is secured against mortgage of factory building) Loan carries interest @ 13 % p.a. .repayment to be renewed annually by the bank.</small>		
Loan From Others		
Loan from HDB Financial Services	4,097,336	4,395,228
<small>Loan carries interest @ 11.50 % p.a. repayable in 120 equal instalments (Mortgage Loan is secured against mortgage of Kolkatta Office - 2nd Floor, Sikara Height Premises No.63, Park Street, Kolkatta, West Bengal)</small>		
UNSECURED LOAN		
Unsecured Loan from others	1,673,740	2,819,380
Loan from Related Party *		
From Directors	50,000	2,165,800
From Others	2,100,000	2,140,000
<small>*The above loan from Related party are free of Interest. The terms of interest are indeterminent</small>		
	77,917,839	75,249,071
NOTE 6		
OTHER LONG TERM LIABILITIES		
Advance from Customers	-	7,521,440
	-	7,521,440
NOTE 7		
SHORT TERM BORROWINGS		
SECURED		
Instalments Due within next year for Vehicle Loan	5,438,228	4,054,437
Instalments Due within next year for loan from HDB Financial Services	297,892	264,364
UNSECURED		
Instalments Due within next year for unsecured Business Loans	4,729,170	7,666,878
	10,465,290	11,985,679
NOTE 8		
Trade Payables		
- Sundry Creditors for Goods **	173,676,633	160,569,527
- Sundry Creditors for Expenses	14,562,714	13,729,614
- Sundry Creditors for Capital Goods	416,316	-
	188,655,663	174,299,141
<small>** The Company has not received information from vendors regarding their status under the Micro,Small and Medium Enterprise development Act,2006. Hence, the disclosure relating to the amount unpaid could not be made.</small>		
NOTE 9		
Other Current Liabilities		
Statutory Liabilities for Taxes	701,124	8,214,074
Advance from Customers	103,404,221	62,712,361
	104,105,345	70,926,435
NOTE 10		
Short Term Provisions		
Provision for Employee benefits	2,239,604	1,717,853
Provision for Expenses	329,480	1,007,915
Provision for Income Tax /Wealth Tax	1,550,000	2,700,000
	4,119,084	5,425,768



HARISH TEXTILE ENGINEERS LIMITED

SCHEDULES FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2018

**NOTE 11
FIXED ASSETS**

Particulars	As at 01.04.2017		Gross Block		Depreciation		As at 31.03.2018		Net Block	
	Rs.	Rs.	As at 31.03.2018	Addition on account of merger	Rs.	Rs.	As at 31.03.2018	As at 31.03.2018	As at 31.03.2018	As at 31.03.2017
			Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Land	38,40,100	-	38,40,100	-	-	-	-	38,40,100	-	38,40,100
Technical Know-how	-	-	-	-	-	-	-	-	-	-
Building	3,47,95,931	76,49,459	4,24,45,390	1,12,39,314	23,55,663	-	1,35,94,977	2,88,50,413	2,35,56,617	2,35,56,617
Plant & Machinery	12,17,12,048	14,55,125	12,31,67,173	10,17,12,282	26,78,924	-	10,43,91,206	1,87,75,967	1,99,99,766	1,99,99,766
Medical Equipments	37,35,951	7,28,515	44,64,466	-	-	-	-	24,87,367	37,35,951	37,35,951
Furniture & Fixtures	1,45,36,138	54,480	1,45,90,618	1,17,84,284	3,18,967	-	1,21,03,251	44,64,466	27,51,854	27,51,854
Vehicles	1,98,52,046	1,96,64,693	3,46,83,638	62,63,251	62,97,015	-	1,10,03,948	2,36,78,690	1,35,88,795	1,35,88,795
Capital W/P	2,89,14,044	80,07,040	2,92,71,625	-	-	-	-	2,92,71,625	2,89,14,044	2,89,14,044
TOTAL	22,73,86,258	3,75,59,312	25,24,62,010	13,09,99,131	1,16,50,569	-	14,10,93,382	11,13,68,628	9,63,87,127	9,63,87,127
Previous year	7,35,29,507	3,70,90,319	13,00,97,907	2,06,27,631	93,36,474	10,71,25,721	13,09,99,131	60,90,695	9,63,87,127	7,58,74,862



HARISH TEXTILE ENGINEERS LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS

		As at March 31, 2018		As at March 31, 2017	
		Rs.	Rs.	Rs.	Rs.
NOTE 12					
Non Current Investments (At cost)					
Investment in partnership firm					
Capital with Agratha Enterprise					
			6,46,79,225		6,23,41,987
(The company is partner in Agratha Enterprise, a registered partnership firm. The particulars are given hereunder :					
Sr No	Name of Partner	Share in profit /loss	Capital Contribution		
1	Mr. Sandeep Gandhi	65%	6,34,22,500		
2	Mr. Kirtikumar Gandhi	1%	7,500		
3	Harish Textile Engineers P Ltd	34%	6,46,79,225		
			<u>6,46,79,225</u>		<u>6,23,41,987</u>
NOTE 13					
Long Term Loans & Advances (Unsecured considered good)					
Advance Against Sale of Property					
			2,80,00,000		2,80,00,000
Deposits					
			3,29,72,583		2,89,19,920
Prepaid Expenses					
			1,71,773		-
			<u>6,11,44,356</u>		<u>5,69,19,920</u>
NOTE 14					
Inventory					
- Raw Materials					
			1,16,85,702		1,25,24,598
- Work in Process					
			7,67,85,355		4,10,12,650
- Finished goods					
			<u>8,84,71,057</u>		<u>5,35,37,248</u>
Note :					
1. Raw Material are valued at cost on FIFO Method					
2. Process Stock are valued at inclusive of cost of Raw Material plus allocable manufacturing Overheads					
NOTE 15					
Trade Receivables					
Trade Receivable outstanding for a period less than Six month from the date they are due for payment					
Secured , Considered Good					
			-		-
Unsecured , Considered Good					
			1,53,10,127		4,36,32,436
			<u>1,53,10,127</u>		<u>4,36,32,436</u>
Trade Receivable outstanding for a period more than Six month from the date they are due for payment					
Secured , Considered Good					
			4,03,11,465		1,46,92,521
Unsecured , Considered Good					
			4,03,11,465		1,46,92,521
			<u>4,03,11,465</u>		<u>1,46,92,521</u>
Total			<u>5,56,21,592</u>		<u>5,83,24,957</u>



HARISH TEXTILE ENGINEERS LIMITED

SCHEDULE FORMING PART OF THE ACCOUNTS

NOTE 16

Cash & Cash Equivalent

	As at March 31, 2018	As at March 31, 2017
- Cash on Hand	617,152	99,218
- With Schedule Banks:	-	-
- In Current Accounts	19,357	3,258,448
- In Fixed Deposits	-	2,000,000
	<u>636,509</u>	<u>5,357,666</u>

NOTE 17

Short Term Loans & Advances

- Advance recoverable in cash or kind	5,612,616	7,739,945
- Advance given to Suppliers	17,575,630	18,360,684
- Deposits	-	20,000
- Balance with Government authorities	5,674,745	3,639,324
- Prepaid Taxes	2,302,682	207,829
- Prepaid expenses	485,246	642,465
	<u>31,650,919</u>	<u>30,610,247</u>

For the year ended
31st March, 2018

For the year ended
31st March, 2017

NOTE 18

Sale of Manufactured Products
Less : Excise Duty

365,375,889	447,966,947
<u>9,514,927</u>	<u>43,607,153</u>
355,860,962	404,359,794

Income From Resale Activity
Less : Excise Duty

5,804,728	5,470,177
<u>-</u>	<u>538,591</u>
5,804,728	4,931,586

Service / Hire / Other Income
Duty Draw Back / Export Incentive

1,633,714	1,641,190
<u>362,432</u>	<u>750,562</u>
363,661,836	411,683,132

NOTE 19

Other Income

Interest	561,525	294,453
Discount Received /Sundry Bal w.back	12,322,676	6,022,621
Incentive Income	-	-
Miscellaneous Income	-	4,841
Foreign Exchange Gain	-	468,266
Total	<u>12,884,201</u>	<u>6,790,181</u>

NOTE 20

Material Consumed

Opening Stock	12,524,598	10,089,170
Add: Purchases	244,701,117	281,478,532
	<u>257,225,715</u>	<u>293,567,702</u>
Less: Closing Stock	11,685,702	12,824,598
Total Materials Consumed	<u>245,540,013</u>	<u>280,743,104</u>



NOTE 21**Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade**

	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Opening Stock		
Work-in-process	41,012,650	26,202,800
Finished Goods	-	-
	<u>41,012,650</u>	<u>26,202,800</u>
Less:		
Closing Stock		
Work-in-process	76,785,355	41,012,650
Finished Goods	-	-
	<u>76,785,355</u>	<u>41,012,650</u>
	<u>35,772,705</u>	<u>14,809,850</u>

NOTE 22**Cost of Sales for Trading activity**

Opening Stock	-	-
Add : Purchases	5,829,884	-
Less : Closing Stock	-	-
	<u>5,829,884</u>	<u>-</u>

NOTE 23**EMPLOYEES COSTS**

Salaries & Wages	10,282,026	14,286,401
Directors Professional Fees	14,108,000	12,277,630
Contribution to Provident Fund	289,157	388,846
Staff Welfare Expenses	1,420,618	1,253,372
	<u>26,099,801</u>	<u>28,206,249</u>

For the year ended
31st March, 2018
Rs.

For the year ended
31st March, 2017
Rs.

NOTE 24**FINANCE EXPENSES**

Interest	11,334,911	11,337,162
Bank Charges & Commission	806,977	1,689,266
	<u>12,141,888</u>	<u>13,026,428</u>



HARISH TEXTILE ENGINEERS LIMITED

NOTE 25

OTHER EXPENSES

A - Manufacturing Expenses

Job Work Charges	4,06,71,260	3,04,42,687
Power & Fuel	22,44,600	19,82,479
Factory Rent	12,00,000	12,00,000
Loading & Unloading Expenses	19,585	-
Repairs and Maintenance Plant & Machinery	40,432	1,71,020
Repairs and Maintenance Factory Building	5,19,237	2,66,094
Hire Charges	2,55,542	1,58,132
Excise Expenses	35,365	17,456
Testing charges	7,490	15,720

B - Selling & Distribution Expenses

Advertisement & Sales Promotion Expenses	42,040	25,268
Commission and Brokerage	15,45,020	17,07,173
Exhibition cum Seminar Expenses	4,24,712	57,34,719
Outward Freight, Forwarding, Transport, Octroi etc. (Net)	44,24,450	40,91,974
Lodging & Boarding expenses	9,97,294	11,03,062

C - Administrative & Other Expenses

Auditors' Remuneration	4,00,000	2,50,000
Insurance	6,86,758	9,73,207
Rates & Taxes	1,49,915	2,92,508
Professional Fees / Manpower Expenses	3,15,08,637	2,56,26,323
Printing & Stationery	8,58,306	2,45,591
Travelling Expenses	19,13,518	21,45,809
Conveyance	5,01,691	5,46,096
Rent	9,42,705	12,82,000
Vehicle Expenses	38,56,882	31,81,327
Donations	43,702	33,503
Membership & Subscription Fees	-	58,488
Computer Expenses	2,80,376	2,40,749
Loss on Sale of fixed Asset	14,24,783	5,44,780
General Expenses	23,15,741	6,95,153
Postage & Telephone Charges	4,43,115	8,72,897
Sales Tax / Service Tax / GST Exp	5,55,973	3,37,748
Income Tax w.off	-	1,300
Water Charges	1,04,000	1,01,215
Electricity charges	7,52,685	6,20,932
Car/ Bus Hire Charges	17,54,393	3,22,110
Foreign Exchange Loss	1,92,849	-
Security charges	28,95,619	23,51,639
Repairs & Maintenance	32,50,422	20,26,358

10,72,59,097

8,96,65,517

Signatures to Notes to Financial Statements
For and on behalf of Board of Directors

Director

Director



NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2018

1. Corporate Information

Harish Textile Engineers Limited (“the Company”) is manufacturing organization manufacturing Textile Processing Machineries at its manufacturing facility situated at Bhilad, Dist. Umbergaun, Gujarat.

2. Significant Accounting Policies

a. Basis of preparation of Financial Statements:

- i) These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), under the historical cost convention on an accrual basis of accounting.
- ii) The Company has prepared financial statements to comply in all material respect with the Accounting Standards specified u/s 133 of the Companies Act, 2013 read with Rule 7 of Companies (Accounts) Rules, 2014.
- iii) The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

b. Estimates:

The preparation of financial statements in conformity with Indian GAAP requires judgements, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialized.

c. Fixed Assets:

i) Tangible Assets:

The Tangible Assets are stated at cost net of recoverable taxes, trade discounts and rebates less accumulated depreciation and impairment loss, if any. The cost of Tangible Assets comprises its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use and adjustments arising from exchange rate variations attributable to the assets.



ii) **Depreciation And Amortisation :**

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided based on the estimated useful life of the asset which is different than those prescribed in Schedule II for all categories of assets.

*Depreciation on Addition and deletion of assets during the year is provided on pro-rata basis.

iii) **Impairment of Assets:**

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

d. **Valuations of Inventories:**

Items of inventories are valued at lower of cost or net realizable value after providing provision for obsolesces if any. Cost of inventories comprises of cost of purchase, cost of conversion and other manufacturing overheads incurred in bringing the inventory to their present location and condition. The basis of valuation is as under:

- i) Raw materials are valued Cost on First in First Out Method
- ii) Process stock are valued at cost plus allocable overheads.

e. **Taxes on income:**

- i) Provision for Current Tax is made after taking into consideration benefits admissible under the provisions of Income Tax Act, 1961.
- ii) Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred Tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situation where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.
- iii) At each balance sheet date the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient



future taxable income will be available against which such deferred tax asserts can be realized.

f. Foreign Currency Transactions:

i) Initial Recognition:

Foreign currency transactions are accounted at reporting currency by applying to the foreign currency amount at the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii) Conversion:

Monetary items denominated in foreign currencies at the year end are restated at year end rates.

iii) Exchange Difference:

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at the rate different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as an expense in the year in which such difference arise.

iv) Non Monetary Items:

Non Monetary foreign currency items are stated at cost.

g. Revenue recognition :

i) Sale of Goods :

a) Sale of Goods Revenue is recognized only when:

- i. Risks and rewards incidental to ownership are transferred to the customer,
- ii. It can be reliably measured and
- iii. It is reasonable to expect ultimate collection.

Excise duty, deducted from turnover (gross) is the amount that is included in the amount of turnover (gross) and not the entire amount of liability accrued during the year. Sales are accounted net of discount, VAT, Central Sales Tax and GST.

b) Interest Income :

Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

c) Export Incentive :

Duty Draw Back income is recognized based on Shipping Bill of material.



h. Segment Reporting:

The Company is presently operating in Textile Processing Machinery business across the country and overseas market. The entire operations are governed by the same set of risks and returns. Hence, it has been considered as representing a single segment.

i. Earning Per Share:

Basic earning per share is calculated by dividing net profit or loss for the period attributable to equity shareholders by weighted average.

j. Provisions, Contingent Liabilities and Contingent Assets :

A provision is recognized when an enterprise has a present obligation as a result of past events; it is probable that an outflow of resources will be required to settle obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

	As at 31 March, 2018	As at 31 March, 2017
24. Auditor's remuneration		
Audit fee including tax audit fee	3,25,000/-	3,25,000/-
	<u>3,25,000/-</u>	<u>3,25,000/-</u>
25. Expenditure in Foreign Currency		
i. Commission	Nil	6,84,746/-
ii. Foreign Travelling	8,66,629/-	5,16,278/-
iii. Purchase	59,98,676/-	52,85,368/-
	<u>68,65,305/-</u>	<u>64,86,392/-</u>
26. Earnings in Foreign Currency		
Export Sales – FOB	Rs.1,97,86,861/-	Rs.4,08,10,334/-
	<u>Rs.1,97,86,861/-</u>	<u>Rs. 4,08,10,334/-</u>



HARISH TEXTILE ENGINEERS LTD.

27. Related Party Disclosures

Name of the related party and nature of transaction	Nature of Relationship	Balance As at 31 March, 2018	Transactions 2017-18	Balance as at 31 March, 2017	Transactions 2016-17
i. Harish Enterprise Pvt. Ltd. Escrow A/c (Sales)		1,43,01,056/-	Nil	19,01,511/-	3,74,07,244/-
ii. Harish Enterprise Pvt. Ltd. (Purchase / Expenses)	Associates	Nil	12,00,000/-	Nil	69,41,631/-
iii. Pacific Harish Industries Ltd (Sales)	Associates	42,42,191/-	Nil	59,12,115/-	13,09,000/-
iv. Pacific Harish Industries Ltd (Loan)	Associates	Nil	Nil	24,06,500/-	Nil
v. Every's Health Care P Ltd (Interest Income & Loan Balance)	Associates	52,33,002/-	4,89,821/-	29,65,720/-	2,22,340/-
vi. Sandeep K Gandhi – Loan	Director	50,000/-			21,65,800/-
vii. Sandeep K. Gandhi-Professional Fees	Director		52,20,000/-		52,20,000/-
viii. Technofield Marketing Pvt Ltd (Loan taken)	Associates	21,00,000/-		21,00,000/-	
ix. Pacific Global Impex Pte Ltd.- Singapore	Associates	Nil			75,21,440/-
x. Vaishali Bhirud-Professional Fees	Wife of Director		7,20,000/-		6,60,000/-
xi. Sunil Bhirud-Professional Fees	Director		11,40,000/-		10,45,000/-
xii. Rajeshkumar Sahu-Professional Fees	Director		12,48,000/-		2,12,630/-
xiii. Hitendra Desai-Professional Fees	Director		14,00,000/-		7,00,000
xv. Kirtikumar S Gandhi-Professional Fees	Director		51,00,000/-		51,00,000/-
xvi. Shovan Gandhi-Professional Fees	Son of Director		6,00,000/-		Nil
xvii. Sanish Investment & Trading Co P Ltd (Loan Taken)	Associates	5,00,000/-		5,00,000/-	
xvii. Anshu Sahu	Wife of Director		9,00,000/-		9,00,000/-

28. Contingent Liability

Particulars

2017-18

2016-17

Note: The Company does not have any liability of contingent nature.

Regd. Off. 19, Parsi Panchayat Road, Andheri- East, Mumbai – 400 069. Tel – 022-40373000



29. Particulars of Sales, Closing Stock and Opening Stock – manufactured goods.		
Particulars	As at 31 March, 2018	As at 31 March, 2017
Opening Stock	Nil	Nil
Sales		
Pacific Jigger	8	5
Rotary Screen Printing Machine	1	3
Coater	-	1
Tumbler Dryer	1	1
Stenter	38	37
Relax Dryer	5	4
Indoflex	-	1
Float Dryer	1	-
Hot Air Dryer	1	-
3 Bowl Mangle	1	-
Modular Toilet (8'*20')	2	-
Modular Toilet (4'*8')	2	-
Total	60	52
Closing Stock	Nil	Nil

30. Value of Indigenous and Imported rawmaterial consumed

Particulars	2017-18	2016-17
Value on Imports on C.I.F. Basis	Rs.64,53,447/-	Rs. 57,74,146/-
Raw Material Consumed		
Raw Material – Indigenous		
For Manufacturing	Rs.24,48,87,812/-	Rs.27,52,68,958/-
% of Total	97.43%	97.95%
For Trading (Imported)	Rs.58,29,884/-	Rs. 43,79,132 /-
% of Total	2.32%	1.55%
For Imported	Rs. 6,23,562/-	Rs. 13,95,014/-
% of Total	0.25%	0.50%

31. Deferred Tax Liabilities :

Particulars	2017-18(Rs.)	2016-17(Rs.)
Deferred Tax Liabilities		
i. Related to Fixed Assets	Nil	4,43,911
Deferred Tax Liabilities		
ii. Related to others	Nil	Nil
	Nil	4,43,911/-



HARISH TEXTILE ENGINEERS LTD.

31. Deferred Tax Assets :

Particulars	2017-18(Rs.)	2016-17(Rs.)
Deferred Tax Assets iii. Related to Fixed Assets	2,09,614	Nil
Deferred Tax Assets iv. Related to others	30,210	87,902
	<u>2,39,824/-</u>	<u>87,902/-</u>

33. Basic Earning Per Share :

	2017-18 (Rs.)	2016-17 (Rs.)
a. Profit After Tax	28,33,280/-	82,38,850/-
b. Weighted average number of ordinary shares for Basic EPS	15,38,630	5,00,000/-
c. Earning Per Share - Basic (a/b)	1.84	16.48

34. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For Harish Textile Engineers Ltd.



Director

20. Dividend Policy

The Company does not have any formal dividend policy for the equity shares. The declaration and payment of equity dividend in a company is recommended by the Board of Directors and approved by the shareholders, at their discretion, and will depend on a number of factors, including but not limited to our profits, capital requirements and overall financial condition. The Company has not paid any dividend on its equity shares so far.

21. Material Contracts and Documents

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company), which are or may be deemed material have been entered or are to be entered into by the Company. Copies of these contracts and also the documents for inspection referred to hereunder, will be delivered to the BSE Limited. These documents may be inspected at the Registered Office of Harish Textile Engineers Limited at 2nd Floor, 19, Parsi Panchayat Road, Andheri (East), Mumbai- 400069.

- a. Memorandum of Understanding entered into between the Company and Bigshare Services Private Limited, Registrar & Share Transfer Agent.
- b. Certificate of Incorporation of the Company dated March 31, 2010
- c. Certificate for Conversion from private limited to public limited dated November 28, 2017.
- d. Tripartite Agreement entered between the Company, National Securities Depository Limited (NSDL) and Bigshare Services Private Limited- Share Transfer Agents.
- e. Tripartite Agreement entered between the Company, Central Depository Services (India) Limited and Bigshare Services Private Limited- Share Transfer Agents.
- f. Listing Agreements with BSE Limited.
- g. Audited financial statements and Report of the Company for the financial year 2017-18
- h. Order dated 09th August, 2018 of the National Company Law Tribunal, Mumbai Bench, approving the Scheme of Arrangement
- i. Letter under dated November 24, 2017 of BSE Limited approving the Scheme of Arrangement.
- j. BSE letter no. DCS/AMAL/SV/R37/990/2017-18 dated November 24, 2017 granting in-principle approval for listing of 33,36,000 Equity shares of Rs.10/- each fully paid up.
- k. BSE letter no. DCS/AMAL/PB/IP/1462/2018-19 dated April 12, 2019 granting approval for listing of 41,52,000 Equity shares of Rs.10/- each fully paid up.
- l. SEBI relaxation letter under Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957, dated April 26,2019 having reference no. SEBI/HOCFD/DIL1/OW/10492/P/2019.

22. DECLARATION

To the best of our knowledge and information, all statements made in this Information Memorandum is true and correct.

For and on behalf of the Board of Directors of For Harish Textile Engineers Limited



Hitendra Chimanal Desai

Director

Din: 00452481

Dated: 27th May, 2019