



## INDEPENDENT AUDITORS' REPORT

To  
The Members,  
M/S HARI TEXTILE MILLS LIMITED,

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

#### Opinion

We have audited the accompanying financial statements of **M/S HARI TEXTILE MILLS LIMITED** ("the company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('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, 2019, and its Profit for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters are addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have nothing to report in this regard.

#### Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditors' report thereon.



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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

The Company's Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, cash flow and changes in equity of the Company in accordance with the Accounting Principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our



opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

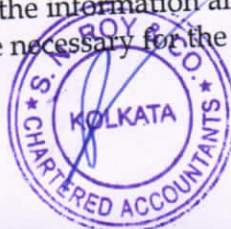
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019 and its Profit and its Cash Flows and the changes in equity for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure ('Annexure A') a statement on the matters specified in 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 purpose of our audit.



- b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, Statement of Profit and Loss and the Cash Flow Statement and the Statement of changes in equity dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e. On the basis of written representations received from the Directors as on March 31, 2019, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial 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;
- i. The Company does not have any pending litigations which would impact its financial position.
- ii. In our opinion and as per the information and explanations provides to us, the Company has not entered into any long-term contracts including derivative contracts, requiring provision under applicable laws or accounting standards, for material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.



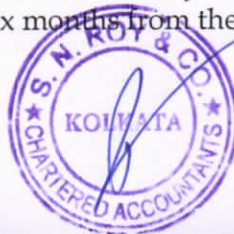
For S. N. Roy & Co.  
Chartered Accountant  
(FRN. 313054E)  
(Ranajit Majumdar)  
Partner  
(M. No. 060098)

UDIN: 19060098AAAABZ4756

**ANNEXURE 'A' TO THE INDEPENDENT AUDITORS REPORT OF EVEN DATE ON  
THE IND AS FINANCIAL STATEMENTS OF M/S HARI TEXTILE MILLS LIMITED**

Referred to in Paragraph 1 under section "Report on Other Legal and Regulatory Requirements", of our report of even date to the Ind AS financial statements of the Company for the year ended 31<sup>st</sup> March, 2019:

1. (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of its fixed assets  
(b) These fixed assets have been physically verified by the management at reasonable intervals; and no material discrepancies were noticed on such verification;  
(c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, and held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
2. Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
3. As per information and explanations given to us, the company has not granted loans to Company or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly, the provisions of paragraph 3(iii)(a) to (c) have been complied by the company.
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 Act, with respect to the loans and investments made.
5. The Company has not accepted any deposits from the public.
6. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
7. (a) According to the information explanations given to us and on the basis of our examination of the books of the Company, the Company is 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 to the appropriate authorities.  
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable.



- (b) On the basis of the information and explanations given to us, there are no material dues with respect to income tax or sales tax or service tax or duty of customs or duty of excise or value added tax pending with appropriate authorities on account of any dispute.
8. The Company has not availed any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the company.
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the company.
10. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
12. In our opinion and according to the information and explanations given to us, the Company is *not a Nidhi company*. Accordingly, paragraph 3(xii) of the Order is not applicable to the company.
13. In our opinion and according to information and explanations given to us, the company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and details of related party transactions have been disclosed in the Financial Statements as required by applicable Accounting Standards.
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. In our opinion and according to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable to the company.
16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.



For S. N. Roy & Co.  
Chartered Accountant  
(FRN.- 313054E)  
(Ranajit Majumdar),  
Partner  
(M. No. 060098)

UDIN: 19060098AAAABZ4756

Place : Kolkata  
Date :24.08.2019

**ANNEXURE 'B' TO THE INDEPENDENT AUDITORS REPORT OF EVEN DATE ON  
THE IND AS FINANCIAL STATEMENTS OF M/S HARI TEXTILE MILLS 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 **M/S HARI TEXTILES MILLS LIMITED ("the Company")** as of 31st March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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



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

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Generally Accepted Accounting Principles (GAAP), 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.



For S. N. Roy & Co.  
Chartered Accountant  
(FRN.- 313054E)

  
(Ranajit Majumdar)  
Partner

(M. No. 060098)

UDIN: 19060098AAAABZ4756

Place : Kolkata  
Date : 24.08.2019

**BALANCE SHEET AS AT 31ST MARCH, 2019**

	Note No.	As at 31.03.2019 (Amount in Rs.)	As at 31.03.2018 (Amount in Rs.)
<b>ASSETS</b>			
<b><u>Non - Current Assets</u></b>			
(a) Property, Plant and Equipment	4	17,37,700.96	17,85,618.05
(b) Financial Assets			
(i) Investments	5	19,11,131.00	19,14,651.80
(ii) Loans & Advances	6	12,180.00	12,180.00
(iii) Other Non Current Assets	7	3,09,098.00	2,03,284.00
(c) Deferred Tax Assets	8	9,530.30	8,532.06
	A	39,79,640.26	39,24,265.91
<b><u>Current Assets</u></b>			
(a) Inventories	9	92,430.05	93,370.88
(b) Financial Assets			
(i) Trade Receivables	10	4,95,577.00	7,01,577.00
(ii) Cash and Cash Equivalents	11	6,32,465.39	5,52,346.65
(iii) Loans & Advances	12	2,14,624.20	14,624.20
	B	14,35,096.64	13,61,918.73
<b>TOTAL ASSETS</b>	<b>A+B</b>	<b>54,14,736.90</b>	<b>52,86,184.64</b>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>EQUITY</u></b>			
(a) Equity Share Capital	13	63,00,000.00	63,00,000.00
(b) Other Equity	14	(18,21,265.85)	(19,19,646.17)
	C	44,78,734.15	43,80,353.83
<b><u>LIABILITIES</u></b>			
<b><u>Non Current Liability</u></b>			
(a) Other non- Current Liabilities	15	7,69,424.00	7,69,424.00
	D	7,69,424.00	7,69,424.00
<b><u>Current Liabilities</u></b>			
(a) Financial Liabilities			
- Other Financial Liabilities	16	1,47,164.75	1,36,406.81
(b) Current Tax Liabilities	17	19,414.00	-
	E	1,66,578.75	1,36,406.81
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>C+D+E</b>	<b>54,14,736.90</b>	<b>52,86,184.64</b>

Summary of significant accounting policies 1 - 3  
The accompanying notes are integral part of the Financial Statements.

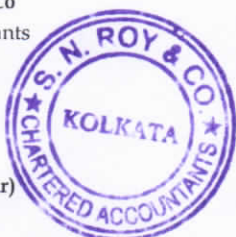
As per our Report of even date.

For S. N. Roy & Co  
Chartered Accountants  
(FRN.- 313054E)

(Ranajit Majumdar)  
Partner  
M. No.: 060098

Udin : 19060098AAAABZ4756

Place : Kolkata  
Date : 24/08/2019



For and on the behalf of Board

Sanjay Kumar Todi  
(Directors)  
DIN: 00029270



Archana Todi  
(Directors)  
DIN: 00047870

Keshore Kumar Shah  
Nisha Shah

**M/S HARI TEXTILE MILLS LIMITED**

CIN: L17115WB1974PLC029414

REGD. OFFICE: 19 AMRATOLLA STREET, KOLKATA- 700001

PHONE: 033 22355880, EMAIL: haritextltd@gmail.com

WEBSITE: haritextilemillsLtd.com

**STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2019**

	Note No.	As at 31.03.2019 (Amount in Rs.)	As at 31.03.2018 (Amount in Rs.)
I Revenue from operations	18	9,73,000.00	11,65,491.50
II Other Income	19	-	1,06,026.00
III Total Income (I+II)		<u>9,73,000.00</u>	<u>12,71,517.50</u>
IV Expenses			
Purchases of Stock-in-trade		-	2,40,876.88
Change in inventories of finished goods, stock in trade	20	940.83	26,716.12
Employee Benefits expense	21	4,86,140.00	4,57,391.00
Depreciation and amortization expense	4	47,917.09	53,246.15
Other Expenses	22	3,40,620.00	5,61,194.14
Total Expenses (IV)		<u>8,75,617.92</u>	<u>13,39,424.29</u>
(V) Profit/ (Loss) before Exceptional items and tax		97,382.08	(67,906.79)
(VI) Exceptional items		-	-
(VII) Profit/ (Loss) before tax (V-VI)		<u>97,382.08</u>	<u>(67,906.79)</u>
(VIII) Tax expenses	23		
(i) Current Tax		19,414.00	-
(ii) Deferred Tax (Asset)		(998.24)	(8,532.06)
(iii) (Excess)/Short provision for the earlier years		-	64,235.00
(iv) MAT Credit		(19,414.00)	-
Total Tax Expense		<u>(998.24)</u>	<u>(72,767.06)</u>
(IX) Profit for the year		98,380.32	4,860.27
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		<u>98,380.32</u>	<u>(1,40,673.85)</u>
Earnings per Equity Share per Nominal Value of Share:- 10/-	29		
Basic		0.16	(0.22)
Diluted		0.16	(0.22)
Summary of significant accounting policies	1 - 3		

The accompanying notes are an integral part of the financial statements.  
As per our Report of even date.

For S. N. Roy & Co  
Chartered Accountant  
(FRN.- 313054E)

  
(Ranajit Majumdar)  
Partner  
M. No.: 060098

UDIN : 19060098AAAABZ4756


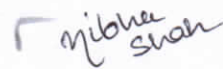


  
Sanjay Kumar Todi  
(Directors)  
DIN: 00029270

For and on the behalf of Board



  
Archana Todi  
(Directors)  
DIN: 00047870

  
Kishore Kumar Shah  
  
Nibha Shah

Place : Kolkata  
Date : 24/08/2019

# M/S HARI TEXTILE MILLS LIMITED

	Year Ended 31st March 2019	Year Ended 31st March 2018
<b>Cash Flow from Operating Activities</b>		
Profit/(Loss) Before tax	97,382.08	(67,906.79)
Adjustment for		
Depreciation/Amortization	47,917.09	53,246.15
Fair Value Loss on Financial Assets	3,520.80	33,134.20
Interest Income	-	1,06,026.00
Interest Expenses	-	-
Operating Profit before Working Capital Change	1,48,819.97	1,24,499.56
Movements in Working capital changes		
Increase/(Decrease) in other current liabilities	10,757.94	(1,25,246.94)
(Increase) / Decrease in Inventories	940.83	26,716.12
(Increase) / Decrease in trade receivables	2,06,000.00	(57,000.00)
(Increase) / Decrease in other non current assets	-	2,00,583.00
(Increase) / Decrease in loans and advances	(2,00,000.00)	2,50,000.00
Cash generated from/(used in) operations	1,66,518.74	4,19,551.74
Direct taxed paid (net of refunds)	86,400.00	98,985.00
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>80,118.74</b>	<b>3,20,566.74</b>
<b>Cash Flow from Investing Activities</b>		
Interest Income	-	(1,06,026.00)
(Purchase) from / Sale of Fixed Assets	-	-
(Proceeds) from / Sale of Investments	-	-
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>-</b>	<b>(1,06,026.00)</b>
<b>Cash Flow from Financing Activities</b>		
Proceeds from /(Repayment of ) long term borrowings	-	-
Proceeds from /(Repayment of ) Short term borrowings	-	-
Interest paid	-	-
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>-</b>	<b>-</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A + B + C)	80,118.74	2,14,540.74
Cash & Cash Equivalents at the beginning of the year	5,52,346.65	3,37,805.91
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>6,32,465.39</b>	<b>5,52,346.65</b>
<b>Components of Cash &amp; Cash Equivalents</b>		
Cash on hand	2,05,843.00	1,24,499.00
With Banks	4,26,622.39	4,27,847.65
<b>Total</b>	<b>6,32,465.39</b>	<b>5,52,346.65</b>

This is the Cash Flow Statement referred to in our report of even date, which has been prepared on the basis of Indirect method, As per Ind AS 7.

For, S. N. Roy & Co.

Firm Registration No. - 313054E

Chartered Accountants

(Ranajit Majumdar)  
Partner

Membership No. - 060098  
Kolkata, 24th August, 2019



For and on behalf of the Board of Directors

Sanjay Kumar Todi  
Director  
DIN: 00029270



Archana Todi

Archana Todi  
Director  
DIN: 00047870

Kishore Kumar Shah  
Nisha Shah

# M/S HARI TEXTILE MILLS LIMITED

(NOTE:1-3)

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

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## **1. Corporate Information:**

M/S Hari Textiles Mills Limited ("the Company") is a limited company incorporated and domiciled in India. The registered office of the Company is located at Kolkata, West Bengal. The equity shares of the Company is listed on Calcutta Stock Exchange.

The Company is mainly engaged in the business of renting the property and maintenance as detailed under Revenue from Operations.

## **2. Basis of Preparation:**

### **2.1 Statement of compliance**

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) and the provisions of the Companies Act, 2013 ('Act'). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies Act (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issues thereafter.

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

The standalone Ind AS financial statements are presented in Indian Rupees ("INR") which is also the Company's functional currency.

### **2.2 Basis of measurement**

The financial statements have been prepared on the historical cost basis, except certain financial assets that are qualified to be measured at fair value.

Previous Years figures have been regrouped and rearranged wherever applicable to do so for better reporting.

### **2.3 Use of estimates and judgements**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as at the date of the financial statements and the reported amount of revenues and expense during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.



## 2.4 Current versus Non-current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- a) expected to be realised or intended to be sold or consumed in the normal operating cycle,
- b) held primarily for the purpose of trading,
- c) expected to be realised within twelve months after the reporting period, or
- d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- a) it is expected to be settled in the normal operating cycle,
- b) it is held primarily for the purpose of trading,
- c) it is due to be settled within twelve months after the reporting period, or
- d) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

## 3. Significant accounting policies

This note provides a list of the Significant Accounting Policies adopted in the preparation of the financial statements. These policies are consistently applied to all the years presented, unless otherwise stated.

### 3.1 Property, Plant & Equipment

The Company has adopted cost model as its accounting policy to entire class of property, plant and equipments and are carried at its historical cost less accumulated depreciation as was adopted in earlier year. Cost comprises the purchase price and any attributable cost of bringing the assets to its working condition for its intended use.

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

Depreciation is provided on a Written Down Value Method (WDV) over the estimated useful lives of the property, plant and equipment as estimated by the Management and is generally recognized in the statement of profit and loss in accordance with Schedule II of the Act. Each component of an item of property, plant and equipment with a cost that is significant in relation to the cost of that item is depreciated separately if its useful life differs from the other components of the item.

Estimated useful lives of the property, plant and equipment as estimated by the management are as follows:

- Factory buildings - 30 years
- Office equipments - 5 years

Land is considered not depreciable.



### **3.2 Inventories**

Inventories are stated at lower of cost or net realizable value as reviewed by management. Cost of inventories comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition.

### **3.3 Recognition of Income and Expenditure:**

Revenue Recognition: Revenue from Customers is recognized as and when controls over goods & services are transferred to the customers and the economic benefits will flow to the company. All expenses are recognized on accrual basis.

### **3.4 Investment and Other Financial Assets**

The Company classified and measured its financial asset at:

- Fair value through profit and loss (FVTPL)
- Fair value of unquoted shares has been stated at cost, the management is of the view that the unquoted shares will overall fetch the same value as reflected in the relevant notes to account.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will be recorded in profit or loss.

The Company measures all Equity Share (Quoted) at fair value, except where the market value of quoted shares are not available. Changes in the fair value of financial assets are recognised as income/expense in the Statement of Profit & Loss.

The methods used to determine fair value include available quoted market prices except where the market value of quoted shares are not available.

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivable are initially recognized when they are originated at fair value.

All other financial assets and financial liabilities are initially recognized when the company become a party to the contractual provision of the instrument. All financial instruments are recognized initially at fair value.

### **3.5 Accounting for Taxes on Income:**

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

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.



Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

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

Current and deferred tax is recognised in profit or loss.

### **3.6 Provisions & Contingencies**

A provision is recognized if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognized at the best estimate of the expenditure required to settle the present obligation at the reporting date.

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

### **3.7 Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, balances with bank and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes.

### **3.8 Earnings Per Share**

#### **(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year

#### **(ii) Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.



### 3.9 Segment Reporting

Segment Reporting is not applicable to the Company as the Company operates in a single reportable operating segment.

### 3.10 Recent accounting pronouncements

Standard issued but not effective

The Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing the following new amendments to Ind AS which the Company has not applied as they are effective for annual periods beginning on or after 1 April 2019.

#### Ind AS 116, Leases

Ind AS 116 'Leases' eliminates the classification of leases as either finance leases or operating leases. All leases are required to be reported on an entity's balance sheet as assets and liabilities. Leases are capitalised by recognising the present value of the lease payments and showing them either as lease assets or together with property, plant and equipment. If lease payments are made over time, a financial liability representing the future obligation will be recognised.

Ind AS 116 will be effective from 1 April 2019. The Company is currently assessing the impact of the new standard and expects there to be no material impact to the assets and liabilities recognised in the financial statements, as well as the statement of profit and loss.

### 3.11 Critical Estimates and judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

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

The areas involving critical estimates or judgements are:

#### Impairment of trade receivables

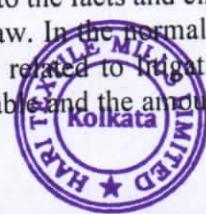
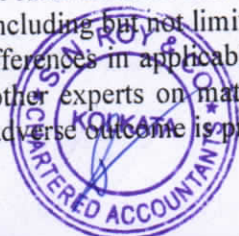
The risk of uncollectibility of trade receivables is primarily estimated based on prior experience with, and the past due status of, doubtful debtors, based on factors that include ability to pay, bankruptcy and payment history. The assumptions and estimates applied for determining the provision for impairment (if any) are reviewed periodically.

#### Estimation of expected useful lives of property, plant and equipment

Management reviews its estimate of the useful lives of property, plant and equipment at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment.

#### Contingencies

The cases and claims against the Company often raise difficult and complex factual and legal issues that are subject to many uncertainties and complexities, including but not limited to the facts and circumstances of each particular case/claim, the jurisdiction and the differences in applicable law. In the normal course of business, the Company consults with legal counsel and other experts on matters related to litigations. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be



reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

#### Valuation of deferred tax assets

Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

#### Fair value measurements

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, they were measured at cost in absence of other valuation techniques, which involve various judgements and assumptions.

### IN TERMS OF OUR REPORT OF EVEN DATE ATTACHED


For, S. N. Roy & Co.  
Chartered Accountants  
(FRN- 313054E)

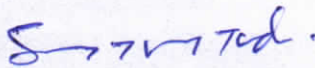


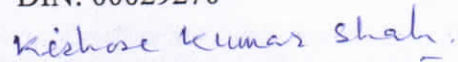
  
(Ranajit Majumdar)  
Partner

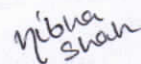
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UDIN: 19060098AAAABZ4756



  
Archana Todi  
Director  
DIN: 00047870

  
Sanjay Kumar Todi  
Director  
DIN: 00029270

  
Kishore Kumar Shah

  
Nibha Shah

Place: Kolkata  
Date: 24.08.2019

NOTE:4

## HARI TEXTILE MILLS LTD

## PROPERTY, PLANT AND EQUIPMENT

(i)	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK			
		Balance as at 1st April, 2018	Add.	Disposals	Balance as at 31st March, 2019	Upto 1st April, 2018	For the Year	Disposals	Upto 31st March, 2019	Balance as at 31st March, 2018	Balance as at 31st March, 2019	Balance as at 31st March, 2018	Balance as at 31st March, 2019
	TANGIBLE ASSETS	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	LAND	12,72,465.00	-	-	12,72,465.00	-	-	-	-	12,72,465.00	12,72,465.00	12,72,465.00	12,72,465.00
	BUILDING	9,25,978.53	-	-	9,25,978.53	4,30,436.08	47,076.53	-	4,77,512.61	4,48,465.92	4,95,542.45	4,95,542.45	4,95,542.45
	ELECTRIC	4,38,029.95	-	-	4,38,029.95	4,22,284.95	-	-	4,22,284.95	15,745.00	15,745.00	15,745.00	15,745.00
	AIR CONDITIONER	6,183.00	-	-	6,183.00	4,317.40	840.56	-	5,157.96	1,025.04	1,865.60	1,865.60	1,865.60
	TOTAL	26,42,656.48	-	-	26,42,656.48	8,57,038.43	47,917.09	-	9,04,955.52	17,37,700.96	17,85,618.05	17,85,618.05	17,85,618.05

Note :-4. Property, plant and equipment

31/03/2018

Particulars	Deemed Cost(Gross carrying amount) as on 01/04/2017	Additions/ Deletions	31-03-2018	Additions/ Deletions	31/03/2019	Up to 01-04-2017	Additions/ Deletions	For the year 2017-18	31/03/2018	01-04-2018	Deletions/ Adjustmen t	For the year 2018-19	31/03/2019	31/03/2019	31/03/2018
LAND	12,72,465.00	-	12,72,465.00	-	12,72,465.00	-	-	-	-	-	-	-	-	12,72,465.00	12,72,465.00
BUILDING	9,25,978.53	-	9,25,978.53	-	9,25,978.53	3,78,720.65	-	51,715.43	4,30,436.08	4,30,436.08	-	47,076.53	4,77,512.61	4,48,465.92	4,95,542.45
ELECTRIC	4,38,029.95	-	4,38,029.95	-	4,38,029.95	4,22,284.95	-	-	4,22,284.95	4,22,284.95	-	-	4,22,284.95	15,745.00	15,745.00
AIR CONDITIONER	6,183.00	-	6,183.00	-	6,183.00	2,786.68	-	1,530.72	4,317.40	4,317.40	-	840.56	5,157.96	1,025.04	1,865.60
TOTAL :	26,42,656.48	-	26,42,656.48	-	26,42,656.48	8,03,792.28	-	53,246.15	8,57,038.43	8,57,038.43	-	47,917.09	9,04,955.52	17,37,700.96	17,85,618.05



# M/S HARI TEXTILE MILLS LIMITED

## Note No:- 5. Non Current Investments

	As at 31.03.2019	As at 31.03.2018
Investment in Equity Instruments		
In Others		
Investment in quoted shares (Schedule "A")	1,16,131.00	1,19,651.80
Investment in unquoted shares (Schedule "B")	17,95,000.00	17,95,000.00
	<u>19,11,131.00</u>	<u>19,14,651.80</u>

## Note No:-6. Loans & Advances

	As at 31.03.2019	As at 31.03.2018
Security Deposit	12,180.00	12,180.00
	<u>12,180.00</u>	<u>12,180.00</u>

## Note No:-7. Other Non Current Assets

	As at 31.03.2019	As at 31.03.2018
Other Non Current Assets		
Tax Deducted at source	2,58,324.00	1,71,924.00
MAT Receivable	50,774.00	31,360.00
	<u>3,09,098.00</u>	<u>2,03,284.00</u>

## Note No:-8. Deferred Tax Assets (Net)

	As at 31.03.2019	As at 31.03.2018
Deferred Tax Assets		
On Fair valuation of Investments	9,530.30	8,532.06
	<u>9,530.30</u>	<u>8,532.06</u>

## Note No:-9. Inventories

	As at 31.03.2019	As at 31.03.2018
Closing Stock of finished goods	92,430.05	93,370.88
	<u>92,430.05</u>	<u>93,370.88</u>

## Note No:-10. Trade Receivables

	As at 31.03.2019	As at 31.03.2018
(Unsecured and Considered Good)		
Over Six months	4,59,577.00	6,09,577.00
Others	36,000.00	92,000.00
	<u>4,95,577.00</u>	<u>7,01,577.00</u>

## Note No:-11. Cash and Cash Equivalents

	As at 31.03.2019	As at 31.03.2018
Cash and Bank Balances		
Balance with Bank	4,26,622.39	4,27,847.65
Cash in Hand	2,05,843.00	1,24,499.00
	<u>6,32,465.39</u>	<u>5,52,346.65</u>

## Note No:-12. Loans & Advances

	As at 31.03.2019	As at 31.03.2018
Advances to staff	3,000.00	3,000.00
Advances recoverable in cash or in kind	2,11,624.20	11,624.20
	<u>2,14,624.20</u>	<u>14,624.20</u>



# M/S HARI TEXTILE MILLS LIMITED

## Note No:- 13. Equity Share Capital

	As at 31.03.2019	As at 31.03.2018
<b>AUTHORISED:</b>		
20,00,00 Equity Shares of 10/- each	2,00,00,000.00	2,00,00,000.00
<b>ISSUED, SUBSCRIBED &amp; PAID UP:</b>		
6,30,000 Equity Shares of 10/- each fully paid up	63,00,000.00	63,00,000.00
	<u>63,00,000.00</u>	<u>63,00,000.00</u>

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

Equity Shares	As at 31.03.2019		As at 31.03.2018	
	Nos.	Amount In Rs.	Nos.	Amount In Rs.
At the beginning of the period	6,30,000	63,00,000.00	6,30,000	63,00,000.00
Issued during the period:- Private Placements	-	-	-	-
Issued during the period:- Bonus Issue	-	-	-	-
Outstanding at the end of the period	6,30,000	63,00,000.00	6,30,000	63,00,000.00

### b. Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

### c. The company has not issued any bonus shares or any shares for consideration other than cash.

### d. Details of shareholders holding more than 5% shares in the company (Equity shares of 10 each fully paid)

Name of the Shareholders	As at 31.03.2019		As at 31.03.2018	
	Nos.	% of Holding	Nos.	% of Holding
SARLA DEVI TODI & ARCHANA TODI	36,800	5.84%	36,800	5.84%
SARLA DEVI TODI & SANJAY KR TODI	48,000	7.62%	48,000	7.62%
AGRO FOOD PROJECTS LTD	-	0.00%	50,000	7.94%
ASIAN VEGPRO IND. LTD	-	0.00%	50,000	7.94%
MURABROWN TRADING PVT LTD	-	0.00%	50,000	7.94%
IPB DEALERS PRIVATE LIMITED	40,000	6.35%	40,000	6.35%
<b>TOTAL</b>	<b>1,24,800</b>	<b>19.81%</b>	<b>2,74,800</b>	<b>43.62%</b>



# M/S HARI TEXTILE MILLS LIMITED

## Note No:- 14. Other Equity

	As at 31.03.2019	As at 31.03.2018
<b>Reserve &amp; Surplus</b>		
Balance as per last financial statements	(19,19,646.17)	(18,47,225.44)
Add: Investment Allowance & Capital Subsidy	-	51,189.00
Add: Profit / (Loss) for the year	97,382.08	(67,906.79)
Net surplus / (Deficit) in the statement of Profit and Loss	(18,22,264.09)	(18,63,943.23)
Add / (Less) : Appropriations		
Current Tax	(19,414.00)	-
Deferred Tax	998.24	8,532.06
(Excess)/Short provision for the earlier years	-	(64,235.00)
MAT Credit	19,414.00	-
	<u>(18,21,265.85)</u>	<u>(19,19,646.17)</u>
<b>Total Reserve and Surplus</b>	<u>(18,21,265.85)</u>	<u>(19,19,646.17)</u>

## Note No:- 15. Other Non-current Liabilities

	As at 31.03.2019	As at 31.03.2018
Other	19,424.00	19,424.00
Security Deposit	7,50,000.00	7,50,000.00
	<u>7,69,424.00</u>	<u>7,69,424.00</u>

## Note No:- 16. Other Current Liabilities

	As at 31.03.2019	As at 31.03.2018
Liabilities for Expenses	1,47,164.75	1,36,004.81
Statutory Dues	-	402.00
	<u>1,47,164.75</u>	<u>1,36,406.81</u>

## Note No:- 17. Current Tax Liabilities

	As at 31.03.2019	As at 31.03.2018
Provision for Income Tax	19,414.00	-
	<u>19,414.00</u>	<u>-</u>



# M/S HARI TEXTILE MILLS LIMITED

(Amount in Rs.)

## Note No:- 18. Revenue From Operation

	As at 31.03.2019	As at 31.03.2018
Sale of Product	-	2,87,291.50
Other Operating Revenues		
- Rent Received	8,52,000.00	7,51,200.00
- Lease Rent Received	1,000.00	7,000.00
- Utility Charges Received	1,20,000.00	1,20,000.00
	9,73,000.00	11,65,491.50

## Note No:- 19. Other Income

	As at 31.03.2019	As at 31.03.2018
Interest on IT Refund	-	56,026.00
Lease Premium Received	-	50,000.00
	-	1,06,026.00

## Note No. 20. Change in Stock in Trade

	As at 31.03.2019	As at 31.03.2018
Opening Stock	93,370.88	1,20,087.00
Closing Stock	92,430.05	93,370.88
	940.83	26,716.12

## Note No:- 21. Employee Benefit Expenses

	As at 31.03.2019	As at 31.03.2018
Salary	2,19,600.00	1,90,800.00
Staff Welfare	4,190.00	4,241.00
Bonus & Leave Pay	22,350.00	22,350.00
Director's Salary	2,40,000.00	2,40,000.00
	4,86,140.00	4,57,391.00

## Note No:- 22. Other Expenses

	As at 31.03.2019	As at 31.03.2018
Audit Fee	17,700.00	11,800.00
Bank Commission	152.80	9.00
Business Promotion Expense	4,137.00	40,704
Computer Expenses	20,000.00	20,000.00
Electricity Charge	4,800.00	-
Entertainment Expenses	39,988.40	68,104.52
Fair Value Loss on Financial Assets (Investments) at FVTPL	3,520.80	33,134.20
Filing Fee	4,407.00	1,334.00
General Expenses	3,407.00	2,901.62
Interest on Delay payment of Statutory Dues	8,700.00	1,000.00
Listing Fees	32,980.00	28,750.00
Postage, Telephone & Telex	6,409.00	5,409.00
Printing & Stationery	1,335.00	650.00
Profession Tax	2,900.00	2,500.00
Legal & Professional Expense	57,810.00	41,185.00
Rates & Taxes	25,920.00	25,920.00
Rent	18,372.00	18,372.00
Repair & Renewals	50,505.00	1,06,114.00
Subscription	32,358.00	25,624.00
Trade Licence Fees	2,150.00	2,172.80
Travelling & Conveyance Expense	-	1,22,910.00
Website Expense	3,068.00	2,600.00
	3,40,620.00	5,61,194.14



**Note No:- 23 Income Tax Expense**

Numerical reconciliation of Income Tax Expense to prima facie tax payable:

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Profit Before Income Tax Expense	<u>97,382.08</u>	<u>(67,906.79)</u>
Income Tax at the rate of 26% (LY 25.75%)	25,319.00	0.00
Adjustment due to Carried Forward of losses	(25,319.00)	0.00
MAT Tax	18,736.00	0.00
Adjustment	678.00	0.00
Tax provision for earlier years	0.00	(64,235.00)
Deferred Tax Provision	(998.24)	(8,532.06)
MAT Credit	(19,414.00)	0.00
Total Income Tax Expense	(998.24)	(72,767.06)

The applicable Indian statutory income tax rate (MAT) for the year ended 31st March 2019 was 19.24% and for the year ended 31st March 2018 was 19.055%.

**Note No:- 24 Movement of Deferred Tax (Assets)/Liabilities**

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Opening Balance	(8,532.06)	0.00
On Fair Valuation of Assets	(998.24)	(8,532.06)
Closing Balance	(9,530.30)	(8,532.06)

**Note No:- 25 Fair Value Measurement**

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
<u>Financial Assets</u>		
Investment in Equity Instruments	19,11,131.00	19,14,651.80

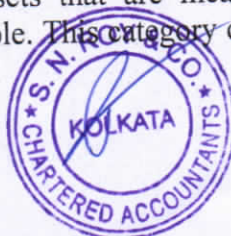
The Company has made an irrevocable election at date of transition to recognise changes in fair value of investments in equity securities which are not held for trading through profit or loss as the management believes that presenting fair value gains and losses relating to these investments in the Statement of Profit and Loss indicative of the performance of the Company.

**Fair value hierarchy**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into level 1 to level 3, as described below:

**Quoted prices in an active market (level 1):**

This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets, wherever available. This category consists of investment in quoted equity shares.



Valuation techniques with significant unobservable inputs (level 3):

This level of hierarchy includes Company's investments in equity shares which are unquoted or for which quoted prices are not available at the reporting dates. The Company's policy is to recognise at cost as at the end of the reporting period.

- (a) Investments carried at fair value are generally based on market price quotations. However in cases where quoted prices are not available, the management has determine the value at cost of the investments. Valuation of unquoted equity instruments has been done on cost.
- (b) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

#### **Note No:- 26 Capital Management**

**(a) Risk management**

The Company's objectives when managing capital are to:

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

The Company's policy is to maintain a stable and strong capital structure with a focus on total equity so as to maintain investors, creditors and market confidence and to sustain future development and growth of its business. The Company will take appropriate steps in order to maintain, or if necessary adjust, its capital structure. The Company is not subject to any externally imposed capital requirements.

No changes were made to the objectives, policies or processes for managing capital during the years ended 31st March 2019 and 31st March 2018.

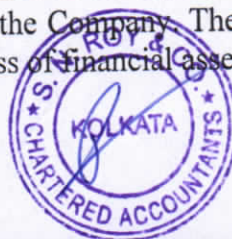
#### **Note No:- 27 Financial Risk Measurement**

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of it in the financial statements.

<u>Risk</u>	<u>Exposure arising from</u>	<u>Measurement</u>	<u>Management</u>
Credit risk	Cash and cash equivalents, trade receivables,	Ageing analysis	Diversification of customer base
Liquidity risk	Other liabilities	Cash flow forecasts	Availability of committed credit lines
Market risk	Investments in equity securities	Sensitivity analysis	Regular monitoring of security prices

**(A) Credit risk**

The Company takes on exposure to credit risk, which is the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.



**(B) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally performed in accordance with practice and limits set by the Company.

**(C) Market risk (Securities price risk)**

Securities price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded prices.

**Note No:- 28 Employee Benefits**

The provisions in respect of employees retirement benefit are not accounted for. The same shall be recognized as expense as and when paid.

**Note No:- 29 Earning Per Share**

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

Earnings per equity share Particulars	Year ended 31st March 2019	Year ended 31st March 2018
Profit after tax available to equity shareholders:		
Profit for the year	98,380.32	(1,40,673.85)
Number of equity shares at the beginning of the year	6,30,000	6,30,000
Number of equity shares issued during the year	- -	- -
Weighted average number of equity shares outstanding during the year	6,30,000	6,30,000
Basic and diluted earnings per equity share	0.16	(0.22)

**Note No:- 30 Details of dues to Micro and Small Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)**

As confirmed by the management, there is no amount due to Micro and Small Enterprises at the end of reporting period.

**Note No:- 31 Related Party Disclosures**

**Names of Related Parties and Related Party relationship**

**Related Parties with whom transactions have taken place during the year**

Enterprise having significant influence on the Company Nil

**Key Management Personnel/Directors**

Mr. Sanjay Kumar Todi (Wholetime Director)  
Ms. Archana Sanjay Todi (Director)  
Mr. Om Prakash Todi (Director)  
Mr. Krishna Kumar Todi (Director)  
Mr. Lakshmi Kant Shah (Additional Director)  
Ms. Nibha Shah (Company Secretary)  
Mr. Kishore Kumar Shah (CFO)



Relatives of Key Management Personnel/  
Directors

Ms. Anushka Todi  
Ms. Ayushi Todi  
Ms. Sarla Devi Todi  
Ms. Sujata Bagla

Enterprises owned or significantly  
Influenced by Key Management Personnel/  
Directors of their relatives

Continental Agencies Pvt Ltd.  
Madhva Textile Processors Pvt Ltd.  
Nirman Legal Consultancy Services Pvt Ltd.  
Kalaniketan Properties Pvt. Ltd.  
Sadan Park Properties Pvt Ltd  
Sweety Apparels Pvt Ltd.

Post-employment employee benefit plans

Nil

### Related Party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

a. Enterprises having significant influence on the Company Nil

b. Transactions with Key Managerial Personnel/Directors

(i) Key Management Personnel/Directors Compensation\* Nil

\*No Separate valuation is done for Key Managerial Personnel in respect of post-employment benefits and other long-term benefits.

(ii) Remuneration to Key Managerial Personnel/Directors

Particulars	Year ended	Transaction during the year
<b>Directors Remuneration</b>		
Mr. Sanjay Kumar Todi	31-Mar-19	1,20,000.00
	31-Mar-18	1,20,000.00
Ms. Archana Sanjay Todi	31-Mar-19	1,20,000.00
	31-Mar-18	1,20,000.00
<b>Total</b>	<b>31-Mar-19</b>	<b>2,40,000.00</b>
	<b>31-Mar-18</b>	<b>2,40,000.00</b>

Note: The Remuneration to Key Managerial Personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

(iii) Dividend paid Nil

(iv) Outstanding balances – Key Managerial Personnel

Particulars	As as	Amount owed by related parties	Amount owed to related parties
Remuneration receivable/payable	31-Mar-19	-	-
Mr. Sanjay Kumar Todi	31-Mar-18	-	7,778.00

c. Relatives of Directors / Key Management Personnel  
Dividend paid

Nil



**d. Enterprises owned or significantly influenced by Key Management Personnel or their relatives**

Particulars	Year ended	Advances	Computer Expenses	Rent Income	Electric Charges
Madhva Textile Processors Pvt Ltd	31-Mar-19	2,00,000.00	-	-	4,800.00
	31-Mar-18	-	-	-	-
Kumarpara Textile Mills Pvt Ltd	31-Mar-19	-	20,000.00	12,000.00	-
	31-Mar-18	-	-	12,000.00	-

**Outstanding balances**

Particulars	As as	Amount owed by related parties	Amount owed to related parties
Madhva Textile Processors Pvt Ltd (Advances)	31-Mar-19 31-Mar-18	2,00,000.00 -	- -
Madhva Textile Processors Pvt Ltd (Liabilities for Expenses)	31-Mar-19 31-Mar-18	- -	4,800.00 -
Continental Agencies Pvt Ltd (Trade Receivables)	31-Mar-19 31-Mar-18	66,701.00 2,16,701.00	- -
Sweetie Apparels Pvt Ltd (Trade Receivables)	31-Mar-19 31-Mar-18	3,92,876.00 3,92,876.00	- -
Continental Agencies Pvt Ltd (Investments)	31-Mar-19 31-Mar-18	25,000.00 25,000.00	- -
Madhva Textile Processors Pvt Ltd (Investments)	31-Mar-19 31-Mar-18	6,00,000.00 6,00,000.00	- -
Nirman Legal Consultancy Services Mills Pvt Ltd (Investments)	31-Mar-19 31-Mar-18	2,70,000.00 2,70,000.00	- -

**e. Post-employment employee benefit plans**  
**Contribution to Employees' Benefit Plans**

Nil

**Outstanding balances – Payables**

Nil

**f. Terms and conditions of transactions with related parties**

Transactions relating to dividend were on the same terms and conditions that applied to other shareholders. The sale to and purchases from related parties are made in the ordinary course of business. No provisions are held against receivables from related parties.



**Note No:- 32 Quarterly Review Report**

The Company has also submitted Quarterly Review report as required in terms of Clause 41 of the Listing Agreement to SEBI. Following Differences have been observed in between amount reported in limited review report and Audited Financial Statement as per Companies Act, 2013.

<u>Particulars</u>	<u>As per Limited Review Report</u>	<u>As per Audited Financial Statement</u>	<u>Differences</u>
Revenue from Operations	863,213.00	973,000.00	- 109,787.00
Other Expense	319,399.20	340,620.00	21,220.80
Depreciation	0.00	47,917.09	47,917.09
Profit Before Tax	57,673.80	97,382.08	39,708.28



# M/S HARI TEXTILE MILLS LIMITED

## Statement of changes in equity for the year ended 31 March 2019

### A. Equity Share Capital

	31.03.2019	31.03.2018
	(Amount in Rs.)	(Amount in Rs.)
Opening Balance	63,00,000.00	63,00,000.00
Changes in equity share capital	-	-
Closing balance	63,00,000.00	63,00,000.00

### B. Other equity

	31.03.2019	31.03.2018
Reserves & Surplus	(19,19,646.17)	(18,47,225.44)
Investallowance and Capital Subsidy		51,189.00
Surplus/(deficit) for the year	97,382.08	(67,906.79)
Current Tax	(19,414.00)	-
Deferred Tax	998.24	8,532.06
(Excess)/Short provision for the earlier years	-	(64,235.00)
MAT Credit	19,414.00	-
	(18,21,265.85)	(19,19,646.17)

Summary of significant accounting policies and additional notes to accounts

1-3

The accompanying notes are an integral part of the financial statements.  
As per our report of even date

For S. N. Roy & Co  
Chartered Accountants  
(FRN.- 313054E)



(Ranajit Majumdar)  
Partner  
M. No.: 060098


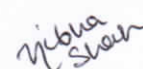


For and on behalf of the board of directors

  
Sanjay Kumar Todi  
Director  
DIN: 00029270

  
Archana Todi  
Director  
DIN: 00047870



  
Kishore Kumar Shetty  
  
Nibha Shetty

Place: Kolkata  
Date: 24/08/2019

# M/S HARI TEXTILE MILLS LIMITED

## Investment in quoted shares

### Schedule "A"

<u>Sl. No.</u>	<u>Particulars</u>	<u>As at 31.03.2019</u>	<u>As at 31.03.2018</u>
1	Bijko Holding Co. Ltd (50 Equity shares of Rs. 10 each)	255.00	255.00
2	Monpholl Export Ltd. (50 Equity shares of Rs.10 each)	255.00	255.00
3	Vishal Lakto Ltd. (3000 Equity shares of Rs. 10 each)	60,300.00	60,300.00
4	Unimorse India Ltd. (37 Equity shares of Rs.10 each)	7,050.00	7,050.00
5	Orkay Industries Ltd. (1000 Equity shares of Rs.10 each)	28,150.00	28,150.00
6	Nihan Nirman Ltd. (500 Equity shares of Rs. 10 each)	5,050.00	5,050.00
7	Tata Coffee Ltd (110 Equity shares of Rs.1 each)	9,922.00	12,515.80
8	Steel Co. Gujrat Ltd. (300 Equity shares of Rs.10 each)	1,149.00	2,076.00
9	Triveni Sheet (Detachable Warrant (4000 Equity shares of Rs.10 each)	4,000.00	4,000.00
		<u>1,16,131.00</u>	<u>1,19,651.80</u>
	Market value of quoted shares	<u>1,16,131.00</u>	<u>1,19,651.80</u>

Note: Market value of quoted shares have been taken as cost price of shares, where the market value of shares are not available.

## Investment in unquoted shares

### Schedule "B"

1	Mega Marketing Ltd. (2000 Equity shares of Rs.10 each)	1,50,000.00	1,50,000.00
2	Continental Agencies Pvt. Ltd.(250 equity shares of Rs.100 each)	25,000.00	25,000.00
3	Madhva Textile Processors Pvt. Ltd.(6000 Equity shares of Rs.100 each)	6,00,000.00	6,00,000.00
4	Kumarpara Textiles Mills (3000 Equity shares of Rs.100 each)	2,70,000.00	2,70,000.00
5	Shree Mana Ma Finance (P) Ltd (75000 Equity shares of Rs.10 each)	7,50,000.00	7,50,000.00
		<u>17,95,000.00</u>	<u>17,95,000.00</u>

