

DIRECTORS' REPORT

To,
The Members
HARI TEXTILE MILLS LIMITED

Your Directors have pleasure in presenting their 46th Annual Report together with the Audited financial statements of your Company for the year ended 31st March, 2020.

KEY FINANCIAL HIGHLIGHTS

The highlights of the financial results of the Company are as follows:

(AMT. IN RUPEES)

PARTICULARS	<i>Year Ended March 31, 2020</i>	<i>Year Ended March 31, 2019</i>
<i>Revenue from Operations</i>	11,78,920.00	9,73,000.00
<i>Other Income</i>	5,493.00	-
<i>Total Revenue</i>	11,84,413.00	9,73,000.00
<i>Total Expenses</i>	12,00,279.90	8,75,617.92
<i>Profit/ (Loss) for the year before tax</i>	(15,866.90)	97,382.08
<i>Less : Provision for Taxation</i>	-	-
<i>Current Tax</i>	-	19,414.00
<i>Deferred Tax</i>	(1,168.83)	(998.24)
<i>Mat Credit Entitlement</i>	-	(19,414.00)
<i>(Excess)/Short provision for the earlier year</i>	-	-
Profit during the year (PAT)	(14,698.07)	98,380.32
<i>Add : Profit B/F from previous Year</i>	(18,21,265.85)	(19,19,646.17)
<i>Sub Total</i>		
<i>Less: P/L Appropriation</i>	-	-
<i>Less : Investment Allowance & Capital Subsidy against generator</i>	-	-
Balance C/f to Balance Sheet	(18,35,963.92)	(18,21,265.85)

BUSINESS PERFORMANCE REVIEW

The main operations of the Company are that of Manufacturing & Trading of Fabrics. There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the Financial Year and the date of the report.

DIVIDEND

Your Director's regret for not recommending any Dividend on Equity Shares and has decided to retain the profits for future investments and to strengthen the business of the Company.

RESERVES

The Company proposes not to transfer any amount in any statutory reserves and is proposed to be retained in the P/L account during the Financial Year 2019-20.

CHANGE IN THE NATURE OF BUSINESS

During the year under review, there are no changes in the nature of the business of the Company.

SHARE CAPITAL

The Equity shares of the Company are listed on the CSE. The paid up Equity Share Capital as on March 31, 2020 was Rs. 63.00 Lakhs. The Company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued shares (including sweat equity shares) to the employees or Directors of the Company, under any Scheme.

PUBLIC DEPOSIT

Your Company has not accepted any deposit from the public during the financial year within the meaning of Section 73 of the Companies Act, 2013 or the Companies (Acceptance of Deposits) Rules, 2014 nor does it hold any public deposit.

SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS

As per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Company has no subsidiaries or associate company.

LISTING

The shares of the Company continue to be listed on the CSE Limited (CSE). The scrip code number of the Equity Shares of the Company on CSE is 10018095 respectively.

The Annual Listing Fee for the Financial Year 2019-20 has been duly paid within the stipulated time to the Stock Exchange.

DIRECTOR AND KEY MANAGERIAL PERSONNEL

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Krishna Kumar Todi (DIN-02213954), Director of the Company retires by rotation and being eligible for reappointment and offer himself for re-appointment.

All the directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013.

During the year Mr. Kishore Kumar Shah, appointed as Chief Financial Officer as on 22nd April, 2019.

As on 3rd February, 2020, Ms. Nibha Shah resigned w.e.f. 1st February, 2020.

Mr. Sanjay Kumar Todi (Whole Time Director), Mrs. Archana Sanjay Todi, Mr. Om Prakash Todi, Mr. Krishna Kumar Todi, Mr. Lakshmi Kant Shah, and Mr. Kishore Kumar Shah are the Key Managerial Personnel (KMP) of the Company pursuant to the provisions of the Company Act, 2013, as on the date of this report.

All the Directors, Key Managerial Personnel and senior management of the company have affirmed compliance of with the code of conduct applicable to the Directors and employees of the Company and a declaration in this regard made by the Managing Director is attached which forms a part of this report of Directors. The Code of Conduct is available on the Company's website www.haritextltd@gmail.com

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors that they meet the criteria as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations, 2015.

The Board confirms that the said Independent Directors meet the criteria as laid down under the Companies Act, 2013 as well as the SEBI Listing Regulations, 2015.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

During the year under review, the Independent Directors had, in accordance with the provisions of Schedule IV (Code for Independent Directors) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, met separately and discussed and reviewed, inter alia, the performance of Non-Independent Directors and the Board as a whole after taking into consideration the views of Executive and Non-Executive Directors.

BOARD AND ITS COMMITTEES

BOARD MEETINGS

The Board met 5 times during the financial year as on 22.04.2019, 12.07.2019, 24.08.2019, 18.10.2019 and 03.02.2020. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI Regulation, 2015.

COMMITTEES OF THE BOARD

The Board has formulated the following Committees:

1. Audit Committee: The Audit Committee comprises of followings Directors as members:

Name of the Director	Category	Position
SANJAY KUMAR TODI	Executive Director	Whole Time Director
ARCHANA SANJAY TODI	Executive Director	Director
LAKSHMI KANT SHAH	Independent Director	Chairman

All the members of the committee possess sound knowledge of accounts, audit. Mr. Lakshmi Kant Shahis having expertise in financial management. During the year four (4) Audit Committee meetings were held i.e. on 22nd April, 2019, 24th August, 2019, 18thOctober, 2019 and 3rdFebruary, 2020.

2. Nomination and Remuneration Committee:-

The Nomination & Remuneration Committee comprises of followings Directors as members:

Name of the Director	Category	Position
SANJAY KUMAR TODI	Executive Director	Whole Time Director
ARCHANA SANJAY TODI	Executive Director	Director
LAKSHMI KANT SHAH	Independent Director	Director

During the year ended 31st March, 2020, two (2) Nomination & Remuneration committee meetings were held on 22nd April, 2019 and 18thOctober, 2019.

BOARD EVALUATION

The Board of Directors of the Company carried out annual evaluation of its own performance, of the Committees of the Board and individual Directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfillment of key responsibilities, board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes. The Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings.

In addition, the Whole Time Director was evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Management. Areas on which the Committees of the Board were assessed included degree of fulfillment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Non Independent Directors was carried out by the Independent Directors, who also reviewed the performance of the Board as a whole.

POLICY FOR APPOINTMENT AND REMUNERATION:

The Board has, on recommendation of the Nomination and Remuneration Committee formulated a policy for selection and appointment of Directors, senior managements and their remuneration. The said policy is annexed and forms a part of this report.

INTERNAL FINANCIAL CONTROLS

Your Company has in place adequate internal financial controls. This ensures that all transactions are authorised, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition.

We have documented policies and procedures covering all financial and operating functions and processes. The Company's internal control system is commensurate with its size, scale and complexities of its operations.

The Audit Committee oversees and reviews the functioning of the entire audit team and the effectiveness of internal control system at all levels and monitors the implementation of audit recommendations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

Your Directors confirm that during the year under review, there were no reportable material weaknesses in the present systems or operations of internal controls.

CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

Since your Company is a trading company and does not own any manufacturing facility, the requirement relating to providing the particulars relating to conservation of energy and technology absorption as per Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014, are not applicable.

Accounting of Foreign Exchange Transactions:-

	2019-20	2018-19
C.I.F. Value of Imports	NIL	NIL
Expenditure in Foreign Currency	NIL	NIL
Earnings in Foreign Exchange	NIL	NIL

RELATED PARTY TRANSACTION

All Related Party Transactions entered into by your Company during the financial year were on arm's length basis and were in the ordinary course of business. The particulars of Contracts or Arrangements made with related parties referred to in subsection (1) of section 188 entered by the company during the financial year ended 31st March 2020 is annexed here to annexure -5 in prescribed Form AOC-2 and forms part of this report.

RISK MANAGEMENT POLICY

In terms of Section 134(3)(n) of the Act, your Directors wish to state that the Company has drawn and implemented a Risk Management Policy including identification of elements of risks, if any, which may threaten the existence of the Company. The above policy is being reviewed/re-visited once a year or at such other intervals as deemed necessary for modifications and revisions, if any.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The provisions of Section 135 of the Companies Act, 2013, in respect of Corporate Social Responsibility are not applicable to the Company.

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The employees are free to report violations of applicable laws and regulations and the Code of Conduct.

The policy provides for a formal mechanism for all the directors, employees to report to the Management their genuine concerns or grievances about unethical behavior, actual or suspected fraud and any violation of the Company's Code of Business Conduct and Ethics policy.

The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning Company. The Policy is available on the Company's website www.haritexltd@gmail.com

During the year under review, no employee was denied access to the Audit Committee. The said policy is available on the website of the Company.

STATUTORY AUDITORS

The financial statements for the year under review have been audited by M/s. S N Roy & Co. (FRN- 313054E), Chartered Accountants, Statutory auditors of the Company.

In terms of Section 139 of the Companies Act, 2013 and the rules framed thereunder, M/s. S N Roy & Co., Chartered Accountants were appointed as the Statutory Auditor of the Company at the 44th AGM held on 25th September, 2018 for a period of 5 years upto the conclusion of the 49th AGM of the Company.

SECRETARIAL AUDITOR

In terms of Section 204 of the Companies Act, 2013 and the rules framed thereunder, the Company had appointed Mr. AnilKumar Dubey, partner of M & A Associates, Practicing Company Secretaries (Membership No. 9488& CP No – 12588) to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report for the financial year ended 31st March, 2020 is set out as an Annexure -4 and forms a part of this report.

AUDITORS' REPORT

STATUTORY AUDITOR'S REPORT

In terms of Section 134(2) and 134(3) of the Act, your Directors are pleased to inform that there are no qualification, reservation or adverse remark or disclaimer made by the statutory auditors of the Company in their audit report for the financial year FY19-20.

DIRECTORS RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained, your Directors make the following statement in terms of Section 134 (3)(c) and 134 (5) of the Companies Act, 2013:

- (a) that in the preparation of Annual Accounts for the financial year ended March 31, 2020, the applicable Accounting Standard has been followed;
- (b) that the Directors have selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the March 31, 2020 and the Statement of Profit and Loss for financial year ended March 31, 2020;
- (c) that proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding assets of the Company and for preventing and detecting frauds and other irregularities;
- (d) that the Annual Accounts have been prepared on a 'going concern' basis;
- (e) that proper internal financial controls laid down by the Directors is being followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) that proper system to ensure compliance with the provisions of all applicable laws as devised by the Directors are in place and that such systems are adequate and operating effectively.

PARTICULARS OF EMPLOYEES

During FY 19-20, your Company had not employed anyone for entire year or part of the year which needs disclosure as per the provisions of the Companies Act, 2013 read with relevant Rules. The ratio of remuneration of each Director to the median of employees remuneration and such other details as required under Sec 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, is provided in the annexure-3 and forms part of this report.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Particulars of loans given, guarantees given and investments made along with the purpose for which they are proposed to be utilized by the recipient are within the limits prescribed under Section 186 of the Companies Act, 2013.

PREVENTION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prevention of Insider Trading for its Designated Persons in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down Guidelines, which advise the insiders on procedures to be followed and disclosures to be made, while dealing with the shares of the Company, and cautioning them of the consequences of violations. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

The code of conduct for Prevention of Insider Trading is posted on the website of the Company and can be accessed at: www.haritextltd@gmail.com

All the Board of Directors and designated employees have confirmed compliance with the Code.

EXTRACT OF ANNUAL RETURN

In terms of the provisions of Section 92 (3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return for the financial year March 31, 2020 in Form MGT-9 is given in annexure -1 and forms part of this report.

CORPORATE GOVERNANCE

Although the mandatory provisions of the Corporate Governance as specified in Regulation 17 to 27 and clauses (b) to (i) of the Regulation 46(2) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015 read with para C, D and E of the Schedule V are not applicable to the Company in terms of Regulation 15(2) of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015. However, the Company has tried to ensure that all mandatory provisions of Corporate Governance, in terms of Regulation 34 of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are complied with.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS

Your Directors confirm that there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's future operations.

INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes or events affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial Statements relates and the date of this report.

POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at

Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has not received any complaint of sexual harassment during the financial year 2019-20.

APPRECIATION

Your Directors would like to acknowledge the role of all its stakeholders' viz., shareholders, bankers, lenders, borrowers and all others for their continued support to your Company and the confidence and faith that they have always reposed in your Company.

Your Directors acknowledge and appreciate the guidance and support extended by all the Regulatory authorities including Securities Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), Registrar of Companies, Kolkata, the Stock Exchanges and the NSDL.

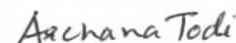
We value the professionalism of all the employees who have proved themselves in a challenging environment and whose efforts have stood the Company in good stead and taken it to present level.

For and on behalf of the Board



Sanjay Kumar Todi
Whole Time Director
DIN – 00029270

Place: Kolkata
Date: 27th July, 2020



Archana Sanjay Todi
Director
DIN - 00047870

Registered Office:
19, Amratolla Street,
Kolkata – 700 001

Annexure-1

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended on 31st March, 2020

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

I. REGISTRATION & OTHER DETAILS:

1.	CIN	L17115WB1974PLC029414
2.	Registration Date	10/05/1974
3.	Name of the Company	HARI TEXTILE MILLS LIMITED
4.	Category/Sub-category of the Company	COMPANY LIMITED BY SHARES
5.	Address of the Registered office & contact details	19, AMRATOLLA STREET, KOLKATA – 700 001
	Contact Details	(033) 2235 5880
	Email Address	haritextltd@gmail.com
6.	Whether listed company	YES
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	N/A

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Trading of Fabrics	4641	-
2	Renting of Property	6810	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

SL. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held
1	-	-	-	-

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	-	219400	219400	34.82%	-	219400	219400	34.82%	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	30000	30000	4.76%	-	30000	30000	4.76%	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	-	249400	249400	39.58%	-	249400	249400	39.58%	-
									-
B. Public Shareholding									-
1. Institutions									-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	70000	70000	11.11%	-	70000	70000	11.11%	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-

i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	-	310600	310600	49.30%	-	310600	310600	49.30%	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
Non Resident Indians	-	-	-	-	-	-	-	-	-
Overseas Corporate Bodies	-	-	-	-	-	-	-	-	-
Foreign Nationals	-	-	-	-	-	-	-	-	-
Clearing Members	-	-	-	-	-	-	-	-	-
Trusts	-	-	-	-	-	-	-	-	-
Foreign Bodies - D R	-	-	-	-	-	-	-	-	-
Sub-total (B)(2):-	-	380600	380600	60.41%	-	380600	380600	60.41%	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	380600	380600	60.41%	-	380600	380600	60.41%	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	630000	630000	100%	-	630000	630000	100%	-

B) Shareholding of Promoter-

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	OM PRAKASH TODI	2000	0.32%	0	2000	0.32%	0	NIL
2	KRISHNA KUMAR TODI	500	0.08%	0	500	0.08%	0	NIL
3	LAXMI KANT TODI	5000	0.79%	0	5000	0.79%	0	NIL
4	SANJAY KUMAR TODI	14300	2.27%	0	14300	2.27%	0	NIL
5	OM PRAKASH TODI & UMA TODI	10000	1.59%	0	10000	1.59%	0	NIL

6	LAXMI KANT TODI & KUSUM TODI	16950	2.69%	0	16950	2.69%	0	NIL
7	SARLA DEVI TODI & ARCHANA TODI	36800	5.84%	0	36800	5.84%	0	NIL
8	SANJAY KUMAR TODI & ARCHANA TODI	12550	1.99%	0	12550	1.99%	0	NIL
9	UMA TODI & OM PRAKASH TODI	8000	1.27%	0	8000	1.27%	0	NIL
10	KRISHNA KUMAR TODI & ASHISH TODI	15250	2.42%	0	15250	2.42%	0	NIL
11	LAXMI KANT TODI & KUSUM TODI	7500	1.19%	0	7500	1.19%	0	NIL
12	HANUMAN PRASAD TODI & LAXMI KANT TODI	5000	0.79%	0	5000	0.79%	0	NIL
13	MANJULA TODI & KRISHNA KUMAR TODI	6600	1.05%	0	6600	1.05%	0	NIL
14	SARLA DEVI TODI & SANJAY KUMAR TODI	48000	7.62%	0	48000	7.62%	0	NIL
15	MADHVA TEXTILE PROCESSORS (P) LIMITED	30000	4.76%	0	30000	4.76%	0	NIL
16	AYUSHI TODI	6000	0.95%	0	6000	0.95%	0	NIL
17	ARCHANA TODI	10000	1.59%	0	10000	1.59%	0	NIL
18	ANUSHKA TODI	4950	0.79%	0	4950	0.79%	0	NIL
19	HANUMAN PRASAD SANJAY KUMAR HUF	10000	1.58%	0	10000	1.58%	0	NIL
	TOTAL	2,49,400	39.58%	0	2,49,400	39.58%	0	NIL

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

SN	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	239400	38%	239400	38%
	Transfer during the year	10000	1.58%	10000	1.58%
	At the end of the year	249400	39.59%	249400	39.59%

D) Shareholding Pattern of top ten Shareholders:

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	I P B DELAERS PRIVATE LIMITED				
	At the beginning of the year	40000	6.35%	40000	6.35%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	40000	6.35%	40000	6.35%
2	PRAYASH PROPERTIES P LTD				
	At the beginning of the year	30000	4.76%	30000	4.76%
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	30000	4.76%	30000	4.76%
3	MR PRASANTA DEY				
	At the beginning of the year	-	-	-	-
	Transfer during the year	28100	4.46%	28100	4.46%
	At the End of the year	28100	4.46%	28100	4.46%
4	MISS PIYALI GHOSH				
	At the beginning of the year	-	-	-	-
	Transfer during the year	30000	4.76%	30000	4.76%
	At the End of the year	30000	4.76%	30000	4.76%
5	MR BASANT GUPTA				
	At the beginning of the year	-	-	-	-
	Transfer during the year	30000	4.76%	30000	4.76%
	At the End of the year	30000	4.76%	30000	4.76%
6	MRS LILA DEY				
	At the beginning of the year	-	-	-	-
	Transfer during the year	28200	4.48%	28200	4.48%
	At the End of the year	28200	4.48%	28200	4.48%
7	MRS SABITA BERA				
	At the beginning of the year	-	-	-	-
	Transfer during the year	30000	4.76%	30000	4.76%

	At the End of the year	30000	4.76%	30000	4.76%
8	SUBROTO DAS				
	At the beginning of the year	-	-	-	-
	Transfer during the year	30000	4.76%	30000	4.76%
	At the End of the year	30000	4.76%	30000	4.76%
9	SIPRA DAS				
	At the beginning of the year	-	-	-	-
	Transfer during the year	30000	4.76%	30000	4.76%
	At the End of the year	30000	4.76%	30000	4.76%
10	TINKUSINGH				
	At the beginning of the year	-	-	-	-
	Transfer during the year	30000	4.76%	30000	4.76%
	At the End of the year	30000	4.76%	30000	4.76%

E) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sanjay Kumar Todi	14300	2.27%	14300	2.27%
	NA	NIL	NIL	NIL	NIL
	At the End of the year	14300	2.27%	14300	2.27%
2	Krishna Kumar Todi	500	0.08%	500	0.08%
	NA	NIL	NIL	NIL	NIL
	At the End of the year	500	0.08%	500	0.08%
3	Om Prakash Todi	2000	0.32%	2000	0.32%
	NA	NIL	NIL	NIL	NIL
	At the End of the year	2000	0.32%	2000	0.32%
4	Archana Sanjay Todi	10000	1.59%	10000	1.59%
	NA	NIL	NIL	NIL	NIL
	At the End of the year	10000	1.59%	10000	1.59%

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	-----
Change in Indebtedness during the financial year	Nil	Nil	Nil	
* Addition	Nil	Nil	Nil	Nil
* Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year	Nil	Nil	Nil	
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ii+iii)	Nil	Nil	Nil	Nil

XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

SN.	Particulars of Remuneration	NAME OF DIRECTORS		Total Amount
		Sanjay Kumar Todi	ArchanaTodi	
1	Gross salary	1,80,000	1,80,000	3,60,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	Nil	Nil
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total (A)	1,80,000	1,80,000	3,60,000
	Ceiling as per the Act	Nil	Nil	Nil

B. Remuneration to other directors

SN.	Particulars of Remuneration	NAME OF DIRECTORS		Total Amount
			Lakshmi Kant Shah	
1	Independent Directors			
	Fee for attending board committee meetings	Nil	Nil	Nil
	Commission	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil
	Total (1)	Nil	Nil	Nil
2	Other Non-Executive Directors			
	Fee for attending board committee meetings	Nil	Nil	Nil
	Commission	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil
	Total (B)=(1+2)	Nil	Nil	Nil
	Total Managerial Remuneration	Nil	Nil	Nil
	Overall Ceiling as per the Act	Nil	Nil	Nil

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

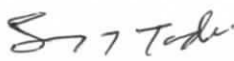
SN	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
	Name		Nibha Shah	Kishore Kumar Shah	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	90,000	84,000	1,74,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	others, specify...	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	Nil	90,000	84,000	1,74,000

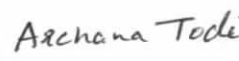
XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

For and on behalf of the Board

Place: Kolkata
Date: 27th July, 2020


Sanjay Kumar Todi
Whole Time Director
DIN – 00029270


Archana Sanjay Todi
Director
Din - 00047870

Annexure - 2**FORM AOC-1***(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies Accounts) Rules, 2014)***STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES****Part "A" - Subsidiaries**


(Amount in Rs.)

Sl.No	Particulars	1	2
1	Name of the Subsidiary	NA	NA
2	Reporting period for the subsidiary concerned	NA	NA
3	Share capital	NA	NA
4	Reserves & Surplus	NA	NA
5	Total Assets	NA	NA
6	Total Liabilities	NA	NA
7	Investments	NA	NA
9	Turnover	NA	NA
10	Profit before taxation	NA	NA
11	Provision for Taxation (Tax Expenses)	NA	NA
12	Profit after taxation	NA	NA
13	Proposed Dividend (Inclusive of DDT)	NA	NA
14	% of shareholding	NA	NA

- Names of subsidiaries which are yet to commence operations: **NOT APPLICABLE.**
- Names of subsidiaries which have been liquidated or sold during the year : **NOT APPLICABLE**
- No Company has become a Joint venture or associate during the financial year 2019-20, hence Part – B of form AOC- 1 is not reported.

For and on behalf of the Board

Place: Kolkata
Date: 27th July, 2020


Sanjay Kumar Todi
Whole Time Director
DIN – 00029270


Archana Sanjay Todi
Director
Din - 00047870

Annexure -3

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013, READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) AMENDMENT RULES, 2016

I.

The Non-Executive Directors of the Company are entitled for sitting fees as per the statutory provisions and within the limits approved by the shareholders. The details of remuneration of Non-executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase in remuneration for Non-executive Directors is therefore not considered for the above purpose.

A. The percentage increase in remuneration of each Director, during the financial Year 2019-20:

Sl. No.	Name of Director / KMP	Designation	% increase in Remuneration
1.	Sanjay Kumar Todi	Whole time Director	50
2.	Archana Sanjay Todi	Director	50
3.	Krishna Kumar Todi	Director	NIL
4.	Om Prakash Todi	Director	NIL
5.	Lakshmi Kant Shah	Independent Director	NIL
6.	Nibha Shah	Company Secretary	NIL

B. The number of permanent employees on the rolls of the Company as on 31st March, 2020:-There were 4 employees on the rolls of the Company.

C. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:-Nil

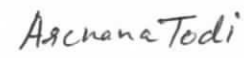
D. Affirmation that the remuneration is as per Remuneration Policy of the Company: It is hereby affirmed that the remuneration paid to KMPs and other employees are as per the Nomination & Remuneration Policy of the Company.

- II. During the year the Company had not engaged any employee drawing remuneration in exceeding the limit specified under Section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014.

For and on behalf of the Board



Sanjay Kumar Todi
Whole Time Director
DIN – 00029270



Archana Sanjay Todi
Director
DIN -00047870

Place: Kolkata

Date: 27th July, 2020



ANNEXURE-4

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

To

**The Members,
Hari Textile Mills Limited**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s Hari Textile Mills Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit and subject to my separate letter attached as "ANNEXURE – A", I hereby report that in my opinion, the Company has, during the financial year ended on March 31, 2020 (the audit period) complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company during the audit period according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; **[All the shares are held in physical form]**
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing. (Not applicable on the Company during the Audit Period)**[Not applicable during the period under review]**



v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit Period);**
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 w.e.f. October 28, 2014; **(Not Applicable to the Company during the Audit Period);**
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period);**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. **[Company maintaining the share transfer facility in house and therefore did not have any Registrar and Share Transfer Agent]**
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not Applicable to the Company during the Audit Period); **[Not applicable during the period under review].**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit Period); **[Not applicable during the period under review]**

I have also examined compliance with the applicable clauses of the following:

- i) SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015; and
- ii) Secretarial Standards issued by The Institute of Company Secretaries of India.

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



M & A Associates
Practicing Company Secretaries

Mob: 9883039240/8334984350

Email: anil@mandaassociates.in

I further report that the Board of Directors of the Company is not duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

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

Based on such checks as considered appropriate and documents provided by the Company, I observed that the specific laws, as applicable to the Company are being duly complied with.

I further report that during the audit period the Company has not passed any Special Resolution and that there were no specific event/ action having a major on the Company's affair in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. This report is to be read out with our letter of even date which is annexed as "ANNEXURE - A" and forms an integral part of this report.

For M & A Associates
Practicing Company Secretaries



Anil Kumar Dubey

Partner

FCS 9488 & CP No.12588

Place: Kolkata

Dated: 05.08.2020

UDIN: F009488B000554549



ANNEXURE "A"

To
The Members,
Hari Textile Mills Limited
19, Amratolla Street,
Kolkata – 700 001

My Secretarial Audit Report for the financial year March 31, 2020 of even date is to be read along with this annexure.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I earnestly believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.
7. All Disclosures were made to the Stock Exchange however there were some delays in some disclosures.
8. Company has completed the Financial Audit and submit it as per Regulation 33 (1)(d) of LODR.
9. Company has still in the process of Dematerialization of its Physical shares.
10. Company has not complied the provision for independent director in terms of Section 149(4) of the Companies Act, 2013 and Regulation 17 of the SEBI (LODR) Regulation, 2015.
11. Company has no Company Secretary as on the 31st March, 2020.

Place: Kolkata
Date: 05.08.2020

For M & A Associates
Practicing Company Secretaries



Anil Kumar Dubey
Partner

M No. 9488 CP No.12588
UDIN: F009488B000554549

Annexure – 5

Particulars of Contracts/Arrangements made with Related Parties

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 – AOC- 2]

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

Details of contracts or arrangements or transactions not at Arm's Length Basis:

There were no contracts or arrangements or transactions entered in to during the year ended March 31, 2020, which were not at arm's length basis.

Details of material contracts or arrangement or transactions at arm's length basis:

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2020 are as follows:

<u>Name of Related Party</u>	<u>Nature of Relationship</u>	<u>Nature of Contract</u>	<u>Duration of Contract</u>	<u>Salient Terms</u>	<u>Amount paid as advances, if any</u>
Madhva Textile Processors Pvt. Ltd.	Enterprises over which significant influence of directors	Advances	During the year	Nil	-
Madhva Textile Processors Pvt. Ltd.	Enterprises over which significant influence of directors	Liability for Expenses	During the year	Nil	9,600
Continental Agencies Pvt Ltd.	Enterprises over which significant influence of directors	Trade Receivables	Continues transaction	Nil	-
Sweety Apparels Pvt Ltd.	Enterprises over which significant influence of directors	Trade Receivables	Continues transaction	Nil	3,92,879
Continental Agencies Pvt Ltd.	Enterprises over which significant influence of directors	Investments	Continues transaction	Nil	25,000
Madhva Textile Processors Pvt. Ltd.	Enterprises over which significant influence of directors	Investments	Continues transaction	Nil	6,00,000
Nirman Legal Consultancy Services Pvt Ltd.	Enterprises over which significant influence of directors	Investments	Continues transaction	Nil	2,70,000

Note: Appropriate approvals have been taken for Related Party Transactions.

For and on behalf of the Board



Sanjay Kumar Todi
Whole Time Director
DIN – 00029270



Archana Sanjay Todi
Director
DIN -00047870

Place: Kolkata

Date: 27th July, 2020

NOMINATION AND REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee (NRC or the Committee) and has been approved by the Board of Directors.

Definitions:

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

"Key Managerial Personnel" means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary; and
- iv) such other officer as may be prescribed.

"Senior Managerial Personnel" mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management of rank equivalent to General Manager and above, including all functional heads.

Objective:

The objective of the policy is to ensure that :-

- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Senior Management and Key Managerial positions.
- To determine remuneration based on the Company's size and financial position and trends and practices on remuneration prevailing in peer companies.
- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- to retain, motivate, promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.

- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) Appointment of Independent Directors is subject compliance of provisions of section 149 of the Companies Act, 2013, read with schedule IV and rules there under.
- d) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.
- e) The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Regulations and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

TERM / TENURE

a) Managing Director/Whole-time Director:

- i. The Nomination and Remuneration Committee shall identify a person according to the requirements of the Company for the above position and recommend their appointment to the Board including the terms of appointment and remuneration.
- ii. The Board shall consider the recommendation of the NRC and accordingly approve the appointment and remuneration. The appointment of MD, JMD, WTD shall be subject to the approval of the Shareholders.

- iii. Appointment of other employees will be made in accordance with the Company's HR Policy.

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

b) Independent Director:

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company or by the Board on its own if the person commits a breach of the duties, functions and responsibilities or obligations on any reason prescribed by the law or AOA or the Listing Agreement or for reason of poor performance as measured as a result of performance evaluation.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1) Remuneration to Managing Director:

- a) The Managing Director shall be eligible for remuneration as may be approved by the Shareholders of the Company on the recommendation of the Committee and the Board of Directors. The Remuneration/ Commission etc. to be paid to Managing Director shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director.

2) Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive sitting fees for attending meeting of the Board and the committee and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

- b) The profit-linked Commission shall be paid within the monetary limit approved by the Shareholders of the Company subject to the same not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Regulations.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company. Non-Executive Directors are eligible for Stock Options as approved by the shareholders.
- d) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

Any incidental expense incurred by the Directors with relation to the participation in the meetings of the Board and other Sub Committees shall be reimbursed.

3) Remuneration to Executive Directors, Key Managerial Personnel and Senior Management:

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) Remuneration of Executive Directors, Key Managerial Personnel and Senior Management is determined and recommended by the Nomination & Compensation Committee and approved by the

Board. Remuneration of Executive Directors is also subject to the approval of the shareholders.

- c) The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

IMPLEMENTATION

- The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- The Committee may Delegate any of its powers to one or more of its member.