

# HARVATEX ENGINEERING AND PROCESSING COMPANY LTD.

## ANNUAL REPORT 2013-2014

### **Directors :**

Mr. C.P. Dugar  
Mr. Rajat Kumar  
Mr. Jagbir Singh

### **Auditors :**

**R. DUGAR & ASSOCIATES,**  
Chartered Accountants,  
New Delhi.

### **Bankers :**

Syndicate Bank  
Rajendra Place  
New Delhi

### **Registered Office :**

21F, Deodhar Street,  
Kolkata - 700019

### **Administrative Office :**

9/14, (First Floor)  
East Patel Nagar,  
New Delhi - 110008

### NOTICE

NOTICE is hereby given that the Thirty Second Annual General Meeting of the Company will be held at the Registered Office of the Company 21F, Deodhar Street Kolkata - 700019 on Tuesday the 30th September, 2014 at 06:00 PM. to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Profit & Loss Account for the period ended 31st March, 2014 and the Balance Sheet as on that date together with the Report of the Director and Auditors thereon.
2. To Appoint a Director in the place of Mr. C. P. Dugar who retires by rotation but being eligible, offers himself for re-appointment.
3. To Appoint Auditors of the Company and to fix their Remuneration.

The share transfer Books of the company shall remain closed from 21st September to 29th September, 2014 (both days inclusive)

By Order of the Board

Place : New Delhi  
Dated : **09th August, 2014**

**Rajat Kumar**  
*Director*

### NOTES :

1. A member entitled to attend and vote at the meeting is entitled to a proxy to attend and vote instead himself/herself and a proxy need be a member. The proxy form duly completed and signed should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.
2. Members are requested to notify change in their address(es) if any of the Company.

# HARVATEX ENGINEERING AND PROCESSING COMPANY LTD.

Regd. Office : 21F, Deodhar Street, Kolkata - 700 019

## DIRECTOR'S REPORT

To,  
Dear Members,

Your Directors have pleasure in presenting the Thirty Second Annual Report and Audited Statement of Accounts for the year ended 31st March, 2014.

### FINANCIAL RESULTS :

	Year ending 31.03.2014 Rs. (000's)	Year ending 31.03.2013 Rs. (000's)
Profit for the year	534	511
Deduct i) Provision for diminution in the value of inventories and for non-performing assets	(-)450	Nil
ii) Contingency provision for standard assets	Nil	Nil
iii) Provision for taxation for earlier years.	Nil	(-) 1,328
Add: Provision for Non-performing assets written back	500	1,138
Add: Brought forward surplus	3,983	3,662
Surplus carried to Balance Sheet	<u>4,567</u>	<u>3,983</u>

### BUSINESS ACTIVITIES :

The Company continued to carry on the business of Purchase and sale of shares, securities and units of mutual funds and advancing monies to industrial and other bodies corporate.

### DIVIDEND:

Because of business needs and heavy provisioning for non-performing assets your Directors refrain from recommending any dividend.

### DIRECTORS :

After close of the year Shri Sudhir Chandra Sood resigned from the Board. Shri C.P. Dugar retire by rotation and offers himself for re-appointment.

### DEPOSITS :

The Company has not accepted any public deposit from the public.

### LISTING :

The shares of the Company are listed in Delhi and Calcutta Stock Exchanges. Listing fees upto financial year 2012-2013 has been paid, for Delhi Stock Exchange while for non-receipt of bills for Kolkata Stock Exchange it has been paid only till financial year 2011-2012. Financial Year 2013-14 Listing fees Delhi Stock Exchange & Calcutta Stock Exchange for non-receipt of bills has been duly not paid.

### DIRECTORS RESPONSIBILITY STATEMENT :

In terms of the provisions of Sec. 217 (2AA) of the Companies Act, 1956, your Directors declare that:

- (i) In the preparation of the annual accounts, applicable accounting standards had been followed and no departures have been made there from;
- (ii) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- (iii) Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) Directors had prepared the annual accounts on a going concern basis.

**COMPLIANCE CERTIFICATE :**

In terms of provision to Sec. 383A of the Companies Act, 1956 compliance certificate is attached.

Auditors Qualification regarding valuation of inventories is self explanatory therefore does not call for any comment.

**AUDITORS :**

M/s. R.Dugar & Associates, Chartered Accountants, retire by rotation and offer themselves for re-appointment. The company has obtained a certificate from them as required under Sec. 224 of the company Act, 1956 to the effect that their appointment, if made, would be in conformity with the limits specified in the said section.

**EMPLOYEES REMUNERATION :**

During the year, there had been no employee in receipt of remuneration in excess of the amounts mentioned under Sec. 217(2A) of the Companies Act, 1956.

Place : New Delhi  
Dated : 30th June, 2014

For and on behalf of the Board  
**Chandra Prakash Dugar**  
**Rajat Kumar**  
**Jagbir Singh**  
*Directors*

**COMPLIANCE CERTIFICATE**

CIN: L28939WB1982PLC035023

Harvatex Engineering and Processing Company Limited

21F Deodhar Street,

kolkata-110 019

I have examined the registers, records, books and papers of Harvatex Engineering & Processing Company Limited as required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on 31st March 2014. In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities under the Act and the rules made these under.
3. The company being public limited company. Comments are not required.
4. The Board of Directors duly met eight times respectively on 1st April, 2013, 14th May 2013, 21st June 2013, 14th August 2013, 10th, september 2013 19th October 2013 13th November 2013 and 10th February 2014, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed.
5. The company has closed its Register of Members from 21st September 2013 to 28th September 2013 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March 2013 was held on 30th September, 2013 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in minutes book maintained for the purpose.
7. No extra ordinary meeting was held during the financial year.
8. The company has not advanced loans to its directors and persons or firms or companies referred in the section 295 of the Act.
9. The company has not entered into any contract falling within provision of section 297 of the Act.
10. The company has made necessary entries in the register maintained under section 301 of the Act.
11. There was no instance falling within the purview of Section 314 of the Act,
12. The Board of Directors has not approved the issue of duplicate share certificates.
13.
  - (i) There was no allotment / transfer / transmission of securities.
  - (ii) The Company has not deposited any amount into a separate bank account as company has not declared any dividend.
  - (iii) The company was not required to post warrants to any member of the company as no dividend was declared.
  - (iv) The company was not required to transfer the amounts in unpaid dividend account, application money due for refund, mature deposits, matured debenturs and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
  - (v) The company has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted and there were no appointment of directors, additional directors, alternate directors and directors to fill casual vacancies. Except

appointment of director Mr. Chandra Prakash Dugar & Mr. Rajat Kumar & Mr. Jagbir Singh in place of Mr. Deoki Nandan Sharma & Mr. Suresh Kumar Sharma & Mr. Rikshpal Singh Garg who has resigned.

15. The company has not appointed Managing Director / Whole-time Director / Manager.
16. The company has not appointed sole-selling agents.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The company has not issued any equity shares/Debenture/other securities.
20. The company has not bought back any shares.
21. The company has not redeemed any preference shares / debentures.
22. There was no transaction necessitating the company to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares in compliance with the provisions of the Act.
23. The company has not invited/accepted any deposit including any loans falling within the purview of section 58A.
24. The amount borrowed by the Company is within the borrowing limits of the company and necessary resolution as per section 293(1) (d) of the Act have been passed in duly convened General Meeting.
25. The company has made loans and investments, or given guarantees or provided securities to other bodies corporate in compliance with the provisions of the Act and made necessary entries in the register kept for the purpose.
26. The company has not altered the provisions of the Memorandum with respect to situation of the company's registered office from one state to another.
27. The company has not altered the provisions of the Memorandum with respect to the objects of the Company
28. The company has not altered the provisions of the Memorandum with respect to name of the Company.
29. The company has not altered the provisions of the Memorandum with respect to share capital of the Company.
30. The company has not altered its Articles of Association.
31. As per information given to us, Company has not received any notices for alleged offences under the Act and also no fines and penalties or any other punishment imposed on the Company.
32. The company has not received any money as security from its employees.
33. The company has not deducted any contribution towards Provident Funds pursuant to section 418 of Companies Act.

Place: Gurgaon  
Date: 30.06.2014

RITU MANGLA & ASSOCIATES  
Practising Company Secretary  
C.P. No: 5657

## Annexure A

### Registers as maintained by Harvatex Engineering & Processing Company Limited

1. Register of Members u/s 150 and index of members u/s 151
2. Minutes Book
3. Book of Accounts u/s 209
4. Register of Directors, Managing Director, Manager and Secretary u/s 303
5. Register of Director's Shareholding u/s 307
6. Register of contract in which Directors are interested u/s 301
7. Register and Returns u/s 163
8. Register of transfer of shares
9. Register of Fixed Assets
10. Register of Investment or loans made, guarantee given or securities provided u/s 372A

## Annexure B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ended on 31st March, 2014.

Form No. & Filed u/s	for	Date of Filing	whether filed within prescribed Time (Yes/No)	if delay in whether requisite additional fees paid (Yes/No)
Registered office Change U/S 146	Year ending 31.03.2014	14.04.2013	Yes	NA
Change in Directors U/S 303(2)	Year ending 31.03.2014	16.04.2013	Yes	NA
Change in Directors U/S 303(2)	Year ending 31.03.2014	20.05.2013	Yes	NA
Change in Directors U/S 303(2)	Year ending 31.03.2014	08.07.2013	Yes	NA
Change in Directors U/S 303(2)	Year ending 31.03.2014	10.09.2013	Yes	NA
Change in Directors U/S 303(2)	Year ending 31.03.2014	10.03.2014	Yes	NA
Annual Return U/S 159	AGM held on 30.09.2013	23.11.2013	Yes	NA
Annual Accounts U/S 220	Year ended 31.03.2013	21.10.2013	Yes	NA
Compliance Certificate	Year ended 31.03.2013	19.10.2013	Yes	NA
23B	Year ending 31.03.2014	26.10.2014	Yes	NA

## **INDEPENDENT AUDITOR'S REPORT**

To the members of **M/s. Harvatex Engineering and Processing Co. Ltd.**

### **1. Report to the Financial Statements**

We have audited the accompanying financial Statements of the M/s. Harvatex Engineering and Processing Co. Ltd. ("the company") which comprise the Balance Sheet as at March 31 2014, and the statement of profit and loss and Cash Flow Statement for the year ended and a summary of the significant accounting policies and other explanatory information.

### **2. Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statement that given a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give true and fair view and are free from material misstatement, whether due to fraud or error.

### **3. Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statement based on our audit. We conducted our audit in accordance with standards on Auditing issued by the Institute of Chartered Accountants of india. Those Standards require that we comply with ethical requirement and plan and perform the audit to obtain reasonable assurance about whether the financial statement are free from material misstatement.

An audit involves performing procedures to obtain audits evidence about the amounts and disclosure in the financial statements. The procedure selected depends on the auditor's judgement, including the assesment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risks assesment, the auditor considers internal control revelant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An Audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We belive that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### 4. **Basis for qualified opinion**

The Company's inventories are carried in the Balance Sheet at Rs. 10,973/-(000's) Management has not stated the entries at the lower of cost and net realisable value but has stated them solely at cost which constitute a departure from the accounting standards referred to in sub-section (3C) of Sec. 211 of the Act. This is the method consistently followed by the Company. However, management has made sufficient provision in respect of diminution in value of inventories, if any, in accordance with the Prudential Norms prescribed by Reserve bank of india, Company Being a Non-Banking Financial Company, Thus the treatment given for valuing the inventory will not have any effect on the cost of sales, income-tax, net profit and shareholders funds.

#### 5. **Qualified Opinion**

In our opinion and to the best of our opinion and according to the explanations given to us, except for the effects of the matter described as Basis for qualified opinion, financial statements give the opinion 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 Act.

(a). In the case of the Balance Sheet, of the state of affairs of the Company as at March 31st 2014;

(b). In the case of the Profit and Loss Account of the profit for the year ended on that date; and

(c). In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

1. As required by the Companies ( Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of india in terms of Sub-Section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the order.

2. As required by section 227 (3) of the Act, we report that :

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books (and proper returns adequate for the purpose of our audit have been received from branches not visited by us);

c) the Balance Sheet, Statement of profit and loss, and cash flow statement dealt with by this Report are in agreement with the books of account (and with the returns received from branches not visited by us);



d) in our opinion, the Balance Sheet Statement of profit and loss, and Cash Flow statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;

e) on the basis of written representations received from the directors as on March 31 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;

f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company. Forming an Opinion and Reporting on Financial Statements.

**For R. DUGAR & ASSOCIATES**

Chartered Accountants

FRN No. 324912E

**(Rakesh Dugar)**

Partner

Membership No. 061368

Place : New Delhi

Dated : 30/06/2014

## ANNEXURE

Re: **M/s. Harvatex Engineering and Processing Co. Limited.**

1. In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - (b) As explained to us, all fixed assets have been physically verified by the Management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification
  - (c) In our opinion, the Company has not disposed off a substantial part of its assets during the year and the going concern status of the Company is not affected.
2. In respect of inventory:
  - (a) The inventory has been physically verified during the year by the management at the regular interval. In our opinion frequency of physical verification is reasonable.
  - (b) The procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the company and nature of the business.
  - (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book record were not material.
3. The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firm or other parties covered under register maintained under section 301 of the Act. Accordingly the provisions of Clauses 3(b), 3(c) and 3(d) are not applicable to the Company.
4. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. According to the information and explanations given to us, we are of opinion that there are no transaction that need to be entered into the register maintained under section 301 of the Companies Act, 1956. Accordingly the provision of 5(b) is not applicable.
6. In our opinion and according to information and explanations given to us, the Company has not accepted any deposits from the public falling within the purview of Section 58A and Section 58AA of the Act. No order has been passed by the company Law Board.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. According to the information and explanation given to us, the Central Government has not prescribed for the maintenance of cost records under clause (d) of sub-section(1) of Section 209 of the Act.
9.
  - (a) The Company is regular in depositing undisputed statutory dues including provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth-tax, Custom Duty, Excise Duty, cess and other material dues applicable to it.
  - (b) According to the information and explanation given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty, excise duty and cess were in arrears, as at 31.03.2014 for a period of more than six months except for an amount of Rs.12,881/- against which the company is also to receive refunds.
  - (c) According to the information and explanation given to us, Rs. 14,09,000/- income tax, demand for Asstt. year 1983-84 in respect of one of its constituents has not been paid being disputed.
10. There are accumulated losses of the company. The company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

11. In our opinion and according to the information and explanation given to us, the company has no liability for the repayment of dues to the Financial Institution, Banks or Debenture holders, therefore provision of Clause II is not applicable to the company.
12. The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The company is an Investment Company, therefore, the provisions of clauses 4(xiii) (a), (b), (c) and (d) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. In our opinion, the company is dealing in and trading in shares, securities, debentures and other investments and has made timely and proper entries of transactions and contracts. As informed to us all shares and securities are held in the name of the company.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions during the year. Therefore, the provisions of clauses 4 (xv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
16. According to the information and explanations given to us, clause (xvi) of the Companies (Auditor's Report) Order, 2003, is not applicable to the Company.
17. According to the information and explanations given to us, the funds raised on short-term basis have not been used for long term investment and vice versa.
18. According to the information and explanation given to us, the company has not made allotment of shares during the year under audit.
19. During the year under report, the Company has not indulged into any of the activities covered by clauses (xix) and (xx) of the Companies (Auditor's Report) Order, 2003 during the year, therefore, no comments are required in respect of these clauses.
20. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

**For R. DUGAR & ASSOCIATES**  
Chartered Accountants  
FRN No. 324912E

Place : New Delhi  
Dated :30th June, 2014

**(Rakesh Dugar)**  
Partner  
Membership No. 061368

# HARVATEX ENGINEERING AND PROCESSING COMPANY LTD.

BALANCE SHEET AS AT 31ST MARCH, 2014

(Rounded off to 000's)

PARTICULARS	Note	Figures as at the end of the current reporting Period 31.03.2014	Figures as at the end of the previous reporting Period 31.03.2013
1	2	3	4
<b>I. EQUITY AND LIABILITIES :</b>			
1. Shareholders' Fund			
a) Share capital	1	7,200	7,200
b) Reserves and Surplus	2	5,110	4,526
c) Money received against share warrants		NIL	NIL
2. Share application money pending allotment		NIL	NIL
3. Non-current liabilities		NIL	NIL
a) Long term borrowings		NIL	NIL
b) Deferred tax liabilities (net)		NIL	NIL
c) Other Long-term liabilities		NIL	NIL
d) Long-term provisions		NIL	NIL
4) Current liabilities			
a) Short-term borrowings		470	NIL
b) Trade payable		NIL	NIL
c) Other current liabilities		119	45
d) Short-term provisions	3	2,934	2,984
<b>Total</b>		<b>15,833</b>	<b>14,755</b>
<b>II ASSETS NON-CURRENT ASSETS :</b>			
1. a) Fixed Assets			
i) Tangible assets	4	2,127	NIL
ii) Intangible assets		NIL	NIL
iii) Capital work-in-progress		NIL	NIL
iv) Intangible assets under development		NIL	NIL
b) Non-current investments		NIL	NIL
c) Deferred tax assets (net)		NIL	NIL
d) Long-term loans and advances		NIL	NIL
e) Other non-current assets		NIL	NIL
2. Current Assets			
a) Current Investments		NIL	NIL
b) Inventories - Stock in trade valued at cost	5	10,973	10,473
c) Trade receivables			
a) Outstanding for more than six months treated as Non-performing assets		71	184
b) Others		88	21
c) Debts due by Directors or other officers		NIL	NIL
d) Cash and cash equivalents			
i) Balance with banks		59	121
e) Short-term loans and advances (others)	6		
i) Non-performing loans and advances		1,804	1,670
ii) Considered good		667	2,286
iii) Due by Directors or other officers		NIL	NIL
f) Other current assets /Sundry Debtors		44	NIL
<b>Total</b>		<b>15,833</b>	<b>14,755</b>
Significant Accounting Policies and Notes As per Annexure 'A'			

For **R. DUGAR & ASSOCIATES**

Chartered Accountants

FRN No. 324912E

**(Rakash Dugar)**

Partner,

Membership No. 061368

Place : New Delhi

Dated : 30th June, 2014

**Chandar Prakash Dugar**

**Rajat Kumar**

**Jagbir Singh**

*Directors*

# HARVATEX ENGINEERING AND PROCESSING COMPANY LTD.

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31ST MARCH, 2014

*Rounded off to 000's*

PARTICULARS	Note	Figures at the end current reporting Period 31.03.2014	Figures at the end previous reporting Period 31.03.2013
<b>I. Revenue from operations</b>			
i) Sale of stock		NIL	NIL
ii) Interest		NIL	NIL
<b>II. Other Income</b>			
i) Interest		NIL	NIL
ii) Dividend		856	807
iii) Other income, if any		98	128
<b>III. Total Revenue (i+ii)</b>		<u>954</u>	<u>935</u>
<b>IV. Expenses</b>			
Cost of material consumed		NIL	NIL
Purchase of stock in trade		NIL	NIL
Change of inventories of stock in trade		NIL	NIL
Employees benefit expenses			
i) Salaries & Wages		6	31
ii) Contribution to Provident fund and other funds		NIL	NIL
iii) Expenses on employee Stock Option Scheme		NIL	NIL
iv) Staff welfare expenses		NIL	NIL
Finance costs		12	NIL
Depreciation & Amortization Expenses		21	NIL
Other expenses	6	381	393
<b>Total Expenses</b>		<u>420</u>	<u>424</u>
<b>V. Profit before Exceptional and extra ordinary items and tax (iii - iv)</b>		<u>534</u>	<u>511</u>
<b>VI. Exceptional items</b>		NIL	NIL
<b>VII. Profit before extra ordinary items (v - vi)</b>		534	511
<b>VIII. Extra Ordinary items-Provisions</b>			
a) Diminution in value of stock		(-) 450	NIL
b) Non Performing Asset		NIL	NIL
c) Contingent provision for Standard Assets & Non-performing assets written back		500	1,138
<b>IX. Profit before tax</b>		<u>584</u>	<u>1,649</u>
<b>X. Tax expenses for earlier years</b>		-	1,328
<b>XI. Profit / Loss for the period</b>		<u>584</u>	<u>321</u>
<b>XI. Transfer to Special Reverse</b>		-	64
<b>XIII. Earning per equity Shares</b>			
1) Basic		0.81	0.45
2) Diluted		0.81	0.45

Significant Accounting Policies and Notes As per Annexure 'A'

For **R.DUGAR & ASSOCIATES**

Chartered Accountants

FRN No. 324912E

**(Rakesh Dugar)**

Partner,

Membership No. 061368

Place : New Delhi

Dated : 30th June, 2014

**Chandra Prakash Dugar**

**Rajat Kumar**

**Jagbir Singh**

*Directors*

# HARVATEX ENGINEERING AND PROCESSING COMPANY LTD.

## ANNEXURE - A

### ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

#### A. SIGNIFICANT ACCOUNTING POLICIES

- System of Accounting :** The Company follows the accrual concept and the same are prepared under the historical cost convention and in accordance with the applicable accounting standards except where otherwise stated.
- Investment :** Investment are valued at cost.
- Inventories :** Inventories are valued at cost. Provision for diminution in the value of quoted inventories has been made on the basis of cost or market value whichever is lower. Unquoted investments has been written off in accordance with Prudential norms prescribed by the Reserve Bank of India.
- Dividend :** Income from dividends are accounted as and when declared by the respective companies.
- Retirement Benefits :** The Company have no employees of its own therefore, no retirement benefits are payable.
- Deperciation Accounting :** Depreciation on fixed assets is charged on written down value method as per the rate given in schedule XIV of the Companies Act, 1956.
- Previous years figures have been regrouped/reclassified to conform to the current year presentation.

#### B. NOTES

##### NOTE - 1

#### SHARE CAPITAL

(Rounded off to 000's)

PARTICULARS	As at 31.03.2014	As at 31.03.2013
Authorised :		
10,00,000 (Previous year 10,00,000) Equity Shares of Rs. 10/- each	10,000	10,000
Issued, subscribed and Paid-up 7,20,000 (Previous year 7,20,000) Equity Shares of Rs. 10/- each	7,200	7,200
Reconciliation of Number of shares Outstanding		
Shares issued, subscribed and paid up at the beginning of the year	7,20,000	7,20,000
Shares issued, subscribed and paid up at the close of the year	7,20,000	7,20,000
Shares held by each shareholder holding more than 5% Shares		
<b>Name</b>	<b>Number of Shares held</b>	
1. Trishul Commercial (P) Ltd.	1,21,150	1,21,150
2. Pashupati Nath Commercial (P) Ltd.	1,00,950	1,00,950
3. Sovereign Commercial (P) Ltd.	95,250	95,250
4. Mansarover Commercial (P) Ltd.	79,450	79,450
5. Swastik Commercial (P) Ltd.	48,400	48,400
	<b>4,45,200</b>	<b>4,45,200</b>

##### NOTE - 2

#### RESERVES AND SURPLUS

(Rounded off to 000's)

PARTICULARS	As at 31.03.2014	As at 31.03.2013
(i) Special Reserve as per last account	607	543
Add : Special Reverse during Year	-	64
	607	607
(ii) Profit and Loss Account	3,919	3,662
Add : Profit for the year	584	447
	4,503	4,109
Less: Provision		
a) Taxation for earliest year	-	(1,328)
b) Non-performing Assets	-	NIL
c) Contingent provision for standard assets	NIL	NIL
d) Contingent provision for Standard Assets & Non-performing assets written back	NIL	1,138
	4,503	3,919
<b>Total (i+ii)</b>	<b>5,110</b>	<b>4,526</b>

**NOTE - 3**  
**SHORT TERM PROVISION**

(Rounded off to 000's)

PARTICULARS	As at 31.03.2014	As at 31.03.2013
a) For diminution in the value of stock	1,080	630
b) For non-performing assets	1,854	2,354
	2,934	2,984

**NOTE - 4**

**FIXED ASSETS**

(Rounded off to 000's)

PARTICULARS	As at 31.03.2014	As at 31.03.2013
Cost	2,148	-
Less : Depreciation Provided during the year	21	-
	2,127	-

**NOTE - 5**  
**INVENTORIES**

(Rs. in Thousand)

	As at 31.3.2014	As at 31.3.2013
Equity share quoted valued at cost 403723 (Previous year 403723) shares of Rs. 10/- each fully paid in Gujarat Heavy Chemicals Ltd.	9,334	9,334
51,320 (Previous year 51,320) shares of Rs. 10 each fully paid in Golden Tobacco Ltd.	469	469
<b>TOTAL A</b>	9,803	9,803

Equity share unquoted value at coast 37,500  
(Previous year 37,500) equity shares of Rs. 10/-  
fully paid in Bharatpur Nutritional Products Ltd.

\* 450 450

4,000 (Previous year 4,000) equity shares of Rs. 10/-  
fully paid in Multitech International Ltd.

\*\* 80 80

8,000 (Previous year 8,000) equity shares of Rs. 10/-  
fully paid in Purani Tobacco Ltd.

80 80

6,000 (Previous year 6,000) equity shares of Rs. 10/-  
fully paid in M.P Tobacco Ltd.

60 60

6,250 (Previous year Nil) equity shares of Rs. 10/- with Premium  
of Rs. 70/- per Share in Dalmia House Jeanie Pvt Ltd.

500 -

**TOTAL B**

1170 670

**Total Inventories (A+B)**

10,973 10,473

Market Vaue of quoted shares

14,713 15,296

\* 25,000 shares pledged with Punjab National Bank to be received back as the pledge is no longer required.

\*\* Share seized by Income-tax Department

**NOTE - 6**  
**LOANS & ADVANCES**

PARTICULARS	As at 31.03.2014	As at 31.03.2013
(Unsecured considered good unless stated otherwise)		
Loans to Bodies Corporate	2,252	3,245
Share Application Money	210	710
Sandip Kumar Pitty	-	1
Unsecured at sources	9	-
	2,471	3,956

**NOTE - 6**  
**OTHER EXPENSES**

PARTICULARS	Year ending 31.03.2014	Year ending 31.03.2013
Professional, Legar & Retainership	134	126
Directors Meeting fee	13	13
Listing fee	17	18
Advertisement Expenses	86	104
Rates & Taxes	-	3
Office Maintenance	11	36
Printing & Stationery	54	30
Postage, Telephone, Telegram	10	9
Demat Charges	2	3
General charges	21	19
Payment to Auditors (Including Services Tax)		
Audit fees	11	11
Certification fees	16	16
Internal Audit fees	5	5
<b>Total</b>	<b>381</b>	<b>393</b>

7. Claims against the Company not acknowledged as debts are NIL.
8. The Company is Contingently liable in respect of Corporate Guarantee given by it to the extent of Rs.53,00,000/-
9. The Company has pledged 3,00,000/- equity shares of GHCL Ltd. in favour of India Bulls Securities Ltd. against the loans advanced by them to four limited companies to the extent of value of these shares company is contingently liable. Present liability is unascertained.
10. The Company has pledged with Punjab National Bank, Ilac House, Fort Bombay 25,000 Equity Shares of Bharatpur Nutritional Products Ltd. (Previous year same). The loans having been repaid, the company has requested the Bank to return the share certificates.
11. Rs. 2,10,000/- (Previous year Rs. 7,10,000/-) shown under the head Loans and Advances recoverable in cash or in kind or for value to be received are pending adjustment, have been advanced to Body Corporates as interest free advances which will be adjusted against allotment of equity shares out of promoters quota of these Body Corporates.
12. Quantitative informations, in respect of opening and closing stocks and purchase and sale are given in Note 5 above.
13. An amount of Rs.12,881/- to be paid in respect of undisputed demand for the assessment year 1984-85. However, the same has not been paid in view of the refunds due to the Company which are far in excess of the aforesaid demand. Except this, there are no liability in respect of any undisputed income tax demand.
14. Number of employees receiving remuneration in prescribed in Section 217 (2A) of the Companies Act, 1956 are NIL (Previous year NIL).
15. The Company has not accepted any deposits from public.
16. In relation to Income Tax assessment for the assessment years 1983-84 of Shyamkunj Trades and Agencies Ltd.the Assessing Officer has made various additions and created demand of Rs.19,08,649/- which is contested in appeal. Adjustment in respect of the other refunds due to the Company has not been made as the department has not given effect to various appellate orders.
17. Schedule in terms of paragraph 13 of Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 2007 and Cash Flow Statement in terms of clause 32 of Listing Agreement is attached.
18. Related party disclosures:
  - i) Shri Rajat Kumar is a director in Excellent Commercial Enterprises and Investment Ltd., Hindustan Commercial Company Ltd., and Managing Director in Gems Commercial Co. Ltd., Shri Jagbir Singh is a director in Moderate Investment and commercial Enterprises Ltd., Carefree Investment Company Ltd.,
  - ii) There are certain advance taken at interest rate as prevailing in market.
  - iii) Directors have been paid sitting fees for the meetings aggregating to Rs. 12,750/-.

For **R. DUGAR & ASSOCIATES**  
Chartered Accountants  
FRN No. 324912E

(Rakesh Dugar)  
Partner,  
Membership No. 061368  
Place : New Delhi  
Dated : 30th June, 2014

**Chandra Prakash Dugar**  
**Rajat Kamar**  
**Jagbir Singh**  
*Directors*



# HARVATEX ENGINEERING AND PROCESSING COMPANY LTD.

Schedule to the  
Balance Sheet of Harvatex Engineering and Processing Company Ltd. a non-deposit taking  
non-banking financial company as at 31st March, 2014 (as required in terms of Paragraph 13  
of Non-Banking Financial (Non Deposit Accepting or Holding) Companies Prudential Norms  
(Reserve Bank) Directions, 2007.

(Rs. in Lakhs)

Particulars			
<b>Liabilities Side :</b>			
1.	Loans and advances availed by the NBFCs inclusive of interest accrued thereon but not paid :	<b>Amount</b>	<b>Amount</b>
	(a) Debentures : Secured	NIL	NIL
	: Unsecured (Other than falling within the meaning of public deposits)	NIL	NIL
	(b) Deferred Credit	NIL	NIL
	(c) Term Loans	NIL	NIL
	(d) Inter-corporate loans and borrowings	NIL	NIL
	(e) Commercial Paper	NIL	NIL
	(f) Other Loans (specify nature)	NIL	NIL
2.	Break-up of (1) (f) above (outstanding public deposits inclusive of Interest accrued thereon but not paid) :	N. A.	N. A.
	(a) In the form of Unsecured debentures		
	(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security		
	(c) Other Public deposits		
<b>Assets Side :</b>			
		<b>Amount Outstanding</b>	
3.	Break-up of Loans and Advances including bills receivables (other than those included in (4) below):		
	(a) Secured	NIL	
	(b) Unsecured	22.51	
4.	Break-up of Leased Assets and Stock on hire and Assets counting towards AFC activities	NOT APPLICABLE	
	(i) Lease assets including lease rentals under sundry debtors :		
	(a) Financial Lease		
	(b) Operating lease		

- (ii) Stock on hire including hire charges under sundry debtors:
  - (a) Assets on hire
  - (b) Repossessed Assets
- (iii) Other Loans counting towards AFC activities
  - (a) Loans where assets have been repossessed
  - (b) Loans other than (a) above

5. Break-up of Investments :

Current Investments :

(1) Quoted :

- i) Shares : (a) Equity  
(b) Preference
- ii) Debentures and Bonds
- iii) Units of mutual funds
- iv) Government Securities
- v) Others (Please specify)

(2) Unquoted :

- i) Shares : (a) Equity  
(b) Preference
- ii) Debentures and Bonds
- iii) Units of mutual funds
- iv) Government Securities
- v) Others (Please specify) UTI Bonds NIL

Long term Investments :

(1) Quoted :

- i) Shares : (a) Equity  
(b) Preference
- ii) Debentures and Bonds
- iii) Units of mutual funds
- iv) Government Securities
- v) Others (Please specify)

(2) Unquoted :

- i) Shares : (a) Equity  
(b) Preference
- ii) Debentures and Bonds
- iii) Units of mutual funds
- iv) Government Securities
- v) Others (Please specify)

6. Borrower group-wise classification of all leased assets, stock-on-hire and loans and advances:

Category	Amount net of provisions		
	Secured	Unsecured	Total
(1) Related parties			
(a) Subsidiaries	NIL	NIL	NIL
(b) Companies in the same group	NIL	NIL	NIL
(c) Other related parties	NIL	NIL	NIL
(2) Other than related parties	NIL	22.51	22.51
	NIL	22.51	22.51

7. Investor group-wise classification of all investments (Current and long term) in shares and securities (both quoted and unquoted) :

Category	Market Value/ Break up or NAV	Book Value (Net of Provisions)
(1) Related Parties		
(a) Subsidiaries	NIL	NIL
(b) Companies in the same group	NIL	NIL
(c) Other related parties	NIL	NIL
(2) Other than related parties	NIL	NIL
<b>Total</b>	<b>NIL</b>	<b>NIL</b>

8. Other Information

Particulars	Amount
(i) Gross Non-performing Assets	NIL
(a) Related parties	NIL
(b) Other than related parties	NIL
(ii) Net Non-Performing Assets	NIL
(a) Related parties	NIL
(b) Other than related parties	NIL
(iii) Assets acquired in satisfaction of debts	NIL

For **R. DUGAR & ASSOCIATES**  
Chartered Accountants  
FRN No. 324912E

**(Rakesh Dugar)**  
Partner,  
Membership No. 061368  
Place : **New Delhi**  
Dated : 30th June, 2014

**Chandra Prakash Dugar**  
**Rajat Kumar**  
**Jagbir Singh**  
*Directors*

# HARVATEX ENGINEERING AND PROCESSING COMPANY LTD.

ANNEXURE IN TERMS OF CLAUSE 32 OF THE LISTING AGREEMENT

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

	<i>In Rs. 000's</i>	
	<u>Current Year</u>	<u>Previous Year</u>
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax from continuing operation	584	321
Profit before tax		
Adjustments		
Depreciation and amortization from continuing operation	-	-
<b>Operating Profit before working capital charges</b>		
Increase/(decrease) short-term provisions	(50)	(1140)
Increase/(decrease) in other current liabilities	544	(47)
<b>Net Cash/flow/used in Operating Activities</b>	<b>1078</b>	<b>(866)</b>
Increase/(decrease) in Tangible Assets	2127	-
Increase/(decrease) in Current Investment	-	-
Increase/(decrease) in trade receivables	(2)	(114)
Increase/(decrease) in inventories	500	-
Increase/(decrease) in short-term loans and advances	(1485)	(567)
Cash generating from/(used in) operations (A)	(62)	(185)
<b>Net cash flow/Used in Operating activities</b>	<b>1078</b>	<b>(866)</b>
<b>II. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net Cash flow from/Used in Investing activities (B)	-	-
<b>III. CASH FLOW FROM FINANCIAL ACTIVITIES</b>		
Repayment of long-term borrowings	-	-
Net cash flow from/Used in Financing activities (C)	-	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(62)	(185)
Effect of exchanges differences on cash and cash equivalents		
Cash and cash equivalent at the beginning of the year	121	306
Cash and cash equivalent at the end of the year	59	121

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## AUDITORS' REPORT

In terms of our report of even date attached.

For **R. DUGAR & ASSOCIATES**  
Chartered Accountants  
FRN No. 324912E

**(Rakesh Dugar)**  
Partner,  
Membership No. 061368  
Place : New Delhi  
Dated : 30th June, 2014

**Chandra Prakash Dugar**  
**Rajat Kumar**  
**Jagbir Singh**  
*Directors*

# HARVATEX ENGINEERING AND PROCESSING COMPANY LTD.

Financial Year 2013-14

## DETAILS OF BALANCE SHEET

	2013-14	2012-13
<b>Loans to bodies Corporate</b>		
D.C.R.D	2,45,000	2,45,000
Dalmia Housing Finance Ltd.	2,48,672	1,15,264
Bharat Explolsive Ltd.	5,00,000	5,00,000
Carissa Investment Pvt. Ltd.	6,00,000	6,00,000
Dalmia (Bros.) Pvt. Ltd.	6,50,000	6,50,000
Gems Commercial Co. Ltd.	-	11,35,197
Little Rock Trade & Investment Ltd.	8,016	-
	<u>22,51,688</u>	<u>32,45,461</u>
<b>Share Appalication Money</b>		
Dalmia Consumer Care (P) Ltd.	2,10,000	2,10,000
Rose Boys Home Care (P) Ltd.	-	5,00,000
	<u>2,10,000</u>	<u>7,10,000</u>
<b>Creditors for Expenses</b>		
Audit Fee	10,112	11,236
Dividend	16,818	16,818
Interest	180	180
Retainership	26,966	NIL
Internal Audit Fee	5,056	NIL
Professional Charges	20,426	NIL
Demat Expenses	4,689	3,127
Listing Fee	29,214	11,798
Unencashed	1,350	1,350
	<u>1,14,811</u>	<u>44,509</u>
<b>Statutory Dues</b>		
TDS Payable	3,955	-
	<u>3,955</u>	<u>-</u>
<b>Advances</b>		
Excellent Commercial Enterprises and Investment Ltd	37,654	-
Hindustan Commercial Company Ltd.	60,414	-
International Resources Ltd	27,795	-
Moderate Investment & Commercial Enterprises Ltd	4,347	-
Sovereign Commercial Pvt Ltd	3,02,342	-
Gems Commercial Co. Ltd.	37,607	-
	<u>4,70,159</u>	<u>-</u>
<b>Other Current Assets</b>		
Prepaid Expenses	44,383	-
	<u>44,383</u>	<u>-</u>