

## BOARD'S REPORT

To  
The Members  
Harvatex Engineering & Processing Co Ltd

Your Directors are please to present the 39<sup>th</sup> Annual Report together with audited Financial Statement of the Company for the Financial Year ended on March 31, 2021.

### 1. FINANCIAL RESULTS

The summary of the financial performance of the Company for the financial year ended March 31, 2021 (compared to the previous year ended on March 31, 2020).

Particulars	Amount in ("thousand")	
	As on March 31, 2021	As on March 31, 2020
Income from operations & other income	42	3,370
Expenses	739	1,047
Profit/(Loss) - Before Extraordinary Items, Exceptional Items & Tax	(697)	2,323
Extra ordinary items	-	(78)
Profit/(Loss) before tax	(697)	2,245
Tax	(104)	(63)
Profit/(Loss) after tax	(593)	2,308

### 2. DIVIDEND

Keeping in view the financial need of the Company, your directors in their meeting held on June 28, 2021 decided not to recommend any dividend for the Financial Year 2020 - 21.

### 3. DEPOSITS

Your Company not invited, accepted any deposits from public during the financial year 2020 - 21. further your company has not accepted deposits from public falling within the ambit of section 73 of the Companies Act, 2013 and related rules made thereunder.

### 4. EXTRACT OF ANNUAL RETURN

The extract of the Annual return for the financial year ended March 31 2021 as required under section 92(3) of Companies Act, 2013 and rules made there under in form MGT-9 is annexed (Annexure -I) with this report.

### 5. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING/OUTGO

Your Company is a NBFC company and is not engaged in any manufacturing activity. The disclosure of information relating to conservation of energy and technology required under section 134(1)(m) of Companies Act, 2013 is not applicable on company.

There is no foreign exchange earning/outgo in the company.

### 6. COMPANY'S AFFAIRS

The Company continued to carry on the business of making investments in shares, securities and units of mutual funds and advancing monies to bodies corporate.

### 7. NBFC STATUS

The Company was registered as NBFC under section 45IA of the Reserve Bank of India Act, 1934 till October 31,2020and Certificate of Registration (COR) of the Company was cancelled by RBI, for not attaining the prescribed net owned fund of ₹s. 2 crores as on



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March 31, 2017. The name of the company exists at serial no. 2057 in the list of Companies, whose CoR has been cancelled by RBI on October 31, 2019, however the Company has not received any formal communication from RBI with respect to cancellation of its CoR. The Company has not done any NBFC business after 31 October, 2020. However, the Company is in continues receipt of dividend/interest income from its past investment/loan.

#### **8. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS/COURTS**

There are no significant material orders passed by regulators/courts which would impact the going concern status of the company and its future operations.

#### **9. MATERIAL CHANGES AND COMMITMENTS OR CHANGE IN NATURE OF BUSINESS**

There are no significant material changes or commitments occurred during the reporting period which affects the financial position of the company. There is no change in nature of business of the company.

#### **10. SHARE CAPITAL**

The Authorised Share Capital of the company is Rs. 1,00,00,000/- (10,00,000 equity shares of Rs. 10 each) and paid-up share capital is Rs. 72,00,000/- (7,20,000 equity shares of Rs. 10 each). There is no change in share capital of the company during the reporting financial year.

#### **11. RESERVES**

Your directors recommend to transfer an amount of Rs. (593,000/-) to the Reserves of the company.

#### **12. LISTING/DELISTING OF EQUITY SHARES**

During the Financial year, equity shares of the company are listed on the Calcutta Stock Exchange. The Listing fee for the financial year 2020 - 21 not paid due to non-receipt of Bill from CSE.

#### **13. MANAGEMENT DISCUSSION AND ANALYSIS**

In term of Regulation 34 of SEBI Listing Regulations 2015 read with other applicable provisions, the detailed review of the operation, performance and future outlook of the company and its business is given in Management Discussion and Analysis Report, which form part of this Annual Report. The Report on Management Discussion and Analysis is annexed (**Annexure-II**) with this report.

#### **14. CORPORATE GOVERNANCE**

Pursuant to regulation 34 of SEBI Listing Regulations 2015 read with Schedule V of this Regulations, a compliance report on corporate Governance has been annexed (**Annexure-III**), as a part of this report with Auditor's Certificate.

#### **15. VIGIL/WHISTLE BLOWER POLICY**

As per provisions of sub section 9 & 10 of the section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meeting of the Board and its Powers) Rules 2014, every listed company requires to formulate a "whistle Blower Policy". The company has documented the vigil/whistle blower policy to deal with instance of fraud and mismanagement, if any. The details of policy are explained in the Corporate Governance Report.

#### **16. RISK MANAGEMENT**

The Requirement of constituting Risk Committee is applicable on top 100 Listed Companies only, and your Company is not required to constitute Risk Management Committee, however Company has voluntarily formed a risk management policy. The



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Company also identified the following as core risk area of the business of the Company Pursuant to Regulation-21 of the Listing Regulations 2015. The Key risks identified by the Company and its mitigation plans are as under-

**Investment risks**

The investment risk includes marketing risk, liquidity risk etc. and earning depend upon the market condition. To mitigate these risks, the company, invest in long term investment plan, mutual funds etc.

**Interest rate risk**

The company in business of providing loans to other companies, business institution. The interest rate risk is the risk where the change in interest in any way including change in market rate of

interest rate might adversely affect the company. To mitigate this risk, company provide short term loans on fixed interest rate. And the risk is considered at the time of deciding the rate of interest offered to customers.

**17. AUDITORS AND AUDIT REPORT****(i) Statutory Auditors**

Your directors would like to inform M/s Rakesh K Agarwal & Co. (FRN: 033764N) chartered accountants were appointed as Statutory Auditor of the Company for Financial year 2020-21, to fill the casual vacancy caused due to resignation of M/s R Dugar & Associates (FRN: 324912E), and M/s Rakesh K Agarwal & Co. holds office of Statutory Auditors upto the ensuing Annual General Meeting.

The Board of Directors, on recommendation of Audit Committee, approved the re-appointment of Auditors in their Meeting held on June 28, 2021 for a term of 5(five) years from the conclusion of this AGM to the Conclusion of 44<sup>th</sup> AGM to do the Statutory Audit of the Company from Financial Year 2021-22 to financial year 2025-26.

Further as per requirement of Section 139(8) of the Companies Act, 2013, such Appointment.re-appointment of Statutory Auditors also required to be approved by members at general meeting. Hence, approval of members for re-appointment of M/s Rakesh K Agarwal & Co (FRN: 033764N) of as statutory auditors for a term of 5(five) years from the conclusion of this AGM to the conclusion of 44<sup>th</sup> AGM to do the Statutory Audit of the Company from Financial Year 2021-22 to financial year 2025-26, is being sought from shareholders at ensuing Annual General Meeting.

The Board recommend the appointment of M/s Rakesh K Agarwal & Co (FRN: 033764N), Chartered Accountants as Statutory Auditors of the Company at ensuing Annual General Meeting.

**(ii) Secretarial Auditor**

Pursuant to section 204 of the Companies Act, 2013 and Rule 9 of the Companies (appointment and remuneration of Managerial Personnel) rules, 2015 the Board of Directors in their Meeting held on February 11, 2021, has appointed M/s Avi Sangal, Company Secretary in practice, Noida, as Secretarial Auditor of the Company for the Financial Year ended on March 31, 2021.The Secretarial Audit Report as given by Secretarial Auditor of the Company annexed with this Report (Annexure-IV).

**(iii) Auditors' Report**

There is no qualification, reservation, adverse remarks made by the Statutory Auditors and/or Secretarial Auditors, except one Qualification for non-appointment of Company



Secretary by the Secretarial Auditor in their Report for the Financial Year ended March 31, 2021.

Explanation: The Company is not appointed Company Secretary as the Company is a loss-making Company and no suitable candidate found the company under its limited financial condition, except this they do not call for any further explanation or comment u/s134(3)(f) of the Companies Act, 2013.

## 18. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### (i) Directors

Mr. Rajat Kumar, Director, Ms. Deepa Nanda, Independent Director, Ms. Shikha, ED & CFO and Mr. Jagbir Singh, Whole Time Director had resigned from the Board during the reporting financial year and Ms. Uma Jain, Mr. Mohnan Thrayil as Non-executive Director and Mr. Krishnan Swaminathan appointed as Independent Director of the Company during the reporting financial year.

On recommendation of Nomination & Remuneration Committee of the Company the Board of Directors of the Company appointed Mr. Mohnan Thrayil as Managing Director of the Company for a term of 5 years commencing from August 11, 2021.

Mr. Mohnan Thrayil, retire by rotation and being eligible offer himself for reappointment.

The Board recommend approval of shareholders for appointment of Mr. Mohnan Thrayil at the ensuing Annual General Meeting.

### (ii) Board Evaluation

Pursuant to Companies Act, 2013 and Conditions under Listing Regulations 2015, The Board carried out an annual performance evaluation of its own, its directors individually and its committees and find it Satisfactory. The manner of evaluation has been explained in Corporate Governance Report.

### (iii) Disclosure by Independent Directors

The disclosure by independent Directors received by the Company.

### (iv) Numbers of Meeting of Board of Directors

The Board of Directors of your Company duly meets 7 times during the Financial Year 2020-21 as on June 30, 2020; July 10, 2020, July 27, 2020, June 28, 2020; October 12, 2020, November 10, 2020 & February 11, 2021, the details of Board meeting are also described in corporate governance Report.

### (v) Particulars of employees and director

The Information required pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 are as follows: -

- No Director or employee is in receipt of an income in excess of the limit prescribed under the Companies Act, 2013.
- There is no permanent employee except CFO & MD on the Role of the Company.
- There is no increment in salary of MD, CFO of the Company during the Financial Year.

As there is no big change in business & Income, salary of the KMPs, and no permanent employee in company, no further disclosure made by your Board in this report, however as per section 136, a shareholder can inspect the documents at registered office of the Company or get related details by making a request to company in writing.



**19. AUDIT COMMITTEE**

Audit committee of the Board has been re-constituted as per requirement of section 177 of the Companies Act, 2013 and Rules 6 of the Companies (Meeting of the Board and its Powers) Rules 2014 and Regulation 18 of the Listing Regulations 2015.

The Details of Audit Committee is given in Corporate Governance Report.

**20. NOMINATION AND REMUNERATION COMMITTEE**

Nomination and Remuneration committee of the Board has been re-constituted as per requirement of section 178 of the Companies Act, 2013 and Rules 6 of the Companies (Meeting of the Board and its Powers) Rules 2014 and Regulation 18 of the Listing Regulations 2015. The Details of Nomination and Remuneration committee is given in Corporate Governance Report.

The Board has, on the recommendation of the Nomination & Remuneration Committee proposed to frame a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy is stated in the Corporate Governance Report.

**21. STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee has been constituted as per requirement of Section 178(5) of the Companies Act, 2013 read with Regulation 20 of the Listing Regulations 2015. The Details of Stakeholders Relationship Committee is given in Corporate Governance Report

**22. RELATED PARTY TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

**23. PARTICULAR OF LOANS/GUARANTEES, OR INVESTMENTS**

There are no loans given, guarantee given/security provided or investment made in violation of section 186 of the Companies Act, 2013 and rules made there under.

The Company is NBFC Company and Loan given/ investment made in ordinary course of business.

**24. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

Company has adequate internal control system to ensure the safeguard of assets and to protect against any unauthorised use. Company appointed outside internal auditor to carry out concurrent internal audit and to maintain the objectivity, the audit function report to the Board of Directors of the Company.

**25. SUBSIDIARY/JOINT VENTURE**

There are no subsidiary/joint venture company.

**26. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors' Responsibility Statement referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, shall state that—



- i) In the preparation of the annual accounts, the applicable accounting standards have been followed.
- ii) The directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the year under review.
- iii) The directors have 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) The directors have prepared the annual accounts on a going concern basis.
- v) The directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively.
- vi) The directors had devised proper system to ensure compliance with the provisions of all applicable laws and that such system was adequate and operating effectively.

## 27. CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013 and rules made there under, a Company having Net worth of five hundred crore or more or turnover of rupees one thousand crore or more or net profit of Rs. Five crore rupees or more during any financial year shall constitute a CSR Committee, in term of above said conditions, the provision of Section 135 of Companies is not applicable upon the Company.

## 28. BUSINESS RESPONSIBILITY REPORTING

As per Regulation 34(2)(f) of the Listing Regulations 2015(corresponding to Regulation 55 of Listing Agreement), listed companies shall submit, as a part of their Annual Reports, Business Responsibility Reports, this provision is applicable to top 500 companies (based on market capitalisation as on March 31, 2021), Hence this Clause is not applicable upon the Company.

## 29. ACKNOWLEDGEMENT

Your directors take this opportunity to thank the customers, shareholders, suppliers, bankers, business partners/associates, financial institutions and Central and State Governments for their consistent support and encouragement to the Company. We sure you will join your directors in conveying our sincere appreciation to all employees of the Company for their hard work and commitment.

For and on Behalf of the Board of Directors of  
Harvatex Engineering & Processing Co Ltd

Place: Noida  
Date: June 28, 2021



Mohanan Thrayil  
(Director)  
DIN: 08310232



K Swaminathan  
(Director)  
DIN: 08784845

Annexure-1 of Board 's Report

**Form No. MGT-9  
EXTRACTS OF ANNUAL RETURN**

**As on the financial year ended on 31/03/2021**

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

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN:	L28939WB1982PLC035023
ii)	Registration Date:	28-06-1982
iii)	Name of the Company:	Harvatex Engineering & Processing Co. Ltd.
iv)	Category/ Sub-Category of the Company:	Company Limited by Shares/ Indian Non-Government Company
v)	Address of the Registered office and contract details:	20/1, Maharshi Debendra Road 2nd Floor, Kolkata – 700007 Phone No. 0120-4939945 Email Id: <a href="mailto:investcos@yahoo.com">investcos@yahoo.com</a> , <a href="mailto:harvatex@yahoo.com">harvatex@yahoo.com</a>
vi)	Whether listed Company - Yes/No	Yes The Calcutta Stock Exchange Limited

**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: -

Sl. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Investment	6430	88.44
2	Corporate Loan	6492	3.71

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

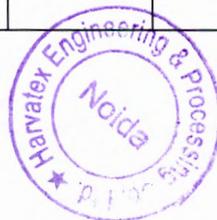
S. No.	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1	NIL	-	-	-	-

**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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>	-	-	-	-	-	-	-	-	-
(1) Indian	-	-	-	-	-	-	-	-	-
a) Individual/HUF	-	-	-	-	-	-	-	-	-



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b) Central Govt/State Government(s)	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	445,220	445,200	61.93	-	445,220	445,200	61.83	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A)</b>	-	445,220	445,200	61.83	-	445,200	445,200	61.83	-
<b>2. Foreign</b>									
a) NRIs Individuals	-	-	-	-	-	-	-	-	-
b) other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
Any Others (Specify)	-	-	-	-	-	-	-	-	-
<b>Sub Total(A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	-	445,220	445,200	61.83	-	445,200	445,200	61.83	-
<b>B. Public Shareholding</b>									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(1):-</b>	-	-	-	-	-	-	-	-	-
<b>2. Non-Institutions</b>									
a) Bodies Corp.	-	47,000	47,000	6.53	-	47,000	47,000	6.53	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-



i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	142,910	142,910	19.86	-	142,910	142,910	19.86	-
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	84,890	84,890	11.78	-	84,890	84,890	11.78	-
c) Others (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-total (B)(2):-</b>	-	274,800	274,800	38.17	-	274,800	274,800	38.17	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	274,800	274,800	38.17	-	274,800	274,800	38.17	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	720,000	720,000	100	-	720,000	720,000	100	-

## ii) Shareholding of Promoters:

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding 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	Sovereign Commercial Pvt Ltd.	95250	13.23		95250	13.23		-
2	Trishul Commercial Pvt Ltd	121150	16.83		121150	16.83		-
3	Mansarover Commercial Pvt. Ltd.	79450	11.03		79450	11.03		-
4	Pashupati Nath Commercial Pvt. Ltd.	100750	14.02		100950	14.02		-
5	Swastik Commercial Pvt. Ltd.	48,400	6.72		48,400	6.72		-
6	Lohnak International Pvt. Ltd	0	0		100	0		-



7	Alankar Commercial Pvt. Ltd	0	0		100	0	-	-
	<b>Total</b>	<b>445200</b>	<b>61.83</b>		<b>445200</b>	<b>61.83</b>		<b>-</b>

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

Sl. No.		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	445200	61.83	-	-
	NO CHANGE	-	-	-	-
	At the End of the Year	445200	61.83	-	-

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S. No.	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
	At the beginning of the year	-	-	-	-
	NO CHANGE	-	-	-	-
	At the end of the year (or on the date of separation, if separated during the year)	-	-	-	-

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	For Each of the Directors and KMP	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	-	-	-	-
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-
	At the end of the year	-	-	-	-



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**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

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

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

S No	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Mr Jagir Singh (WTO)				
1	Gross salary	4000	-	-	-	4,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-	-	-
5	Others, please specify	750	-	-	-	750
	<b>Total (A)</b>	<b>4,750</b>	-	-	-	<b>4,750</b>
	Ceiling as per the Act					



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**B. Remuneration to other directors:**

S. no.	Particulars of Remuneration	Name of Directors				Total Amount
1	Independent Directors		Ms. Deepa Nanda			
	Fee for attending board committee meetings		-	-	-	-
	Commission		-	-	-	-
	Others, please specify		1500	-	-	-
	Total (1)	-	1500	-	-	1500
2	Other Non-Executive Directors	Rajat Kumar				-
	Fee for attending board committee meetings	-				-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-
	Total (B)=(1+2)	-	-	-	-	1,500
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

**C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD:**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO Ms Shikha	Total
1	Gross salary	-	2,16,000	4,000	2,20,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit others, specify...	-	-	1500	1500
5	Others, please specify	-	-	-	-
	Total	-	2,16,000	5500	2,21,500

**VII. 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)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-



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**Annexure-II to Board's Report****MANAGEMENT DISCUSSION AND ANALYSIS REPORT****INDUSTRY STRUCTURE AND DEVELOPMENTS**

The Company does not own any manufacturing, trading or processing unit. The main business of the Company is undertaking investment activities and earning income in the form of dividends, interest and profit on sale of investments and trading in shares, securities and units of mutual funds.

**BUSINESS OPPORTUNITIES, RISKS AND CONCERNS**

Amid the ups and downs in the Indian stock market, the Government is trying hard to carry the reforms process by adopting stricter controls and better mechanism for tracking irregular stock price movements. The current market situation is very volatile in which caution need to be exercised.

**SEGMENT WISE OR PRODUCT WISE PERFORMANCE**

The entire operation of the Company relates to only one segment namely investment and financing activity.

**INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

In order to strengthen the internal control system of the Company the Code of Corporate Governance was adopted by the Board w.e.f. 30.1.2003. The Company has set up an Audit Committee to keep a vigil on the financial performance and ensure authenticity of accounts. Shareholder Grievance Committee was also formed by the Company to ensure speedy reprisal of all investor complaints and impel transparency of operations. The Company has also adopted a Code of Conduct for prevention of insider trading in terms of SEBI, (insider Trading) Regulations, 1992 and any modification, amendments from time to time of in this regulation. All the Directors on the Board and their relatives as well as the senior level employees of the Company are governed by this Code.

**DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

Since the Company is not an industrial undertaking, the distinction between financial performance and operational performance cannot be made.

**MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED**

The Company has employed only two persons and hence material developments on human resources front is not applicable at present.

**Annexure – III to Board's Report****Corporate Governance for the Financial Year ended March 31, 2021  
[as required under SEBI (Listing & Disclosure Requirements) Regulations, 2015]****(1) Company's Philosophy:**

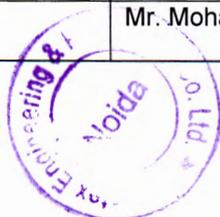
The Company's policies, practices and philosophy adopted since inception are in line with Corporate Governance. These policies, practices are required periodically to ensure its effective compliance. The composition of Board of Directors is well balanced with a view to manage the affairs of the company efficiently and professionally.

**(2) Board of Directors:**

The Board of Director of the Company is duly constituted as per provisions of Companies Act, 2013, and requirements of Listing Regulations 2015. The Details of Board are as follows:

**(i) Composition and Category of Directors as of March 31, 2021 is as follow:**

Category	Name pf Directors	No of Directors
Promoter		NIL
Executive Directors	Mr. Mohanan Thrayil	1



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Independent Director	Mr. Krishnan Swaminathan	1
Non-Executive Director	Mrs. Uma Jain	1
	<b>Total no of Directors</b>	<b>3</b>

## (ii) Particulars of Directorship of other Companies

S. No	Name of Director	DIN	No of Directorship in other listed companies	No. of committee positions held as chairman in other public companies	No. of Committee positions held as member in other public companies
1	Mr. Krishnan Swaminathan	06535125	2	4	1
2	Mr. Mohanan Thrayil	06553628	1	-	-
3	Mrs. Uma Jain	06535363	2	1	4

## (iii) Attendance of each Director at the Board Meeting and the last AGM During the year 2020-21

Name of Directors	No. of Board Meeting Attended	Last AGM Attendance Yes/No
Mr. Rajat Kumar	6	Yes
Mr. Jagbir Singh	3	No
Ms. Shikha	3	No
Ms. Deepa Nanda	3	No
Mr. Krishnan Swaminathan	5	Yes
Mr. Mohanan Thrayil	6	Yes
Mrs. Uma Jain	5	Yes

## (iv) Number of Board Meeting held, Date on which held:

Seven Board meeting were held during the financial year from April 01, 2020 to March 31, 2021. The dates on which the meetings were held are as follows: June 30, 2020; July 10, 2020, July 27, 2020; August 20, 2020; October 12, 2020, November 10, 2020 & February 11, 2021.

## (3) Committees of Board:

## (i) Audit Committee:

Audit committee of the Board has been constituted as per requirement of section 177 of the Companies Act, 2013 and Rules 6 of the Companies (Meeting of the Board and its Powers) Rules 2014 and Regulation 18 of the Listing Regulations 2015. The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with legal and regulatory requirements, the audit of the financial statement of the company, appointment, independence and performance of the statutory auditors and internal auditors of company. The Audit committee of the company consist three Directors. Representative of Statutory auditors is permanent invitee.

**Term of reference:**

The scope of the activity of the audit committee includes the following:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending for appointment, remuneration and terms of auditors of the company.
- Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors;
- Reviewing with management the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - Matters required to be included in the Director's Responsibility statement to be included in the Board's Report in terms of clause c of sub-section 3 of section 134 of the Companies Act, 2013;
  - Changes, if any, in accounting policies and practices and reasons for the same;



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- c. Major accounting entries involving estimates based on the exercise of judgement by management.
- d. Significant adjustments made in the financial statements arising out of audit findings;
- e. Compliance with listing and other legal requirements concerning financial statements;
- f. Disclosure of any related party transactions;
- g. Qualifications in draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Review and monitor the auditor's independence and performance and effectiveness of audit process;
8. Approval of any subsequent modification of transactions of the company with related parties.
9. Scrutiny of inter-corporate loan and investments
10. Valuation of undertaking or assets of the company, wherever it is necessary.
11. Evaluation of internal financial control and risk management systems;
12. Reviewing with the management, performance of the statutory and internal auditors' and adequacy of internal control systems;
13. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e. the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
20. Carrying out any other function as is mentioned in terms of reference of the Audit Committee from time to time.

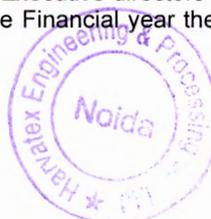
Executive summary of the Audit Committee is place before the immediate next Board Meeting held after the Audit Committee Meetings for deliberation. Dates of audit committee meetings are fixed in advance and agenda along with explanatory statements are circulated at least seven days before the meeting. In special or exceptional circumstances additional or supplementary item(s) on agenda are permitted.

S.No.	Name of Director	Position	No. of Meeting Held	No. of Meeting Attended
1.	Ms. Deepa Nanda	Chairman	4	1
2.	Mr. Rajat Kumar	Member	4	1
3.	Ms. Shikha	Member	4	1
The Audit Committee re-constituted on October 12, 2020				
1.	Mr .Krishnan Swaminathan	Chairman	4	3
2.	Mrs.Uma Jain	Member	4	3
3.	Mr. Mohanan Thrayil	Member	4	3

4 Meetings of Audit committee were held during the financial year 2020 - 21 as on June 30, 2020; July 27, 2020; November 10, 2020 & February 11, 2021.

**(ii) Nomination and Remuneration Committee:**

Nomination and Remuneration committee of the Board has been constituted as per requirement of section 178 of the Companies Act, 2013 and Rules 6 of the Companies (Meeting of the Board and its Powers) Rules 2014 and Regulation 18 of the Listing Regulations 2015 to set a policy on remuneration and other terms of employment of the Executive directors as well as the commission and sitting fees of the non-executive directors. During the Financial year the committee met only one once on February 10, 2021.



*[Handwritten signature]*

*[Handwritten signature]*

<b>Composition and attendance of members at the meeting of Nomination and Remuneration committee held during the financial year ended on March 31, 2021</b>			
Date of Meeting	Mr. Krishnan Swaminathan	Mr. Mohanan Thrayil	Mrs.Uma Jain
February 10, 2021	Yes	Yes	Yes
Whether attended Last AGM(Yes/No)	Yes	Yes	Yes

#### **Remuneration Policy**

Payment of remuneration to the managing director and Whole Time Directors(s) are governed by the uniform remuneration package approved by the board and the shareholders. The Remuneration structure comprises salary/commission linked to profits, perquisites and allowances etc.

The Non-Executive Directors do not draw any remuneration from the company other than the sitting fee and such commission as may be determined by the Board from time to time and calculated according to the provisions of Companies Act, 2013. The actual payment payable to each director is decided by the Board upon recommendation of the Remuneration committee.

#### **(iii) Stakeholders' relationship committee:**

The Board had constituted the Stakeholders Relationship committee which expedite the process of redressal of complaints like non- transfer of shares, non-receipts of Balance sheet dividend etc. The Constitution of the Committee is as follows:

Mrs.Uma Jain - Chairman  
Mr. Mohanan Thrayil - Member

#### **4) General Body Meeting:**

The Last Three Annual General Meetings of the company were held within the statutory time period and the details of the same are reproduced herein below:

<b>Financial Year</b>	<b>Date</b>	<b>Time</b>	<b>venue</b>
2019-20	September 30, 2020	10.30 AM	11C, Ram Mohan Dutta Road, Ground Floor, Kolkata-700020
2018-19	July 30, 2019	10.00 AM	11C, Ram Mohan Dutta Road, Ground Floor, Kolkata-700020
2017-18	July 16, 2018	10.00 AM	11C, Ram Mohan Dutta Road, Ground Floor, Kolkata-700020

Extraordinary General Meeting held during the last three Financial Year – NIL  
Special Resolution passed through Postal Ballot during the last Financial Year- NIL

#### **(5) Disclosures:**

##### **(i) Disclosure on materially significant related party transactions**

No transactions of material nature have been entered into by the company with its promoters, directors or the management, their relatives or their subsidiaries etc. that may have potential conflict with interest of the Company at large. The Particulars of transactions between the Company and the related parties for the year ended on March 31, 2021 are disclosed in the notes to the account in this Annual Report. None of these transactions have any conflict with the company's interest.

##### **(ii) Disclosure of accounting treatment in preparation of financial statements**

The Company has followed the Accounting Standards issued by the institute of Chartered Accountants of India and notified by the Government of India from time to time.

In line with the clarification issued by the Ministry of Corporate Affairs vide its General Circular 08/2014 dated April 4, 2014 financial statements (including the documents required to be attached thereto) auditor's report and Board's Report of the company in respect of financial year ended at March 31, 2021 has been prepared as per the relevant provisions/ Schedules/ rules of the Companies Act, 2013.



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**(iii) Cases of Non-Compliances/Penalties:**

There has been no instance of non-compliance by the company on any matter markets. Hence, there are no penalties or strictures by SEBI or the Stock Exchange or any other statutory body on matters related to capital markets during the year.

**(iv) Risk Management**

Pursuant to Regulation-21 of the Listing Regulations 2015, the Company voluntarily documented risk management policy to identify, evaluate business risks.

**(v) Vigil/whistle blower policy**

Regulation 22 of the Listing Regulations 2015 & Subsection (9 & 10) of Section 177 of the Companies Act, 2013 read with rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014, inter alia provides that every listed company shall establish a vigil mechanism call "whistle Blower policy" for Directors, employees to report genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct. Your company has framed whistle Blower Policy.

**(vi) Code for prevention of Insider Trading Practice**

There is no trading in shares of the Company, hence the code is not required to comply by the Company, but in good governance practice the Company has formulated the Code for prevention of Insider Trading in line with the requirement of SEBI (Prohibition of Insider trading) Regulations 2015.

**(vii) Functional Website of the Company as per Regulation 46 of SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015**

Pursuant to Regulation 46 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations 2015, maintains a functional website and web address of the Company is [www.hepcl.co.in](http://www.hepcl.co.in).

**(6) Means of Communication:**

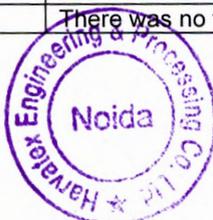
Quarterly, half-yearly and annual financial results of the company are communicated to the stock exchanges immediately after the same are considered by the Board and are published in the two newspapers i.e. Eco India in English & Apathik Lipi in Bengali (regional newspaper) within 48 hours of the Board Meetings.

**(7) Management Discussion and Analysis Report form part of this annual report**

The Complete management discussion and analysis report are placed in separate section of the Annual Report.

**(8) General Shareholder's Information**

S. No.	Particulars	Details	
1	<b>Annual General Meeting</b>	Monday, August 09, 2021	10:00 AM 20/1, Maharshi Debendra Road, 2nd Floor, Kolkata-700007
2	<b>Financial Calendar</b>	<b>April 01, 2021 to March 31, 2021</b>	
	Financial Reporting for – Quarter-I (ending June 30, 2021)	By 2 <sup>nd</sup> Week of August, 2021	
	Financial Reporting for – Quarter-II (ending Sep 30, 2021)	By 2 <sup>nd</sup> Week of November, 2021	
	Financial Reporting for – Quarter-III (ending Dec 31, 2021)	By 2 <sup>nd</sup> Week of February, 2021	
	Financial Reporting for – Quarter-IV (ending Mar 31, 2021)	By last Week of May, 2022	
3	<b>Date of Book Closure</b>	August 03, 2021 to August 09, 2021	
4.	<b>Date of e-voting</b>	August 05, 2021 at 09:00 AM to August 08, 2021 at 05:00 PM	
5	<b>Listing on Stock Exchange</b>	<b>Name and address of Stock Exchanges</b>	<b>File No</b>
		The Calcutta Stock Exchange Association Ltd, 7, Lyons Range, Kolkata-700001	18099
6	<b>Listing Fees</b>	The Listing fee for Calcutta Stock Exchange Association Ltd was not paid for financial year ended March 31, 2021, due to non-receipt of Bill.	
7	<b>Market Price details</b>	There was no trading in the equity shares of the company	



		during this year.
8	<b>Detail of registrar and Share Transfer Agent</b>	NA
9	<b>Address for correspondence</b>	B-38, GHCL House, Ground Floor, Sector-1, Noida-201301 Ph. no.- +91-120-4939945 Email- <a href="mailto:harvatex@yahoo.com">harvatex@yahoo.com</a> , <a href="mailto:investcos@yahoo.com">investcos@yahoo.com</a>
10	<b>Share Transfer system</b>	Company process the share transfer on its own at its office.
11	<b>Dematerialization of Shares</b>	The company's shares are in physical form and company not made any request to NSDL/CDSL for dematerialization of its shares

**(9) Shareholding Pattern as on March 31, 2021**

Particulars	Number of Share holders	Shares held in Physical form	Shares held in dematerialized form	Total Number of shares held	% of capital
<b>A. Promoters and Promoters Group Holding</b>					
1. Promoters					
Body Corporate	7	4,45,200	-	4,45,200	61.83
Individuals	-	-	-	-	-
2. Non Promoters Holdings					
Body Corporate	-	-	-	-	-
Individuals	612	2,74,800	-	2,74,800	38.17
<b>Total</b>	<b>619</b>	<b>7,20,000</b>	<b>-</b>	<b>7,20,000</b>	<b>100</b>

**(10) Distribution of Shareholding as on March 31, 2021**

Number of Equity Shares held	Number of Share holders	Number of Shares	% of Capital
Upto 500	597	1,27,340	17.69
501-1000	7	5,600	0.78
1001-2000	-	-	-
2001-3000	2	5,000	0.69
3001-4000	-	-	-
4001-5000	1	5,000	0.69
5001-10000	1	7,000	0.97
10001-and Above	11	5,70,060	79.18
<b>Total</b>	<b>619</b>	<b>7,20,000</b>	<b>100</b>

The Board has laid down a code of conduct for all Board Members and Senior Management of the Company. All the Board Members and Senior Management Personnel have affirmed compliance with the code of conduct for the year ended March 31, 2021.

Sd/  
Mohan Thrayil  
Director  
Place: Noida  
Date: June 28, 2021

Sd/  
K Swaminathan  
Director



*Man*

**Certification Under Regulation 17(8) of the SEBI(LODR) Regulation 2015**

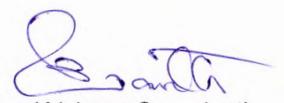
The Board of Directors  
Harvatex Engineering & Processing Co Ltd

We, the undersigned, certify to the Board that:

- A. We have reviewed the financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
- 1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - 2) these statements together present a true and fair view of the state of company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal control for financial reporting. This is monitored by the internal audit function, which encompasses the examination and evaluation of the adequacy and effectiveness, of internal control. The internal auditor works with all levels of management and statutory auditors and reports significant issues to the audit committee of the Board. The auditors and audit committee are appraised of any corrective action taken with regard to significant deficiencies in the design or operation of internal controls.
- D. We have indicated to the auditors and to the audit committee:
- 1) Significant changes in internal control over financial reporting during the year;
  - 2) Significant changes in accounting policies during the year; and that the same have been disclosed in the notes to the financial statements; and
  - 3) Instances of significant fraud of which we have become aware of and which involve management or other employees having significant role in the company's internal control system and financial reporting. However, during the year there was no such instance.

For Harvatex Engineering and Processing Company Ltd

Mohanam Thrayil  
(Director )



Krishnan Swaminathan  
( Director)



**INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF HARVATEX ENGINEERING & PROCESSING CO LTD**  
**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone Ind AS financial statements of **HARVATEX ENGINEERING & PROCESSING CO LTD** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

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

**Emphasis of Matter – Impact of outbreak of Corona virus (Covid-19)**

We draw attention to Note 5 of the standalone Ind AS financial statements, which explains the uncertainties and the management's assessment of the financial impact related to COVID-19 pandemic situation, for which a definitive assessment of the impact in subsequent period is highly dependent on future economic developments and circumstances as they evolve. Our opinion is not modified in respect of this matter.



### **Key Audit Matters (KAMs)**

Key Audit Matters are those matters that, in our professional judgment, were of most significant in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements are not required to report any Key Audit Matters.

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

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

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

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

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

### **Management's Responsibility for the Standalone Financial Statements**

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

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going



concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

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

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

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



underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

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

1. As required by Section 143(3) of the Act, based on our audit we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on March 31, 2021 taken



on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. The Company is not required to make any provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

Place: Noida  
Date: 28/06/2021



**For Rakesh K Agarwal & Co**  
Chartered Accountants  
**FRN: 033764N**

  
**(Rakesh K Agarwal)**  
(Proprietor)

(Membership No. 086574)

**UDIN: 21086574AAAAAX4265**

**“ANNEXURE”-A to The Independent Auditor’s Report**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of **HARVATEX ENGINEERING & PROCESSING CO LTD** of even date)

**Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **HARVATEX ENGINEERING & PROCESSING CO LTD** (“the Company”) as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

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

**Auditor’s Responsibility**

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

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



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

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

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

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

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

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: Noida  
Date: 28/06/2021



**For Rakesh K Agarwal & Co**  
Chartered Accountants  
**FRN: 033764N**

  
**(Rakesh K Agarwal)**  
(Proprietor)

(Membership No. 086574)

**UDIN: 21086574AAAAAX4265**

**"Annexure B" to Independent Auditor's Report (CARO)**

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the **HARVATEX ENGINEERING & PROCESSING CO LTD**("the Company") for the year ended March 31, 2021

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.  
(c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, that immovable property is not included in fixed assets. Hence not commented upon.
2. According to the information and explanations given to us, the Company is not having any inventory, hence not commented upon.
3. The Company has granted unsecured loans to companies, firms or other parties covered by clause (76) of section 2 of companies act, 2013 as related parties.
  - a) The terms & conditions of such loans were not prejudicial to the company's interest and equivalent to prevailing in market.
  - b) These loans are temporary in nature where principle & interest are payable on demand. Henceforth these are treated as regular and wherever applicable necessary provision is made in the account.
  - c) These loans are payable on demand and wherever applicable necessary provision is made in the account.
4. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the companies act, 2013 in respect of loans, investments, guarantees, and security.
5. The company has not accepted any deposits from public as envisaged under Section 73 to 76 of the Companies Act, 2013.
6. The central government has not prescribed the maintenance of the cost records under section 148 (1) of the Act, for any of the products rendered by the Company
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including income tax, provident fund, employees' state insurance, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, GST and other material statutory dues, as applicable to the Company. However being regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of outstanding statutory dues



were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable..

(b) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty and value added tax and GST which have not been deposited on account of any dispute.

8. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management. Company has not taken any debt from any financial institution, bank, government or debenture holders. Hence not commented upon.
9. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to information and explanations given by the management, the company has not raised moneys by way of initial public offer (IPO) or further public offer (FPO) including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the order are not applicable to the company and hence not commented upon.
10. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or on the company by the officers and employees of the Company has been noticed or reported during the year.
11. Based on our audit procedures and as per the information and explanations given by the management, we have verified that managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
12. In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
13. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, transactions with the related parties are in compliance with Section 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of Section 177 of the Act are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to Section 177 of the Act is not applicable to the Company and hence not commented upon
14. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
15. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him.



16. According to the information and explanations given to us, the company is Non-Banking Financial Company (NBFCs) and registered under section 45IA of the Reserve Bank of India Act, 1934 till October 31,2019. Certificate of Registration (COR) as NBFC as net owned fund of the company was below 2 crores as on March 31, 2017. The name of the company exists at serial no. 2057 in the list of Companies, whose CoR has been cancelled by RBI on October 31,2019, however the Company has not received any formal communication from RBI with respect to cancellation of its CoR. However, the Company is in continues receipt of dividend/interest income from its past investments/loans.

**For Rakesh K Agarwal & Co**  
Chartered Accountants  
**FRN: 033764N**



A handwritten signature in blue ink, appearing to be "Rakesh K Agarwal", written over a horizontal line.

**(Rakesh K Agarwal)**  
(Proprietor)

(Membership No. 086574)

**UDIN: 21086574AAAAAX4265**

Place: Noida

Date: 28/06/2021

**HARVATEX ENGINEERING & PROCESSING CO LIMITED**

**Balance Sheet as at March 31, 2021**

(Amount in Thousand)

Particulars	Note	March 31, 2021	March 31, 2020
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipments	2	327	436
Financial Assets			
Investments	3	1,00,520	39,322
Loans	4	162	165
Others	5		-
Deferred Tax Assets	9		-
Non-financial assets			-
		<b>1,01,009</b>	<b>39,922</b>
<b>Current Assets</b>			
Inventories			
Financial Assets			
Investment	3A		-
Trade Receivable	6	38	26
Cash and cash equivalents	7	48	1,301
Others			-
Non-financial assets	8	1,104	310
		<b>1,190</b>	<b>1,637</b>
<b>TOTAL</b>		<b>1,02,199</b>	<b>41,559</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	10	7,200	7,200
Other Equity	11	65,831	26,181
<b>Total equity</b>		<b>73,031</b>	<b>33,381</b>
<b>Non-Current Liabilities</b>			
Financial Liabilities			
Borrowings	12	216	136
Other liabilities			-
Deferred Tax Liability	9	28,727	7,876
		<b>28,943</b>	<b>8,013</b>
<b>Current Liabilities</b>			
Financial Liabilities			
Borrowings	12A	66	-
Other liabilities	13	155	161
Current Tax liabilities			-
Non-financial liabilities	14	4	4
		<b>225</b>	<b>165</b>
<b>TOTAL</b>		<b>1,02,199</b>	<b>41,559</b>
Summary of significant accounting policies	21 & 22		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **RAKESH K AGARWAL & CO.**

Chartered Accountants

FRN No. 033746N




(Rakesh K Agarwal)

Proprietor

M.No.: 086574

UDIN.: 21086574AAAAAX4265

Place : Noida

Date : 28/06/2021

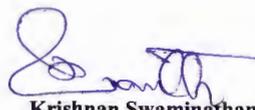
For and on behalf of the Board of Directors of  
Harvatex Engineering & Processing Co Ltd



Mohanan Thrayil

Director

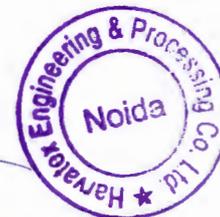
DIN :08310232



Krishnan Swaminathan

Director

DIN :08784845




Uma Jain

Director

DIN: 08784837



Krishnan Kumar Gupta

Company Secretary

M.No: F2371

**HARVATEX ENGINEERING & PROCESSING CO LIMITED**

**Statement Of Profit And Loss For The Year Ended On March 31, 2021**

(Amount in thousands)

Particulars	Note		March 31, 2020
<b>INCOME</b>			
Revenue from Operations	15	42	3,370
Other income		-	-
<b>Total Income</b>		<b>42</b>	<b>3,370</b>
<b>EXPENDITURE</b>			
Employees Benefit Expenses	16	232	294
Other Expenses	17	384	632
Finance Cost	18	13	6
Depreciation and amortisation	2	109	115
<b>Total Expenses</b>		<b>739</b>	<b>1,047</b>
<b>Profit before tax</b>		(697)	2,323
<b>Extraordinary Item</b>		-	(78)
<b>Profit Before Tax</b>		(697)	2,245
<b>Tax Expenses</b>			
Current tax			
Deferred tax		(104)	(63)
<b>Total tax expense</b>		<b>(104)</b>	<b>(63)</b>
<b>Profit for the year</b>		<b>(592)</b>	<b>2,308</b>
<b>Other Comprehensive Income (OCI)</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Re-measurement gains on defined benefit plans			
Net gain on FVTOCI equity Securities		61,198	(85,785)
Income tax effect relating to items that will not be reclassified to profit or loss		(20,954)	29,158
<b>Total Other Comprehensive Income for the year, net of tax</b>		<b>39,652</b>	<b>(54,319)</b>
<b>Earnings per equity share</b>			
Basic and Diluted earnings per share (In Indian Rupees per share)	20	(0.82)	3.21
Nominal value per equity share (In Indian Rupees per share)		10.00	10.00
Summary of significant accounting policies	21 & 22		

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

**For RAKESH K AGARWAL & CO.**

Chartered Accountants

FRN No. 033746N

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

**Harvatex Engineering & Processing Co Ltd**




**(Rakesh K Agarwal)**

Proprietor

M.No.: 086574

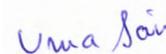
UDIN.: 21086574AAAAAX4265



**Mohanan Thrayil**

Director

DIN :08310232



**Uma Jain**

Director

DIN: 08784837



**Krishnan Swaminathan**

Director

DIN :08784845




**Krishnan Kumar Gupta**

Company Secretary

M.No: F2371

Place : Noida

Date : 28/06/2021

**HARVATEX ENGINEERING & PROCESSING CO LIMITED**

**CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31.03.2021**

(Amount in thousands)

	CURRENT YEAR 31.03.2021	CURRENT YEAR 31.03.2020	CURRENT YEAR 31.03.2019
<b>A. Cash Flow From Operating Activities:</b>			
Net Profit(Loss) Before Tax And Extra Ordinary Items	(697)	2,323	1,383
Adjustments For:			
Depreciation	109	115	155
Non Cash Expenses Written Off (Net)	-	-	-
(Profit)/Loss On Sale Of Fixed Assets	-	115	155
Operating Profit Before Working Capital Changes	<b>(588)</b>	<b>2,438</b>	<b>1,538</b>
Adjustments For:			
Trade And Other Receivables	807	325	106
Trade And Other Payables	(60)	44	25
	747	369	131
<b>Cash Generated Form Operations After Adjustments For Working Capital Changes</b>	<b>(1,335)</b>	<b>2,806</b>	<b>1,669</b>
Direct Taxes	-	-	-
<b>Cash Flow After Adjusted For Working Capital Charges But Before Extra Ordinary Items</b>	<b>(1,335)</b>	<b>2,806</b>	<b>1,669</b>
Extra Ordinary Items (Net)	-	-	-
<b>Net Cash From Operating Activities</b>	<b>(1,335)</b>	<b>2,806</b>	<b>1,669</b>
<b>B. Cash Flow From Investing Activities</b>			
Purchase/Sale Of Fixed Assets	-	-	-
Purchase/Sale Of Investments	-	(1,769)	(1,700)
<b>Net Cash Used In Investing Activities</b>	<b>(1,335)</b>	<b>(1,769)</b>	<b>(1,700)</b>
<b>C. Cash Flow From Financing Activities</b>			
Proceeds From Issue Of Share Capital	-	-	-
Provision for Reseve Fund for NBFCs for current years	-	-	-
Borrowing/(repayment) of borrowing (net)	80	(200)	40
Receipts /(Repayment) Of Long Term Advances (Net)	3	416	-
Dividends Paid	-	-	-
<b>Net Cash Surplus/Used In Financing Activities</b>	<b>83</b>	<b>216</b>	<b>40</b>
<b>Net Increase/(Decrease) In Cash And Cash Equivalents</b>	<b>(1,252)</b>	<b>1,253</b>	<b>9</b>
Cash And Cash Equivalents As At 01-04-2018	1,301	47	38
Cash And Cash Equivalents As At 31-03-2019	49	1,301	47
Summary of significant accounting policies		21 & 22	

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For **RAKESH K AGARWAL & CO.**

Chartered Accountants

FRN No. 033746N

For and on behalf of the Board of Directors  
Harvatex Engineering & Processing Co Ltd




(Rakesh K Agarwal)

Proprietor

M.No.: 086574

UDIN.: 21086574AAAAAX4265



Mohanan Thrayil

Director

DIN :08310232



Uma Jain

Director

DIN: 08784837



Krishnan Swaminathan

Director

DIN :08784845



Place : Noida

Date : 28/06/2021



Krishnan Kumar Gupta

Company Secretary

M.No: F2371

2 Property, Plant and Equipment

(Amount in thousands)

Particulars	Vehicles
<b>Gross Carrying Value ( Cost or deemed Cost)</b>	
At March 31, 2019	914
<b>Depreciation and amortisation</b>	
At March 31, 2019	364
for the year	115
Disposals	-
At March 31, 2020	478
for the year	109
Disposals	-
At March 31, 2021	587
<b>Net Book Value</b>	
At March 31, 2019	550
At March 31, 2020	436
At March 31, 2021	327



*Uma Jain*

A handwritten signature in blue ink, appearing to be 'Uma Jain', written over a large, stylized blue ink mark.

HARVATEX ENGINEERING & PROCESSING CO LIMITED

Notes to the financial statements for the year ended March 2021

3 Investments

	March 31, 2021	March 31, 2020
<b>Non-Current</b>		
Investment in Equity Instruments (quoted)	99,788	38,951
Investment in Equity Instruments (unquoted)	146	170
Investment in preference shares (unquoted)	586	200
	<b>1,00,520</b>	<b>39,322</b>
<b>Investment in Equity Instruments (quoted) (at Fair value through Other Comprehensive Income)</b>		
415723 (March 31, 2020: 415723, April 01, 2019: 415723) of Rs 10/- each Shares of GHCL Ltd	95,720	37,062
51320 (March 31, 2020: 51320, April 01, 2019: 51320) of Rs 10/- each Shares of Golden Tobacco Ltd	4,068	957
50000 (Golden Tobacco Ltd)		933
	<b>99,788</b>	<b>38,951</b>
<b>Investment in Equity Instruments (unquoted) (at Fair value through Other Comprehensive Income)</b>		
4000 (March 31, 2020: 4000, April 01, 2019: 4000) of Rs 10/- each Shares of Multitech International Ltd	-	-
6000 (March 31, 2020: 6000, April 01, 2019: 6000) of Rs 10/- each Shares of M P Tabocca P Ltd	-	-
8000 (March 31, 2020: 8000, April 01, 2019: 8000) of Rs 10/- each Shares of Purni Tobacco p Ltd.	-	-
37500 (March 31, 2020: 37500, April 01, 2019: 37500) of Rs 10/- each Shares of BNPL.	38	-
17000 (March 31, 2020: nil, April 01, 2019: nil) of Rs 100/- each Shares of DBPL	-	33
6250 (March 31, 2020: 6250, April 01, 2019: 6250) of Rs 10/- each Shares of Dalmia House Jennie	22	-
125000 (March 31, 2020: 125000, April 01, 2019: 125000) of Rs 10/- each Shares of Dalmia Biz P Ltd	86	138
	<b>146</b>	<b>170</b>
<b>Investment in Preference shares (Unquoted) (at amortised cost)</b>		
125000 (March 31, 2020: 125000, April 01, 2019: Nil) of Rs 10/- each Shares of Dalmia Biz P Ltd	586	200
	<b>586</b>	<b>200</b>
	<b>1,00,520</b>	<b>39,322</b>

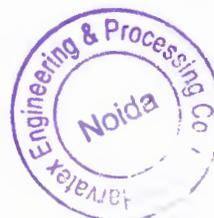
Current Investments

	March 31, 2021	March 31, 2020
UTI Floating Fund		

4 Loans

(Unsecured, considered good)

	March 31, 2021	March 31, 2020
<b>A) Non-current</b>		
Loan and advances to related parties 21 & 22		
<b>Other loans and advances</b>		
Loans to others	162	165
Miscellaneous Exp		
	<b>162</b>	<b>165</b>
<b>Total</b>	<b>162</b>	<b>165</b>
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
<b>B) Current</b>		
Loan		
<b>Total</b>		



*He -* *Uma Jain*

Notes to the financial statements for the year ended March 2021

Others Non Current Financial Assets

5	March 31, 2021	March 31, 2020
Time Share Unit		-

Trade receivables

6	March 31, 2021	March 31, 2020
<b>Current</b>		
Outstanding for a exceeding six month from the date they are due for payment		
Considered Goods		
Doubtful	528	527
	528	527
Less: provision for Doubtful	528	527
Others		
Considered Good	38	26
<b>Total</b>	<b>38</b>	<b>26</b>

7 Cash and Bank Balances

A) Cash and cash equivalents

	March 31, 2021	March 31, 2020
<b>Current</b>		
<b>Balance with banks:</b>		
On current accounts	43	1,296
Cash on hand	5	5
	<b>48</b>	<b>1,301</b>

Breakup of financial assets carried at amortised cost / fair value

	March 31, 2021	March 31, 2020
Investments	1,00,520	39,322
Loans	162	165
Cash and Bank balances	48	1,301
	<b>1,00,730</b>	<b>40,787</b>

8 Non-financial assets

(Unsecured, considered good)

A) Non-current

	March 31, 2021	March 31, 2020
Advances recoverable in cash or kind		-

B) Current

	March 31, 2021	March 31, 2020
Advances recoverable in cash or kind	1,100	306
Balance with statutory/government authorities	4	4
	<b>1,104</b>	<b>310</b>

9 Deferred Tax Liability

	March 31, 2021	March 31, 2020
<b>Deferred tax liability arising on account of timing differences relating to:</b>		
Impact on account of investment carried at FVTPL		
Impact on account of investment carried at FVTOCI	28,944	7,989
<b>A</b>	<b>28,944</b>	<b>7,989</b>
<b>Deferred tax asset arising on account of timing differences relating to:</b>		
Provision for bad and doubtful debts and expected Credit Loss		
Impact on account of investment carried at amortised cost	217	113
MAT credit entitlement		
<b>B</b>	<b>217</b>	<b>113</b>
<b>(A-B)</b>	<b>28,727</b>	<b>7,876</b>

Mc. *[Signature]* Uma Sain



*[Signature]*

HARVATEX ENGINEERING & PROCESSING CO LIMITED

Notes to the financial statements for the year ended March 2021

Deferred tax assets/ (liabilities):				
For the year ended March 31, 2020				
	Opening Balance	Recognised in profit & loss	Recognised in OCI	Closing balance
Impact on account of investment carried at FVTPL	-	-	-	-
Impact on account of investment carried at FVTOCI	7,990	-	20,954	28,944
Provision for bad and doubtful debts and expected Credit Loss	-	-	-	-
Impact on account of investment carried at amortised cost	(113)	(104)	-	(217)
MAT credit entitlement	-	-	-	-
	7,877	(104)	20,954	28,727
For the year ended March 31, 2019				
	Opening Balance	Recognised in profit & loss	Recognised in OCI	Closing balance
Impact on account of investment carried at FVTPL	-	-	-	-
Impact on account of investment carried at FVTOCI	37,149	-	(29,159)	7,990
Provision for bad and doubtful debts and expected Credit Loss	-	-	-	-
Impact on account of investment carried at amortised cost	(50)	(63)	-	(113)
MAT credit entitlement	-	-	-	-
	39,000	(63)	(4)	7,877

10 Equity share capital

	March 31, 2021	March 31, 2020
<b>Authorised</b>		
10,00,000 (March 31, 2020: 10,00,000; April 01, 2019: 10,00,000) Equity Share of Rs. 10/- each	10,000	10,000
<b>Issued, subscribed and fully paid-up shares</b>		
7,20,000 (March 31, 2020: 7,20,000; April 01, 2019: 7,20,000) Equity Shares of Rs. 10/-each	7,200	7,200
	7,200	7,200

a. Reconciliation of the equity shares outstanding at the beginning and at the end of the year.

Equity shares	March 31, 2021			
	Numbers	Value	Numbers	Value
At the beginning of the year	7,20,000	7,200	7,20,000	7,200
Issued during the year	-	-	-	-
Outstanding at the end of the year	7,20,000	7,200	7,20,000	7,200

b. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Re.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the board of directors is subject to approval of Shareholders in Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% equity shares in the Company

	March 31, 2021			
	Numbers	% holding	Numbers	% holding
1 Mansarovar Commercial Private Ltd	79,450	11.03%	79,450	11.03%
2 Pashupatinath Commercial Private Limited	1,00,950	14.02%	1,00,950	14.02%
3 Sovereign Commercial Private Limited	95,250	13.23%	95,250	13.23%
4 Swastik Commercial Private Limited	48,400	6.72%	48,400	6.72%
5 Trishul Commercial Private Limited	1,21,150	16.83%	1,21,150	16.83%

11 Other Equity

	March 31, 2021	March 31, 2020
Special Reserve as NBFC	1,935	1,935
Special Reserve	-	-
Other Comprehensive Income	55,762	15,518
Retained earnings	8,135	8,727
	65,831	26,181



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HARVATEX ENGINEERING & PROCESSING CO LIMITED

Notes to the financial statements for the year ended March 2021

The movement in balance of other equity is as follows:

	March 31, 2021	March 31, 2020
<b>Special Reserve as NBFC</b>		
As per last balance sheet	1,935	1,470
Add: Additions during the year		465
<b>Closing balance</b>	<b>1,935</b>	<b>1,935</b>
<b>Special reserve</b>		
As per last balance sheet		
Add: Additions during the year		
<b>Closing balance</b>		-
<b>Other Comprehensive Income</b>		
Balance as per last financial statements	15,518	72,144
Add: Addition during the year	40,244	(56,627)
	<b>55,762</b>	<b>15,518</b>
<b>Retained earnings</b>		
Balance as per last financial statements	8,727	6,808
Add: Profit for the year	(592)	2,308
Trf to Special Reserve as NBFC		(465)
Provisions for doubtful assets		78
Refund		-
<b>Net surplus in the statement of profit and loss</b>	<b>8,135</b>	<b>8,727</b>
	<b>65,831</b>	<b>26,181</b>

12 Borrowings

Non Current borrowings

	March 31, 2021	March 31, 2020
<b>From Banks (secured)</b>		
Term loans		
<b>Unsecured Loans</b>		
Form Bodies Corporate	216	136
<b>TOTAL</b>	<b>216</b>	<b>136</b>

12 A)

Current borrowings

	March 31, 2021	March 31, 2020
<b>Current Maturities of Non Current borrowings</b>		
<b>From Banks (secured)</b>		
Term loans		-
<b>Other loans (unsecured)</b>		
From Companies	66	-
	<b>66</b>	-
Less : Amount disclosed under other current liabilities		-
<b>TOTAL</b>	<b>66</b>	-
<b>The above amount includes:</b>		
Secured borrowings		-
Unsecured borrowings	66	-

13 Other liabilities

Current

	March 31, 2021	March 31, 2020
<b>Current maturities of long-term borrowing</b>		
Creditor others	15	
Expenses Payable	140	161
	<b>155</b>	<b>161</b>
<b>Breakup of financial liabilities carried at amortised cost</b>		
	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Borrowing		
Other liabilities	155	161
	<b>155</b>	<b>161</b>

14 Non-financial liabilities

	March 31, 2021	March 31, 2020
<b>Statutory liabilities</b>		
	4	4
	<b>4</b>	<b>4</b>



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HARVATEX ENGINEERING & PROCESSING CO LIMITED

Notes to the financial statements for the year ended March 2021

15 Revenue from Operations

	March 31, 2021	March 31, 2020
GST (Taxable) Incomes		-
Operational Incomes (No GST)	42	3,370
	42	3,370
Break up of Operational Income ( No GST)		
Interest on loans	14	44
Dividend Income	-	3,326
Misc Income	28	
	42	3,370

16 Employees Benefit Expenses

	March 31, 2021	March 31, 2020
Salaries, wages and bonus	232	294
Contribution to provident and other funds		
	232	294

17 Other Expenses

	March 31, 2021	March 31, 2020
<b>Administrative Expenses</b>		
Listing expenses		30
Director Meeting Fee		12
Conveyance Exps	32	-
Insurance	15	-
Advertisement and Publicity	64	55
Telephone & Postage	6	-
Retainership Charges	127	275
Legal and Professional Expenses	105	41
Rent	6	38
Auditors' Remuneration	12	10
Auditors' for certification	9	8
Miscellaneous Expenses	10	163
	384	632
<b>Details of Auditors' Remuneration are as follows:</b>		
<b>Statutory Auditors:</b>		
Audit Fees	12	-
Other Services	9	-
	21	-

18 Finance Cost

	March 31, 2021	March 31, 2020
Bank charges	2	6
Interest	11	
	13	6

19 Other Comprehensive Income (OCI)

The disaggregation of changes to OCI by each type of reserve in equity is shown as below:

	March 31, 2021	March 31, 2020
Remeasurement costs on net defined benefit liability		
Deferred tax effect on remeasurement costs		
Remeasurement of Financial assets	61,198	(85,785)
Tax on same	(20,954)	29,158
<b>Total</b>	<b>40,244</b>	<b>(56,627)</b>

20 Earnings per equity share

	March 31, 2021	March 31, 2020
The following reflects the profit and share data used in the basic and diluted EPS computations:		
Profit available for equity shareholders	(592)	2,308
Weighted average number of equity shares in computing basic EPS	720	720
Face value of each equity share (Rs.)	10	10
Earnings per equity share: Basic and Diluted (Rs.)	(0.82)	3.21



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**Notes to the standalone financial statement for the year ended March 31, 2021**  
**(All amounts are in Indian Rupees except share data and unless otherwise stated)**

**21. Significant Accounting Policies**

**21.1 Basis of Preparation**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statement has been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities measured at fair value (refer accounting policies regarding financial instruments)

The financial statements are presented in Indian Rupees (INR) except when otherwise indicated.

**1.1 Summary of Significant Accounting Policies**

**a. Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

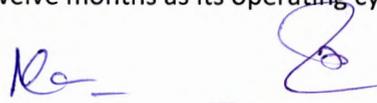
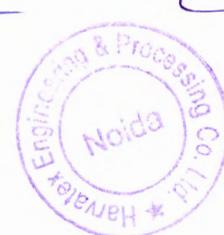
A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.



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# HARVATEX ENGINEERING & PROCESSING CO LIMITED

CIN: L28939WB1982PLC035023

## Notes to the standalone financial statement for the year ended March 31, 2021 (All amounts are in Indian Rupees except share data and unless otherwise stated)

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### b. Currencies

The financial statements are presented in Indian rupees, which is the functional currency of the Company.

### c. Fair Value Measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

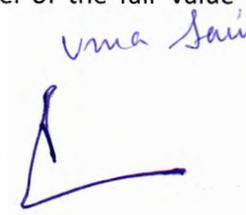
- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest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

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

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



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**Notes to the standalone financial statement for the year ended March 31, 2021**  
**(All amounts are in Indian Rupees except share data and unless otherwise stated)**

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**d. Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

**Interest income**

For all financial instrument measured at amortised cost, interest income is recorded using effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included under the head "other income" in the statement of profit and loss.

**Dividends**

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

**e. Taxes**

**Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provision where appropriate.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

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



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**HARVATEX ENGINEERING & PROCESSING CO LIMITED**  
**CIN: L28939WB1982PLC035023**

**Notes to the standalone financial statement for the year ended March 31, 2021**  
**(All amounts are in Indian Rupees except share data and unless otherwise stated)**

recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period/year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as deferred tax asset only to the extent it is probable that sufficient taxable profit will be available to allow all or part of MAT credit to be utilised during the specified period, i.e., the period for which such credit is allowed to be utilised.

**f. Property, Plant and Equipments**

Under the previous GAAP (Indian GAAP) Property, Plant and equipment and Capital Work in Progress were carried in the balance sheet at cost of acquisition. The company has elected to regard those values of property as deemed cost of acquisition since they were broadly comparable to the fair value and there is no change in the functional currency of the company. The Company has also determined that cost of acquisition does not differ materially from fair valuation as at April 1, 2017 (date of transition to Ind AS).

Property, Plant and Equipment and Capital Work in Progress are stated at cost, net of taxes/duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing cost for the long term construction projects if the recognition criteria are met. All other repair and maintenance cost are recognised in the statement of profit and loss as incurred.

Gains and losses upon disposal of an item of property, plant and equipment are determined by comparing the proceeding from disposal with the carrying amount of property, plant and equipment and are recognised as net within "other (income)/expense net" in the statement of profit and loss.

Depreciation is calculated on a "Written down value method using the rates arrived at based on useful lives estimated by the management, which is equal to life prescribed under the schedule II to the Companies Act, 2013.

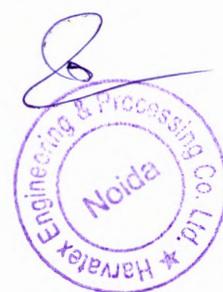
The lives of assets are as follows:

Assets	Useful life in years
Vehicles	10

The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.



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**Notes to the standalone financial statement for the year ended March 31, 2021**  
**(All amounts are in Indian Rupees except share data and unless otherwise stated)**

The Residual values, useful lives and method of depreciation of Property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**g. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

**h. Impairment of Non- Financial Assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss. An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior periods/ years. Such reversal is recognised in the statement of profit and loss.



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**Notes to the standalone financial statement for the year ended March 31, 2021**  
**(All amounts are in Indian Rupees except share data and unless otherwise stated)**

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**i. Provision**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**j. Other Litigation claims**

Provision for litigation related obligation represents liabilities that are expected to materialise in respect of matters in appeal.

**k. Financial Instruments**

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

**Financial assets**

**Initial recognition and measurement**

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Debt instrument at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

**Debt instrument at FVTOCI**

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.



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**Notes to the standalone financial statement for the year ended March 31, 2021**  
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Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the statement of profit and loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method

***Debt instrument at FVTPL***

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

***Equity investments:***

All equity investments are measured at fair value except for equity investment in Associates which have been measured at cost. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in OCI subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If an equity instrument is classified as FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments classified as FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

***Derecognition***

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

- a) the rights to receive cash flows from the asset have expired, or
- b) The Company has transferred its rights to receive cash flows from the asset, and
  - (i) the Company has transferred substantially all the risks and rewards of the asset, or
  - (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

**Financial liabilities**

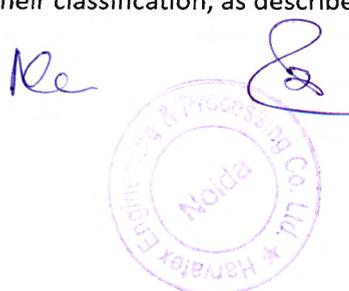
***Initial recognition and measurement***

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

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

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:



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**HARVATEX ENGINEERING & PROCESSING CO LIMITED**  
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**Notes to the standalone financial statement for the year ended March 31, 2021**  
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*Loans and borrowings*

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

**Derecognition**

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

**Reclassification of financial assets**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**I. Cash and Cash Equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

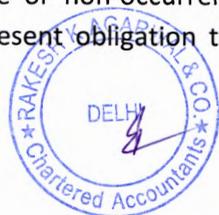
**m. Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders by the weighted average number of Equity shares outstanding during the year plus the weighted average number of equity shares outstanding, for the effects of all dilutive potential shares.

**n. Contingent Liability and contingent assets**

A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of Company or a present obligation that is not recognised because it is not probable that an outflow of



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**Notes to the standalone financial statement for the year ended March 31, 2021**  
**(All amounts are in Indian Rupees except share data and unless otherwise stated)**

resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognise the contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognise the contingent assets but discloses its existence in the financial statements.

**o. CSR expenditure**

The Company has opted to charge its CSR expenditure incurred during the year to the statement of profit and loss.

**As per our report of even date**

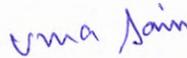
For **Rakesh K Agarwal & Co**  
Chartered Accountants  
FRN: 033764N

For and on behalf of the board  
Harvatex Engineering & Processing Co Ltd



**(Rakesh K Agarwal)**

Proprietor  
Membership No: 086574  
UDIN No: 21086574AAAAAX4265



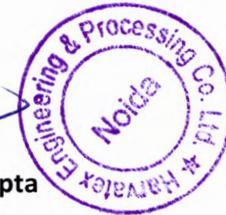
**Uma Jain**  
Director  
DIN:08784837



**K Swaminathan**  
Director  
DIN: 08784845



**Krishan Kumar Gupta**  
Company Secretary  
M.No: F2371



**Mohanan T**  
Director  
DIN: 08310232

Date:28/06/2021  
Place: Noida

**HARVATEX ENGINEERING & PROCESSING CO LIMITED**  
**CIN: L28939WB1982PLC035023**

**Notes to the standalone financial statement for the year ended March 31, 2021**  
**(All amounts are in Indian Rupees except share data and unless otherwise stated)**

**22. Notes to the standalone financial statements for the year ended March 31, 2021**

1. In the opinion of the Board of Directors, Current Assets, Loans & Advances have a value of realization in the ordinary course of business at least equal to the amount at which they have been stated in the Balance Sheet. The provisions for all known liabilities are adequate and not in excess of amount considered reasonably necessary.
2. Managerial Remuneration U/s 197 of Companies Act, 2013 paid/payable during financial year to the Director are as under: -

	<u>Current Year (Rs).</u>	<u>Previous Year(Rs)</u>
Salaries & Allowances	34,250	2,94,000

Computation of Net Profit in accordance with section 198 of the Companies Act, 2013 is not given, as Company has not paid any commission to any of its Directors.

**3. Earning Per Shares**

Particulars		<b>31/03/2021</b>	<b>31/03/2020</b>
Profit after Tax available to Equity Shareholders	(592)	2308	
Weighted average number fo equity shares		720	720
Number of Equity Share	720	720	
Face Value per share (Rs)		10	10
Basic & diluted Earning per share (Rs)	(0.82)	3.21	

**4. Related Party Disclosure:**

- (a) Related Party Where Key Managerial Personnel Exercise Significant Influence

- 1 Hindustan Commercial Company Ltd
- 2 Gems Commercial Company Limited
- 3 Little rock trade and investment Ltd

- (b) Name of related party and nature of related party relationship where control exist:

(i) Holding Company : Nil

(ii) Subsidiary Company : NIL

Name of related party and nature of related party relationship other than those referred to in (a) above in transaction with the company:

(i) Joint Ventures etc : Nil

- (ii) Key Management Personnel : Jagbir Singh, Whole Time Director Upto 20.08.2020  
: Mohanan T, Managing Director w.e.f. 11.02.2021  
: Krishan Kumar Gupta, CS  
: Sikha, Director and CFO, upto 20.08.2020  
: K Swaminathan - Director and CFO w.e.f. 11.02.2021



**HARVATEX ENGINEERING & PROCESSING CO LIMITED**  
**CIN: L28939WB1982PLC035023**

**Notes to the standalone financial statement for the year ended March 31, 2021**  
**(All amounts are in Indian Rupees except share data and unless otherwise stated)**

**(c) Transactions with related parties during the year :**

- i. Related Party Where Key Managerial Personnel may Exercise Significant influence  
(Rs. In thousands)

S.No	Companies	Opening	Short-terms loans and advances received	Short-terms loans and advances given	Outstanding Balance Debit / (Credit ) as on 31.03.2021
1	Gems Commercial Company Limited	(95)	146	66	(175)
2	Hindustan Commercial Company Limited	4	-	-	4
3.	Little Rock Trade and Investment Ltd.	165			165
<b>Total</b>		<b>74</b>	<b>146</b>	<b>66</b>	<b>(6)</b>

- ii. Payment to KMP: Rs 34,250/= (Previous Year: Rs 2,32,250/=)

**5. Coronavirus (COVID-19) Impact on Financial Reporting**

The current “second wave” of COVID-19 pandemic has significantly increased in India. The Government of India has ruled out a nationwide lockdown for now, but regional lockdowns are implemented in areas with a significant number of COVID-19 cases. Safety of our employees continues to be our key priority. We are encouraging our employees, providing flexible work options and adhering to COVID-19 guidelines.

We are closely monitoring the situation and will continue to take all necessary actions to ensure the health and safety of our employees. The Company has considered the possible effects that may result from COVID-19 in the preparation of these Standalone financial statements including the recoverability of carrying amounts of financial and non-financial assets. Based on the current year performance and estimates arrived at using internal and external sources of information, the company does not expect any material impact on such carrying values. Based on the projected cash flows for the next one year the management is confident of liquidating its liabilities as and when they fall due and the Going concern assumption used for preparation of these financial statements is appropriate. The impact of COVID-19 on the company’s financial statement may differ from that estimated as at the date of approval of Standalone Financial statements and it will continue to closely monitor any material changes to future economic conditions.

6. It has also no import, expenditure/earning in foreign currency during the year or during the Previous year.
7. Fair value of the unquoted share investments is computed based on the latest available audited balance sheet of the investee companies i.e. March 31, 2020. Moreover, fair value is computed at NIL value wherever there is a negative net worth or audited balance sheet of Investee Company is not available.



**HARVATEX ENGINEERING & PROCESSING CO LIMITED**  
**CIN: L28939WB1982PLC035023**

**Notes to the standalone financial statement for the year ended March 31, 2021**  
**(All amounts are in Indian Rupees except share data and unless otherwise stated)**

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8. Previous year figures have been reworked, rearranged, regrouped and reclassified, wherever considered necessary.

**As per our report of even date**

For **Rakesh K Agarwal & Co**  
Chartered Accountants  
FRN: 033764N

For and on behalf of the board  
Harvatex Engineering & Processing Co Ltd



**(Rakesh K Agarwal)**  
Proprietor  
Membership No: 086574  
UDIN No: 21086574AAAAAX4265



*Uma Jain*  
**Uma Jain**  
Director  
DIN:08784837



**K Swaminathan**  
Director  
DIN: 08784845

Date:28/06/2021  
Place: Noida

*Krishan Kumar Gupta*  
**Krishan Kumar Gupta**  
Company Secretary  
M.No: F2371



*Mohan T*  
**Mohan T**  
Director  
DIN: 08310232

23 The Micro, Small and Medium Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors, according to such identification, the disclosures in respect to Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is as follows:			
Particulars		Financial year 2021-2020	Financial year 2019-2020
i)	The principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year		
	- Principal amount	NIL	NIL
	- Interest thereon	NIL	NIL
ii)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 along with the amount of payment made to supplier beyond the appointed day during each accounting year	NIL	NIL
iii)	The amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the Appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL
iv)	The amount of interest accrued and remaining Unpaid at end of each accounting year; and	NIL	NIL
v)	The amount of further interest remaining due and payable even in the succeeding years, Until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowances as a deductible Expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	NIL	NIL

As per our report of even date attached

For **RAKESH K AGARWAL & CO.**

Chartered Accountants

FRN No. 033746N




(Rakesh K Agarwal)

Partner

M.No.: 086574

UDIN.: 21086574AAAAAX4265

For and on behalf of the Board of Directors

Harvatex Engineering & Processing Co Ltd



Mohanan Thrayil

Director

DIN :08310232



Uma Jain

Director

DIN: 08784837



Krishnan Swaminathan

Director

DIN :08784845




Krishnan Kumar Gupta

Company Secretary

M.No: F2371

Place : Noida

Date : 28/06/2021