



Harish Textile Engineers Pvt. Ltd.

HARISH TEXTILE ENGINEERS PVT LTD (HTEPL)-PROFILE

I INTRODUCTION

1. HARISH TEXTILE ENGINEERS PVT LTD (HTEPL) was incorporated in 2010. HTEPL is a company Promoted by Shri Kirtikumar Shantilal Gandhi and Shri Sandeep Kirtikumar Gandhi.
2. HTEPL is engaged in the Business of Manufacture of Textile Processing Machinery with its Registered office at Harish Group, Parsi Panchayat Road, Opp TATA AIG Office, Andheri (East), Mumbai-400069.
3. HTEPL is a “Harish Group” company. Other major Group companies are: Pacific Harish Industries Limited and Harish Enterprise Pvt Ltd.
4. HTEPL is one of largest manufacturers of Textile Processing Machinery in India.
5. The Textile Processing Machinery Manufactured by HTEPL include: (a) Hot Air Stenters (b) Rotary Screen Printing Machines (c) Jiggers (d) Dryers (e)
6. The Textile Machinery is manufactured by HTEPL at its factories in Umbergam and Bhilad, Both in Gujarat.
7. HARISH GROUP as such has a proud history of over six decades. Harish Group was founded by Late Shri Shantilal Gandhi six decades back and now the group has the fourth generation of Shri Shantilal Gandhi actively involved in the business.

2ND FLOOR, 19 PARSİ PANCHAYAT ROAD, ANDHERI (EAST), MUMBAI-400069

8. WITH EFFECT FROM 1/4/2016, ALL THE TEXTILE MACHINERY MANUFACTURING ACTIVITIES OF HARISH GROUP (**WITH TRACK RECORD OF OVER SIX DECADES**) HAVE BEEN CONSOLIDATED INTO HTEPL AND WITH THIS CONSOLIDATION, THE TURNOVER OF HTEPL FOR THE YEAR ENDED ON 31/3/2017 HAS INCREASED SUBSTANTIALLY. HARISH GROUP IS ALSO ENGAGED IN THE ACTIVITIES OF: (a) METAL TRADING (b) EDUCATION RELATED SERVICES (c) SANITATION AND HYGIENE PRODUCTS BEING MARKETED IN THE BRAND NAME “SWACH DHARA” AND HTEPL IS IN THE PROCESS OF SETTING UP PROJECTS FOR HEALTHCARE, HOSPITALITY AND NATURE CURE AND REAL ESTATE DEVELOPMENT.
9. HTEPL HAS ENTERED INTO AN AGREEMENT WITH PACIFIC HARISH INDUSTRIES LTD., A GROUP/ASSOCIATE COMPANY, TO ACQUIRE ITS BUSINESSES FOR MANUFACTURE OF NON-WOVEN FABRIC (NW) AND POLYESTER FIBRE (PF) FROM RECYCLED MATERIAL ON SLUMP SALE BASIS. THE ACQUISITION OF THESE BUSINESSES WILL BE EFFECTIVE FROM 1/4/2017 OR FROM SUCH DATE AS ALL THE STATUTORY AND OTHER REQUISITE APPROVALS ARE RECEIVED, WHICHEVER IS LATER (**HEREINAFTER CALLED THE EFFECTIVE DATE**)
10. THUS, ON AND FROM THE EFFECTIVE DATE, HTEPL WILL BE ENGAGED IN THE BUSINESSES OF: (A) MANUFACTURE OF TEXTILE PROCESSING MACHINERY AT UMBERGAM AND BHILAD (B) MANUFACTURE OF NON-WOVEN AT UMBERGAM (C) MANUFACTURE OF POLYESTER FIBRE AT GONDHE, NASHIK. (D) METAL TRADING BUSINESS (E) HEALTHCARE (ONE PROJECT TO COMMENCE SOON AND OTHER IN PIPE LINE) (F) SANITATION AND HYGIENE PRODUCTS MARKETED IN THE BRAND NAME “SWACHH DHARA” MANUFACTURED AT UMBERGAM AND BHILAD (G) REAL ESTATE PROJECT BEING DEVELOPED AT UMBERGAM AND VARIOUS PROJECTS IN PIPE LINE IN MUMBAI (I) HOSPITALITY (IN PIPE LINE) AND (J) EDUCATION RELATED SERVICES
11. HTEPL HAS ALSO PLANNED A NEW LINE FOR PRODUCTION OF POLYESTER STAPLE FIBRE (PSF) AT GONDHE, NASHIK. THE PSF SO MANUFACTURED WILL BE PARTLY USED AS RAW MATERIAL FOR NON-WOVENS AND BALANCE WILL BE SOLD IN THE MARKET.

II BRIEF INTRODUCTION OF PROMOTERS

Kirti Kumar Shantilal Gandhi

Kirti Kumar Shantilal Gandhi, aged 78 years is Graduate in Mechanical Engineering. After completing his graduation in 1963, he joined the family business of Manufacturing of Hydraulic Gear Boxes at Parel, Mumbai.

It was under his stewardship that the Harish Group ventured into manufacturing of Textile Processing Machinery. After making a small beginning in this direction in 1965-66, over these years Harish Group has now become one of the largest manufacturer of Textile Processing Machinery in India.

One of the Key promoters in setting up Textile Engineering Activity under the Name and brand of "HARISH", he has stood as solid pillar giving strength, progressive and positive directions towards the excellence in textile Engineering. He has guided the Group for many technological advancement and automization in the field of Textile Processing and Finishing Industry in India.

He is presently actively involved in the research and development of the Group and is the Mentor of the Group.

His Net Worth of Shri Kirtikumar Gandhi is Rs. 10.25 crores.

Sandeep Kirtikumar Gandhi

Sandeep Kirtikumar Gandhi, born in the year 1964, is a commerce graduate from Mumbai and Masters in Business Administration from U.S.A.

After graduation in the year 1984, he joined Family business and right from the beginning of his career, he has lead the diversification of the Group in the various field other than textile Engineering in order to spread the wings and have presence in the varied industries.

Under his able leadership, Harish Group has started various industries and ventured into non Engineering activities as well. Harish Group today is considered as diversified group with interest in several industries, thanks to Mr. Sandeep for his visionary approach and risk taking capacities. He has always proved to be a motivational Leader for the group.

Under his dynamic and visionary leadership the group has diversified into Polyester Staple Fibres, non- woven and Technical textile fabrics and Auto Interiors.

He is presently providing guidance and leadership to all the group activities.

The Net Worth of Shri Sandeep Gandhi is around Rs. 4.06 crores

III INFRASTRUCTURE SET UP

1. AT UMBERGAM-CONSTRUCTED FACTORY BUILDING OF OVER 100,000 SQUARE FEET AND LAND OF 9 ACRES FOR TEXTILE MACHINERY MANUFACTURING. (OWNED BY A GROUP COMPANY)
2. AT UMBERGAM-CONSTRCTED FACTORY BUILDING OF 65,000SQUARE FEET AND LAND OF 6 ACRES FOR NON- WOVEN FACTORY. (OWNED BY A GROUP COMPANY)
3. AT GONDHE-CONSTRUCTED FACTORY BUILDING OF 65,000 SQUARE FEET AND LAND OF 9 ACRES FOR FIBRE BUSINESS. (OWNED BY A GROUP COMPANY)
4. AT BHILAD-CONSTRCTED FACTORY BUILDING OF 60,000 SQUARE FEET AND LAND OF 1 ACRE FOR TEXTILE MACHINERY MANUFACTURING. (OWNED BY HTEPL)
5. CORPORATE OFFICE-ADMEASURING 20,000 SQUARE FEET AT ANDHERI (EAST), MUMBAI.
6. OFFICES ALSO AT SURAT, CIBMATORE, KOLKATA AND DELHI.
7. LAND BANK OF OVER 6 ACRES IN UMBERGAON FOR FUTURE EXPANSION.

IV BOARD OF DIRECTORS

<u>Sr. No.</u>	<u>Name of Director</u>	<u>Age</u>	<u>Date of Appointment</u>	<u>Educational Qualification</u>	
<u>1</u>	<u>Shri Kirtikumar Shantilal Gandhi</u>	<u>78</u>	<u>31/3/2010</u>	<u>BE (MECH)</u>	<u>Promoter Director</u>
<u>2</u>	<u>Shri Sandeep Kirtikumar Gandhi</u>	<u>53</u>	<u>31/3/2010</u>	<u>B. Com and Masters in Management</u>	<u>Promoter Director</u>

				<u>studies</u>	
<u>3</u>	<u>Shri Sunil Narayan Bhirud</u>	<u>58</u>	<u>12/2/2013</u>	<u>Engineering graduate</u>	<u>Professional Director looking after Purchases and Manufacturing</u>
<u>4</u>	<u>Shri Hitendra Chimanlal Desai</u>	<u>54</u>	<u>12/2/2013</u>	<u>B.com.</u>	<u>Professional Director looking after Administration</u>
<u>5</u>	<u>Shri Rajesh Kumar Sahu</u>	<u>43</u>	<u>17/2/2017</u>	<u>Engineering Graduate</u>	<u>Professional Sales Director</u>

V HISTORY OF MERGERS DEMERGERS AND ACQUISITIONS

- 1. The Company acquired the textile Machinery Manufacturing Business of Harish Enterprise Pvt Ltd, a group company WEF 1/4/2016 under a Slump Sale Agreement.**
- 2. The Company has entered into a Slump Sale Agreement with Pacific Harish Industries Ltd., a group company, to acquire its business for Producing the Non-Woven and Technical Textiles and PSF with effect from 1/4/2017 or from such date as all the statutory approvals are received, whichever is the later.**

VI RISK FACTORS AND MANAGEMENT'S PERCEPTION

The company's performance could be adversely impacted by any of the following general company specific factors.

I Company Specific Risk Factors

- 1. The End User for Company's Products is Textile industry and any down turn in the Fortunes of Textile Industry Could adversely affect the Business and Profits of the Company.**

Management's Perception is that Textiles being a basic necessity, is relatively immune from huge cyclical swings. Expectations of a good monsoon will keep the cotton prices low and may help elevate the rural income resulting in good demand for textiles. Having regard to the order book and orders in Pipe Line, the Company sees no major impact on its Projections in the near to medium terms.

2. Competition-External and Domestic

The Company may face competition from Imports from China, Korea and other Asian Countries as also increased local competition that could adversely impact its market share, volumes and profitability.

Management's perception is that the imported machinery cost twice or thrice the company's costs and company is able to compete with imports on price as also quality fronts.

Company's superior infrastructure, decades of experience and expertise has ensured maintaining and increasing its market share over the years.

3. Increase in raw material and input prices.

Increase in raw material and input prices can adversely impact its profitability.

The Management is of the view that it is in a position to increase product prices to set off any impact of increase in raw material and input prices.

ANNEXURE I- TRACK RECORD OF HTEPL

i. Particulars	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17*</u>
Sales	29.58	14.38	20.7	16.77	24.80	40.93
Other Operating Income	0.15	0.06	0.06	0.06	0.47	1.47
Total Income	29.73	14.39	20.75	16.83	25.27	42.40
Profit before Depreciation and Tax	0.33	0.87	1.34	0.88	0.06	3.10
Depreciation	0.06	0.25	0.61	0.70	0.81	1.48
Profit before tax	0.27	0.62	0.73	0.18	(0.75)	1.62
Tax Provision	0.09	0.21	0.28	0.10	(0.09)	0.26
Profit after tax	0.18	0.41	0.45	0.08	(0.66)	1.36

*As Per provisional unaudited accounts

ANNEXURE-II

PROJECTIONS FOR NON WOVEN BUSINESS ALONG WITH NEW PSF LINE

(IN RS. CRORES)

Nos	Particulars	Projected	Projected	Projected	Proj.	Proj.
		2017-18	2018-19	2019-20	2020-21	2021-22
1	SALES-	52	75	90	100	110.0
2	PBT	3.64	6	7.20	8.0	8.80
3	PAT	2.91	4.80	5.76	5.6	6.16

NOTE: NON WOVEN EXPANSION AND NEW PSF LINE ARE EXPECTED TO CONTRIBUTE FROM Q3 OF FY: 2017-18. 30% TO 35% OF NEW PSF LINE WILL BE FOR CAPTIVE CONSUMPTION AND BALANCE WILL BE SOLD IN THE MARKET. DUE TO THE NEW AND IMPROVED NEW LINE, THE PROFITABILITY OF NON WOVEN AS ALSO OF NEW PSF SOLD IN MARKET WILL BE MUCH BETTER DUE TO LOWER COST OF PRODUCTION.

PROJECTIONS FOR ENGG BUSINESS

(IN RS. CRORES)

Nos	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
1	SALES	42.0	48.0	54.0	60.0	75.0
2	PBT	3.40	3.84	4.32	4.8	6.0
3	PAT	2.50	2.90	3.25	3.60	4.2

PROJECTIONS FOR CONSOLIDATED BUSINESSES

(IN RS. CRORES)

Nos	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
1	SALES	94.0	123.0	144.0	160.0	185.0
2	PBT	7.04	9.84	11.52	12.8	14.8
3	PAT	5.41	7.70	9.01	9.20	10.36

For Harish Textile Engineers Private Limited



Director

Place: Mumbai

Date: 02.06.2017



**Mahesh
Developers Pvt. Ltd.**

1. The Sapariya/Samps/ Mahesh Group was founded by Shri Ratilal Sapariya in 1975.
2. Shri Ratilal Sapariya made a humble beginning as a Civil Contractor in the year 1975-76
3. Over the years, the Hard Work, Honesty and Superior Quality of Timely work contracts consistently executed by Shri Ratilal Sapariya made the Sapraiya/Samps/Mahesh Group the first choice as Contractors for some of the most reputed and Well Known Developers in Mumbai Western Suburbs from Bandra to Andheri
4. Over the years, the three sons of Shri Ratilal, viz.Suresh, Ashok and Mahesh have also joined the group.

2.0 TRACK RECORD OF THE GROUP

1. Over the years, the Hard Work, Honesty and Superior Quality of Timely work contracts consistently executed by Shri Ratilal Sapariya made the Sapraiya/Samp/Mahesh Group the first choice of Contractors for some of the most reputed and Well Known Developers in Mumbai Suburbs.
2. Till date, the Group has constructed over150+ land mark Residential and Commercial Projects, aggregating more than 2 million square feet in prestigious locations in Khar, Santacruz, Bandra, Andheri, JuhuScheme and Goregaon, for some of the most well- known Developers.
3. Thus, the Group has acquired unmatched expertise, experience and Goodwill in Timely execution of Quality Construction work.

3.0 PROFILE OF PROMOTERS

1. The Group is now mentored by Shri Ratilal Sapariya and is actively managed by the close knit team of Shri Suresh, Shri Ashok and Shri Mahesh.
2. The expertise and experience of the team can be briefly tabulated as under:

Sr. No.	Name of the Director	Age	Qualification / Expertise
1	Mr. Ratilal Amba Sapariya	66	The founder of the group has over 42year's extensive experience of Construction industry. He has the overall supervision of all the activities and is the main guiding force of the group
2	Mr. Suresh Ratilal Sapariya	43	BE Civil. Has over 23 years' experience in the business. He is overall in charge of all the projects execution and quality control.
3	Mr. Ashok Ratilal Sapariya	40	BE Civil. Has over 19 years' experience in business. He is in charge of construction, project and office administration and sales.
4	Mr. Mahesh Ratilal Sapariya	36	B.Com. Has over 17 years' experience in Business. He looks after Business Development, Accounts, Finance and legal Matters as also sales.

3. The net worth of Promoters is as under:

Shri Ratilal Ambe Sapariya	Rs. 16.50 crores
Shri Suresh Ratilal Sapariya	Rs. 1.66 crores
Shri Ashok Ratilal Sapariya	Rs. 3.55 crores
Shri Mahesh Ratilal Sapariya	Rs.2.85 crores.

3.0 RE: MDPL

1. In the last few years, the Group has diversified and ventured into Real Estate Development.
2. The group has already successfully completed development of Six Residential and Commercial Projects in Khar and Goregaon.
3. MDPL is the vehicle specifically formed by the Group to execute Real Estate Development Projects.
4. MDPL was incorporated on 28/08/2008 and since then it has already executed a Residential cum Commercial Project at a Prestigious location in Khar (West) admeasuring 12,000/- square feet.
5. MDPL is in the process of completing a residential project called Jai Arti at the prestigious location in Swastik Park, Chembur. This project involves construction of 65,000 square feet and the free sale area coming to the share of MDPL is 18,000 square feet. OC for the Project has been received in FY 2016-17 and the free sale area coming to the share of MDPL is expected to be fully sold in the First Half of FY: 2017-18.

4.0 ROJECT PIPE LINE AND POTENTIAL

1. MDPL has already secured the Redevelopment rights in respect of the following prestigious Projects :

Sr No	Project Name	Location	Plot Area (Sq. ft.)	Total Carpet Area	Rehab Area	Saleable Carpet Area coming to MDPL(sqft) - approx.
1	Chandrakiran	11th & 6th Road Jn., Khar West	5328	14386	7566	6820
2	Ramkrishna	10th Road, Khar West	9765	26366	17600	8766
3	SeenaNiwas	Swastik Park, Chembur	18180	49087	28201	20886
4	Sejal	Devidayal Road, Mulund west	17954	48477	25787	22690
5	ShipIndia	13th Road, Khar West	6390	17253	8700	8553
			57618	155569	87913	67656

2. The above projects are expected to be launched in phases in the next 12 months and are expected to be completed in the next 4 to 5 years.
3. The sales potential of the free sale area coming to the shares of MDPL is ABOUT Rs. 280crores (at today's prices) and the costs associated with these projects (including interest costs) is around Rs. 200 crores. Thus, MDPL has the potential to earn free cash flows of Rs. 80crores (before tax) in the next 5-7 years.
4. MDPL also has also bid for several prestigious redevelopment projects and it expects to have a strong sustainable pipe line in the medium to long term.

5.0 **BOARD OF DIRECTORS OF MDPL**

Sr. No.	Name of the Director	Age	Qualification / Expertise
2	Mr. Suresh Ratilal Sapariya	43	BE Civil. Has over 23 years' experience in the business. He is overall in charge of all the projects execution and quality control. Has been appointed from 28/8/2008
3	Mr. Ashok Ratilal Sapariya	40	BE Civil. Has over 19 years' experience in business. He is in charge of construction, project and office administration and sales. Has been Appointed from 28/8/2008
4	Mr. Mahesh Ratilal Sapariya	36	B.Com. Has over 17 years' experience in Business. He looks after Business Development, Accounts, Finance and legal Matters as also sales. Has been appointed from 28/8/2008

V RE: Track Record and Projections of MDPL

1. Last Five years' performance of MDPL can be tabulated as under:

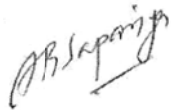
(Sales in Rs.)

Particulars	2011-12	2012-13	2013-14	2014-15	2015-16
Sales	1,255	3,61,76,995	-	21,17,392	3,54,896
PBT	(13,09,862)	9,59,469	-	4,03,970	3,54,896
Tax	40,631	1,34,500	10,473	1,23,995	1,36,375
PAT	(12,69,231)	8,24,969	(10,473)	2,79,975	2,18,521
Opening WIP	1,35,00,000	3,07,31,373	-	3,50,73,056	13,67,05,623
Closing WIP	3,07,31,373	-	3,50,73,056	13,67,05,623	36,44,47,325

2. **Re: FY: 2016-17-** FY: 2016-17 is a water shed turn around year for MDPL. MDPL completed the Jai Arti Project at Chembur well in time in the FY: 2016-17. The Occupation Certificate for this Project was received in Oct. 2016. MDPL has been able to book sales of Rs. 24.70 crores in FY: 2016-17 and as per the Provisional Unaudited Accounts, the PBT for FY: 2016-17 is Rs. 68.56 lacs. This Project is expected to be fully sold in FY: 2017-18. Profits from this Project in FY: 2017-18 are expected to be much higher as the sales realisation in the current year are much better and the costs are frozen and no additional financial costs will be incurred for this Project. It is expected that Jai Arti Project will yield PBT of between Rs. 3.5 to Rs. 4.5 crores in Current Year.
3. MDPL expects Ramkrishna, Seena Neewas and Chandra Kiran Projects to contribute PBT of Rs. 4-5 crores in each of FYs: 2018-19, 2019-20 and 2020-21. Post FY: 2020-21 other Projects in Pipe Line will start contributing to the Profits of MDPL.
4. Based on the business plans and projections for the next five years prepared by MDPL and having regard to the past performance and

various other qualitative and quantitative aspects, the average maintainable PAT is taken at Rs. 2.0 crores on a very conservative basis. Since these projections have support of past track record of MDPL; for the purposes of this valuation the fair maintainable PAT of MDPL is fairly taken at Rs. 2.0 crores. The Projected Maintainable PAT is taken on a very conservative basis after duly considering and discounting for (a) Likely Delays in Execution of Projects which in turn could delay Profits and cash Flow, (b) Somewhat unsettled Real Estate Markets Post Demonetisation (c) Regulatory Uncertainties and risks usually associated with Real Estate Business and (d) Various other Business and Economic Issues faced by Real Estate Business.

For Mahesh Developers Private Limited



Director

Place: Mumbai

Date: 02.06.2017