



**Date: 07<sup>th</sup> September, 2022**

To,  
Department of Corporate Services  
**BSE Limited**  
Pheroze Jeejeebhoy Tower,  
Dalal Street,  
Mumbai – 400001

**Ref.: Scrip Code: BSE 542682**

Dear Sir,

**Sub: Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')-Annual Report of Harish Textile Engineers Limited for Financial Year 2021-2022.**

Pursuant to Regulations 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we are enclosing herewith Annual Report of the Harish Textile Engineers Limited for the Financial Year 2021-2022.

Kindly take the same on record and acknowledge the receipt.

Thanking You,

For **Harish Textile Engineers Limited**

  
**Priya Gupta**  
**Company Secretary**  
**Compliance Officer**



Encl.: Copy as above

**12<sup>th</sup> ANNUAL REPORT**



**HARISH TEXTILE ENGINEERS  
LIMITED**

**2021-2022**

**CIN: L29119MH2010PLC201521**

## **Board of Directors**

Mr. Sandeep Gandhi  
Managing Director

Mr. Hitendra Desai  
Whole-time, Executive Director

Mr. Ritesh Patel  
Non- Executive, Independent Director

Mrs. Meena Mistry  
Non- Executive, Independent Director

Mr. Nainesh Trivedi  
Non- Executive, Independent Director

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### **Corporate Information:**

Name: Harish Textile Engineers Limited  
CIN: 29119MH2010PLC201521  
Scrip Code: 542682  
Scrip Name: HARISH  
ISIN: INE01K301012  
Listing: BSE Limited

### **Registered Office:**

Harish Textile Engineers Limited  
19, Parsi Panchayat Road  
Andheri (East), Mumbai-400069  
Website: www.harishtextile.com

### **Banker**

Union Bank of India  
Bank of India

### **Company Secretary & Compliance Officer:**

Priya Gupta

### **Chief Financial Officer (CFO):**

Pinkesh Upadhyay

### **Statutory Auditor:**

M/s. K.M. Swadia & Co.,  
Chartered Accountants  
314, Shriram Chambers,  
R. C. Dutt Road, Alkapuri,  
Vadodara-390 005.

### **Internal Auditor:**

M/s. Ravi H. Dasija & Co.,  
Chartered Accountants  
Venus 1, G2, Navkiran marg  
Four Bungalows, Andheri West  
Mumbai-400053.

### **Secretarial Auditors**

M/s D N Vora & Associates  
Practising Company Secretaries  
12, Patel Bhavan, Daulat Nagar  
Road no. 10, Borivali East  
Mumbai 400066

### **Registrar & Share Transfer Agent:**

Bigshare Services Pvt. Ltd.,  
Office No S6-2, 6th Floor,  
Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves Road,  
Andheri (East) Mumbai-400093

## **NOTICE**

**NOTICE IS HEREBY GIVEN THAT THE TWELFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF HARISH TEXTILE ENGINEERS LIMITED (“THE COMPANY”) WILL BE HELD ON FRIDAY, SEPTEMBER 30, 2022 AT 11:30 A.M. INDIAN STANDARD TIME (“IST”) AT THE REGISTERED OFFICE OF THE COMPANY AT 2<sup>ND</sup> FLOOR, 19 PARSII PANCHAYAT ROAD, ANDHERI (EAST), MUMBAI-400069, TO TRANSACT THE FOLLOWING BUSINESS:**

### **ORDINARY BUSINESS**

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2022, and the reports of the Board of Directors and Auditors thereon; and in this regard, pass the following resolution(s) as an Ordinary Resolution(s):

**“RESOLVED THAT** the audited financial statement of the Company for the financial year ended March 31, 2022 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

2. To appoint a director in place of Mr. Hitendra Desai (Din: 00452481), who retires from the office of director by rotation at this meeting, and being eligible offers himself for re-appointment as a Director of the Company and in this regard, to pass the following resolution(s) as an Ordinary Resolution(s):

**“RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Hitendra Desai (Din: 00452481), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company.”

### **SPECIAL BUSINESS**

#### **3. TO APPROVE INCREASE IN REMUNERATION OF MR. SANDEEP GANDHI, MANAGING DIRECTOR OF THE COMPANY:**

To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:

**“RESOLVED THAT** in supersession of the earlier resolution passed by the Members of the Company at the 09<sup>th</sup> Annual General Meeting held on September 30, 2019 and pursuant to the recommendation of Nomination and Remuneration Committee & Audit Committee and pursuant to the provisions of Sections 196, 197, 198, 201 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) read with Schedule V of the said act, and such other approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of the Company, approval of the Members be and is hereby accorded to the revision in the remuneration of Mr. Sandeep Gandhi (DIN: 00941665), Managing Director of the Company on following terms & conditions effective from October 01, 2022 till the period of his appointment i.e. 29<sup>th</sup> December, 2023.

**Period of Agreement: From 01.10.2022 to 29.12.2023.**

1. Salary - Up to Rs. 15,00,000/- per month (Rupees Fifteen Lakhs Only)
2. Commission - No Commission
3. Perquisites - In addition to the above, the Managing Director shall be entitled to the all the perquisites listed herein below:
  - a. The Managing Director shall be entitled to use the company's car, all the expenses for maintenance and running of the same including salary of the driver to be borne by the company;
  - b. The Managing Director shall be entitled to participate in provident fund, gratuity fund or such other schemes for the employees, which the company may establish from time to time.
  - c. Leave Travel Allowance for the Managing Director and his family once in a year in accordance with the policies of the Company.
  - d. Bonus for the financial year, at the discretion of the board.
  - e. Reimbursement of expenses incurred by him on account of business of the Company in accordance with the policies of the Company.
  - f. Reimbursement of any other expenses properly incurred by him in accordance with the rules and policies of the Company.
  - g. The Managing Director shall be entitled to such increment from time to time as the Board may by its discretion determine.

**Other terms and conditions:**

- a. In the event of absence or inadequacy of profits in any financial year during the tenure of the Managing Director, salary and perquisites as determined by the Board of Directors, subject to the limits stipulated under Part II Section II of Schedule V read with Section 196 and 197 of the Companies Act, 2013, subject to maximum remuneration to be paid, as might be decided by the members of the Company.
- b. "Family" means the spouse and dependent children of the Managing Director.
- c. Leave with full pay and allowances shall be allowed as per the rules of the Company.
- d. Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be allowed.
- e. No sitting fees shall be paid to the Managing Director for attending the meetings of the Board of Directors or Committees thereof.

The Company entered into separate agreement with Mr. Sandeep Gandhi, which contained inter alia, the above terms and conditions.

**FURTHER RESOLVED THAT** the overall managerial remuneration payable to Mr. Sandeep Gandhi shall be such amount as may be fixed by the Board from time to time on recommendation of the Nomination and Remuneration Committee & Audit Committee but not exceeding Rs. 1.80 crores at any point of time and that the terms and conditions of the aforesaid remuneration payable to the said Managing Director & Promoter be varied/altered/revised within said overall limit, in such manner as may be required during aforesaid period of his tenure.

**FURTHER RESOLVED THAT** where in any financial year during the tenure of the said Managing Director & Promoter, the Company has no profits or profits are inadequate, the aforesaid remuneration or remuneration as may be approved by the Board of Directors of the Company from time to time shall be paid as minimum remuneration.

**FURTHER RESOLVED THAT** any of the Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable and settle any question, difficulty or doubt that may arise in the said regard.

#### **4. TO RATIFY THE PAYMENT OF REMUNERATION TO THE WHOLE-TIME DIRECTOR OF THE COMPANY:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Special Resolution**:

**“RESOLVED THAT** in supersession of the earlier resolution passed by the Members of the Company at the 09<sup>th</sup> Annual General Meeting held on September 30, 2019 and pursuant to the recommendation of Nomination and Remuneration Committee & Audit Committee and pursuant to the provisions of Sections 196, 197, 198, 201 and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including rules, notifications, any statutory modification, amendment or re-enactment thereof for the time being in force and as may be enacted from time to time) read with Schedule V of the said act, and such other approvals, permissions and sanctions of such authorities and/or agencies as may be required in this regard and subject to the provisions of the Articles of Association of the Company, approval of the Members be and is hereby accorded to the revision in the remuneration of Mr. Hitendra Desai (DIN: 00452481), Executive, Whole-Time Director of the Company has on following terms & conditions effective from August 2021 for a period of his appointment i.e. 29<sup>th</sup> December, 2023 be ratified and confirmed;

**1. Salary:** Up to Rs. 2,50,000/- Per Month (Rupees Two Lakh Fifty Thousand Only).

**2. Perquisite:** In addition to the above, the Whole Time Director shall be entitled to the all the perquisites listed herein below:

- a. The Whole Time Director shall be entitled to use the company's car, all the expenses for maintenance and running of the same including salary of the driver to be borne by the company;
- b. The Whole Time Director shall be entitled to participate in provident fund, gratuity fund or such other schemes for the employees, which the company may establish from time to time.
- c. Leave Travel Allowance for the Whole Time Director and his family once in a year in accordance with the policies of the Company.
- d. Bonus for the financial year, at the discretion of the board.
- e. Reimbursement of expenses incurred by him on account of business of the Company in accordance with the policies of the Company.
- f. Reimbursement of any other expenses properly incurred by him in accordance with the rules and policies of the Company.
- g. The Whole Time Director shall be entitled to such increment from time to time as the Board may by its discretion determine.

#### **3. Allowance & Other terms and conditions:**

- a. In the event of absence or inadequacy of profits in any financial year during the tenure of the Whole Time Director, salary and perquisites as determined by the Board of Directors, subject to the limits stipulated under Part II Section II Schedule V read with Section 196 and 197 of the Companies Act, 2013, subject to maximum remuneration to be paid, as might be decided by the members of the Company.
- b. "Family" means the spouse and dependent children of the Whole Time Director.
- c. Leave with full pay and allowances shall be allowed as per the Company's rules.

d. Reimbursement of entertainment expenses actually and properly incurred in the course of business of the Company shall be allowed.

e. No sitting fees shall be paid to the Whole Time Director for attending the meetings of the Board of Directors or Committees thereof.

The Company entered into separate agreement with Mr. Hitendra Desai, which contained inter alia, the above terms and conditions.

“**FURTHER RESOLVED THAT** the overall managerial remuneration payable to Mr. Hitendra Desai shall be such amount as may be fixed by the Board from time to time on recommendation of the NRC & Audit Committee but not exceeding Rs. 30,00,000 at any point of time and that the terms and conditions of the aforesaid remuneration payable to the said Executive, Whole Time Director be varied/alterd/revised within said overall limit, in such manner as may be required during aforesaid period of his tenure.”

“**FURTHER RESOLVED THAT** where in any Financial Year during the tenure of the said Executive, Whole Time Director, the Company has no profits or profits are inadequate, the aforesaid remuneration or remuneration as may be approved by the Board of Directors of the Company from time to time shall be paid as minimum remuneration.”

“**FURTHER RESOLVED THAT** any of the Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things, as they may in their absolute discretion deem necessary, proper or desirable and settle any question, difficulty or doubt that may arise in the said regard.”

#### 5. APPROVAL FOR MATERIAL RELATED PARTY TRANSACTION:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with applicable provisions of the Companies Act, 2013, and subject to such other Regulations, Guidelines and Laws (including any statutory modifications or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and such conditions as may be prescribed by any of the concerned authorities while granting such approvals, basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, consent of the members of the Company be and is hereby accorded to the Board, for entering into any contract(s)/ arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together with previous transactions during the financial year), with the following Parties for an amount not exceeding the limits as detailed below, at arm’s length basis and in the ordinary course of business of the Company as set out under the Explanatory Statement annexed;

Sr. No.	Name of the Related Party	Nature of Relationship	Transaction (Amount in Lakhs)	Nature of Transaction
1	Harish Enterprise Private Limited	Company with common Directors	12.00	Rent Expenses
2	Everyys Healthcare Private Limited	Company with common Directors	7.43	Interest Income
3	Sandeep Gandhi	Managing Director	111.00	Remuneration Paid
4	Hitendra Desai	Whole time Director	20.58	Remuneration Paid
5	Shaila Gandhi	Relative of Managing Director	46.00	Professional Fees paid
6	Shovan Gandhi	Relative of Managing Director	16.00	Remuneration paid
7	Pacific Harish Industries Limited	Company with common	88.32	Repayment of Loan

	(Financial liability- Reliance Loan)	Directors		
8	Agratha Enterprises	Associate Firm	0.31	Repayment of capital
9	Sanish Investment & Trading Company Private Limited	Company with common Directors	10.00	Realisation of Receivable

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board / Committee be and is hereby authorized to agree, make, accept and finalize all such terms, condition(s), modification(s) and alteration(s) as it may deem fit within the aforesaid limits and the Board/ Committee is also hereby authorized to resolve and settle all questions, difficulties or doubts that may arise with regard to such payments and to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board / Committee in its absolute discretion may deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby ratified, approved and confirmed in all respects.

**By Order of the Board of Directors**  
For **Harish Textile Engineers Limited**

**Sandeep Gandhi**  
**Chairman & Managing Director**  
**DIN No.: 00941665**

**Date:** September 05, 2022

**Place:** Mumbai

**Registered Office**

2<sup>nd</sup> Floor, 19 Parsi Panchayat Road,  
Andheri (East), Mumbai-400069



## NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("Act") setting out material facts concerning the business under Item Nos. 3,4 and 5 of the Notice, is annexed hereto. The relevant details as required under Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/reappointment at the Annual General Meeting for Item no. 2 is furnished as annexure to the Notice.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING (50) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN CASE A PROXY IS PROPOSED TO BE APPOINTED BY A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS, THEN SUCH PROXY SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER. THE INSTRUMENT APPOINTING A PROXY IN ORDER TO BE EFFECTIVE, SHOULD BE DULY COMPLETED, STAMPED AND MUST BE DEPOSITED AT THE OFFICE OF THE REGISTRAR AND SHARE TRANSFER AGENTS OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE TIME FOR COMMENCEMENT OF THE MEETING.
3. At the 9<sup>th</sup> AGM held on September 30, 2019 the members approved re-appointment of M/s. K. M. Swadia & Co., Chartered Accountants Firm (Firm Registration No. 110740W) as Statutory Auditors of the Company to hold office from the conclusion of 9<sup>th</sup> AGM till the conclusion of the 14<sup>th</sup> AGM, subject to ratification of their appointment by Members at every AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of auditors at the 12<sup>th</sup> AGM.
4. Relevant documents referred to in the above Notice are open for inspection at the Registered Office of the Company during the business hours on any working day (except Saturday, Sunday and holidays) between 11:00 a.m. and 4:00 p.m. up to the date of the Annual General Meeting.
5. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition and re lodged transfers of securities. Further, SEBI vide its circular no. SEBI/HO/MIRSD/RTAMB/CIR/P/2020/236 dated December 2, 2020 had fixed March 31, 2021 as the cut-off date for re-lodgement of transfer deeds and the shares that are re-lodged for transfer shall be issued only in demat mode. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form.
6. Members / Proxies should bring the enclosed attendance slip duly filled in, mentioning details of their DP ID and Client ID/Folio No. for attending the meeting, along with the Annual Report.
7. The proxy holder shall provide his identity proof at the time of attending the meeting. The proxies shall be available for inspection during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting.
8. Corporate members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company a certified copy of the Board Resolution authorizing their representative(s) to attend and vote in their behalf at the Meeting.
9. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and Share Transfer books of the Company will remain closed from Saturday, the 24<sup>th</sup> day of September, 2022 to Friday, the 30<sup>th</sup> day of September, 2022. (both days inclusive) for the purpose of 12<sup>th</sup> AGM of the Company.

10. The Members holding shares in physical form may obtain nomination form from the Company's Registrar & Share transfer agent- Bigshare Services Pvt. Ltd. (BSPL) and are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or BSPL for assistance in this regard.
11. Members desirous of getting any information in respect of the content of the annual report are requested to forward the queries to the Company at least 10 days prior to the Annual General Meeting so that the required information can be made available at the Company.
12. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or BSPL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
13. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
14. Pursuant to Rule 18(3) of the Companies (Management and Administration) Rules, 2014, the Members are requested to provide their e-mail id to the Company or Registrar and Share Transfer Agent in order to facilitate easy and faster dispatch of Notices of the general meetings and other communication by electronic mode from time to time.
15. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, BSPL in case the shares are held by them in physical form.
16. Members who hold shares in dematerialized form are requested to bring their DP ID and Client ID numbers for easy identification of attendance at the meeting.
17. The Equity Shares of the Company are mandated for trading in the compulsory demat mode. The ISIN Number allotted for the Company's shares is INE01K301012.
18. Annual Listing fees for the year 2021-2022 has been paid to all stock exchange wherein shares of the Company are listed.
19. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members holding shares in physical form may submit the same to BSPL. Members holding shares in electronic form may submit the same to their respective depository participant.
20. The Notice of the AGM along with the Annual Report 2021-2022 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2021-2022 will also be available on the Company's website viz. [www.harishtextile.com](http://www.harishtextile.com).
21. Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication from the company electronically and quicker response to their queries to RTA or Company.
22. The shareholder needs to furnish the printed Attendance slip along with a valid identity proof such as the PAN card, passport, Aadhar card or driving license to enter the AGM hall.

23. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, as amended from time to time, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Members are provided with the facility to cast their vote electronically, through e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.
24. Additional information, pursuant to Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in respect of the directors seeking appointment/re- appointment at the AGM, is furnished as annexure to the Notice. The directors have furnished consent / declaration for their appointment/ re-appointment as required under the Companies Act, 2013 and the Rules there under.
25. A Route Map showing directions to reach the venue of 12th Annual General Meeting is annexed in the last page.
- 26. Voting through electronic means:**
- I. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company has provided a facility to the members to exercise their votes electronically through the electronic voting service facility arranged by NSDL.
  - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by e-voting shall be able to exercise their right at the meeting through ballot paper.
  - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - IV. The members attending the Meeting who have not cast their vote by remote e-voting shall be able to vote at the Meeting through 'polling paper'.
  - V. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at **evoting@nsdl.co.in**. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
  - VI. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting, i.e. 30<sup>th</sup> September, 2022.
  - VII. The details of the process and manner for remote e-voting are explained herein below:

**How do I vote electronically using NSDL e-Voting system?**





The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting for Individual shareholders holding securities in demat mode:**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDEAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDEAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period If you are not registered for IDEAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDEAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div style="text-align: center; margin-top: 20px;"> <p><b>NSDL Mobile App is available on</b></p> <p>  <b>App Store</b>       <b>Google Play</b> </p> <div style="display: flex; justify-content: space-around; align-items: center;">   </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp;</li> </ol>

	Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - a) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - b) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically on NSDL e-Voting system.**

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [dipali2993@gmail.com](mailto:dipali2993@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories/ company for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [investor@harishtextile.com](mailto:investor@harishtextile.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [investor@harishtextile.com](mailto:investor@harishtextile.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

### **C. Other Instructions:**

1. The remote e-voting period commences on Tuesday, September 27, 2022 (9:00 am IST) and ends on Thursday, September 29, 2022 (5:00 pm IST). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, September 23, 2022, may cast their vote by remote e-voting. The e-voting module shall also be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
2. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
3. Any person, who acquires shares of the Company and become member of the Company after dispatch of the Notice of AGM and holding shares as of the cut-off date i.e. September 23, 2022, may obtain the login ID and password by sending a request at [www.evoting@nsdl.co.in](http://www.evoting@nsdl.co.in).
4. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting@nsdl.com](http://www.evoting@nsdl.com) or contact NSDL at the following toll free no. 1800-222-990 and 1800 22 44 30.
5. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of September 23, 2022.
6. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
7. Ms. Dipali Vora, Practicing Company Secretary (ACS No. 46989, COP No. 21254) has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner and she has consented to act as a scrutinizer.
8. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "Ballot Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
9. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than forty eight hours of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
10. A Member can opt for only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
11. The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.harishtextile.com](http://www.harishtextile.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within two days of the passing of the resolutions at the 12<sup>th</sup> AGM of the Company on September 30, 2022 and communicated to the BSE Limited, where the shares of the Company are listed.



12. Process for registration of email id for obtaining Annual Report and user id/password for e-voting:

Physical Holding	<p>Send a request to the Registrar and Transfer Agents of the Company, Bigshare Services Private Limited at info@bigshareonline.com providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) for registering email address.</p> <p>Following additional details need to be provided in case of updating Bank Account Details:</p> <p>a) Name and Branch of the Bank in which you wish to receive the dividend, b) the Bank Account type, c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions d) 9 digit MICR Code Number, and e) 11 digit IFSC Code f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.</p>
Demat Holding	<p>Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.</p>

**By Order of the Board of Directors**  
For **Harish Textile Engineers Limited**

**Sandeep Gandhi**  
**Chairman & Managing Director**  
**DIN No.: 00941665**

**Date:** September 05, 2022

**Place:** Mumbai

**Registered Office**

2<sup>nd</sup> Floor, 19 Parsi Panchayat Road,  
Andheri (East), Mumbai-400069

## EXPLANATORY STATEMENTS

As required under Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to business mentioned under Item Nos. 3, 4 and 5 of the accompanying Notice:

### ITEM NO. 3

Mr. Sandeep Gandhi, was appointed and designated as Managing Director of the Company by the Board at its Meeting held on December 30, 2018 for a period of 5 years i.e. from December 30, 2018 to December 29, 2023. The same was subsequently approved by the members at the AGM held on September 30, 2019.

Further, considering the contribution of Mr. Sandeep Gandhi and the progress made by the Company under his leadership and guidance and as per the recommendation of the Nomination and Remuneration Committee, the Board at its Meeting held on 05<sup>th</sup> September, 2022 approved the revision in the remuneration of Mr. Sandeep Gandhi for a period of his tenure effective from 01<sup>st</sup> October, 2022 to his tenure i.e. 29<sup>th</sup> December, 2023 on terms and conditions enumerated in the Resolution.

Pursuant to Section 197 read with Schedule V of the Companies Act, 2013, the revised remuneration of Mr. Sandeep Gandhi as decided by the Board is required to be approved by the Members at their meeting due to inadequacy of profits.

It is hereby confirmed that the Company has not committed any default in respect of any of its debts or interest payable thereon for a continuous period of 30 days in the preceding financial year and in the current financial year.

It is submitted that based on the projections, the overall managerial remuneration may exceed the limits Specified in Sec. 197 of the Companies Act, 2013. The Members are requested to consider the revision in remuneration of Mr. Sandeep Gandhi, Managing Director of the Company.

**Pursuant to Clause (iv) of Section II of Schedule V of Companies Act, 2013 the following Statement is given:**

I. General information		
1	Nature of industry:	The Company is in the business of Manufacturing of Textile Processing and Finishing Machineries.
2	Date or expected date of commencement of commercial production:	Not Applicable
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable
4	Financial performance based on given indicators:	Performance for F.Y. 2021-22: 1. Gross Revenue: Rs. 106.86 Crs. 2. Profit after Tax : Rs. 0.48 Crs 3. EPS: Rs. 1.45
5	Foreign investments or collaborations, if any:	Not Applicable
II. Information about the appointee		

1	Background details:	Mr. Sandeep Gandhi is Master of Business Administration from USA and having handsome experience of more than 3 decades.															
2	Past remuneration:	<p>The remuneration drawn by Mr. Sandeep Gandhi during the past four year i.e. 2018-2019, 2019-2020, 2020-2021 and 2021-2022 are as follows:</p> <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Financial Year</th> <th>Remuneration (In Lakhs)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>2018-19</td> <td>52.20</td> </tr> <tr> <td>2</td> <td>2019-20</td> <td>120.00</td> </tr> <tr> <td>3</td> <td>2020-21</td> <td>64.84</td> </tr> <tr> <td>4</td> <td>2021-22</td> <td>111.00</td> </tr> </tbody> </table>	Sr. No.	Financial Year	Remuneration (In Lakhs)	1	2018-19	52.20	2	2019-20	120.00	3	2020-21	64.84	4	2021-22	111.00
Sr. No.	Financial Year	Remuneration (In Lakhs)															
1	2018-19	52.20															
2	2019-20	120.00															
3	2020-21	64.84															
4	2021-22	111.00															
3	Recognition or awards/ Job profile and his suitability:	Mr. Sandeep Gandhi has managed the Company capably since inception. In the opinion of the Board, he is eminently suited for the position he holds.															
4	Remuneration proposed:	As mentioned in the Resolution stated above															
5	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:	Considering the responsibility shouldered by him of the enhanced business activities of the Company, proposed remuneration is commensurate with Industry standards and Board level positions held in similar sized and similarly positioned businesses															
6	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:	Mr. Sandeep Gandhi is the promoter of the Company and founder of the Company. He has equity holdings in the Company. He has no other pecuniary relationship directly or indirectly with the Company or any of its directors															
III.	Other Information																
1	Reasons of loss or inadequate profits:	Overall Liquidity crunch coupled with pressure on cost most particularly in raw material cost and interest cost in general has resulted in higher Cost in terms of production and hence inadequate profits during the year.															

2	Steps taken or proposed to be taken for improvements:	Various cost optimisation measures and better product mix has already been implemented by the Company.
3	Expected increase in productivity and profits in measurable terms:	Expected increase in productivity and top line is about 20% (approximately) growth with the better bottom line.

Pursuant to the applicable provisions of the Companies Act, 2013, and the relevant rules made thereunder, consent of members is being sought by way of a Special Resolution.

Except Mr. Sandeep Gandhi, none of the directors and key managerial personnel are considered to be concerned or interested financially or otherwise, in the Resolution.

The Board of Directors recommend passing of the Special Resolution at Item No. 3 of the Notice.

#### **ITEM NO. 4**

The Board at its meeting held on June 30, 2021 approved the revision of remuneration of Mr. Hitendra Desai (DIN: 00452481), Executive, Whole-Time Director of the Company for the period of his tenure at a remuneration of Rs. 1,85,000 per month, as recommended by the Nomination and Remuneration Committee & Audit Committee.

In accordance with the provisions of Section 197 read with schedule V of the Companies Act, 2013 read with the applicable Rules thereunder, the remuneration payable to the Whole-Time Director is required to be ratified by the members of the Company. Accordingly, ratification by the members is sought to the remuneration payable to the Whole-Time Director with effect from August 2021 for the period of his tenure by passing an Special Resolution as set out at Item No. 4 of the Notice.

The Board of directors will also be at liberty to alter, vary and revise the remuneration from time to time within the limit prescribed under Schedule V to the Companies Act, 2013, or any amendment or statutory modifications thereto subject to maximum limit of Rs. 2,50,000/- per month.

**Pursuant to Clause (iv) of Section II of Schedule V of Companies Act, 2013 the following Statement is given:**

<b>I.</b>	<b>General information</b>	
1	Nature of industry:	The Company is in the business of Manufacturing of Textile Processing and Finishing Machineries.
2	Date or expected date of commencement of commercial production:	Not Applicable
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:	Not Applicable
4	Financial performance based on given indicators:	Performance for F.Y. 2021-22: 1. Gross Revenue: Rs. 106.86 Crs. 2. Profit after Tax : Rs. 0.48 Crs 3. EPS: Rs. 1.45
5	Foreign investments or collaborations, if any:	Not Applicable

<b>II. Information about the appointee</b>																	
1	Background details:	Mr. Hitendra Desai is commerce Graduate looking after Administration and having handsome experience of more than 3 decades.															
2	Past remuneration:	<p>The remuneration drawn by Mr. Hitendra Desai during the past four year i.e. 2018-2019, 2019-2020, 2020-2021 and 2021-2022 are as follows:</p> <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Financial Year</th> <th>Remuneration (In Lakhs)</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>2018-19</td> <td>19.80</td> </tr> <tr> <td>2</td> <td>2019-20</td> <td>19.80</td> </tr> <tr> <td>3</td> <td>2020-21</td> <td>13.88</td> </tr> <tr> <td>4</td> <td>2021-22</td> <td>20.58</td> </tr> </tbody> </table>	Sr. No.	Financial Year	Remuneration (In Lakhs)	1	2018-19	19.80	2	2019-20	19.80	3	2020-21	13.88	4	2021-22	20.58
Sr. No.	Financial Year	Remuneration (In Lakhs)															
1	2018-19	19.80															
2	2019-20	19.80															
3	2020-21	13.88															
4	2021-22	20.58															
3	Recognition or awards/ Job profile and his suitability:	Mr. Hitendra Desai has managed the Company capably since inception. In the opinion of the Board, he is eminently suited for the position he holds.															
4	Remuneration proposed:	As mentioned in the Resolution stated above															
5	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:	Considering the responsibility shouldered by him of the enhanced business activities of the Company, proposed remuneration is commensurate with Industry standards and Board level positions held in similar sized and similarly positioned businesses															
6	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:	Mr. Hitendra Desai is the Whole-Time Director of the Company. He has no other pecuniary relationship directly or indirectly with the Company or any of its directors															
<b>III. Other Information</b>																	
1	Reasons of loss or inadequate profits:	Overall Liquidity crunch coupled with pressure on cost most particularly in raw material cost and interest cost in general has resulted in higher Cost in terms of production and hence inadequate profits during the year.															

2	Steps taken or proposed to be taken for improvements:	Various cost optimisation measures and better product mix has already been implemented by the Company.
3	Expected increase in productivity and profits in measurable terms:	Expected increase in productivity and top line is about 20% (approximately) growth with the better bottom line.

The Board recommends the resolution set out at Item No. 4 of the Notice for approval by the Members by way of an Special Resolution.

None of the Directors of the Company except Mr. Hitendra Desai is concerned or interested in the proposed resolution.

#### **ITEM NO 5.**

Approval of Material Related Party Transactions under Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ('LODR Regulations') was amended vide notification dated November 9, 2021, interalia, enhancing the scope of related party, related party transactions (RPTs) and the materiality threshold for seeking shareholder approval with effect from April 1, 2022, ie. If transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds Rs. 1,000 Crore or 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower. The Material Related Party Transactions requires approval of the Shareholders by passing an Ordinary Resolution and in respect of voting on such resolution(s), all the related parties shall abstain from voting, irrespective of whether the entity or person is a party to the particular transaction or not, pursuant to Regulation 23(7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As the value of transaction(s) may exceed the materiality threshold limit, as provided under the SEBI (LODR) Regulations, 2015, your approval is being sought for the Related Party Transactions as set out in the resolution for the financial year 2022-23.

Apart from the above, none of the other directors and key managerial personnel or their relatives are interested in the resolution as set out in item no. 5 of this notice.

The Board recommends the resolution set forth in the above item for the approval of the members by way of Ordinary Resolution.

**By Order of the Board of Directors**  
For **Harish Textile Engineers Limited**

**Sandeep Gandhi**  
**Chairman & Managing Director**  
**DIN No.: 00941665**

**Date:** September 05, 2022

**Place:** Mumbai

**Registered Office**

2<sup>nd</sup> Floor, 19 Parsi Panchayat Road,  
Andheri (East), Mumbai-400069

Details of Directors appointment/re-appointment/retiring by rotation, as required to be provided pursuant to the provisions of (i) Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India and approved by the Central Government are provided herein below:

Particulars	Mr. Hitendra Desai	Mr. Sandeep Gandhi
Director Identification Number (DIN)	00452481	00941665
Date of Birth	04/07/1962	02/06/1964
Date of First Appointment on the Board	12/02/2013	31/03/2010
Experience in functional Area	Commerce Graduate looking after Administration and having handsome experience of more than 3 decades.	Master of Business Administration from USA and having handsome experience of more than 3 decades. Mr. Sandeep, has lead the diversification of the group. Under his leadership the group has diversified into Polyester Staple Fibres, Non-Woven and Technical Textile Fabrics.
Qualification	Commerce Graduate	MBA
Directorship in other Companies (Public Limited Companies)	1	1
Membership of Committees of other public limited companies (Audit Committee and Shareholder’s/Investor’s Grievance Committee only)	0	0
No. of Shares held in the Company	Nil	2173344
The number of Meetings of the Board attended during the F.Y. 2021-2022	16	16
Remuneration Proposed	Rs. 2,50,000 per month	Rs. 15,00,000 per month
Remuneration Paid	Rs. 20,57,500 per Annum	Rs. 1,11,00,000 per Annum
Disclosure of relationship with other Directors, Manager and other Key Managerial Personnel of the Company	There are no inter-se relationships between the Directors mentioned above, and Manager and other Key Managerial Personnel of the Company.	

**By Order of the Board of Directors**  
For Harish Textile Engineers Limited

**Sandeep Gandhi**  
**Chairman & Managing Director**  
**DIN No.: 00941665**

**Date:** September 05, 2022  
**Place:** Mumbai  
**Registered Office**

2<sup>nd</sup> Floor, 19 Parsi Panchayat Road,  
Andheri (East), Mumbai-400069

## DIRECTORS' REPORT

### To the Members,

Your Directors are pleased to present the 12<sup>th</sup> Annual Report on the business and operations of **Harish Textile Engineers Limited** ("the Company") along with the Audited Financial Statements for the financial year ended March 31, 2022.

### 1. FINANCIAL HIGHLIGHTS:

(Rs. In Lakhs)

Particulars	Year ended 31/03/2022	Year ended 31/03/2021
Gross Income	10,732.12	8567.70
Profit Before Interest and Depreciation	777.63	731.58
Finance Charges	489.69	344.77
Gross Profit	287.94	386.81
Provision for Depreciation	222.02	209.80
Net Profit Before Tax	65.92	177.01
Provision for Tax (Net of reversal)	17.64	1.56
Net Profit After Tax	48.282	175.45
Balance of Retained Earning brought forward	575.04	399.59
Balance of Retained Earning carried forward	623.33	575.04

### 2. MANAGEMENT DISCUSSIONS AND ANALYSIS:

Pursuant to Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulation 2015 ("Listing Regulations"), the Management Discussion and Analysis Report for the year under review, is present in separate section as **Annexure I**, forming part of Annual Report.

### 3. DIVIDEND:

With a view to plough back the profits of the Company and keeping in mind the expansion of business activities, the Board of Directors consider it prudent and recommend not declaring any dividend for the year ended March 31, 2022.

### 4. TRANSFER TO RESERVES:

The entire balance in Retained Earning is proposed to be carried forward.

### 5. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

The Provisions of Sec.125 (2) of the Companies Act, 2013 do not apply as there was no dividend declared and paid last year.



**6. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:**

There were no material changes and commitments, affecting the financial position of the Company which has occurred between the end of the financial year of the Company and the date of the Directors' report.

**7. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

- One Mr. Nikhil H Gandhi, Mrs. Kumudben H. Gandhi and Mrs. Chayya N. Gandhi, have filed a company petition no. 128 of 2022 on 4<sup>th</sup> April 2022 in the Hon'ble NCLT, Mumbai, inter alia contending that the Slump Sale of Non-Woven and PSF Business made by Pacific Harish Industries Limited (PHIL) to the company in FY 2019-20 was made without their consent as Shareholders of PHIL and hence, they have claimed that such Slump Sale is illegal. In this petition, the company has been made one of the Respondents. This matter is Sub-Judice.
- No Significant and material orders have been passed by the regulators or courts or tribunals against the company impacting the Going Concern status and Companies Operations in future.

**8. DETAILS OF HOLDING / SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES:**

The Company does not have any Holding/Subsidiary/Joint Ventures/Associate Companies.

**9. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

The Board of Directors appointed Ms. Priya Gupta (Membership No. 62579) as Company Secretary and Compliance Officer of the Company w.e.f. 14<sup>th</sup> August, 2021.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 ("the Act"), the independent directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations. There has been no change in the circumstances affecting their status as independent directors of the Company.

During the year under review, the non-executive directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission, if any and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board / Committee of the Company.

Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with the rules thereunder, the Key Managerial Personnel (KMP) of the Company as on March 31, 2022 are:

1	Mr. Sandeep Gandhi	Managing Director
2	Mr. Hitendra Desai	Whole-Time Director
3	Mr. Pinkesh Upadhyay	Chief Financial Officer
4	Ms. Priya Gupta	Company Secretary

**10. REMUNERATION TO DIRECTOR AND EMPLOYEES:**

Details/Disclosures of ratio of remuneration to each Director to median employee's remuneration as required pursuant to Section 197(12) of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and details of remuneration paid to Employees vide Rule

5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given as **Annexure- V**.

## 11. NOMINATION REMUNERATION COMMITTEE:

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

Nomination remuneration and compensation committee policy (NRC Committee)

The NRC Committee of the Company shall be formed by the Board of Directors of the Company out of its Board members. The NRC Committee shall consist of minimum three non-executive directors out of which two shall be independent directors. The chairperson of the company may be appointed as a member of the NRC Committee but shall not chair the NRC Committee. The Chairman of the NRC Committee shall be an independent director. No member of the NRC Committee shall have a relationship that may interfere with his independence from management and the Company or with the exercise of his duties as a NRC committee member. The NRC Committee may invite such of the executives of the Company, as it considers appropriate (and particularly the Managing Director) to be present at the meetings of the NRC committee, but on occasions it may also meet without the presence of any executives of the company. The Company Secretary shall act as the secretary to the NRC Committee.

The terms of reference of the NRC, is uploaded on the Company's website.

### Remuneration Policy:

The Remuneration policy of your Company is a comprehensive policy which is competitive, in consonance with the industry practices and rewards good performance of the employees of the Company. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance against set objectives. Remuneration of employees largely consists of basic remuneration and performance incentives. The Company while deciding the remuneration package takes into consideration the employment scenario, remuneration package of the industry and the remuneration package of other Industries.

The Remuneration of the Executive Directors is decided by the Nomination and Remuneration Committee based on criteria such as industry benchmarks, the company's performance vis-à-vis the industry performance, track record of the Executive Directors.

The Nomination and Remuneration committee met twice during the year dated 03<sup>rd</sup> September, 2021 and 14<sup>th</sup> February, 2022. Company Secretary of the Company acted as the Secretary to the Committee.

The members of the Nomination and Remuneration Committee and their attendance at committee meetings are as under:

Name of the Director	Category	No. of Meetings attended
Mr. Ritesh Patel	Non-Executive & Independent Director	2
Mrs. Meena Mistry	Non-Executive & Independent Director	2
Mr. Nainesh Trivedi	Non-Executive & Independent Director	2

The Company has not issued any Stock options to the Directors. Independent Directors of the Company have disclosed that they do not hold any Equity Shares of the Company. There has been no pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the Company during the year under review.

## 12. AUDITORS

At the Ninth AGM held on September 30, 2019 the Members approved re-appointment of M/s. K.M. Swadia & Co. Chartered Accountants, (ICAI Firm Registration No. 110740W) as Statutory Auditors of the Company to hold

office for a period of five years from the conclusion of that AGM till the conclusion of the fourteenth AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of re-appointment of statutory auditors at the ensuing AGM and a note in respect of same has been included in the Notice for this AGM.

Auditors have confirmed that they are not disqualified to act as Auditors and are eligible to hold office as Auditors of your Company. They have also confirmed that they hold a valid peer review certificate as prescribed under Listing Regulations.

### **13. AUDITORS' REPORT**

The Auditors' Report contains one Qualification regarding non provision of Gratuity Liability on actuarial basis as required by Ind AS 19. The company is in the process of getting the liability ascertained on actuarial basis and in the current year hopes to provide for the same. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

### **14. CORPORATE GOVERNANCE**

#### **Non-applicability of Corporate Governance provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

Pursuant to the provisions of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, compliance with the provisions of Regulations 17,18,19,20,21,22,23,24,25,26,27, and clauses (b) to (i) of sub-regulation 2 of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, are not applicable to the Companies having paid up equity share capital not exceeding Rs. 10 Crore and Net Worth not exceeding Rs. 25 Crore, as on the last day of previous financial year.

In view of above, as per the latest Audited Financial Statement of the Company as at 31<sup>st</sup> March 2022, the paid-up Equity Share Capital and the Net Worth of the Company does not exceed the respective threshold limit of Rs. 10 Crore and Rs. 25 Crore, as aforesaid; hence corporate governance report has not been enclosed to directors since the same is not applicable to the Company.

### **15. CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT**

The Directors and members of Senior Management have affirmed compliance with the Code of Conduct for Directors and Senior Management of the Company. The copies of Code of Conduct as applicable to the Executive Directors (including Senior Management of the Company) and Non-Executive Directors are uploaded on the website of the Company.

### **16. FAMILIARIZATION PROGRAM FOR INDEPENDENT DIRECTORS**

The Independent directors of Harish Textile Engineers Limited are eminent personalities having wide experience in the field of business, finance, education, industry, commerce and administration. Their presence on the Board has been advantageous and fruitful in taking business decisions.

The Company has practice of conducting familiarization program of the Independent directors. Independent Directors are appointed as per policy of the Company, with management expertise and wide range of experience. The Directors appointed by the Board are given induction and orientation with respect to the Company's vision, strategic direction, core values, including ethics, corporate governance practices, financial matters and business operations by having one-to-one meetings.

The new Board members are also requested to access the necessary documents / brochures, Annual Reports and internal policies available at our website [www.harishtextile.com](http://www.harishtextile.com) enable them to familiarize with the Company's procedures and practices.

Updates on relevant statutory changes encompassing important laws are regularly intimated to the Independent Directors. Their presence on the Board has been advantageous and fruitful in taking Business decisions.

Pursuant to Regulation 25(7) of the Listing Regulations, the Company has put in place a system to familiarize its Independent Directors about the Company, its financial products, the industry and business model of the Company and its subsidiary. Pursuant to Regulation 46 of Listing Regulations the details of Familiarization Programme is uploaded on the Company's website.

#### **17. DOCUMENTS PLACED ON THE WEBSITE OF THE COMPANY:**

The following documents have been placed on the website in compliance with the Act:

- Financial statements of the Company and consolidated financial statements along with relevant documents as per third proviso to Section 136(1).
- Details of Vigil mechanism for directors and employees to report genuine concerns as per proviso to Section 177(10).
- Latest Announcements
- Annual Reports
- Shareholding Pattern
- Code of Conduct
- Nomination and Remuneration Policy
- Materiality Policy under Regulation 30 of SEBI(LODR) Regulations, 2015

#### **18. HUMAN RESOURCE MANAGEMENT (MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED):**

The Company offers a growth environment along with monetary benefits in line with industry standards. The Company has a number of employee initiatives to attract, retain and develop talent in the organization. The industrial relations during the year were cordial on all the fronts. The number of people employed in the year of report were 154.

#### **19. SECRETARIAL AUDIT REPORT:**

Pursuant to Section 204 of the Companies Act, 2013, the Company had appointed, M/s D N Vora & Associates, Practicing Company Secretary as its Secretarial Auditor to conduct the Secretarial Audit of the Company for the F.Y 2021-2022. The Company has provided all the assistance and facilities to the Secretarial Auditor for conducting their audit. Report of Secretarial Auditors for the F.Y 2021-2022 in Form MR-3 is annexed to this report as **Annexure-III**.

#### **20. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS MADE BY AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS:**

The Auditors' Report contains one Qualification regarding non provision of Gratuity Liability on actuarial basis as required by Ind AS 19. The company is in the process of getting the liability ascertained on actuarial basis and in the current year proposes to provide for the same. Notes to Accounts and Auditors remarks in their report are self-explanatory and do not call for any further comments.

**The Secretarial Audit Report, however contains the following observation from Secretarial Auditor-**

- a. *During the year under review, the Company has failed to disclose details of Related party transactions as per the format specified in section 134 and 188 of the Companies Act, 2013 in Director's Report.*
- b. *The Website of the Company is not entirely updated as required under the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.*

**Management Response:**

- a) *All the relevant details as required according to section 134 and 188 of the Companies Act, 2013, were given in the Annual Report, however the format was different. The company has now taken this point into consideration and has given the details in the specified format.*
- b) *The company has started the process to update the website and the same shall be completed soon.*

**21. SHARE CAPITAL:**

The Paid up Equity Share Capital as on 31<sup>st</sup> March 2022 was Rs. 3,33,60,000 divided into 33,36,000 Equity shares of Rs. 10 each, which is same as at the previous year end.

**22. SHARES/ DEBENTURES:**

- a. Buyback of Securities: The Company has not bought back any of the securities during the year under review.
- b. Sweat Equity: The Company has not issued any sweat equity shares during the year under review.
- c. Employee Stock Option Plan: The Company has not provided any stock options to the employees.
- d. Non-Convertible Debentures:
  1. The Company had allotted 1,12,610 and 71,030 Non-Convertible Debentures of Rs. 100 each aggregating to Rs. 1,12,61,000 and 71,03,000 on 25<sup>th</sup> June, 2021 and 14<sup>th</sup> August, 2021 to the creditors on conversion of their loan/trade payables.

**23. CREDIT RATING:**

Acuite Ratings and Research Limited has assigned ACUITE BB- rating to your Company for working capital facilities for a total amount of Rs. 15.00 Crores.

**24. PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016:**

During the year under review, no application has been made nor any proceeding are pending under the Insolvency and Bankruptcy Code, 2016 against the company.

**25. ONE-TIME SETTLEMENT AND VALUATION:**

During the year under report, there was no one time Settlement with any of the banks or lenders.

**26. COMPLIANCE WITH SECRETARIAL STANDARDS:**

Your Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Companies Act, 2013.

## 27. REPORTING OF FRAUDS BY AUDITORS:

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against your Company by its officers or employees, the details of which would need to be mentioned in the Director's report.

## 28. DEPOSITS FROM PUBLIC:

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

## 29. DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Directors confirm that, to the best of their knowledge and belief:

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with no material departures;
- (b) They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) They have taken proper and sufficient care, to the best of their knowledge and ability, 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;
- (d) They have prepared the annual accounts on a going concern basis;
- (e) They have laid down internal financial controls to be followed by the Company and that such internal financial are adequate and were operating effectively;
- (f) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## 30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, RESEARCH & DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information pursuant to Section 134(3)(m) of the Companies Act 2013 read with Rule 8(3) the Companies (Accounts) Rules, 2014 forming part of Directors' Report for the year ended 31<sup>st</sup> March, 2022 is as under:

**Conservation of Energy:** The Company's operations involve low energy consumption. However efforts to conserve and optimize the use of energy through improved operational methods and other means will continue.

**Technology Absorption:** The Technology available and utilized is continuously being upgraded to improve overall performance and productivity.

**Research & Development:** Your Company believes that research & development is a continuous process for sustained corporate excellence. Our research & development activities help us in product and service improvement, effective time management and are focused to provide unique benefits to our customers. Such methods do not involve any specific cost burden to the Company.

**Foreign Exchange Earnings:** Rs. 3,79,18,153/- (previous year Rs. 1,15,96,038/-)

**Foreign Exchange Outgo:** Rs. 4,86,71,027/- (previous year Rs. 10,99,01,471/-)

### 31. BOARD EVALUATION

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit, Nomination & Remuneration Committee.

Criteria for Performance Evaluation of Independent Directors includes:

1. Attendance and Participation.
2. Maintaining confidentiality.
3. Acting in good faith and in the interest of the company as a whole.
4. Exercising duties with due diligence and reasonable care.
5. Complying with legislations and regulations in letter and spirit.
6. Openness to ideas, perspectives and opinions and ability to challenge old practices and throwing up new ideas for discussion.
7. Capacity to effectively examine financial and other information on operations of the company and the ability to make positive contribution thereon.

The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The above criteria are broadly based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and the Chairman of the Company was evaluated, taking into account the views of executive directors and non-executive directors.

The Board expressed its satisfaction on the performance of all the directors, Board and its committees which reflected the overall engagement of the directors, the Board and its committees with the Company.

### 32. NUMBER OF MEETINGS OF THE BOARD:

During the year, 16 Board Meetings were held.

The dates on which the Board Meetings were held along-with attendance are as follows:

SR. NO.	BOARD MEETING DATE	DIRECTORS PRESENT
1	05/06/2021	1. Sandeep Gandhi 2. Hitendra Desai 3. Ritesh Patel 4. Nainesh Trivedi 5. Meena Mistry
2	25/06/2021	1. Sandeep Gandhi 2. Hitendra Desai

		<ol style="list-style-type: none"> <li>3. Ritesh Patel</li> <li>4. Nainesh Trivedi</li> <li>5. Meena Mistry</li> </ol>
3	30/06/2021	<ol style="list-style-type: none"> <li>1. Sandeep Gandhi</li> <li>2. Hitendra Desai</li> <li>3. Ritesh Patel</li> <li>4. Nainesh Trivedi</li> <li>5. Meena Mistry</li> </ol>
4	14/08/2021	<ol style="list-style-type: none"> <li>1. Sandeep Gandhi</li> <li>2. Hitendra Desai</li> <li>3. Ritesh Patel</li> <li>4. Nainesh Trivedi</li> <li>5. Meena Mistry</li> </ol>
'5	03/09/2021	<ol style="list-style-type: none"> <li>1. Sandeep Gandhi</li> <li>2. Hitendra Desai</li> <li>3. Ritesh Patel</li> <li>4. Nainesh Trivedi</li> <li>5. Meena Mistry</li> </ol>
6	04/10/2021	<ol style="list-style-type: none"> <li>1. Sandeep Gandhi</li> <li>2. Hitendra Desai</li> <li>3. Ritesh Patel</li> <li>4. Nainesh Trivedi</li> <li>5. Meena Mistry</li> </ol>
7	21/10/2021	<ol style="list-style-type: none"> <li>1. Sandeep Gandhi</li> <li>2. Hitendra Desai</li> <li>3. Ritesh Patel</li> <li>4. Nainesh Trivedi</li> <li>5. Meena Mistry</li> </ol>
8	12/11/2021	<ol style="list-style-type: none"> <li>1. Sandeep Gandhi</li> <li>2. Hitendra Desai</li> <li>3. Ritesh Patel</li> <li>4. Nainesh Trivedi</li> <li>5. Meena Mistry</li> </ol>
9	26/11/2021	<ol style="list-style-type: none"> <li>1. Sandeep Gandhi</li> </ol>



		<ol style="list-style-type: none"> <li>2. Hitendra Desai</li> <li>3. Ritesh Patel</li> <li>4. Nainesh Trivedi</li> <li>5. Meena Mistry</li> </ol>
10	13/12/2021	<ol style="list-style-type: none"> <li>1. Sandeep Gandhi</li> <li>2. Hitendra Desai</li> <li>3. Ritesh Patel</li> <li>4. Nainesh Trivedi</li> <li>5. Meena Mistry</li> </ol>
11	10/02/2022	<ol style="list-style-type: none"> <li>1. Sandeep Gandhi</li> <li>2. Hitendra Desai</li> <li>3. Ritesh Patel</li> <li>4. Nainesh Trivedi</li> <li>5. Meena Mistry</li> </ol>
12	14/02/2022	<ol style="list-style-type: none"> <li>1. Sandeep Gandhi</li> <li>2. Hitendra Desai</li> <li>3. Ritesh Patel</li> <li>4. Nainesh Trivedi</li> <li>5. Meena Mistry</li> </ol>
13	28/02/2022	<ol style="list-style-type: none"> <li>1. Sandeep Gandhi</li> <li>2. Hitendra Desai</li> <li>3. Ritesh Patel</li> <li>4. Nainesh Trivedi</li> <li>5. Meena Mistry</li> </ol>
14	10/03/2022	<ol style="list-style-type: none"> <li>1. Sandeep Gandhi</li> <li>2. Hitendra Desai</li> <li>3. Ritesh Patel</li> <li>4. Nainesh Trivedi</li> <li>5. Meena Mistry</li> </ol>
15	16/03/2022	<ol style="list-style-type: none"> <li>1. Sandeep Gandhi</li> <li>2. Hitendra Desai</li> <li>3. Ritesh Patel</li> <li>4. Nainesh Trivedi</li> <li>5. Meena Mistry</li> </ol>

16	30/03/2022	<ol style="list-style-type: none"> <li>1. Sandeep Gandhi</li> <li>2. Hitendra Desai</li> <li>3. Ritesh Patel</li> <li>4. Nainesh Trivedi</li> <li>5. Meena Mistry</li> </ol>
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### 33. INTERNAL FINANCIAL CONTROL SYSTEM

The details in respect of internal financial control and their adequacy are included in the Management Discussion and Analysis, which is a part of this report.

### 34. COMPOSITION OF AUDIT COMMITTEE:

The composition of the Audit Committee is as under and it is in compliance with the provisions of Section 177 of the Companies Act, 2013 read with the rules thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("SEBI Listing Regulations").

The Members of the Audit committee met twelve times during the financial year under review dated 05<sup>th</sup> June, 2021, 25<sup>th</sup> June, 2021, 30<sup>th</sup> June, 2021, 14<sup>th</sup> August, 2021, 03<sup>rd</sup> September, 2021, 21<sup>st</sup> October, 2021, 12<sup>th</sup> November, 2021, 13<sup>th</sup> December, 2021, 10<sup>th</sup> February, 2022, 14<sup>th</sup> February, 2022, 10<sup>th</sup> March, 2022 and 30<sup>th</sup> March, 2022. Company Secretary of the Company acted as the Secretary to the Committee.

The members of the Audit Committee and their attendance at committee meetings are as under:

Name of the Director	Category	No. of Meetings attended
Mr. Ritesh Patel	Chairman, Non-Executive & Independent Director	12
Mrs. Meena Mistry	Non-Executive & Independent Director	12
Mr. Hitendra Desai	Executive Director & Whole Time Director	12
Mr. Nainesh Trivedi	Non-Executive & Independent Director	12

The Committee in particular looks into:

1. Ensuring the organization's financial statements are understandable and reliable.
2. Ensuring the organization establishes a thorough risk management process and effective internal controls.
3. Reviewing the organization's policies, particularly in areas such as ethics, conflict of interest and fraud.
4. Reviewing the organization's litigation and regulatory proceedings.
5. Selecting and implementing a direct reporting relationship with the public accounting firm that serves as the organization's external auditor.
6. Establishing communication with the organization's internal auditor and reviewing all audit findings.
7. 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.
8. Carrying out any other function as is mentioned in the terms of reference of the audit committee.

### 35. STAKEHOLDERS RELATIONSHIP COMMITTEE:

The stakeholders' relationship committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations read with Section 178 of the Act.

#### Terms of reference

The Committee is responsible for assisting the Board of Directors in the Board's overall responsibilities relating to attending and redressal of the grievances of the security holders of the Company.

#### Functions

The Members of the stakeholders' relationship committee met once during the financial year under review dated 03<sup>rd</sup> September, 2021. Company Secretary of the Company acted as the Secretary to the Committee.

The Composition of the Shareholders Relationship Committee constituted and details of the meetings attended by the Directors are given below.

The members of the stakeholders' relationship committee and their attendance at committee meetings are as under:

Name of the Director	Category	No. of Meetings attended
Mr. Ritesh Patel	Chairman, Non-Executive & Independent Director	1
Mrs. Meena Mistry	Non-Executive & Independent Director	1
Mr. Nainesh Trivedi	Non-Executive & Independent Director	1
Mr. Hitendra Desai	Executive Director & Whole Time Director	1

The Committee in particular looks into:

1. To oversee and review redressal of shareholder and investor grievances, on matters relating to transfer of securities, non-receipt of annual report, non-receipt of dividends/interests.
2. To review the measures taken for effective exercise of voting rights by shareholders.
3. To review the adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. To review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
5. To issue duplicate share/debenture certificate(s) reported lost, defaced or destroyed as per the laid down procedure and to resolve the grievances of security holders of the Company, if any.
6. Attending to complaints of security holders routed by SEBI (SCORES)/Stock Exchanges/RBI or any other Regulatory Authorities.
7. Taking decision on waiver of requirement of obtaining the Succession Certificate/Probate of Will on case to case basis within the parameters set out by the Board of Directors.
8. To monitor transfer of the amounts/shares transferable to Investor Education and Protection Fund.
9. To list the securities of the Company on Stock Exchanges.
10. Any other matters that can facilitate better investor services and relations.

During the year under review, few queries/complaints were received during the year from shareholders/investors and all of them got resolved on time. The numbers of pending share transfers as on March 31, 2022 were Nil.

### **36. VIGIL MECHANISM (WHISTLE BLOWER POLICY):**

The Company's Whistle Blower policy provides a mechanism under which an employee/director of the Company may report unethical behaviour, suspected or actual fraud, violation of code of conduct and personnel policies of the Company. The Vigil Mechanism ensures standards of professionalism, honesty, integrity and ethical behaviour. The Whistle Blower Policy/Vigil Mechanism is uploaded on the Company's website.

### **37. RISK MANAGEMENT POLICY:**

Risk Management Policy identifies, communicate and manage material risks across the organization. The policy also ensures that responsibilities have been appropriately delegated for risk management. Key Risk and mitigation measures are provided in the Management Discussion and Analysis annexed to the Annual Report.

### **38. CORPORATE SOCIAL RESPONSIBILITY:**

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within the purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

### **39. EXTRACT OF ANNUAL RETURN:**

As required pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, an extract of annual return in MGT-9 as a part of this Annual Report annexed as Annexure-II. The same is also available on the website of the company at the website- [www.harishtextile.com](http://www.harishtextile.com)

### **40. PARTICULARS OF EMPLOYEE:**

None of the employees of the Company is drawing remuneration in excess of the limits described under rule (5) (2) chapter XIII as provided under section 197 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The information required under section 197 of the act read with rule (5)(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are mentioned in the **Annexure V**.

### **41. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

### **42. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

The particulars of every contract or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto have been disclosed in Form No. AOC-2 as **Annexure-IV**.

### **43. POLICY FOR PROHIBITION OF INSIDER TRADING:**

Vide notification No. EBI/LAD-NRO/GN/2018/59 Securities and Exchange Board of India (SEBI) has notified SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018. The Company has accordingly amended its Prohibition of Insider Trading Code and Code of Practices and Procedures for Fair Disclosure of Unpublished

Price Sensitive Information. The Code also provides for pre-clearance of transactions by designated persons, whenever required.

The Company follows closure of trading window for the end of every quarter till 48 hours after the declaration of financial results. The Company has been advising the designated persons covered by the said Code not to trade in Company's securities during the closure of trading window period.

#### **44. PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE:**

As per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act") and Rules made thereunder, the Company has formed an Internal Committee to address complaints pertaining to sexual harassment in the workplace. The Company policy mandates prevention of sexual harassment and to ensure a free and fair enquiry process with clear timelines for resolution. During the year under review, there were no cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **45. INTERNAL AUDITORS:**

Subsequent to the close of the year, as recommended by the Audit Committee, M/s Ravi H. Dasija & Co., Chartered Accountants have been re-appointed as an Internal Auditors of the Company for the three financial year with effect from FY 2022-2023 to 2024-2025.

#### **46. ACKNOWLEDGEMENTS:**

Your Directors thank the Company's Investors, Clients, Vendors, Bankers, Business and various governmental as well as regulatory agencies for their continued support and confidence in the management. Your Directors wish to place on record their deep sense of appreciation of the dedicated and sincere services rendered by employees at all levels during the year. Your Company's consistent growth was made possible by their hard work, solidarity, cooperation and support.

**For and on behalf of the Board of Directors  
Harish Textile Engineers Limited**

**Sandeep Gandhi  
Managing Director  
DIN No. 00941665**

**Hitendra Desai  
Whole Time Director  
DIN No.: 00452481**

**Date:** May 30, 2022

**Place:** Mumbai

## **Annexure I**

### **MANAGEMENT DISCUSSIONS AND ANALYSIS REPORT**

The purpose of this discussion is to provide an understanding of financial statements and a composite summary of performance of our business. Management Discussion and Analysis (MDA) is structured as follows:

#### **OVERALL REVIEW:**

Despite the First Quarter of Financial Year 2021-22 being adversely hit by second Covid 19 Wave which led to several disruptions in the working of the factories and logistics issues, the company was able to substantially improve its Top line. Despite the huge cost pressures and logistic issues, the company was able to report a profit.

#### **COMPANY PERFORMANCE/ REVIEW OF OPERATIONS:**

In the Year under report, The Non-Woven Business performed very well. The Non-Woven Manufacturing Capacity was increased by about 20% in the 3<sup>rd</sup> and 4<sup>th</sup> Quarter of the year. With Cost optimisation measures taken, the management expects the PSF and Engineering Business also too do better in the current year.

#### **Brief Introduction of Your Company**

Your Company is one of the leading producers of textile processing and finishing machinery in India. The Machinery produced by your company has found acceptance by reputed clients in India and abroad. Your company has also exported its products to over 25 countries, including to a prestigious market like U.K.

Your company has manufacturing facilities spread over 75,000 square feet in Umbergam, Gujarat and another 65,000 square feet in Bhilad, Gujarat.

Your company is also engaged in Production of Non-woven fabrics used mainly for auto interiors and filtration and hygiene segments at its plant in Umbergam which has factory building of approx. 65,000/- square feet.

Your Company is also engaged in the production of polyester staple fibre by recycling pet bottle and waste polyester, at its plant in Gondhe, Nashik.

#### **Strengths**

Over the years your company has acquired Product and Domain Expertise in all the products manufactured. Your Company also has excellent technical and design team that can take up special tailor-made projects even for non-textile applications. Your company has best in class infrastructure and plant and machinery in this business. The PSF business is environmentally friendly green business as it recycles Pet Bottles and Other Polyester Scrap into PSF. Your Company has domain expertise and experience in this Business and best in class infrastructure. Your Company has ambitious Plans of Expansion in this Business.

Your Company has wide range of Products in its Non-Woven Business which caters to a wide range of clients. With PSF plant providing assured raw material supply, your Company is in a unique position in the Business.

#### **Quality**

Harish Machines are known and well respected for its Quality and productivity and command a premium valuation.

The PSF and Non-Woven Products of Your Company are well known and respected for their Highest Quality Standards.

## **Outlook**

Outlook for the current financial year 2022-23 seems to be better with Non-Woven business attaining monthly highest turnover figure in July, 2022. The expanded Non-Woven capacity is expected to yield fruits in the current year. The overall scenario for Engineering and PSF is also encouraging.

## **Opportunities and threats**

### **Opportunities:**

For engineering business export markets offer exciting opportunities. Specialised, tailor made non textile customers also offer excellent growth prospects.

For PSF business, there are ambitious expansion plans and with the auto sales picking up sharply, the opportunities for Non-Woven and PSF have improved substantially.

### **Threats:**

The threats are in relation to the economic slow-down, liquidity issues, recent spurt in Raw Material prices and any adverse government policies. However, since textile industry is one of the top-three employment generators, the government policies are expected to be conducive and supportive.

### **Other Threats:**

#### **Pandemic**

- Disruptive effect of COVID-19 pandemic on demand
- Looming threat of global recession
- Lockdown restrictions
- Supply chain disruptions
- Employee Health & Wellness

#### **Geopolitical**

- Emerging geopolitical trade
- restrictions and supply chain challenges

#### **New Competition**

- New competitors are entering the market

#### **Financial**

- Volatility in Indian Rupee (₹) and US Dollar (\$) exchange rates
- The emerging scenario of higher interest rate regime.

#### **Cyber-Security**

- Data loss/Thefts
- Domain-based threats
- Hacktivism

- Site non-availability

## **RISKS AND CONCERNS:**

The recent liquidity crunch and global economic down turn due to liquidity tightening and higher interest rate regime followed by the Central Banks all over the world are the risks and concerns being faced by the industry.

## **INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company's well-defined organizational structure, documented policy guidelines, defined authority matrix and internal financial controls ensure operational effectiveness, reliability of financial data and compliance with applicable laws, regulations and Company's policies.

The financial control framework includes internal controls, delegation of authority procedures, segregation of duties, system access controls, and document filing and storage procedures. The Internal Auditor ensures the continued effectiveness of the Company's internal control system. The Audit Committee reviews internal financial control reports prepared by the internal auditor. The Company has framed risk based internal audit policy as part of its oversight function. The objective of risk based internal audit review is to identify the key activities and controls in the business processes, review effectiveness of business processes and controls, assess the operating effectiveness of internal controls and provide recommendations for business process and internal control improvement.

**For and on behalf of the Board of Directors  
Harish Textile Engineers Limited**

**Sandeep Gandhi  
Managing Director  
DIN No. 00941665**

**Hitendra Desai  
Whole Time Director  
DIN No.: 00452481**

**Date:** May 30, 2022

**Place:** Mumbai



## Annexure II

FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2022

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

#### I. REGISTRATION & OTHER DETAILS:

1	CIN	L29119MH2010PLC201521
2	REGISTRATION DATE	31/03/2010
3	NAME OF THE COMPANY	HARISH TEXTILE ENGINEERS LIMITED
4	CATEGORY/SUB-CATEGORY OF THE COMPANY	COMPANY LIMITED BY SHARES/ INDIAN NON- GOVERNMENT COMPANY
5	ADDRESS OF THE REGISTERED OFFICE & CONTACT DETAILS	2 <sup>ND</sup> FLOOR, 19 PARSI PANCHAYAT ROAD, ANDHERI (EAST), MUMBAI- 400069
6	WHETHER LISTED COMPANY	YES
7	NAME, ADDRESS & CONTACT DETAILS OF THE REGISTRAR & TRANSFER AGENT, IF ANY.	BIGSHARE SERVICES PVT LTD. OFFICE NO S6-2, 6 <sup>TH</sup> FLOOR, PINNACLE BUSINESS PARK, NEXT TO AHURA CENTRE, MAHAKALI CAVES ROAD, ANDHERI (EAST) MUMBAI — 400093 TELEPHONE:022-62638200/206 FAX: 022-62638299
8	E-MAIL ID	COMPLIANCES@HARISHTEXTILE.COM
9	TELEPHONE NUMBER	+91-2240373000

#### 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)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Textile Processing and Machineries	1313	30.19%
2	Non-Woven	5603	50.72%
3	Polyester staple fibre	3252	19.08%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

[No. of Companies for which information is being filled]

SR. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE
1	N.A.	N.A.	N.A.

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

##### Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2021]				No. of Shares held at the end of the year [As on 31-March-2022]				% 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	2406887	1257	2408144	72.19	2196887	1257	2198144	65.89	6.29
b) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total shareholding of Promoter (A)</b>	2406887	1257	2408144	72.19	2196887	1257	2198144	65.89	6.29

							4		
<b>(2) Foreign</b>									
a) Individuals (Non-Resident Individuals/Foreign Individuals)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Any Other (Specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total A2	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoter Group A(1+2)	2406887	1257	2408144	72.19	2196887	1257	2198144	65.89	6.29
<b>B. Public Shareholding</b>									
1. Institutions									
a) Mutual Funds	0	1521	1521	0.05	0	1521	1521	0.05	0
b) Banks / FI	13	0	13	0	13	0	13	0	0
c) Central Govt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(1):-</b>	13	1521	1534	0.05	13	1521	1534	0.05	0
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	9052	18564	27616	0.83	3466	18551	22017	0.66	-0.17
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	369701	221585	591286	17.72	344239	219869	564108	16.91	-0.81
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	417265	16510	433775	13.00	486202	16510	502712	15.07	2.07
c) Others (specify)									
Non Resident Indians	13772	0	13772	0.41	14053	0	14053	0.42	0.01
Overseas Corporate Bodies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Nationals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Clearing Members	24797	0	24797	0.74	169	0	169	0.01	-0.74

Hindu Undivided Family (HUF)	45076	0	45076	1.35	33133	0	33133	0.99	-0.36
Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Bodies - D R	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(2):-</b>	879663	256659	1136322	34.06	881392	254930	1136322	34.06	0.00
Total Public Shareholding (B)=(B)(1)+(B)(2)	879676	258180	1137856	34.11	881405	256451	1137856	34.11	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	3076563	259437	3336000	100	3078292	257708	3336000	100	0.00

**B) Shareholding of Promoter (including Promoter Group):**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2021			Shareholding at the end of the year 31.03.2022			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Mr. Sandeep Gandhi	2383344	71.44	6.30	2173344	65.15	0	6.29
2	Mr. Kirti Gandhi	23796	0.71	0	23796	0.71	0	0.00
3	Sandeep Gandhi	1	0.00		1	0.00		

	(HUF)			0			0	0.00
4	Kirtikumar Gandhi (HUF)	1	0.00	0	1	0.00	0	0.00
5	Mr. Shovan Gandhi	261	0.01	0	261	0.01	0	0.00
6	Mr. Shaiv Gandhi	1	0.00	0	1	0.00	0	0.00
7	Mrs. Saher Gandhi	157	0.01	0	157	0.01	0	0.00
8	Mrs. Shaila Gandhi	1	0.00	0	1	0.00	0	0.00
9	Mr. Niranjana Gandhi	582	0.02	0	582	0.02	0	0.00
	<b>Total</b>	<b>2408144</b>	<b>72.19</b>	<b>6.30</b>	<b>2198144</b>	<b>65.89</b>	<b>0</b>	<b>6.29</b>

**C) Change in Promoters' (including Promoter Group) Shareholding:**

Sr. No.	Name of Promoter	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Mr. Sandeep Gandhi	At the beginning of the year	23,83,344	71.44	23,83,344	71.44
		Increase/Decrease	(2,10,000)	(6.29)	(2,10,000)	(6.29)
		At the end of the year	21,73,344	65.15	21,73,344	65.15
2	##Mr. Kirti Gandhi	At the beginning of the year	23,796	0.71	23,796	0.71
		Increase/Decrease	0	0	0	0
		At the end of the year	23,796	0.71	23,796	0.71
3	Sandeep Gandhi (HUF)	At the beginning of the year	1	0.00	1	0.00
		Increase /Decrease	0	0	0	0
		At the end of the year	1	0.00	1	0.00
4	Kirtikumar Gandhi (HUF)	At the beginning of the year	1	0.00	1	0.00
		Increase/Decrease	0	0	0	0
		At the end of the year	1	0.00	1	0.00
5	Mr. Shovan Gandhi	At the beginning of the year	261	0.01	261	0.01
		Increase/Decrease	0	0	0	0
		At the end of the year	261	0.01	261	0.01
6	Mr. Shaiv Gandhi	At the beginning of the year	1	0.00	1	0.00
		Increase/Decrease	0	0	0	0
		At the end of the year	1	0.00	1	0.00
7	Mrs. Saher Gandhi	At the beginning of the year	157	0.00	157	0.00
		Increase/Decrease	0	0	0	0
		At the end of the year	157	0.00	157	0.00

8	Mrs. Shaila Gandhi	At the beginning of the year	1	0.00	1	0.00
		Increase/Decrease	0	0	0	0
		At the end of the year	1	0.00	1	0.00
9	Mrs. Niranjana Gandhi	At the beginning of the year	582	0.02	582	0.02
		Increase/Decrease	0	0	0	0
		At the end of the year	582	0.02	582	0.02

**D) Shareholding Pattern of top ten Shareholders: -**

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

Sr. No.	Name of top ten Shareholder	Shareholding at the beginning of the year as on 1.4.2021		Change in share-Holding during the year		Shareholding at the end of the year as on 31.3.2022	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Rajkumar Samanmal Makhija	75270	2.26	40171	1.21	35099	1.05
2	Mahendra Girdharilal	63536	1.90	0	0	63536	1.90
3	Kailashben Ashokkumar Patel	0	0	57135	1.71	57135	1.71
4	Patel Mayur Rajendrabhai	45684	1.37	0	0	45684	1.37
5	Dheeraj Kumar Lohia	31870	0.96	12922	0.38	44792	1.34
6	Varsha Chugh	42979	1.29	0	0	42979	1.29
7	Talib Zafar	37273	1.12	25673	0.77	11600	0.35
8	Gaurang Shashikant Vasani	0	0	30000	0.90	30000	0.90
9	Anand L.	0	0	22000	0.66	22000	0.66
10	Bijal Kishorechand Madhani	20000	0.60	20000	0.60	0	0
11	Vikrant Shailesh Jadhav	19965	0.60	9931	0.30	10034	0.30
12	Ketankumar V Patel	18460	0.55	0	0	18460	0.55
13	Kushal Sanjaybhai Patel	16896	0.51	0	0	16896	0.51



**E) Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 1.4.2021		Change in share-Holding during the year		Shareholding at the end of the year as on 31.3.2022	
		No. of shares	% of total shares of the company	No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Mr. Sandeep Gandhi (Managing Director)	2383344	71.44	210000	6.29	2173344	65.15
2	Mr. Ritesh Patel (Independent Director)	-	-	-	-	-	-
3	Ms. Meena Mistry (Independent Director)	-	-	-	-	-	-
4	Mr. Nainesh Trivedi (Independent Director)	-	-	-	-	-	-
5	Mr. Pinkesh Upadhyay (Chief Financial Officer)	-	-	-	-	-	-
6	@Ms. Priya Gupta (Company Secretary and Compliance Officer)	-	-	-	-	-	-

@Ms. Priya Gupta (Membership No. 62579) has been appointed as Company Secretary and Compliance Officer of the Company w.e.f. 14<sup>th</sup> August, 2021.

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

(Rs. In Lakhs)

	Secured excluding deposits	Loans	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>					
<b>i) Principal Amount</b>	1875.69		915.30	-	2790.99
<b>ii) Interest due but not paid</b>	-		-	-	-
<b>iii) Interest accrued but not due</b>	-		-	-	-
<b>Total (i+ii+iii)</b>	1875.69		915.30	-	2790.99
<b>Change in Indebtedness during the financial year</b>					
<b>* Addition</b>	1395.39		-	-	1395.39

* Reduction	-	173.03	-	173.03
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	3271.08	742.27		4013.35
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	3271.08	742.27	-	4013.35

## XI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

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

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Name of Director		Total
		*Sandeep K. Gandhi	*Hitendra Desai	
1	Gross salary	111.00	20.57	131.57
	(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 (Reimbursement of Expenses)	-	-	-
	Total (A)	111.00	20.57**	131.57
	Ceiling as per the Act	120.00	22.20	142.20

#### Notes-

\*The Company had passed a special resolution at the Annual General Meeting held on 30<sup>th</sup> September 2019 for payment of remuneration along-with perquisites and allowances Managing Director and Whole-time Director

\*\*The amount paid is including of reimbursement of expenses.

**B. Remuneration to other Directors- Sitting fees-**

The details of sitting fees/remuneration paid to the Directors for the year 2021-2022 are as under: Nil

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	@CS	CFO	Total
1	<b>Gross salary</b>	-	3.52	17.80	21.32
	(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	<b>Stock Option</b>	-	-	-	-
3	<b>Sweat Equity</b>	-	-	-	-
4	<b>Commission</b>	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	<b>Others, please specify</b>	-	-	-	-
	<b>Total</b>	-	3.52	17.80	21.32

@Ms. Priya Gupta (Membership No. 62579)) has been appointed as Company Secretary and Compliance Officer of the Company w.e.f. 14<sup>th</sup> August, 2021.

**XII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

For and on behalf of the Board of Directors  
Harish Textile Engineers Limited

Sandeep Gandhi  
Managing Director  
DIN No. 00941665

Hitendra Desai  
Whole Time Director  
DIN No.: 00452481

**Date:** May 30, 2022

**Place:** Mumbai

## Annexure III

### FORM MR-3 SECRETARIAL AUDIT REPORT

(Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2022**

To,  
The Members  
**Harish Textile Engineers Limited**  
2<sup>nd</sup> Floor, 19 Parsi Panchayat Road,  
Andheri East, Mumbai-400069

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Harish Textile Engineers Limited** (hereinafter called "the Company"). Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's Books, Papers, Minutes Books, Forms and Returns filed and other Records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the financial year commencing from 1st April, 2021 and ended 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2022 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment. During the audit period, there were no Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not Applicable to the Company during the Audit Period**);
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. (**Not Applicable to the Company during the Audit Period**);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable to the Company during the Audit Period**);
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period)**;

(vi) Other laws applicable specifically to the Company namely:

1. Factory Act, 1948
2. Employees Compensation Act, 1923.
3. Payment of Wages Act, 1936
4. Payment of Gratuity Act, 1972
5. Minimum Wages Act, 1948.
6. Payment of Bonus Act, 1965.
7. The Employees Provident Funds & Miscellaneous Provisions Act, 1952
8. Employees State Insurance Act, 1948
9. Maharashtra State Tax on Professions / Trades Act, 1975
10. Goods and Service Tax Act, 2017,
11. Sexual Harassment Act, 2013
12. Income Tax Act, 1961,
13. Industrial Employment (Standing Order Act) 1946
14. Environmental Management and Pollution Control Act, 1994

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI (Listing Obligations and Disclosure requirements) Regulation 2015 for the financial year ended 31/03/2022.

During the period under review and as per the explanations and representations made by the management and subject to clarifications given to us, the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, etc., mentioned above subject to the following observation:

- a. During the year under review, the Company has failed to disclose details of Related Party Transactions as per the format specified in section 134 and 188 of the Companies Act, 2013 in Director's Report.**
- b. The Website of the Company is not entirely updated as required under the Companies Act, 2013 and SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.**

I further report that:

- The Board of Directors and KMP of the Company are constituted as follows:
  1. Mr. Sandeep Kirtikumar Gandhi -Executive -Managing Director.
  2. Mr. Hitendra Chimantal Desai - Executive-Whole Time Director
  3. Mr. Ritesh Harshad Patel -Non-Executive -Independent Director
  4. Mrs. Meena Ramesh Mistry- Non-Executive- Independent Woman Director
  5. Mr. Nainesh Trivedi- Non-Executive -Independent Director
- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes
- The Company has internal auditors namely M/s. Ravi H. Dasija & Co., Chartered Accountants, Mumbai.

- Adequate notice of board meeting is given to all the directors along with agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and meaningful participation at the meeting
- As per the minutes of the meeting duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded
- I, further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- The compliance by the Company of applicable financial laws like Direct and Indirect tax laws has not been reviewed thoroughly in this audit since the same have been subject to review by the statutory financial audit and other designated professionals.

**For D N Vora & Associates  
Company Secretaries**

**Dipali Vora  
Proprietor  
ACS No.: 46989  
C. P. No.: 21254  
UDIN: A046989D000438875**

**Date:** May 30, 2022

**Place:** Mumbai

This report is to be read with our letter of even date which is annexed as ANNEXURE-A- and forms an integral part of this report.

## **Annexure A to the Secretarial Audit Report**

To,  
The Members,  
**HARISH TEXTILE ENGINEERS LIMITED**  
2<sup>nd</sup> Floor, 19 Parsi Panchayat Road,  
Andheri East, Mumbai-400069

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For D N Vora & Associates  
Company Secretaries**

**Dipali Vora  
Proprietor  
ACS No.: 46989  
C. P. No.: 21254  
UDIN: A046989D000438875**

**Date:** May 30, 2022

**Place:** Mumbai

## Annexure IV

### FORM NO. AOC -2

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

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

**1. Details of contracts or arrangements or transactions not at Arm's length basis.**

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ s/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts / arrangements / transactions	Date (s) of approval by the Board	Amount paid as advances	Date on which special resolution was passed in General meeting
-	-	-	-	-	-	-	-	-

**2. Details of material contracts or arrangements or transactions at Arm's length basis.**

Sr. No.	Name of the related party and nature of relationship	Nature of contracts / arrangements / transactions	Duration of contracts / arrangements / transactions	Salient features of contracts / arrangements / transactions, including value, if any	Date(s) of approval by the Board / Audit Committee	Amount paid as advances, if any
1	Harish Enterprise Private Limited Company with common Directors	Rent Expenses	8 Years	Factory Building taken on rent for the period of 8 years ending on 31.03.2024 at Umbergaon	31.03.2016	12.00
2	Every's Healthcare Private Limited Company with common Directors	Interest Income	NA	NA	12.04.2019	7.43
3	Sandeep Gandhi Managing Director	Remuneration Paid	5 Years	NA	30.12.2018	111.00
4	Hitendra Desai Whole time Director	Remuneration Paid	5 Years	NA	30.12.2018	20.58



5	Shaila Gandhi Relative of Managing Director	Professional Fees paid	5 Years	NA	12.04.2019	46.00
6	Shovan Gandhi Relative of Managing Director	Remuneration paid	5 Years	NA	22.09.2020	16.00
7	Pacific Harish Industries Limited (Financial liability- Reliance Loan) Company with common Directors	Repayment of Loan	7 Years	NA	12.04.2019	88.32
8	Agratha Enterprises Associate Firm	Repayment of capital	NA	NA	10.03.2022	0.31
9	Sanish Investment & Trading Company Private Limited Company with common Directors	Realisation of Receivable	3 Years	NA	18.03.2020	10.00

**For and on behalf of the Board of Directors  
Harish Textile Engineers Limited**

**Sandeep Gandhi**  
Managing Director  
DIN No. 00941665

**Hitendra Desai**  
Whole Time Director  
DIN No.: 00452481

**Date:** May 30, 2022

**Place:** Mumbai

## Annexure V

### PARTICULARS OF REMUNERATION

The information required under Section 197 of the Act and the Rules made there-under, in respect of employees of the Company, is follows:-

**(a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;**

Executive Directors	Ratio to Median Remuneration
Sandeep Gandhi	6.45
Hitendra Desai	2.52

**(b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;**

Name of Person	% Increase in remuneration
Mr. Sandeep Gandhi	(7.42%)
Mr. Hitendra Desai	3.94%
Mr. Pinkesh Upadhyay	18.67%
Ms. Priya Gupta	NA

**(c) The percentage increase in the median remuneration of employees in the financial year: about 7%.**

Note: Percentage in bracket represents negative percentage.

**(d) The number of permanent employees on the rolls of company: 154**

**(e) The explanation on the relationship between average increase in remuneration and company performance;**

On an average, employees received an increase of 10%. The increase in remuneration is in line with the market trends. In order to ensure that remuneration reflects company performance, the performance pay is linked to organization performance.

**(f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:**

Particulars	Rs. In lakhs
Remuneration of Key Managerial Personnel (KMP) during financial year 2021-2022 (aggregated)	152.89
Revenue from operations	10,686.14
Remuneration (as % of revenue)	1.43%

Profit before tax (PBT)	65.92
Remuneration (as % of PBT)	231.94%

(g) variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies, and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year;

Particulars	Unit	As at		Variation %
		31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2021	
Closing rate of share at BSE	Rs.	51.05	35.95	42.00%
Closing rate of share at NSE	Rs.	N.A.	N.A.	N.A.
EPS (consolidated)	Rs.	1.45	5.26	(72.43%)
Market capitalization	Rs./Lakhs	1703.03	1199.29	42.00%
BSE		1703.03	1199.29	42.00%
NSE		N.A.	N.A.	N.A.
Price Earnings Ratio	Ratio			
BSE		35.21	6.83	515.47%
NSE		N.A.	N.A.	N.A.

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

The average increase in salaries of employees other than managerial personnel in 2021-2022 was 9.28%. Percentage increase in the managerial remuneration for the year was 0.74%.

(i) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company

Particulars	Chief Executive Officer	Chief Financial Officer	Company Secretary
	Rs. /Lac		
Remuneration	-	17.80	3.52
Revenue from operations	-	10,686.14	10,686.14
Remuneration (as % of revenue)	-	0.17%	0.03%
Profit before Tax (PBT)	-	65.92	65.92
Remuneration (as % of PBT)		27.00%	5.34%

**(j) The key parameters for any variable component of remuneration availed by the directors;**

No Variable Component in the Remuneration availed by Directors

**(k) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;**

**Not applicable.**

**(l) Affirmation that the remuneration is as per the remuneration policy of the Company**

The Company's remuneration policy is driven by the success and performance of the individual employees and the Company. Through its compensation package, the Company endeavours to attract, retain, develop and motivate a high performance staff. The Company follows a compensation mix of fixed pay, benefits and performance based variable pay. Individual performance pay is determined by business performance and the performance of the individuals measured through the annual appraisal process. The Company affirms remuneration is as per the remuneration policy of the Company.

**(2)The statement to the board's report shall include a statement showing the name of every employee of the company-**

who-

(i) if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore two lakh rupees;- **Not Applicable to the Company**

(ii) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh fifty thousand rupees per month;- **Not Applicable to the Company**

(iii) if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company;- **Not Applicable to the Company.**

**For and on behalf of the Board of Directors  
Harish Textile Engineers Limited**

**Sandeep Gandhi  
Managing Director  
DIN No. 00941665**

**Hitendra Desai  
Whole Time Director  
DIN No.: 00452481**

**Date:** May 30, 2022

**Place:** Mumbai

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Harish Textile Engineers Limited.**

### **Report on the Audit of the Financial Statements**

#### **Qualified Opinion**

We have audited the accompanying financial Statements of **Harish Textile Engineers Limited** ("the Company") which comprises the Balance Sheet as at 31st March, 2022 and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, except for the effect of the matters described in the Basis for Qualified Opinion section of our report, the aforesaid 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 31st March, 2022, the profit and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

#### **Basis for Qualified Opinion**

The Company has not provided for gratuity liability of employees as required by Ind AS 19 on "Employee Benefits" (Refer Note No. 28.1). The impact of the same could not be quantified in the absence of actuarial valuation/management estimate. Our audit opinion on the financial statements for the year ended 31 March 2022 is qualified in respect of the said matter.

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

#### **Emphasis of Matter**

We draw attention to Note No. 37 to the Financial Statement, which describes the impact of Covid-19 pandemic on the company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

#### **Report on Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We have determined that there are no key audit matters to communicate in our report.

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

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

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

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

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

### **Responsibilities of Management and those charged with governance for the financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial Statements that give a true and fair view of the financial position, financial performance, including 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, including Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of financial statement**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 financial Statements, including the disclosures, and whether the financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial Statements comply with the Accounting Standards 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 31<sup>st</sup> March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2022 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 Control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B". 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 the section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanation 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.

- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rules 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 and as represented by the management:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 36 to the financial statements;
  - ii. The Company has made provision, as required under the applicable law or Ind AS, 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 during the year ended March 31, 2022.
  - iv.
    - a. Management has represented to us that, to the best of it's knowledge and belief, other than as disclosed in the notes to the accounts no funds ( which are material either individually or in aggregate ) have been advanced or loaned or invested ( either from borrowed funds or share premium or any other sources or kind of funds ) by the company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding whether recorded in writing or otherwise, that the Intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate beneficiaries;



- b. Management has represented to us that, to the best of its knowledge and belief other than as disclosed in the notes to the accounts no funds ( which are material either individually or in aggregate ) have been received by the company from any persons or entities , including foreign entities (“Funding parties”), with the understanding whether recorded in writing or otherwise , that the company shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on our audit procedure conducted that are considered reasonable and appropriate in the circumstances, nothing has come to our attention that cause us to believe that the representation under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. The company has not declared or paid any dividend during the current year

**For K. M. Swadia and Company**  
Chartered Accountants  
(Firm’s Registration No. 110740W)

**Archit Antani**  
Partner  
(Membership No. 149221)  
UDIN: 22149221AJY AFC9054

Place: Vadodara  
Date: May 30, 2022

**ANNEXURE – A TO THE INDEPENDENT AUDITOR’S REPORT**

(Referred to in paragraph 1 under “Report on the Other Legal and Regulatory Requirements’ section of our report of even date)

- i.
- a. A. The Company is maintaining proper records showing full particulars, including quantitative details and situation, of Property, Plant and Equipment.
  - B. The Company does not have intangible assets. Hence, the said clause is not applicable.
  - b. The Property, Plant and Equipment are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the Property, Plant and Equipment has been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
  - c. The title deeds of all the immovable properties (other than where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following:

INR in Lacs

Description of property	Gross carrying value	Held in the name of	Whether promoter, director or their relative or employee	Period held - indicate range, where appropriate	Reason for not being held in the name of the Company*
Land	650	Mr. Sandeep Gandhi	Yes (Director and Promoter)	From 31/12/2019	Refer note no. 38

- d. The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the reporting under clause 3(i)(d) of the order is not applicable to the Company.
  - e. Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the company has appropriately disclosed the details in its financial statements does not arise.
- ii.
- a. The physical verification of inventory (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. In respect of inventories of

stores and spares, the Management has a verification programme designed to cover the item over a period of three years. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

- b. During the year, the Company has working capital limits in excess of Rs. 5 crores, in aggregate, from banks on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks and financial institutions, which are in agreement with the unaudited books of account other than those as set out below.

							INR in Lacs
Name of Bank & working capital limits sanctioned	Nature of current asset offered as Security	Quarter ended	Amount disclosed as per Quarterly return/statement	Amount as per books of account	Difference	Reasons for difference	
Name of bank  Limit: 1550	Receivable and Stock (net of trade payable).	June 30, 2021	1468.81	1499.01	30.20	Refer note no. 38 to the Financial Statement.	
		September 30, 2021	1653.11	1560.71	-92.40		
		December 31, 2021	1511.44	1509.30	-2.14		
		March 31, 2022	1825.18	1647.38	-177.80		

- iii. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liabilities Partnerships or other parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of Para 3 (iii) [(a) to (c)] of the Companies (Auditor's Report) Order, 2016 are not applicable to the company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it.
- v. According to the information and explanations given to us, the Company has not accepted any deposits during the year from the public within the meaning of provisions of section 73 to 76 of the Companies Act, 2013 and the rules framed there under and therefore, reporting under clause (V) of the order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to manufacture and supply of textile machineries, spares, related services, non-woven fabric, auto interior, technical textile and regenerated polyester staple fibre and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues,

including employees' provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, professional tax and other material statutory dues, as applicable, with the appropriate authorities and there are no such outstanding dues as at the yearend for a period of more than six month from the date they became payable except the following:

INR in Lacs

Name of Statute	Nature of Dues	Period to which the Amount Relates	Amount Unpaid
Income Tax Act 1961	Tax Deducted at Source	Apr-19 to March 2022	22.59
Professional Tax Act	Professional Tax	Dec-19 to March 2022	0.23

- b.** According to the information and explanations given to us and the records of the Company examined by us, there are no statutory dues referred to in sub-clause (a) which have not been deposited with the appropriate authority on account of any dispute.
- viii.** According to the information and explanations given to us and the records of the Company examined by us, there are no transactions in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.
- ix.**
- a.** According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- b.** According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c.** In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- d.** According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- e.** According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company does not have any subsidiaries, associates and joint ventures. Hence, the said clause is not applicable.
- f.** According to the information and explanations given to us and procedures performed by us, we report that that the Company does not have any subsidiaries, associates and joint ventures. Hence, the said clause is not applicable.

- x.**
  - a.** The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
  - b.** The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi.**
  - a.** During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the management.
  - b.** During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
  - c.** During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented to us by the management, no whistle-blower complaints have been received during the year by the Company. Accordingly, the reporting under clause 3(xi)(c) of the Order is not applicable to the Company.
- xii.** As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii.** The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 "Related Party Disclosures" specified under Section 133 of the Act.
- xiv.**
  - a.** In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
  - b.** The reports of the Internal Auditor for the period under audit have been considered by us.
- xv.** The Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the reporting on compliance with the provisions of Section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi.**
  - a.** The Company is not required to be registered under Section 45- IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under clause 3(xvi)(a) of the Order is not applicable to the Company.
  - b.** The Company has not conducted non-banking financial / housing finance activities during the year. Accordingly, the reporting under clause 3(xvi)(b) of the Order is not applicable to the Company.

- c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause(xviii) is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios (Also refer Note 41 to the financial statements), ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the provisions of Corporate Social Responsibility of the Companies Act, 2013 are not applicable to the Company. Accordingly, the reporting under clause 3(xx)(a) and (b) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of Financial Statements.

*For K. M. Swadia and Company*  
Chartered Accountants  
(Firm's Registration No. 110740W)

**Archit Antani**  
Partner  
(Membership No. 149221)  
UDIN: 22149221AJY AFC9054

Place: Vadodara  
Date: May 30, 2022

## **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

Referred to in paragraph 2(f) under "Report on the Other Legal and Regulatory Requirements" section of our report of even date.

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Harish Textile Engineers Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **1. Management's Responsibility for Internal Financial Controls**

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

#### **2. Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, 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 with reference to financial statement of the Company were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 Company's internal financial controls system with reference to financial statements.

### **3. Meaning of Internal Financial Controls with reference to financial statements.**

A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **4. 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.

### **5. 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 internal financial controls with reference to Financial Statements of the Company and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India.

*For* **K. M. Swadia and Company**  
Chartered Accountants  
(Firm's Registration No. 110740W)

**Archit Antani**

Partner  
(Membership No. 149221)  
UDIN: 22149221AJY AFC9054

Place: Vadodara  
Date: May 30, 2022



(Rupees in Lakhs)

Particulars	Note	As at	
		31st March 2022	31st March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	2,687.16	2,271.67
Right-of-use assets	5	93.19	116.49
Capital work-in-progress	6	78.89	48.00
Financial assets			-
Other financial assets	7	209.80	196.08
Other assets	8	71.08	73.03
Deferred Tax Assets			-
<b>Current assets</b>			
Inventories	9	1,408.53	1,340.20
Financial assets			
Trade receivables	10	2,074.94	1,792.43
Cash and cash equivalents	11	168.17	61.18
Other financial assets	7	229.63	233.64
Current Tax Assets (Net)	12	10.64	(32.92)
Other assets	8	854.89	696.35
<b>Total Assets</b>		<b>7,886.96</b>	<b>6,796.15</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	13	333.60	333.60
Other equity	14	623.33	575.04
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	15	1,422.35	1,010.34
Lease liabilities	16	30.78	39.07
Other Financial liabilities	17	9.24	9.24
Deferred tax liabilities (Net)	18	115.16	125.52
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	19	2,162.46	1,507.09
Current maturities of long term borrowings	19	428.54	273.56
Lease liabilities		8.29	7.47
Trade payables	20		
Due to micro enterprises and small enterprises			
Due to others		2,167.12	2,163.93
Other financial liabilities	17	33.00	58.03
Other current liabilities	21	480.81	644.47
Short term provisions	22	72.31	48.77
<b>Total Equity and Liabilities</b>		<b>7,886.96</b>	<b>6,796.15</b>

See accompanying notes to the financial statements 1 to 42

**As per our report attached**

**For K M Swadia & Co.**  
**Chartered Accountants**  
**FRN - 110740W**

**For HARISH TEXTILE ENGINEERS LIMITED**  
**(CIN:L29119MH2010PLC201521)**

**CA. Archit D Antani**  
**Partner**  
**M. No. - 149221**  
**UDIN: 22149221AJY AFC9054**

**Sandeep Gandhi**  
**DIN : 00941665**  
**Managing Director**

**Hitendra Desai**  
**DIN :00452481**  
**Executive Director**

**Priya Gupta**  
**Company Secretary and Compliance officer**

**Pinkesh Upadhyay**  
**Chief Financial Officer**

**Place : Vadodara**  
**Date : May 30, 2022**

**Place : Mumbai**  
**Date : May 30, 2022**

**HARISH TEXTILE ENGINEERS LIMITED**

CIN: L29119MH2010PLC201521

Statement of Profit and Loss for the period ended on 31st March 2022

Particulars	Note	(Rupees in Lakhs)	
		Year ended 31st March 2022	Year ended 31st March 2021
<b>Revenue</b>			
Revenue from operations	23	10686.14	8,179.69
Other income	24	45.98	388.01
<b>Total Income</b>		<b>10,732.12</b>	<b>8,567.70</b>
<b>Expenses</b>			
Cost of materials consumed	25	7077.46	4,145.29
Changes in inventories of finished Goods, work-in-progress and stock in Trade	26	27.03	576.37
Purchase of stock in trade	27	0.00	1,083.35
Employee benefits expenses	28	836.60	588.53
Finance costs	29	489.69	344.77
Depreciation and amortization expenses	4&6	222.02	209.80
Other expenses	30	2013.40	1,442.57
<b>Total Expenses</b>		<b>10,666.20</b>	<b>8,390.69</b>
<b>Profit Before Tax for the year</b>		<b>65.92</b>	<b>177.01</b>
<b>Tax expense:</b>			
Current tax	31	28.00	40.00
Adjustment for earlier tax expense	31		(37.43)
Deffered tax	31	(10.36)	(1.02)
<b>Profit for the year</b>		<b>48.28</b>	<b>175.45</b>
Other comprehensive income		-	-
Total other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>48.28</b>	<b>175.45</b>
<b>Earnings per equity share of FV of Rs. 10 each</b>			
Basic	32	1.45	5.26
Diluted		1.45	5.26

See accompanying notes to the financial statements

1 to 42

**As per our report attached**

**For K M Swadia & Co.**

**Chartered Accountants**

**FRN - 110740W**

**For HARISH TEXTILE ENGINEERS LIMITED**

**(CIN:L29119MH2010PLC201521)**

**CA. Archit D Antani**

**Partner**

**M. No. - 149221**

**UDIN: 22149221AJYAF9054**

**Sandeep Gandhi**

**DIN : 00941665**

**Managing Director**

**Hitendra Desai**

**DIN :00452481**

**Executive Director**

**Priya Gupta**

**Company Secretary and Compliance officer**

**Pinkesh Upadhyay**

**Chief Financial Officer**

**Place : Vadodara**

**Date : May 30, 2022**

**Place : Mumbai**

**Date : May 30, 2022**

**HARISH TEXTILE ENGINEERS LIMITED**

CIN: L29119MH2010PLC201521

**CASHFLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2022***Rupees in Lakhs*

Particulars	For the year ended	
	31st March 2022	31st March 2021
<b>A) Cash Flow from Operating activities</b>		
<b>Profit before tax</b>	<b>65.92</b>	177.01
Adjustments for:		
Depreciation and Amortisation	222.02	209.80
(Profit)/ Loss on sale of Fixed Assets	5.11	0.20
Loss on termination of Lease	-	16.24
Sundry bal w.back	-	(331.77)
Sundry Balance w/off	10.96	71.44
Provision for expected credit loss	12.99	(0.65)
Interest Income	(24.54)	(25.83)
Interest Paid	489.69	344.77
<b>Operating Profit before Working Capital Changes</b>	<b>782.15</b>	<b>461.21</b>
<b>Adjustments for changes in Working Capital</b>		
(Increase)/Decrease in Trade Receivables	(258.56)	(76.32)
(Increase)/Decrease in Other - Non Current Assets	1.95	(51.12)
(Increase)/Decrease in Non Current financial assets	(13.72)	23.12
(Increase)/Decrease in Other Current Assets	(158.54)	(318.63)
(Increase)/Decrease in Other Current financial assets	(39.55)	174.72
(Increase)/Decrease in Inventories	(68.34)	444.07
<b>Changes in Trade and Other Receivables</b>	<b>(536.76)</b>	<b>195.84</b>
Increase/(Decrease) in Trade Payables	3.19	(299.80)
Increase/(Decrease) in Other current Liabilities	(163.62)	(162.82)
Increase/(Decrease) in Short-term provisions	23.54	16.25
Increase/(Decrease) in Other Current financial Liabilities		(25.64)
Increase/(Decrease) in Other financial Liabilities	(25.03)	-
<b>Changes in Trade and Other Payables</b>	<b>(161.93)</b>	<b>(472.02)</b>
<b>Cash Generated from Operations</b>	<b>83.47</b>	<b>185.04</b>
Income tax paid ( Net of refunds)	28.00	41.56
<b>Net Cash from Operating Activities</b>	<b>55.47</b>	<b>143.47</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of Assets	19.41	0.40
Purchase of Assets.	(638.72)	(70.99)
Capital Work-in-process	(78.89)	(48.00)
Investments in fixed deposits with bank	-	48.20
Interest Received	24.54	25.83
<b>Net Cash used in Investing Activities</b>	<b>(673.66)</b>	<b>(44.56)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-term borrowings (incl. current maturities of long term borrowing)	708.69	311.27
Repayment of Long term loans borrowings (incl. current maturities of long term borrowing)	(378.31)	(381.79)
lease liabilities	(7.48)	(23.25)
Change in Short-term borrowings	655.37	379.31
Additions to Loan	236.61	-
Interest Paid	(489.69)	(344.77)
<b>Net Cash from Financing Activities</b>	<b>725.18</b>	<b>(59.23)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>106.99</b>	<b>39.67</b>
Cash and Cash Equivalents at the beginning of the year	61.18	21.49
Cash and Cash Equivalents at the end of the year	168.17	61.18

**Closing Cash and Cash Equivalents comprise:**

Cash in hand	9.52	3.87
Balance in Current Account	158.65	57.31
<b>Total</b>	<b>168.17</b>	<b>61.18</b>

**Notes to Cash Flow Statement:**

Cash and Cash equivalents comprise of:

Cash on Hands	9.52	3.87
Deposit In TMB Bank		-
Balance with Scheduled Banks in Current Accounts	158.65	57.31
Closing Cash and Cash Equivalents	<b>168.17</b>	<b>61.18</b>

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Indian Previous year figures have been regrouped wherever necessary.

See accompanying notes to the financial statements

**As per our report attached**

**For K M Swadia & Co.**  
**Chartered Accountants**  
**FRN - 110740W**

**For HARISH TEXTILE ENGINEERS LIMITED**  
**(CIN:L29119MH2010PLC201521)**

**CA. Archit D Antani**  
**Partner**  
**M. No. - 149221**  
**UDIN: 22149221AJYAFC9054**

**Sandeep Gandhi**  
**DIN : 00941665**  
**Managing Director**

**Hitendra Desai**  
**DIN :00452481**  
**Executive Director**

**Priya Gupta**  
**Company Secretary and Compliance**  
**officer**

**Pinkesh Upadhyay**  
**Chief Financial Officer**

**Place : Vadodara**  
**Date : May 30, 2022**

**Place : Mumbai**  
**Date : May 30, 2022**

**HARISH TEXTILE ENGINEERS LIMITED**

Notes to financial statements for the year ended 31st March 2022

**Statement of Change in Equity (SOCIE) for the year ending 31st March 2022**

**(a) Equity share capital**

Equity share capital	As at 31st March 2022	As at 31st March 2021
	Amount	Amount
Balance at the beginning of the reporting period	333.60	333.60
Additions/(Reductions)	-	-
Additions/(Reductions)		
Balance at the end of the reporting period	<b>333.60</b>	<b>333.60</b>

**(b) Other equity**

Other equity	Reserves and Surplus
	Retained earnings
<b>Balance as at March 31, 2020</b>	<b>399.59</b>
Add: Profit during the Period	175.45
<b>Balance as at March 31, 2021</b>	<b>575.04</b>
Add: Profit during the Period	48.28
<b>Balance as at March 31, 2022</b>	<b>623.33</b>

See accompanying notes to the financial statements

**As per our report attached**

**For K M Swadia & Co.**  
Chartered Accountants  
FRN - 110740W

**For HARISH TEXTILE ENGINEERS LIMITED**  
(CIN:L29119MH2010PLC201521)

CA. Archit D Antani  
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M. No. - 149221  
UDIN: 22149221AJY AFC9054

Sandeep Gandhi  
DIN : 00941665  
Managing Director

Hitendra Desai  
DIN :00452481  
Executive Director

Priya Gupta  
Company Secretary and  
Compliance officer

Pinkesh Upadhyay  
Chief Financial Officer

Place : Vadodara  
Date : May 30, 2022

Place : Mumbai  
Date : May 30, 2022

**Notes on the Financial Statements**  
*for the year ended 31st March 2022.*

**1. Company overview**

Harish Textile Engineers Limited ("Company") is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The registered office of the Company is located 2nd Floor 19, Parsi Panchayat Road, Andheri (East), Mumbai- 400069, India.

Harish Textile Engineers Limited ("the Company") is manufacturing organization engaged in manufacturing of Textile Processing, Finishing Machineries, Non-Textile Projects and Regenerated Polyester Staple Fibre. The Company is also engaged in trading of non-ferrous metals.

**2. Basis of preparation**

**a. Statement of Compliance**

The Ind AS Financial Statements of the Company for the year ended March 31, 2022 have been prepared under Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015.

**b. Functional and presentation currency**

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All amounts have been rounded-off to the nearest rupees, unless otherwise indicated.

**c. Basis of measurement**

The financial statements have been prepared on the historical cost convention.

**d. Use of estimates and judgments**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

- Note 4- Estimates of Useful life and residual value of Property, plant and equipment and other intangible assets
- Note 33 - Current / Deferred tax expense
- Note 10 – Provision for Expected credit loss on Trade receivables

**3. Significant Accounting Policies**

The accounting policies set out below have been applied consistently to the periods presented in the financial statements.

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**Notes on the Financial Statements**  
*for the year ended 31st March 2022.*

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**3. Significant Accounting Policies (Continued)**

**a. Foreign currency transaction**

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the date of the transaction or at an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

**b. Current and non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

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**c. Revenue from contracts with customers**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company assesses promises in the contract that are separate performance obligations to which a portion of transaction price is allocated.

Revenue is measured based on the transaction price as specified in the contract with the customer. It excludes taxes or other amounts collected from customers in its capacity as an agent. In determining the transaction price, the Company considers below, if any:

- a) **Variable consideration** – This includes bonus, incentives, discounts etc. It is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. It is reassessed at end of each reporting period.

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**Notes on the Financial Statements**  
*for the year ended 31st March 2022.*

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**3. Significant Accounting Policies (Continued)**

- b) **Significant financing component** - Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that good or service will be one year or less.
- c) **Consideration payable to a customer** – Such amounts are accounted as reduction of transaction price and therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Company.

In accordance with Ind AS 37, the Company recognizes a provision for onerous contract when the unavoidable costs of meeting the obligations under a contract exceed the economic benefits to be received.

**Contract modifications**

Contract modifications are accounted for when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to the existing contract are distinct and whether the pricing is at the standalone selling price. Services added that are not distinct are accounted for on a cumulative catch up basis, while those that are distinct are accounted for prospectively, either as a separate contract, if additional services are priced at the standalone selling price, or as a termination of existing contract and creation of a new contract if not priced at the standalone selling price.

**Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer e.g. unbilled revenue. If the Company performs its obligations by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset i.e. unbilled revenue is recognised for the earned consideration that is conditional. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the Customer.

**Trade receivables**

A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the



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**Notes on the Financial Statements**  
*for the year ended 31st March 2022.*

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**3. Significant Accounting Policies (Continued)**

customer. Contract liabilities are recognised as revenue when the Company performs under the contract.

The accounting policies for the specific revenue streams of the Company as summarized below:

**Sale of goods**

Revenue from sale of goods is recognised when control of the goods is transferred to the customer which usually is on delivery of the goods under the terms of contract at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Sales are inclusive of excise duty but are net of sales returns, sales tax, goods and service tax and rate difference adjustments if any.

**Service income**

Revenues from services is recognised based on the services rendered in accordance with the terms of the contract and there are no uncertainties involved to its ultimate realization.

**Others**

Export incentives are accrued in the year when the right to receive credit is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate realization/ utilization of such benefits/ duty credit.

**d. Recognition of interest income or expense**

Interest on investments is booked on a time proportion basis taking into account the amounts invested and the rate of interest.

Commission income is recognised on accrual basis.

**e. Property, plant and equipment and Depreciation**

**Recognition and measurement**

Property, Plant & Equipment's (PPE) comprises of Tangible assets and Capital Work in progress. PPE are stated at cost, net of tax/duty credit availed, if any, after reducing accumulated depreciation until the date of the Balance Sheet.

The Cost of PPE comprises of its purchase price or its construction costs (net of applicable tax credit, if any), any cost directly attributable to bring the asset into the location and condition necessary for it to be capable of operating in the manner intended by the management. It includes professional fees and, for qualifying PPE, borrowing costs capitalised in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of PPE when completed and ready for intended use. Parts of an item of PPE having different useful lives and material value and subsequent

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**Notes on the Financial Statements**  
*for the year ended 31st March 2022.*

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**3. Significant Accounting Policies (Continued)**

expenditure on PPE arising on account of capital improvement or other factors are accounted for as separate components. Critical spares of PPE having life of more than one year are capitalized as a separate component in PPE. Capital work in progress includes the cost of PPE that are not yet ready for the intended use.

**Subsequent expenditure**

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**Depreciation**

In respect of Property, Plant and Equipment, depreciation is charged on a straight line basis so as to write off the cost of the assets over the useful lives as prescribed under Part C of Schedule II to the Companies Act 2013.

**Derecognition**

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.

**Capital work-in-progress**

Cost of assets not ready for intended use, as on balance sheet date is shown as capital work in progress. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as other non-current assets.

**f. Impairment of Assets**

**Impairment of financial instruments**

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 180 days or more;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

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**Notes on the Financial Statements**  
*for the year ended 31st March 2022.*

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**3. Significant Accounting Policies (Continued)**

- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

The Company measures loss allowances at an amount equal to lifetime expected credit losses, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which are measured as 12 month expected credit losses.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument. Twelve months expected credit losses are the portion of expected credit losses that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

**Measurement of expected credit losses**

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

**Presentation of allowance for expected credit losses in the balance sheet**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

**Impairment of non-financial instruments**

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets

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**Notes on the Financial Statements**  
*for the year ended 31st March 2022.*

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**3. Significant Accounting Policies (Continued)**

that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**g. Financial instruments**

**Recognition and initial measurement**

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

**Classification and subsequent measurement**

Financial assets on initial recognition, a financial asset is classified as measured at

- amortised cost;
- FVOCI – debt investment;
- FVOCI – equity investment; or
- FVTPL

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**Notes on the Financial Statements**  
*for the year ended 31st March 2022.*

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**3. Significant Accounting Policies (Continued)**

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- a) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At present, the Company does not have investments in any debt securities classified as FVOCI.

**h. Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a Company entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

**i. Financial assets: Business model assessment**

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the

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**Notes on the Financial Statements**  
*for the year ended 31st March 2022.*

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**3. Significant Accounting Policies (Continued)**

financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Assessment whether contractual cash flows are solely payments of principal and interest.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early

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**Notes on the Financial Statements**  
*for the year ended 31st March 2022.*

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**3. Significant Accounting Policies (Continued)**

termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss
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Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

**Derecognition**

**Financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset. If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

**Financial liabilities**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

**Offsetting**

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**Notes on the Financial Statements**  
*for the year ended 31st March 2022.*

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**3. Significant Accounting Policies (Continued)**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

**j. Borrowing costs**

Borrowing cost includes interest expense as per Effective Interest Rate (EIR), other costs incurred in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs directly relating to the acquisition, construction or production of a qualifying capital project under construction are capitalised and added to the project cost during construction until such time that the assets are substantially ready for their intended use i.e. when they are capable of commercial production. Where funds are borrowed specifically to finance a project, the amount capitalised represents the actual borrowing costs incurred. Where surplus funds are available out of money borrowed specifically to finance a project, the income generated from such current investments is deducted from the total capitalized borrowing cost. Capitalisation of borrowing costs is suspended and charged to profit and loss during the extended periods when the active development on the qualifying assets is interrupted. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial liability or a shorter period, where appropriate, to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options).

**k. Inventories**

The inventories are valued at cost or net realizable value whichever is lower. The provision for inventory obsolescence is assessed at regular intervals and is provided as considered necessary. The basis of determining the value of each class of inventory is as follows:

<b>Inventories</b>	<b>Cost Formula</b>
Raw Material	At cost on first in first out basis.
Work in Process	Raw material cost plus conversion cost, wherever applicable.
Finished Goods	Raw material cost plus conversion cost, wherever applicable.
Traded Goods	At cost on first in first out basis.

**l. Taxation**

Tax expense comprises of current and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income



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**Notes on the Financial Statements**  
*for the year ended 31st March 2022.*

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**3. Significant Accounting Policies (Continued)**

**Current tax**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date and includes any adjustment to tax payable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

**Deferred Taxes**

Deferred tax is provided, using the balance sheet method, on all deductible temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes and on carry forward of unused tax credits and unused tax loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Tax relating to items recognized outside profit or loss is recognised outside profit or loss (either in other comprehensive income or equity).

Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company reassesses unrecognized deferred tax assets. It recognises unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Minimum Alternative Tax ("MAT") credit is recognised an item in deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

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**Notes on the Financial Statements**  
*for the year ended 31st March 2022.*

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**3. Significant Accounting Policies (Continued)**

**Presentation of current and deferred tax:**

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss or Equity, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income or Equity.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

**m. Provisions, Contingent Liabilities and Contingent Assets**

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Contingent assets are neither recognised nor disclosed.

**n. Cash and Cash equivalent**

Cash and Cash equivalents for the purpose of Cash Flow Statement comprise cash, drafts and cheques in hand, bank balances, unencumbered demand deposits with banks where the original maturity is three months or less and other short term highly liquid investments. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalent for the purpose of Cash Flow Statement.

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**Notes on the Financial Statements**  
*for the year ended 31st March 2022.*

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**3. Significant Accounting Policies (Continued)**

**o. Employee benefits**

**Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

**Defined contribution plans**

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period.

**Defined Benefit Plans**

The company has not made provision for gratuity liability as per requirement of IndAS -19 "Employee Benefits".

**p. Operating segments**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit / loss amounts are evaluated regularly by the Chief Operating Decision Maker (CODM) in deciding how to allocate resources and in assessing performance.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment.

Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

**q. Leases**

**Company as Lessee**

Right-of-Use (ROU) assets are recognised at inception of a contract or arrangement for significant lease components at cost less lease incentives, if any. ROU assets are subsequently measured at cost less accumulated depreciation and impairment losses, if any. The cost of ROU assets includes the amount of lease liabilities recognised, initial direct cost incurred and

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**Notes on the Financial Statements**  
*for the year ended 31st March 2022.*

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**3. Significant Accounting Policies (Continued)**

lease payments made at or before the lease commencement date. ROU assets are generally depreciated over the shorter of the lease term and estimated useful lives of the underlying assets on a straight line basis. Lease term is determined based on consideration of facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Lease payments associated with short-term leases and low value leases are charged to the Statement of Profit and Loss on a straight line basis over the term of the relevant lease.

The Company recognises lease liabilities measured at the present value of lease payments to be made on the date of recognition of the lease. Such lease liabilities do not include variable lease payments (that do not depend on an index or a rate), which are recognised as expense in the periods in which they are incurred. Interest on lease liability is recognised using the effective interest method. Lease liabilities are subsequently increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount of lease liabilities is also remeasured upon modification of lease arrangement or upon change in the assessment of the lease term. The effect of such remeasurements is adjusted to the value of the ROU assets.

**Company as a Lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the Company is a lessor under an operating lease, the asset is capitalised within property, plant and equipment or investment property and depreciated over its useful economic life. Payments received under operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the term of the lease.

**r. Earnings Per Share**

Basic earnings per share is computed by dividing the profit / (loss) after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date.

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**Notes on the Financial Statements**  
*for the year ended 31st March 2022.*

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**3. Significant Accounting Policies (Continued)**

**s. Standards issued but not effective**

On March 23, 2022, the Ministry of Corporate Affairs (MCA) has notified companies (Indian Accounting Standards) Amendment Rules, 2022. This notification has results into amendments in the following existing accounting standards which are applicable to company from April 1, 2022

- i. Ind AS 101- First time adoption of Ind AS
- ii. Ind AS 102- Business Combination
- iii. Ind AS 109- Financial Instrument
- iv. Ind AS 16- Property, Plant and Equipment
- v. Ind AS 37- Provisions, Contingent liabilities, and Contingent Assets
- vi. Ind AS 41- Agriculture

Application of above standards are not expected to have any significant impact on company's financial statements.

**HARISH TEXTILE ENGINEERS LIMITED**

**Notes to financial statements for the year ended 31st March 2022**

**4 Property, Plant and Equipment as on 31/03/2022**

(Rupees in Lakhs)

Particulars	Gross Block			Depreciation and Amortization			Net Block			
	As at 1st April 2021	Addition during the year	Disposal/ Adjustment	As at 31st March 2022	As at 1st April 2021	For the year	Disposal/ Adjustment	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
Freehold land (Refer Note 4.1)	1,225.67	-	-	1,225.67	-	-	-	-	1,225.67	1,225.67
Building	253.77	76.13	-	329.90	85.99	15.74	-	101.73	228.17	167.78
Plant & Machinery	2,528.77	493.08	59.66	2,962.19	1,815.37	145.32	35.15	1,925.54	1,036.65	713.40
Computers	51.83	0.76	-	52.59	47.61	1.37	-	48.99	3.61	4.22
Furniture and fixtures	71.08	-	-	71.08	47.54	2.10	-	49.64	21.44	23.54
Vehicles	283.40	68.76	-	332.16	126.35	34.19	-	160.54	171.62	137.06
	<b>4,394.53</b>	<b>638.72</b>	<b>59.66</b>	<b>4,973.59</b>	<b>2,122.86</b>	<b>198.72</b>	<b>35.15</b>	<b>2,286.43</b>	<b>2,687.16</b>	<b>2,271.67</b>

**Property, Plant and Equipment as on 31/03/2021**

Particulars	Gross Block			Depreciation and Amortization			Net Block			
	As at 1st April 2020	Addition during the year	Disposal/ Adjustment	As at 31st March 2021	As at 1st April 2020	For the year	Disposal/ Adjustment	As at 31st March 2021	As at 31st March 2021	As at 31st March 2020
Freehold land (Refer Note 4.1)	1,225.67	-	-	1,225.67	-	-	-	-	1,225.67	1,225.67
Building	253.77	-	-	253.77	70.08	15.91	-	85.99	167.78	183.69
Plant & Machinery	2,514.39	14.38	-	2,528.77	1,681.34	134.03	-	1,815.37	713.40	833.05
Computers	51.73	0.10	-	51.83	46.24	1.38	-	47.61	4.22	5.49
Furniture and fixtures	71.08	-	-	71.08	45.08	2.45	-	47.54	23.54	26.00
Vehicles	208.35	56.51	1.45	263.40	104.68	22.52	0.85	126.35	137.06	103.67
	<b>4,324.99</b>	<b>70.99</b>	<b>1.45</b>	<b>4,394.53</b>	<b>1,947.42</b>	<b>176.29</b>	<b>0.85</b>	<b>2,122.86</b>	<b>2,271.67</b>	<b>2,377.57</b>

4.1	Land amounting to Rs. 6,50,00,000/- is presently registered in the name of Mr. Sandeep Gandhi, Director of the Company.
4.2	Impairment of Assets : There is no impairment of any assets in terms of Ind AS - 36 on "Impairment of Assets". Based on the review, the management is of the opinion that there are no impairment indicators that necessitate any adjustments to the carrying value of PPE.
4.3	Security Pledge of Assets : Refer to Note 15 & 19 on borrowings for details in terms of pledge of assets as security.

**HARISH TEXTILE ENGINEERS LIMITED**

**Notes to financial statements for the year ended 31st March 2022**

**5 Capital work In progress 31/03/2022**

(Rupees in Lakhs)

Particulars	31st March	31st March
	2022	2021
Opening Balance	48.00	-
Addition:	78.89	48.00
Less: Capitalized during the year	48.00	-
<b>Closing Balance</b>	<b>78.89</b>	<b>48.00</b>

Ageing for Capital Work-in-Progress as on 31/03/2022 is as follows:

Particulars	Amount in Capital WIP for a period of				Total
	Less Than 1 year	1-2 years	2-3 years	More than 3 Years	
Hot Air Stenter for Technical Textile	78.89				78.89
<b>Total</b>	<b>78.89</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>78.89</b>

Ageing for Capital Work-in-Progress as on 31/03/2021 is as follows:

Particulars	Amount in Capital WIP for a period of				Total
	Less Than 1 year	1-2 years	2-3 years	More than 3 Years	
Non-Woven line	48.00				48.00
<b>Total</b>	<b>48.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>48.00</b>

HARISH TEXTILE ENGINEERS LIMITED

Notes to financial statements for the year ended 31st March 2022

6 Right-of-use assets as on

(Rupees in Lakhs)

Particulars	Gross Block			Depreciation and Amortization				Net Block		
	As at 1st April 2021	Addition during the year	Termination of Lease	As at 31st March 2022	As at 1st April 2021	For the year	Termination of Lease	As at 31st March 2022	As at 31st March 2022	As at 31st March 2021
Factory Buildings	163.09			163.09	46.60	23.30		69.89	93.19	116.49
	<b>163.09</b>	-	-	<b>163.09</b>	<b>46.60</b>	<b>23.30</b>	-	<b>69.89</b>	<b>93.19</b>	<b>116.49</b>

Right-of-use assets as on

(Rupees in Lakhs)

Particulars	Gross Block			Depreciation and Amortization				Net Block		
	As at 1st April 2020	Addition during the year	Termination of Lease	As at 31st March 2021	As at 1st April 2020	For the year	Termination of Lease	As at 31st March 2021	As at 31st March 2021	As at 31st March 2020
Factory Buildings	244.79		81.70	163.09	33.51	33.51	20.42	46.60	116.49	211.28
	<b>244.79</b>	-	<b>81.70</b>	<b>163.09</b>	<b>33.51</b>	<b>33.51</b>	<b>20.42</b>	<b>46.60</b>	<b>116.49</b>	<b>211.28</b>



**Notes to financial statements for the year ended 31st March 2021**  
(Rs. in Lakhs)

**7 Other financial assets**

(Unsecured and Considered Good)

Particulars	As at	As at
	31st March 2022	31st March 2021
<b>Non-Current</b>		
Deposits		
-Related Parties*	209.80	196.08
	<b>209.80</b>	<b>196.08</b>
<b>Current</b>		
Advances to Staff & Others	9.09	3.10
Receivable against sale of assets from Related Party**	205.54	215.54
Deposit	15.00	15.00
	<b>229.63</b>	<b>233.64</b>
<b>* Deposits to related party</b>		
Harish Enterprise Private Limited.	<b>209.80</b>	<b>196.08</b>
<b>** Receivable against sale of assets</b>		
Sanish Investment and Trading Co P Limited.	<b>205.54</b>	<b>215.54</b>

**8 Other assets**

(Unsecured and Considered Good)

Particulars	As at	As at
	31st March 2022	31st March 2021
<b>Non-Current</b>		
Balance with Government Authorities & Others	70.14	71.65
Prepaid expenses	0.94	1.38
	<b>71.08</b>	<b>73.03</b>
<b>Current</b>		
Advance to suppliers*	489.30	452.88
Advance recoverable in cash or kind	101.38	93.24
Balance with government authority	248.71	138.35
Prepaid expenses	15.50	11.88
	<b>854.89</b>	<b>696.35</b>
<b>* includes advance to related party:</b>		
1. Harish Enterprise Private Limited.	17.69	27.35
2. Every's Health Care Private Limited.	52.91	63.83

**9 Inventories**

(At lower of cost and net realisable value)

Particulars	As at	As at
	31st March 2022	31st March 2021
Finished Goods	472.81	481.05
Work in Process	136.96	369.97
Raw Materials	798.77	489.18
	<b>1,408.53</b>	<b>1,340.20</b>

10 Trade receivables

Particulars	As at	As at
	31st March 2022	31st March 2021
<b>Unsecured , Considered Good*</b>		
Un-billed	-	
Billed	2,106.86	1,811.37
	<b>2,106.86</b>	<b>1,811.37</b>
Less: Provision for Doubtful Receivables (Including Expected credit loss allowance)	31.92	18.94
	<b>2,074.94</b>	<b>1,792.43</b>

Ageing for Trade receivable as at 31st March 2022 is as follows:

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	1,461.60	492.86	15.96	85.37	-	43.42	2,099.22
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	7.65	7.65
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>1,461.60</b>	<b>492.86</b>	<b>15.96</b>	<b>85.37</b>	<b>-</b>	<b>51.07</b>	<b>2,106.86</b>

Ageing for Trade receivable as at 31st March 2021 is as follows:

Particulars	Outstanding for following period from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - Considered good	510.24	1,045.14	99.35	88.85	60.16	-	1,803.72
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	7.65	-	7.65
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>510.24</b>	<b>1,045.14</b>	<b>99.35</b>	<b>88.85</b>	<b>67.81</b>	<b>-</b>	<b>1,811.37</b>

\*The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a Provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward-looking informations. The expeted credit loss allowance is based on ageing of the days the receivables are over/past due and the rates as given in the provision matrix.

**Provision for Adjusted Expected Credit Loss Allowance:**

Particulars	As at	As at
	31st March 2022	31st March 2021
Opening Balance	18.94	19.58
Additions/(Reversal) during the year	12.98	-0.65
<b>Closing Balance</b>	<b>31.92</b>	<b>18.94</b>

Note : The fair value of Trade Receivables is not materially different from the carrying value presented.

**11 Cash and cash equivalents**

<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>31st March 2022</b>	<b>31st March 2021</b>
Bank Balances: Current accounts	158.65	57.31
Cash on hand	9.52	3.87
	<b>168.17</b>	<b>61.18</b>

**12 Current Tax Assets (Net)**

<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>31st March 2022</b>	<b>31st March 2021</b>
(a) Income tax assets	38.64	<b>24.58</b>
(b) Current income tax liabilities	28.00	<b>57.50</b>
Current Tax Liabilities (Net off Advance Tax and TDS)	<b>10.64</b>	<b>-32.92</b>

## HARISH TEXTILE ENGINEERS LIMITED

Notes to financial statements for the year ended 31st March 2020

(Rs. in Lakhs)

### 13 Share capital

Particulars	(Rs. in Lakhs)			
	As at 31st March 2022		As at 31st March 2021	
	No. of shares	Amount	No. of shares	Amount
<b>Authorised</b>				
Equity Shares of Rs.10 each	10,000,000	1,000.00	10,000,000	1,000.00
<b>Issued, Subscribed and Paid up</b>				
Equity Shares of Rs.10 each fully paid up	3,336,000	333.60	3,336,000	333.60
	<b>3,336,000</b>	<b>333.60</b>	<b>3,336,000</b>	<b>333.60</b>

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

Particulars	As at 31st March 2022		As at 31st March 2021	
	Equity Shares of Rs. 10 each fully paid		Equity Shares of Rs. 10 each	
	No. of Shares	Amount	No. of Shares	Amount
Shares outstanding at the beginning of the period	3,336,000	333.60	3,336,000	333.60
Add: Shares issued during the period	-	-	-	-
<b>Shares outstanding at the end of the period**</b>	<b>3,336,000</b>	<b>333.60</b>	<b>3,336,000</b>	<b>333.60</b>

\*\* Of the above 9,36,000 equity shares have been issued for consideration other than cash during FY 2018-19

#### 13.2 Terms/ rights attached to equity shares

For all matters submitted to vote in a shareholders' meeting of the Company, every holder of an equity share as reflected in the records of the Company on the date of the shareholders' meeting shall have one vote in respect of each share held. Any dividend declared by the company shall be paid to each holder of Equity shares in proportion to the number of shares held to total equity shares outstanding as on that date. In the event of liquidation of the Company, all preferential amounts if any shall be discharged by the Company. The remaining assets of the Company shall be distributed to the holders of equity shares in proportion to the number of shares held to the total equity shares outstanding as on that date.

#### 13.3 Shareholders holding more than 5 % of total share capital

Name of Shareholder	(Currency: INR)			
	As at 31st March 2022		As at 31st March 2021	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
<b>Equity Shares of Rs. 10 each fully paid</b>				
Sandeep K Gandhi	2,173,344	65.15%	2,383,344	71.44%
	<b>2,173,344</b>	<b>65.15%</b>	<b>2,383,344</b>	<b>71.44%</b>

**13.4 Disclosures of Shareholding of Promoters - Shares held by the Promoters:**

**As on 31 March 2022:**

S. No	Promoter name	Class of Shares	At the end of the year		At the beginning of the year		% Change during the year
			No. of Shares	%of total shares	No. of Shares	%of total shares	
1	Niranjana Kirtikumar Gandhi	Equity	582.00	0.02%	582.00	0.02%	0.00%
2	Kirtilumar Shantilal Gandhi	Equity	23,796.00	0.71%	23,796.00	0.71%	0.00%
3	Shaila Sandeep Gandhi	Equity	1.00	0.00%	1.00	0.00%	0.00%
4	Kirtilumar Shantilal Gandhi HUF	Equity	1.00	0.00%	1.00	0.00%	0.00%
5	Sandeep Kirtilumar Gandhi	Equity	2,173,344.00	65.15%	2,383,344.00	71.44%	-6.29%
6	Sandeep Kirtilumar Gandhi HUF	Equity	1.00	0.00%	1.00	0.00%	0.00%
7	Saheer Ahmed Gandhi	Equity	157.00	0.00%	157.00	0.00%	0.00%
8	Shovan Sandeep Gandhi	Equity	261.00	0.01%	261.00	0.01%	0.00%
9	Shaiv Sandeep Gandhi	Equity	1.00	0.00%	1.00	0.00%	0.00%
<b>Total</b>			<b>2,198,144.00</b>	<b>65.89%</b>	<b>2,408,144.00</b>	<b>72.19%</b>	<b>-6.29%</b>

**As on 31 March 2021:**

S. No	Promoter name	Class of Shares	At the end of the year		At the beginning of the year		% Change during the year
			No. of Shares	%of total shares	No. of Shares	%of total shares	
1	Niranjana Kirtikumar Gandhi	Equity	582.00	0.02%	582.00	0.02%	0.00%
2	Kirtilumar Shantilal Gandhi	Equity	23,796.00	0.71%	23,796.00	0.71%	0.00%
3	Shaila Sandeep Gandhi	Equity	1.00	0.00%	1.00	0.00%	0.00%
4	Kirtilumar Shantilal Gandhi HUF	Equity	1.00	0.00%	1.00	0.00%	0.00%
5	Sandeep Kirtilumar Gandhi	Equity	2,383,344.00	71.44%	2,383,344.00	71.44%	0.00%
6	Sandeep Kirtilumar Gandhi HUF	Equity	1.00	0.00%	1.00	0.00%	0.00%
7	Saheer Ahmed Gandhi	Equity	157.00	0.00%	157.00	0.00%	0.00%
8	Shovan Sandeep Gandhi	Equity	261.00	0.01%	261.00	0.01%	0.00%
9	Shaiv Sandeep Gandhi	Equity	1.00	0.00%	1.00	0.00%	0.00%
<b>Total</b>			<b>2,408,144.00</b>	<b>72.19%</b>	<b>2,408,144.00</b>	<b>72.19%</b>	<b>0.00%</b>

**14 OTHER EQUITY**

(Currency: INR)

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Retained Earnings</b>		
Opening balance	575.04	399.59
Add: Profit during the Period	48.28	175.45
	<b>623.33</b>	<b>575.04</b>

15 Borrowings					(Rs. in Lakhs)
Particulars	As at 31st March 2022		As at 31st March 2021		Security and other details
	Non-Current	Current	Non-Current	Current	
<b>A. Secured</b>					
a Term Loan from Banks	562.53	185.02	173.73	42.27	COVID Loan from UBI and BOI having rate of interest between 7.5% to 9.25% p.a. Secured with Hypothecation of Stock & Book Debts (of Engineering Division) and Mortgage of Property situated at Umbergaon owned by Kasha Textiles Private Limited. Personal Guarantee by Mr. Sandeep Gandhi
b Vehicle Loans	65.85	18.81	42.27	17.55	Term loans (vehicle Loans) from HDFC Bank and Bank of India for acquisition of vehicles are secured by the hypothecation of the respective Vehicle financed. Rate of interest is in range of 7.5% to 8.5% p.a.
c 6% Non Convertible Debentures	0.00	92.78	92.78	-	Secured against second charge over plant and machinery of the non woven division of the Company. Rate of interest 6% p.a.
7% Non Convertible Debentures	183.64	0.00	-	-	Secured against second charge over plant and machinery of the non woven division of the Company. Rate of interest 7% p.a.
<b>Total secured borrowing [A]</b>	<b>812.02</b>	<b>296.60</b>	<b>308.79</b>	<b>59.82</b>	
<b>B. Unsecured</b>					
a From Banks and NBFC	21.90	39.00	75.81	69.80	Business loan from ICICI Bank, HDFC Bank, RBL Bank, Duestch Bank, Kotak Mahindra Bank, HDB Financial Services Limited and ECL Commercial Limited. Rate of interest is in range of 17 to 18.5% p.a.
<b>C. Unsecured from Related Party</b>					
a Pacific Harish Industries Limited (Reliance Commercial Finance Limited) (The Company has assumed this liability as part of consideration payable to Pacific Harish Industries Limited towards slump sale.)	588.43	92.93	625.74	143.94	Loan from Reliance Commercial Finance Limited. Rate of interest 13.35% p.a. Borrower: Pacific Harish Industries Limited. Co-Borrower: Harish Textile Engineering Limited, Sandeep Gandhi (Director) and Kasha Textile Private Limited. Secured against mortgage of land and building of PSF division owned by Pacific Harish Industries Limited. Further secured personal guarantee of Sandeep Gandhi.
<b>Total unsecured borrowing [B]</b>	<b>610.33</b>	<b>131.94</b>	<b>701.56</b>	<b>213.74</b>	
<b>TOTAL [A+B]</b>	<b>1422.35</b>	<b>428.54</b>	<b>1,010.34</b>	<b>273.56</b>	

### 15.1 Terms of original repayment

<b>Secured</b>	<b>Repayment 2022-23</b>	<b>Repayment 2023-24</b>	<b>Repayment 2024-25</b>	<b>Repayment 2025-26</b>	<b>Repayment 2026-27</b>	<b>Total</b>
Term Loan from Banks	184.40	226.06	187.75	112.22	45.19	755.62
Vehicle Loans	36.54	34.36	21.40	17.20	7.17	116.68
6% Non Convertible Debentures	92.78					92.78
7% Non Convertible Debentures			183.64			183.64
<b>Total secured borrowing [A]</b>	<b>313.72</b>	<b>260.42</b>	<b>392.79</b>	<b>129.42</b>	<b>52.36</b>	<b>1148.72</b>
<b>Unsecured</b>						
From Banks and NBFC	18.34	2.49				20.83
<b>Unsecured from Related Party</b>						
Pacific Harish Industries Limited (Reliance Commercial Finance Limited) (The Company has assumed this liability as part of consideration payable to Pacific Harish Industries Limited towards slump sale.)	150.43	171.79	196.18	142.94	20.00	681.34
<b>Total unsecured borrowing [B]</b>	<b>168.77</b>	<b>174.28</b>	<b>196.18</b>	<b>142.94</b>	<b>20.00</b>	<b>702.17</b>
<b>TOTAL [A+B]</b>	<b>482.50</b>	<b>434.71</b>	<b>588.97</b>	<b>272.36</b>	<b>72.36</b>	<b>1850.89</b>

**16 Lease liabilities**

Particulars	As at	As at
	31st March 2022	31st March 2021
<b>Non-Current</b>		
Lease liabilities	30.78	39.07
	<b>30.78</b>	<b>39.07</b>
<b>Current</b>		
Lease liabilities	8.29	7.47
	<b>8.29</b>	<b>7.47</b>

**17 Other Non-Current liabilities**

Particulars	As at	As at
	31st March 2022	31st March 2021
<b>Non-Current</b>		
Security Deposit	9.24	9.24
	<b>9.24</b>	<b>9.24</b>
<b>Current</b>		
Others- Related Party#	-	0.30
Salaries, wages, and other employee benefit payable	33.00	57.73
	<b>33.00</b>	<b>58.03</b>

# Payable to Agratha Enterprise-Partnership Firm

**18 Deferred tax liabilities (Net)**

Particulars	As at	As at
	31st March 2022	31st March 2021
Deferred Tax Liabilities	115.16	125.52
	<b>115.16</b>	<b>125.52</b>

**(a) Deferred tax balances and movement for FY 2021-22**

Particulars	Net Balance	Recognised in	As at
	April 1, 2021	Profit or Loss	31st March 2022
Difference between WDV of PPE as per books and income tax	136.38	-16.27	<b>120.11</b>
Borrowings	0.10	-0.10	-
Right of use assets	29.32	0.00	<b>29.32</b>
Lease Liability	-11.72	1.89	<b>-9.83</b>
Trade Receivables - provision for doubtful debts	-4.93	-3.10	<b>-8.03</b>
Other timing difference- Lease Deposit	-23.63	7.22	<b>-16.41</b>
<b>Net deferred tax liabilities/(assets)</b>	<b>125.52</b>	<b>-10.36</b>	<b>115.16</b>

**(b) Deferred tax balances and movement for FY 2020-21**

Particulars	Net Balance	Recognised in	As at
	April 1, 2020	Profit or Loss	31st March 2021
Difference between WDV of PPE as per books and income tax	130.52	5.86	136.38
Borrowings	0.60	-0.50	0.10
Right of Use Assets	54.93	-25.61	29.32
Lease Liability	-29.86	18.14	-11.72
Trade Receivables - provision for doubtful debts	-5.09	0.16	-4.93
Other timing difference- Lease Deposit	-24.57	0.94	-23.63
<b>Net deferred tax liabilities/(assets)</b>	<b>126.53</b>	<b>-1.01</b>	<b>125.52</b>



## 19 Borrowings

Particulars	As at	As at
	31st March 2022	31st March 2021
<b>Loan from Directors</b>	-	67.59
<b>Short Term Loan From Bank</b>		
Working Capital Loan	2,162.46	1,439.51
	<b>2,162.46</b>	<b>1,507.09</b>

Term of Repayment: Repayable Demand:

### 1. Engineering Division

Union Bank of India (Corporation Bank) -Overdraft Rate of Interest 9.85%

#### Security:

Secured against Hypothecation of Stocks and receivables of engineering division of the Company and mortgage of factory, land and building at Bhilard of Engineering Division of the Company.

Further secured by personal guarantee of Director, Sandeep Gandhi.

### 2. Non woven and Techncl Textile Division

Bank of India- Cash Credit Limit Rate of Interest 9.85%

- LC Limit

#### Security:

Security: Secured against Hypothecation of Stocks and receivables, plant and machinery of non woven division of the Company and collaterally secured over mortgage of factory, land and building belonging to Kasha textile private limited (related party).

Further secured by personal guarantee of Director, Sandeep Gandhi.

### Current maturities of long term borrowings

Particulars	As at	As at
	31st March 2022	31st March 2021
<b>Secured</b>		
<b>Term Loan from Banks</b>		
Vehicle Loan	18.81	17.55
Term Loan	185.02	-
6% Non-Convertible Debentures	92.78	-
<b>Unsecured</b>		
From Bank and NBFC	39.00	112.07
From Director Interest free	-	-
Reliance Commercial Finance Limited	92.93	143.94
	<b>428.54</b>	<b>273.56</b>

For security and repayment details refer note 15.

20 Trade payables

Particulars	As at	As at
	31st March 2022	31st March 2021
Due to micro enterprises and small enterprises		
Due to others		
Trade payables for goods	1,784.49	1,839.62
Trade payables for Expenses	382.63	317.94
Trade payables for Capital goods	-	6.37
	<b>2,167.12</b>	<b>2,163.93</b>

\* The Company is in the process of determining the list of undertaking covered under MSMED. Therefore, the required information could not be furnished.

Ageing for Trade payable as at 31st March 2022 is as follows:

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	1,844.79	70.03	10.95	241.36	2,167.12
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>1,844.79</b>	<b>70.03</b>	<b>10.95</b>	<b>241.36</b>	<b>2,167.12</b>

Ageing for Trade payable as at 31st March 2021 is as follows:

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	-	1,172.61	308.62	592.34	90.36	2,163.93
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-	-
<b>Total</b>	-	-	<b>1,172.61</b>	<b>308.62</b>	<b>592.34</b>	<b>90.36</b>	<b>2,163.93</b>

**21 Other current liabilities**

<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>31st March 2022</b>	<b>31st March 2021</b>
Advance from customers	378.26	494.84
Statutory dues (including provident fund, tax deducted at source and others)	102.55	149.63
	<b>480.81</b>	<b>644.47</b>

**22 Short term provisions**

<b>Particulars</b>	<b>As at</b>	<b>As at</b>
	<b>31st March 2022</b>	<b>31st March 2021</b>
Provision for Expenses	72.31	48.77
	<b>72.31</b>	<b>48.77</b>

**Notes to Profit & Loss Account**

(Rs. in Lakhs)

**23 Revenue from operations**

<b>Particulars</b>	<b>For the year ended 31st March 2022</b>	<b>For the year ended 31st March 2021</b>
<b>Revenue from Operations</b>		
Sale of products	10,645.14	7,031.14
Sale of traded Goods	-	1,130.20
Sale of services	-	10.57
Job work income	35.36	4.49
Duty draw back / Export incentive	5.64	3.29
	<b>10,686.14</b>	<b>8,179.69</b>

**24 Other income**

<b>Particulars</b>	<b>For the year ended 31st March 2022</b>	<b>For the year ended 31st March 2021</b>
Interest	10.81	12.40
Other interest on lease deposit	13.73	13.68
Liability no longer required	-	332.44
Net Gain on Foreign Currency Transactions and Translation	1.51	5.36
Rent income	19.64	18.48
Other miscellaneous income	0.29	5.65
	<b>45.98</b>	<b>388.01</b>

**25 Cost of materials consumed**

<b>Particulars</b>	<b>For the year ended 31st March 2022</b>	<b>For the year ended 31st March 2021</b>
<b>Raw Material and Packing Material</b>		
Opening Stock Raw Material	703.40	571.10
Add : Purchase Raw Material	7,172.83	4,277.59
	<b>7,876.23</b>	<b>4,848.69</b>
Less: Closing Stock Raw Material	798.77	703.39
	<b>7,077.46</b>	<b>4,145.29</b>

**26 Changes in inventories of finished Goods, work-in-progress and stock in Trade**

<b>Particulars</b>	<b>For the year ended 31st March 2022</b>	<b>For the year ended 31st March 2021</b>
<b>Changes in inventories of finished goods and stock in trade</b>		
Inventory at the beginning of the year		
Finished Goods	481.05	29.97
Work in Process	155.76	1,183.20
<b>sub total (a)</b>	<b>636.80</b>	<b>1,213.18</b>
Less: Inventory at the end of the year		
Finished/ Traded Goods	472.81	481.05
Work in Process	136.96	155.76
<b>sub total (b)</b>	<b>609.77</b>	<b>636.80</b>
	<b>27.03</b>	<b>576.37</b>

**27 Purchase of stock in trade**

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Purchases	-	1,083.35
	-	<b>1,083.35</b>

**28 Employee benefits expenses**

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Salaries, wages and allowances (Refer note below 29.1)	675.63	497.82
Contribution to provident fund	7.76	3.94
Directors' remunerations	131.58	78.71
Welfare expenses	21.63	8.06
	<b>836.60</b>	<b>588.53</b>

**Note 28.1**

The company has not made provision for gratuity liability as per requirement of IndAS -19 " Employee Benefits".

**29 Finance costs**

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Interest expense:		
– Debentures	14.48	5.57
– On financial liabilities measured at amortised cost	381.96	276.36
– On Lease Liabilities	4.53	10.85
Other borrowing cost	58.01	32.77
Other Interest	30.71	19.23
	-	-
	<b>489.69</b>	<b>344.77</b>

**30 Other expenses**

<b>Particulars</b>	<b>For the year ended 31st March 2022</b>	<b>For the year ended 31st March 2021</b>
Job work / Labour Charges	397.39	215.86
Power and fuel	427.85	314.47
Repairs to Building and Plant and Machinery	15.02	2.14
Hire Charges	4.53	0.68
Testing Expenses	5.65	-
Rates & Taxes	27.73	12.17
Payment to auditors	7.50	7.50
Insurance	28.15	24.82
Professional Fees / Menpower Expenses	516.13	321.30
Printing and Stationery	6.90	5.72
Rent	12.78	11.59
Tours and Travelling expense	1.32	3.09
Conveyance	4.79	-
Vehicle expenses	39.48	27.29
Computer Expenses	5.04	6.88
Security Charges	32.66	33.56
Postage & Telephone Charges	7.22	5.91
Office Expenses	8.75	5.51
Electricity charges	3.46	4.31
Net Loss on Foreign Currency Transactions	0.06	-
Repairs and Maintenance	27.50	27.24
Bank Charges	0.70	2.18
Provision for Expected Credit Loss and write off	12.99	-
Advertisement & Sales Promotion Expenses	5.04	43.06
Commission and Brokerage	13.50	19.16
Outward Freight, Forwarding ,Transport	338.35	234.05
Conveyance, Travelling, Lodging & Boarding and Car Hire expenses	27.14	14.77
Sundry Balance written off	10.96	71.44
Loss on sale of Asset	5.11	0.20
Loss on Termination of Lease	-	16.24
Other Expenses	19.70	11.44
	<b>2,013.40</b>	<b>1,442.57</b>
*Payment to auditors includes		
- Audit Fees	7.50	7.50
- Tax Audit/Certifications etc.,	-	-
- Reimbursement of Expenses	-	-
	<b>7.50</b>	<b>7.50</b>

### 31 Current tax

(a) Amounts recognised in profit and loss

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Current Tax		
(a) Current income tax	28.00	40.00
(b) Deferred Tax	-10.36	-1.02
(b) Short/(Excess) provision of income tax in respect of previous years	-	-37.43
Tax expense for the year ( a+b)	17.64	1.56

(b) Reconciliation of effective tax rate

The following is a reconciliation of the Company's effective tax rates for the years ended 31 March 2022 and 31 March 2021

Particulars	For the Year ended 31st March 2022	For the Year ended 31st March 2021
Profit before income tax as per Statement of Profit and Loss	65.92	177.01
Enacted tax rate in India in Percentage	25.17%	25.17%
Computed expected tax expense	16.59	44.55
Other difference On account of:		
Timing difference	1.05	-
Set off of Brought forward Losses	-	-5.57
Short/(Excess) provision of income tax in respect of earlier years	-	-37.43
Income Tax Expense	17.64	1.56
Effective tax rate	26.76%	0.88%

### 32 Earning per Share -(EPS)

Earnings per equity share of FV of Rs. 10 each

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

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

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
Profit for the year (Profit attributable to equity shareholders) (Amount in Rs.)	48.28	175.45
Weighted average number of ordinary equity shares for Basic EPS (in lakhs)	33.36	33.36
Weighted average number of ordinary equity shares for Diluted EPS (in lakhs)	33.36	33.36
Face Value of equity share ( RS)	10.00	10.00
Basic EPS ( RS.)	1.45	5.26
Diluted EPS ( RS)	1.45	5.26

## HARISH TEXTILE ENGINEERS LIMITED

### Notes to financial statements for the year ended 31st March 2022

#### 33 Financial instruments – Fair values and risk management (continued)

##### Financial instruments risk management objectives and policies

The Company's principal financial liabilities comprises of trade and other payables. The Company's financial assets include trade and other receivables, and cash & cash equivalents that it derives directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by the Board of Directors that advises on financial risks and the appropriate financial risk governance framework for the Company. This provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below:

##### (i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers, investments, and loans given. The Company is having majority of the receivables from private sector. The Company does not have significant credit risk exposure to any single counterparty.

The carrying amount of following financial assets represents the maximum credit exposure:

##### Cash and Cash equivalent and Other Bank Balances

The company maintains its Cash and cash equivalents and Bank deposits with banks having good reputation, good past track record and high quality credit rating and also reviews their credit-worthiness on an on-going basis.

##### Trade and other receivables

The Company's exposure to credit Risk is the exposure that Company has on account of goods sold or services rendered to a contractual counterparty or counterparties, whether with collateral or otherwise for which the contracted consideration is yet to be received.

The Company provides for allowance for impairment that represents its estimate of expected losses in respect of trade and other receivables.

For trade receivables, as a practical expedient, the Company computes credit loss allowance based on a provision matrix. The provision matrix is prepared based on historically observed default rates over the expected life of trade receivables and is adjusted for forward-looking estimates.

Assets are written off when there are no reasonable expectation of recovery such as debtor declaring bankruptcy or failing to engage in a repayment plan with group. Where receivables have been written off the company continues to engage in enforcement activity to attempt to recover the receivables. where recoveries are made, these are recognised in profit and loss.

The following year end trade receivables, though overdue, are expected to be realised in the normal course of business and hence, are not considered impaired as at March 31, 2022 and March 31, 2021:

Particulars	(Rupees in Lakhs)	
	As at 31st March 2022	As at 31st March 2021
Neither impaired nor past due	1,461.60	510.24
<b>Past due but not impaired</b>		
0-6 Months	492.86	1,045.12
6-12 Months	15.96	99.35
1-2 years	85.37	88.85
2-3 years	-	60.16
more 3 years	51.07	-
	<b>2,106.86</b>	<b>1,803.71</b>



## HARISH TEXTILE ENGINEERS LIMITED

Notes to financial statements for the year ended 31st March 2022

### 33 Fair Value Measurement

Accounting classification and fair values

As at 31 March 2022

(Rupees in Lakhs)

Particulars	FVTPL	FVTOCI	Amortised Cost	Total
Trade receivables	-	-	2,074.99	2,074.99
Cash and cash equivalents	-	-	168.17	168.17
Other bank balance	-	-	-	-
Other financial assets	-	-	439.43	439.43
<b>Total Financial assets</b>	<b>-</b>	<b>-</b>	<b>2,682.59</b>	<b>2,682.59</b>
Borrowings (incl. current maturities)	-	-	4,013.35	4,013.35
Lease Liabilities	-	-	39.07	39.07
Trade payable	-	-	2,167.12	2,167.12
Other financial liabilities	-	-	42.24	42.24
<b>Total Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>6,261.78</b>	<b>6,261.78</b>

As at 31 March 2021

(Rupees in Lakhs)

Particulars	FVTPL	FVTOCI	Amortised Cost	Total
Trade receivables	-	-	1,792.43	1,792.43
Cash and cash equivalents	-	-	61.18	61.18
Other bank balance	-	-	-	-
Other financial assets	-	-	429.72	429.72
<b>Total Financial assets</b>	<b>-</b>	<b>-</b>	<b>2,283.33</b>	<b>2,283.33</b>
Borrowings (incl. current maturities)	-	-	2,791.00	2,791.00
Lease Liability	-	-	46.54	46.54
Trade payable	-	-	2,163.93	2,163.93
Other financial liabilities	-	-	67.27	67.27
<b>Total Financial liabilities</b>	<b>-</b>	<b>-</b>	<b>5,068.74</b>	<b>5,068.74</b>

## HARISH TEXTILE ENGINEERS LIMITED

### Notes to financial statements for the year ended 31st March 2022

#### 33 Financial instruments – Fair values and risk management (continued)

##### (ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company monitors its risk of a shortage of funds by estimating the future cash flows. The Company's objective is to maintain a balance between working capital of the company. The Company generates sufficient cashflow from operations to maintain a healthy working capital balance.

##### Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

<i>(Rs. in Lakhs)</i>				
As at 31st March 2022	Carrying amount	Total	Contractual maturities	
			Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities</b>				
Borrowings (incl. current maturities)	4,013.35	4,013.35	2,591.00	1,422.35
Trade payables	2,167.12	2,167.12	1,844.78	322.34
Lease Liability	39.07	39.07	8.29	30.78
Other financial liabilities	42.24	42.24	33.00	9.24
<b>Total</b>	<b>6,261.78</b>	<b>6,261.78</b>	<b>4,477.07</b>	<b>1,784.71</b>
<b>As at 31st March 2021</b>				
As at 31st March 2021	Carrying amount	Total	Contractual maturities	
			Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities</b>				
Borrowings (incl. current maturities)	2,791.00	2,791.00	1,780.65	1,010.34
Trade payables	2,163.93	2,163.93	1,172.61	991.32
Lease Liability	46.54	46.54	7.47	39.07
Other financial liabilities	67.27	67.27	58.03	9.24
<b>Total</b>	<b>5,068.74</b>	<b>5,068.74</b>	<b>3,018.77</b>	<b>2,049.98</b>

## HARISH TEXTILE ENGINEERS LIMITED

### Notes to financial statements for the year ended 31st March 2022

#### 33 Financial Instruments – Fair values and risk management (continued)

##### (iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans, borrowings and deposits.

##### (a) Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's foreign currency risk arises out of various imports of raw materials and trading goods and exports of its finished goods. The Company follows netting principle for managing the foreign exchange exposure. The Carrying Amounts of the Company's Foreign Currency Denominated Monetary Assets and Liabilities based on Gross Exposure at the end of the Reporting Period is as under.

Particulars	Net Open Exposures Outstanding as at the Balance Sheet Date <span style="float: right;">(Rupees in Lakhs)</span>				
	Foreign Currency Denomination	Year ended March 31, 2022 Foreign Currency Amount	Year ended March 31, 2022 Amount in Rs.	Year ended March 31, 2021 Foreign Currency Amount	Year ended March 31, 2021 Amount in Rs.
Trade Payables	USD	-	-	-	-
Trade Receivables	USD	3.01	228.50	1.73	126.73

##### (b) Price risk

###### i) Sensitivity analysis

Profit or loss is sensitive to higher/lower Exchange rate of currency. A possible 3% change in exchange rate would affect profit/loss at the reporting date by amount shown below:

Particulars	Profit or (Loss)		Equity (net of tax)	
	3% Increase	3% decrease	3% Increase	3% decrease
<b>31st March 2022</b>				
Trade Payables	-	-	-	-
Trade Receivables	6.86	-6.86	5.07	-5.07
<b>Total</b>	<b>-6.86</b>	<b>6.86</b>	<b>-5.07</b>	<b>5.07</b>
<b>31st March 2021</b>				
Trade Payables	-	-	-	-
Trade Receivables	3.80	(3.80)	2.81	(2.81)
<b>Total</b>	<b>3.80</b>	<b>(3.80)</b>	<b>2.81</b>	<b>(2.81)</b>

##### (c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risks is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company's interest rate exposure is mainly related to debt obligation.

###### Exposure to interest rate risk

The interest rate profile of the Company's interest - bearing financial instruments is as follows:

Particulars	31st March 2022		31st March 2021	
	<i>(Rupees in Lakhs)</i>			
<b>Fixed-rate instruments</b>				
Financial assets	52.91		63.83	
Financial liabilities	276.42		92.78	
<b>Variable-rate instruments</b>				
Financial assets	-		-	
Financial liabilities	3,736.93		2,698.22	
<b>Non-interest bearing instruments</b>				
Financial assets	2,629.68		2,219.50	
Financial liabilities	2,248.43		2,277.74	

###### Sensitivity analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates.

Based on the composition of debt a reasonably possible change of 100 basis points in interest rates at the reporting date would have increased (decreased) Equity and Profit or Loss by the amount shown below:

Particulars	Profit or (Loss)		Equity (net of tax)	
	100 bp Decrease	100 bp Increase	100 bp Decrease	100 bp Increase
<b>31st March 2021</b>				
Borrowings	(40.13)	40.13	(29.70)	29.70
<b>Total</b>	<b>(40.13)</b>	<b>40.13</b>	<b>(29.70)</b>	<b>29.70</b>
<b>31st March 2020</b>				
Borrowings	(27.91)	27.91	(20.65)	20.65
<b>Total</b>	<b>(27.91)</b>	<b>27.91</b>	<b>(20.65)</b>	<b>20.65</b>

##### (d) Commodity Price Risk

The Company is affected by price volatility of certain commodities. Its operating activities require the on-going purchase or continuous supply of such commodities. Therefore the Company monitors its purchases closely to optimise the prices.

##### (e) Equity Price Risk

The Company do not have any investment in quoted equity shares hence not exposed to equity price risk.

## HARISH TEXTILE ENGINEERS LIMITED

### Notes to financial statements for the year ended 31st March 2022

#### 34 Capital Management

The Company's objectives when managing capital are to

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

The Company determines the amount of capital required on the basis of the annual business plan coupled with long term and short term strategic investments and expansion plans. The funding needs are met through equity, cash generated from operations, long terms and short term bank borrowings/other borrowings.

The Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio is as follows.

Particulars	<i>(Rupees in Lakhs)</i>	
	As at 31st March 2022	As at 31st March 2021
Total borrowings*	4,013.35	2,791.00
Less: Cash and bank balances	-168.17	-61.18
<b>Adjusted net debt</b>	<b>3,845.18</b>	<b>2,729.82</b>
<b>Total equity</b>	<b>956.93</b>	<b>908.64</b>
<b>Debt equity ratio</b>	<b>4.19</b>	<b>3.07</b>
<b>Adjusted net debt to equity ratio</b>	<b>4.02</b>	<b>3.00</b>

\* Includes non-current borrowings, current borrowings and current maturities of non-current borrowings.

## HARISH TEXTILE ENGINEERS LIMITED

### Notes to financial statements for the year ended 31st March 2022

#### 35 Leases

##### The Company as a Lessee

The Company's significant leasing/ licensing arrangements are mainly in respect of factory building. Leases typically run in a range from 1 years to 6 years, with an option to renew the lease after that date. The Company previously used to classify leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Company.

In the statement of profit and loss for the current year, operating lease expenses which were recognised as other expenses in previous periods is now recognised as depreciation expense for the right-of-use asset and finance cost for interest accrued on lease liability. The adoption of this standard did not have any significant impact on the profit for the year and earnings per share. The Incremental borrowing rate of 8% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

The Company used following practical expedients when applying Ind AS 116 :

- did not recognise right-of-use assets and liabilities for leases for which the lease term ends within 12 months of the date of initial application;
- did not recognise right-of-use assets and liabilities for leases of low value assets;
- excluded initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight when determining the lease term.

#### A Amount recognised in Statement of Profit and Loss

Particulars	(Rupees in Lakhs)	
	31-Mar-22	31-Mar-21
Interest on lease liabilities	4.53	10.85
Amortisation of right of use assets	23.30	33.51
Expenses relating to short term and low value leases charged as Rent	12.00	11.59

#### B Amount recognised in the Statement of Cash Flows

Particulars	31-Mar-22	31-Mar-21
Interest component	4.53	10.85
Lease component	(13.01)	(34.10)
	<b>(8.48)</b>	<b>(23.25)</b>

#### C Maturity Analysis of Lease Liabilities

Particulars	31-Mar-22	31-Mar-21
<b>Maturity Analysis - Undiscounted</b>		
Less than one year	8.29	12.00
One to five years	30.78	48.00
More than five years	-	-
	<b>39.07</b>	<b>60.00</b>
<b>Lease liabilities included in Balance Sheet</b>		
- Current	8.29	7.47
- Non Current	30.78	39.07
	<b>39.07</b>	<b>46.54</b>

#### D Movement of Right of Use Assets

Forming part of note to "Right of Use Assets" (refer note 6).

#### E Movement of Lease Liability

Particulars	31-Mar-22	31-Mar-21
Balance as at the beginning	47.55	114.83
Additon during the year		
Finance cost accrued	4.53	10.85
Payment of lease liabilities	(13.01)	(34.10)
Lease liability written off on termination of lease	-	(45.03)
<b>Balance as at the end</b>	<b>39.07</b>	<b>47.55</b>

## HARISH TEXTILE ENGINEERS LIMITED

Notes to financial statements for the year ended 31st March 2022

### 36 CONTINGENT LIABILITIES & CONTINGENT ASSETS AND CAPITAL COMMITMENTS

#### A) Contingent Liabilities not provided for in respect of:

Particulars	As at 31st March 2022	As at 31st March 2021
<b>Contingent Liabilities</b>	<b>Nil</b>	<b>Nil</b>

1) The Honourable Supreme Court of India vide its order dated 28th February, 2019 held that 'Basic Wages' for the contribution towards Provident Fund (PF) should only exclude [in addition to specific exclusions under Section 2(b)(ii) of the Employees Provident Fund Act, 1952]:

a) amounts that are payable to the employee for undertaking work beyond the normal work which he/she is otherwise required to put in and;

b) allowances which are either variable or linked to any incentive for production resulting in greater output by an employee and that the allowances are not paid across the board to all employees in a particular category or were being paid especially to those who avail the opportunity.

With reference to the above mentioned judgment, The Company's management is of the view that there is considerable uncertainty around the timing, manner and extent in which the judgment will be interpreted and applied by the regulatory authorities. Further, a review petition has been filed with the Honourable Supreme Court with reference to the aforementioned judgement and the same is pending disposal. Management is of the view that any incremental outflow in this regard can only be determined once the position being taken by the regulatory authorities in this regard is known and the Management is able to evaluate all possible courses of action available. Accordingly, no provision has been currently recognized in Financial Statements in this regard.

2) The Company has received notice on 14th May 2022 from Shree Nikhil H Gandhi, Smt. Chhaya N. Gandhi and Smt. Kumudben H. Gandhi, claiming to be Shareholders of Pacific Haish Industries Limited ("PHIL"), that they have filed a company petition with Hon. NCLT, Mumbai Bench, inter-alia contending that the business of Non-Woven and PSF transferred to the Company by PHIL by way of Slump-sale w.e.f. April 01, 2019 was without obtaining the approval of Shareholders of PHIL and hence such transfer is invalid. The Company is taking appropriate legal recourse to protect its interest.

#### B) Commitments

Particulars	As at 31st March 2022	As at 31st March 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for. (Equivalent amount in 344500 EURO) -Net of Advance	-	296.41
	<b>-</b>	<b>296.41</b>

(Rupees in Lakhs)

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**Notes on the Financial Statements**  
*for the year ended 31st March 2022.*

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**Note 37: Estimation of uncertainties relating to the global health pandemic from COVID-19:**

The Company has considered the possible effects that may arise out of COVID-19 pandemic on the carrying amounts of property, plant & equipment, intangible assets, inventories, trade receivables, etc. For this purpose, the Company has considered internal and external sources of information up to the date of approval of these financial statements, including credit reports and related information, economic forecasts, etc. Based on the current estimates, the Company does not expect any significant impact on such carrying values. The impact of COVID-19 pandemic on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

**Note 38: Additional disclosures as required under schedule III of the Companies Act 2013.**

1. Title deeds of all immovable properties are held in name of the Company as at 31st March 2022 except one land which is in the name of the promoter director. The said land is adjacent to the existing factory and is acquired for the purpose of expansion projects of the company. The company has initiated the process of conversion of the said agricultural land into Non-Agricultural Land. The said land being an agricultural land cannot be held in the name of the company. (refer note no. 4.1).
2. The company does not hold any Investment Property in its books of accounts, so fair valuation of investment property is not applicable.
3. The company has not revalued any of its property, plant and equipment including Rights to use assets in the current year and previous year.
4. The company has not granted any loans or advances to promoters, directors, KMP's and the related parties that are repayable on demand or without specifying any terms or period of repayment.
5. No proceedings have been initiated or pending against the company under the Benami Transactions (Prohibition) Act. 1988.
6. Company is not having any transaction with the Companies struck off under the Section 248 of the Companies Act 2013 or Section 560 of the Companies Act 1956.
7. There are no charges or satisfaction thereof which are to be registered with the Registrar of Companies beyond statutory period except satisfaction of charge from HDB financials Ltd. due to non-receipt of no due certificate from the said company.
8. The company has not been declared a wilful defaulter by any bank or financial institution or any other lender.

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**Notes on the Financial Statements**  
for the year ended 31st March 2022.

- !
9. The Company has filed quarterly returns or statements with the banks who have sanctioned working capital facilities, which are in agreement with the books of accounts other than those as set out below:

(Rs. In Lakhs)

Particulars of Securities Provided	For the Quarter ended	Amount as per unaudited Books of Account	Amount as reported in the quarterly returns and statement	Amount of Difference	Remarks
Inventories and Trade Receivable	June 2021	1670.06	1673.24	-3.18	Amount reported in statements filed with banks are based on unaudited accounts.
	Sept. 2021	1795.26	1798.67	-3.41	
	Dec. 2021	1795.74	1797.88	-2.14	
	March 2022	1980.48	1979.37	1.10	
Trade Payables**	June 2021	171.05	204.43	-33.38	
	Sept. 2021	234.54	145.55	88.99	
	Dec. 2021	286.44	286.44	0	
	March 2022	333.10	154.19	178.91	
** As per the consistent policies adopted by the banks over the years, trade payables are reported net off advances to suppliers for goods.					

10. The provisions of clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017 are not applicable to the company as per Section 2(45) of the Companies Act, 2013.
11. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or;
  - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
12. The Company have not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the company shall:
- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiary) or;
  - Provide any guarantee, security or the like on behalf of the ultimate beneficiary.
13. The company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessment under the Income Tax Act. 1961.
14. The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
15. There were no scheme of Arrangements approved by the competent authority during the year in terms of section 230 to 237 of the Companies Act, 2013



## HARISH TEXTILE ENGINEERS LIMITED

Notes to the financial statements (continued)  
for the year ended 31 March 2022

(Rupees in Lakhs)

### 39 Basis of Segmentation:

The Company has identified following business segments as reportable segments considering nature and products driving its revenue from operations:

- a) Textile Engineering
- b) Non-Woven
- c) PSF
- d) Trading

- i) Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker.
- ii) Segment Revenue, Segment Results and Segment Liabilities include the respective amounts identifiable to each of the segments as also amounts allocated on a reasonable bases.
- iii) Other income and finance costs are shown below the segments as separate line items as they are not directly allocable to a segment.
- iv) The Managing Director of the Group allocates the resources and assess the performance of the Group, thus he is identified as the Chief Operating Decision Maker (CODM).
- v) Details of Business Segment information is presented below:

### Segment Revenue and Segment Results

Particulars							(Rs. in Lakhs)	
	Textile Engineering	Non-Woven	PSF	Trading	Unallocable	Inter-segment transactions	Total	
<b>Segment Revenue</b>								
- 31 March 2022	3,286.48	5,420.54	2,692.60	-	-	(713.48)	10,686.14	
- 31 March 2021	1,892.74	3,861.85	1,617.08	1,130.20	-	(322.18)	8,179.69	
<b>Other Income</b>								
- 31 March 2022	44.17	1.81	-	-	-	-	45.98	
- 31 March 2021	383.62	11.50	(7.10)	-	-	-	388.01	
<b>Segment Expenses</b>								
- 31 March 2022	3,248.83	5,128.53	2,512.63	-	-	(713.48)	10,176.51	
- 31 March 2021	2,328.27	3,485.56	1,470.92	1,083.35	-	(322.18)	8,045.92	
<b>Finance Cost</b>								
- 31 March 2022	132.48	157.80	199.41	-	-	-	489.69	
- 31 March 2021	124.25	114.06	106.46	-	-	-	344.77	
<b>Segment Result</b>								
- 31 March 2022	(50.66)	136.02	(19.44)	-	-	-	65.92	
- 31 March 2021	(176.16)	273.73	32.59	46.85	-	-	177.01	
<b>Profit before tax</b>								
- 31 March 2022	(50.66)	136.02	(19.44)	-	-	-	65.92	
- 31 March 2021	(176.16)	273.73	32.59	46.85	-	-	177.01	
<b>Tax Expense</b>								
- 31 March 2022	-	-	-	-	17.64	-	17.64	
- 31 March 2021	-	-	-	-	1.56	-	1.56	
<b>Profit for the year</b>								
- 31 March 2021	-	-	-	-	-	-	48.28	
- 31 March 2021	-	-	-	-	-	-	175.45	

**HARISH TEXTILE ENGINEERS LIMITED**

Notes to the financial statements (continued)  
for the year ended 31 March 2022

(Rupees in Lakhs)

**Segment Assets and Liabilities**

Particulars	(Rs. in Lakhs)						
	Textile Engineering	Non-Woven	PSF	Trading	Unallocable	Inter-segment balances	Total
<b>Segment Assets</b>							
- 31 March 2022	3,799.64	3,484.09	1,850.40	-	-	(737.79)	8,396.34
- 31 March 2021	4,046.18	3,816.46	1,652.01	44.33	-	(2,729.91)	6,829.07
<b>Segment Liabilities</b>							
- 31 March 2022	3,209.17	3,151.43	1,816.60	-	-	(737.79)	7,439.41
- 31 March 2021	3,459.77	3,591.80	1,598.76	-	-	(2,729.91)	5,920.42
<b>Unallocable Assets</b>							
- 31 March 2022	-	-	-	-	-	-	-
- 31 March 2020	-	-	-	-	-	-	-
<b>Unallocable Liabilities</b>							
- 31 March 2022	-	-	-	-	-	-	-
- 31 March 2020	-	-	-	-	-	-	-
<b>Capital Employed</b>	<b>590.47</b>	<b>332.67</b>	<b>33.80</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>956.93</b>
	586.41	224.66	53.24	44.33	-	-	908.64

**HARISH TEXTILE ENGINEERS LIMITED**  
**Notes to the financial statements (continued)**  
for the year ended 31 March 2022

**40 Related Party disclosure:**

a Related party disclosure as required by AS-18, "Related Party Disclosure", is given below:

**Key Management Personnel:**

<b>Name</b>		<b>Designation</b>
Sandeep K Gandhi	<i>(with effect from December 30, 2018)</i>	Managing Director
Hitendra Desai	<i>(with effect from December 30, 2018)</i>	Whole Time Director
Pinkesh Upadhyay	<i>(with effect from December 30, 2018)</i>	Chief Financial Officer
Pooja Patwa	<i>(with effect from January 16, 2020 till December 10, 2020)</i>	Company Secretary
Krishana Sharma	<i>(with effect from December 22, 2020 till March 27, 2021)</i>	Company Secretary
Priya Gupta	<i>(with effect from August 14, 2021)</i>	Company Secretary

**Independent Director**

<b>Name</b>	
Ritesh Patel	<i>(with effect from December 11, 2019)</i>
Meena Mistry	<i>(with effect from December 11, 2019)</i>
Nainesh Trivedi	<i>(with effect from September 07, 2020)</i>

**Relative of Directors/KMP**

Shovan S Gandhi  
Shaila Gandhi

**Entities where Directors/Close family members of Directors having control/significant influence**

Harish Enterprise Private Limited.	Common Directors and Common Shareholders
Pacific Harish Industries Limited.	Common Directors and Common Shareholders
Every's Health Care Private Limited.	Common Directors and Common Shareholders
Sanish Investment and Trading Co P Limited.	Common Directors and Common Shareholders
Kasha Textile Pvt. Ltd.	Common Shareholders
Agratha Enterprise-Partnership Firm	KMP is partner in the firm

**b Transactions with Related Parties**

During the year, the following transactions were carried out with Related Parties:

(Rupees in Lakhs)			
Sr. No.	Name of Related Party and nature of transactions	For the year ended 31st March, 2021	For the year ended 31st March, 2020
<b>Entities where Directors/Close family members of Directors having control/significant influence</b>			
1	<b>Harish Enterprise Private Limited.</b>		
	Rent expense	12.00	12.00
	Rent deposit given		
	- Undiscounted value	275.00	275.00
	- Discounted value	209.80	196.07
	other receivable	17.69	27.35
2	<b>Pacific Harish Industries Limited.</b>		
	- Other Financial Liabilities		
	- Financial Liabilities -Reliance Loan	681.37	769.68
3	<b>Every's Health Care Private Limited.</b>		
	Interest Income	7.43	7.16
	Advance to supplier	52.91	63.83
4	<b>Sanish Investment &amp; Trading Co P Limited.</b>		
	Consideration receivable-Closing	205.54	215.54
5	<b>Agratha Enterprise-Partnership Firm</b>		
	Repayment done	0.30	0.00
	Other payable	0.00	0.30
6	<b>Shovan S Gandhi</b>		
	Salary	16.00	9.00
7	<b>Shaila S. Gandhi</b>		
	Professional Fees	46.00	27.47
<b>Director and Key management Personnel</b>			
8	<b>Sandeep K Gandhi</b>		
	Director Remuneration (including reimbursement of expense)	111.00	64.84
	Financial Liabilities (Interest Free Loan) Closing Balance.	0.00	67.59
	Remuneration Payable	0.00	7.85
9	<b>Hitendra Desai</b>		
	Director Remuneration	20.58	13.88
10	<b>Pinkesh Upadhyay</b>		
	Remuneration	17.80	12.68
	Reimbursement of expense	4.94	0.00
11	<b>Pooja Patwa</b>		
	Remuneration Paid	0.00	2.53
12	<b>Krishna Sharma</b>		
	Remuneration Paid	0.00	0.60
13	<b>Priya Gupta</b>		
	Remuneration Paid	3.52	0.00

HARISH TEXTILE ENGINEERS LIMITED

Notes to financial statements for the year ended 31st March 2022

41 **Ratio Analysis:**

As on 31 March 2022:

APPLICABLE

Particulars	Numerator	Denominator	Current Period	Previous Period	% of variance	Explanation for change in the ratio by more than 25 %
<b>Liquidity Ratio</b>						
Current Ratio (times)	Current Assets	Current Liabilities	0.89	0.87	1.96%	NA
<b>Solvency Ratio</b>						
Debt-Equity Ratio (times)	Total Debt	Shareholder's Equity	4.19	3.07	36.54%	The variance is mainly on account of increase in Long term loans taken for the expansion of the business activities and conversion of Trade Payables in Long Term Liabilities i.e. Non-Convertible Debentures
Debt Service Coverage Ratio (times)	Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Interest + Lease Payments + Principal Repayments	0.81	5.30	-84.68%	The major impact is due to higher repayment of term loans and lower profitability due to overall Liquidity crunch coupled with pressure on cost particularly in raw material cost and interest cost in general has resulted in higher Cost in terms of production and hence inadequate profits during the year.
<b>Profitability ratio</b>						
Net Profit Ratio (%)	Profit After Tax	Total Sales	0.45%	2.14%	-78.94%	The variance is on account of Lower operating Margin
Return on Equity Ratio (%)	Profit After Tax - Preference Div. (if any)	Average Shareholder's Equity	5.04%	19.31%	-73.87%	
Return on Capital employed (%)	Earning before interest and tax	Tangible Net Worth + Total Debt + Deferred Tax Liability	10.93%	13.64%	-19.90%	
<b>Utilization Ratio</b>						
Trade Receivables turnover ratio (times)	Net Credit Sales	Average Trade Receivables	5.53	4.59	20.30%	Due to better management of Working Capital
Inventory turnover ratio (times)	Cost of goods sold or Sales	Average Inventory	5.17	3.02	71.03%	Due to better utilization of inventories
Trade payables turnover ratio (times)	Net Credit Purchases	Average Trade Payables	3.31	2.16	53.21%	Due to better availment of credit period
Net capital turnover ratio (times)	Net Sales	Working Capital	-	-	0.00%	Working capital is negative

42 **Previous year figures**

Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current period's presentation

For K M Swadia & Co.  
Chartered Accountants  
FRN - 110740W

CA. Archit D Antani  
Partner  
M. No. - 149221

Sandeep Gandhi  
DIN : 00941665  
Managing Director

Hitendra Desai  
DIN :00452481  
Executive Director

Priya Gupta  
Company Secretary and Compliance officer

Pinkesh Upadhyay  
Chief Financial Officer

Place : Vadodara  
Date : May 30, 2022

Place : Mumbai  
Date : May 30, 2022

**HARISH TEXTILE ENGINEERS LIMITED**

CIN: L29119MH2010PLC201521

2<sup>nd</sup> Floor, 19 Parsi Panchayat Road, Andheri (East), Mumbai - 400069.

Tel: 91-22-40373000, E-mail: compliances@harishtextile.com, Website: www.harishtextile.com

**ATTENDANCE SLIP**

**12<sup>TH</sup> ANNUAL GENERAL MEETING ON FRIDAY, 30<sup>TH</sup> SEPTEMBER, 2022 AT 11.30 A.M.**

**(To be presented at the entrance)**

Mr./Mrs./Miss.....

Address.....

Folio No. (Physical holding)..... DP ID (Demat holding).....

Client ID..... No. of shares held.....

I/We certify that I/We am/are registered shareholder/proxy for the registered shareholder of the Company.

I/We hereby record my/our presence at the 12<sup>th</sup> Annual General Meeting (AGM) of the Company held on Friday, 30<sup>th</sup> September, 2022, at 11:30 A.M. at 2<sup>nd</sup> Floor, 19 Parsi Panchayat Road, Andheri (East), Mumbai - 400069, India or any adjournment thereof.

[Signature of Shareholders/Proxy(s)] .....

**Notes:**

1. Shareholder/proxy holder(s) are requested to bring the attendance slips with them when they come to the meeting and hand over the same at the entrance after filling and affixing their signatures on them.
2. Members' signature should be in accordance with the specimen signature in the Register of Members of the Company.
3. Members are requested to bring their copy of the Annual Report and this Attendance Slip at the Annual General Meeting of the Company.
4. If it is intended to appoint a proxy, the proxy form should be completed and deposited at the Registered Office of the Company atleast 48 hours before the Meeting.

**PROXY FORM  
(Form No. MGT-11)**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules 2014]

**12<sup>TH</sup> ANNUAL GENERAL MEETING ON FRIDAY, 30<sup>TH</sup> SEPTEMBER, 2022 AT 11.30 A.M.**

CIN : L29119MH2010PLC201521  
 Name of the Company : Harish Textile Engineers Limited  
 Registered Office : 2<sup>nd</sup> Floor, 19 Parsi Panchayat Road, Andheri (East), Mumbai - 400069  
 Name of the member (s) :  
 Registered address :  
 Folio No. / Client Id :  
 DP ID :  
 E-mail Id :

I/We, being the member (s) of ..... shares of the above named Company, hereby appoint:

1. Name : .....E-mail Id: .....  
 Address: .....  
 Signature: .....or failing him/her
2. Name : .....E-mail Id: .....  
 Address : .....  
 Signature: .....or failing him/her
3. Name : .....E-mail Id: .....  
 Address : .....  
 Signature: .....or failing him/her

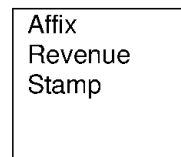
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 12<sup>th</sup> Annual General Meeting of the Company to be held on Friday, 30<sup>th</sup> September, 2022 at 11:30 A.M. at 2<sup>nd</sup> Floor, 19 Parsi Panchayat Road, Andheri (East), Mumbai – 400069 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution number	Description of Resolutions	Assent	Dissent
<b>Ordinary Business:</b>			
1.	To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2022, and the reports of the Board of Directors and Auditors thereon.		
2.	To appoint a director in place of Mr. Hitendra Desai (Din: 00452481), who retires from the office of director by rotation at this meeting, and being eligible offers himself for re-appointment as a Director of the Company.		
<b>Special Business:</b>			
3.	To approve increase in remuneration of Mr. Sandeep Gandhi, Managing Director of the Company.		
4.	To rectify the payment of remuneration to the Whole-Time Director of the Company.		
5.	To approve Material Related Party Transaction.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2022

Signature of shareholder.....

Signature of Proxy holder(s).....



Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. A member holding more than 10%, of the total share capital of the Company carrying voting rights may appoint a single person as a proxy. However, such person shall not act as proxy for any other shareholders.
3. The proxy need not be a member of the Company and shall provide his/her identity proof such as PAN Card, Aadhar Card at the time of attending AGM.
4. In the case of Joint holders, the signature of any one holder will be sufficient, but names of all joint holders should be stated.
5. If Company receives multiple proxies for the same holdings of a member, the proxy which is dated last will be considered valid; if they are not dated or bear the same date without specific mention of time, all such multiple proxies will be treated as invalid.



## Form No. MGT-12

### Polling Paper

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

**Name of Company:** Harish Textile Engineers Limited

**CIN:** L29119MH2010PLC201521

**Registered Office:** 2<sup>nd</sup> Floor, 19 Parsi Panchayat Road, Andheri (East), Mumbai 400069, Maharashtra.

### BALLOT PAPER

Sr. No.	Particulars	Details
01.	Name of the First Named Shareholder (In block letters)	
02.	Postal address	
03.	Registered folio No. / *Client ID No. (*Applicable to investors holding shares in dematerialized form)	
04.	Class of Share	
05.	Number of Shares held	

I/We hereby exercise my/our vote in respect of the Resolution to be passed through Ballot for the Business stated in the Notice and Explanatory Statement annexed thereto by sending my/our assent (FOR) or dissent (AGAINST) to the said resolution by placing the tick mark at the appropriate box below:

Item No.	Item	Nature of Resolution	No. of shares held by me	I assent to the resolution	I dissent from the resolution
01.	Adoption of Audited Financial Statements of the Company for the financial year ended March 31, 2022, and the reports of the Board of Directors and Auditors.	Ordinary			
02.	Appointment of Director in place of Mr. Hitendra Desai (Din: 00452481), who retires from the office of director by rotation at this meeting, and being eligible offers himself for re-appointment as a Director of the Company.	Ordinary			
03.	Increase in remuneration of Mr. Sandeep Gandhi, Managing Director of the Company.	Special			
04.	Retification of payment of remuneration to the Whole-Time Director of the Company.	Special			
05.	Approval of Material Related Party Transaction.	Ordinary			

**Place:**

**Date:**

**(Signature of the shareholder)**

E-Voting shall remain start on Tuesday, the 27<sup>th</sup> September, 2022 at 09.00 a.m. (IST) and will be open till Thursday, the 29<sup>th</sup> September, 2022 till the close of working hours at 05.00 p.m. (IST)

Note: Please read the instructions printed overleaf carefully before exercising your vote.

**Andheri, Railway Colony, Andheri East, M**  
**Pacific Harish Industries Ltd, 19, Parsi P**  
 Add destination

OPTIONS

Send directions to your phone

via Dr S Radha Krishnan Rd/Old Nagardas Rd 12 min  
900 m

DETAILS

via Dr S Radha Krishnan Rd/Old Nagardas Rd and Parsi Panchayat Rd 13 min  
1.0 km

The terrain is mostly flat

