



**Date: 05<sup>th</sup> September, 2024**

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 2023-2024.**

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 2023-2024.

Kindly take the same on record and acknowledge the receipt.

Thanking You,

For **Harish Textile Engineers Limited**

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



**Place: Mumbai**

Encl.: Copy as above

**14<sup>TH</sup> ANNUAL REPORT**



**HARISH TEXTILE ENGINEERS  
LIMITED**

**2023-2024**

**CIN: L29119MH2010PLC201521**

<p><b><u>BOARD OF DIRECTORS</u></b> (as on date of this report)</p> <p>Mr. Sandeep Kirtikumar Gandhi Managing Director</p> <p>Mr. Hitendra Chimanlal Desai Whole-time Director</p> <p>Mr. Ritesh Harshad Patel Non- Executive, Independent Director</p> <p>Mrs. Meena Ramesh Mistry Non- Executive, Independent Director (Resigned w.e.f. 11<sup>th</sup> December, 2023)</p> <p>Mr. Nainesh Bhanushankar Trivedi Non- Executive, Independent Director</p> <p>Ms. Sushmita Swarup Lunkad Non- Executive, Independent Director (Appointed w.e.f. September 04, 2023)</p>	<p><b><u>COMMITTEES OF THE BOARD</u></b> (as on date of this report)</p> <p><b>AUDIT COMMITTEE-</b> Mr. Ritesh Harshad Patel, Chairperson Mr. Hitendra Chimanlal Desai, Member Mr. Nainesh Bhanushankar Trivedi, Member Ms. Sushmita Swarup Lunkad, Member</p> <p><b>NOMINATION &amp; REMUNERATION COMMITTEE-</b> Mr. Ritesh Harshad Patel, Chairperson Mr. Nainesh Bhanushankar Trivedi, Member Ms. Sushmita Swarup Lunkad, Member</p> <p><b>STAKEHOLDER'S RELATIONSHIP COMMITTEE-</b> Mr. Ritesh Harshad Patel, Chairperson Mr. Hitendra Chimanlal Desai, Member Mr. Nainesh Bhanushankar Trivedi, Member Ms. Sushmita Swarup Lunkad, Member</p>																						
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## NOTICE

NOTICE IS HEREBY GIVEN THAT THE 14<sup>TH</sup> ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF HARISH TEXTILE ENGINEERS LIMITED (“THE COMPANY” OR “HTEL”) WILL BE HELD ON MONDAY, 30<sup>TH</sup> SEPTEMBER, 2024 AT 10:30 A.M. INDIAN STANDARD TIME (“IST”) AT THE REGISTERED OFFICE OF THE COMPANY AT 2<sup>ND</sup> FLOOR, 19 PARSI PANCHAYAT ROAD, ANDHERI (EAST), MUMBAI-400069, TO TRANSACT THE FOLLOWING BUSINESS:

### ORDINARY BUSINESS:-

#### 1. ADOPTION OF FINANCIAL STATEMENTS:

To consider and adopt the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2024 and the reports of the Board of Directors and Auditors thereon; and in this regard, pass the following resolution(s) as an **Ordinary Resolution**:

“**RESOLVED THAT** the Audited Financial Statement of the Company for the financial year ended 31<sup>st</sup> March, 2024 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

#### 2. RE-APPOINTMENT OF DIRECTOR LIABLE TO RETIRE BY ROTATION:

To appoint a director in place of Mr. Hitendra Chimanlal 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**:

“**RESOLVED THAT** pursuant to the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Hitendra Chimanlal Desai (DIN: 00452481), who retires by rotation at this Annual General Meeting of the Company, being eligible, offered himself for re-appointment, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

#### 3. RE-APPOINTMENT OF STATUTORY AUDITORS OF THE COMPANY FOR A PERIOD OF FIVE YEARS AND TO FIX THEIR REMUNERATION:

To Re-appoint M/s. K M Swadia & Company, Chartered Accountants as Statutory Auditors of the Company for the period of five years commencing from the conclusion of this Annual General Meeting till the conclusion of 19<sup>th</sup> Annual General Meeting of the Company to be held for the financial year 2028-2029 on such remuneration as may be mutually agreed by an between the Board of Directors of the Company and the Auditor of the Company; and in this regard, to consider and if thought fit, to pass the following resolution(s) as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to provision of Sections 139, 141, 142 and other applicable provisions, if any, of the Companies Act, 2013 and read with the Companies (Audit and Auditors) Rules, 2014 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or amendment(s) or re-enactment(s) thereof, for the time being in force) and pursuant to the recommendations of the

Audit Committee and the Board of Directors of the Company, M/s. K M Swadia & Company, Chartered Accountants having Firm Registration No. 110740W be and is hereby re-appointed as the Statutory Auditors of the Company to hold office for a second term of 5 (five) consecutive years from conclusion of the 14<sup>th</sup> Annual General Meeting until the conclusion of the 19<sup>th</sup> Annual General Meeting of the Company, to be held for the financial year 2028-2029, at such remuneration as may be decided by the Board of Directors of the Company (or any committee thereof) in consultation with the Statutory Auditors.

**RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and are hereby severally authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

#### **SPECIAL BUSINESS:-**

#### **4. TO CONSIDER THE RATIFICATION OF REMUNERATION PAYABLE TO COST AUDITOR FOR THE FINANCIAL YEAR 2023-2024 AND 2024-2025:**

To consider the ratification of remuneration payable to the Cost Auditor for the financial year 2023-2024 and 2024-2025 and in this regard, if thought fit, to pass with or without modification(s), the following resolution(s) as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) plus applicable charges and taxes/levies and reimbursement of out-of-pocket expenses payable to M/s. Y S Thakar & Associates, Cost Accountants, (Firm Registration No.: 000318), who have been appointed by the Board of Directors on the recommendation of the Audit Committee at its meeting held on 09<sup>th</sup> November, 2023 for the financial year 2023-2024 and on 30<sup>th</sup> May, 2024 for financial year 2024-2025, as the Cost Auditors of the Company, to conduct the audit of the cost records maintained by the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time for the financial year ending 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2025.

**RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and are hereby severally authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

#### **5. APPROVAL FOR MATERIAL RELATED PARTY TRANSACTION FOR THE FINANCIAL YEAR 2024-2025:**

To approve Material Related Party Transactions for the Financial Year 2024-2025 and if thought fit, to pass with or without modification(s), the following Resolution(s) as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Section 188 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014, and other applicable provisions, if any, of the Companies Act,

2013 and Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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	Maximum Transaction Value (Amount in Lakhs)	Nature of Transaction
1	Harish Enterprise Private Limited	Company with common Directors	12.00	Rent Expenses
2	Every's Healthcare Private Limited	Company with common Directors	7.00	Interest Income
3	Sandeep Gandhi	Managing Director	180.00	Remuneration
4	Hitendra Desai	Whole time Director	30.00	Remuneration
5	Shaila Gandhi	Relative of Managing Director	30.00	Professional Fees
6	Shovan Gandhi	Relative of Managing Director	24.00	Remuneration
7	Pacific Harish Industries Limited (Financial liability- Reliance Loan)	Company with common Directors	200.00	Repayment of Loan
8	Nfinia Industries Private Limited	Inter-corporate Loans	300.00	Loan
9	Loan to KMP and Employees	KMPs and Employees	100.00	Loan

Pursuant to rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014, where Related Party Transaction cannot be foreseen and transaction details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1,00,00,000/- (One Crore only) per transaction or such other limits prescribed by the Regulatory authorities.

**RESOLVED FURTHER THAT** the approval of the shareholders of the company be and is hereby accorded in Pursuant to rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014, where Related Party Transaction cannot be foreseen and transaction details are not available, on the basis of approval of audit committee , board is authorized to enter into related

transactions in category of other development activities and exigencies subject to value not exceeding Rs. 1,00,00,000/- (One Crore only) per transaction during the financial year 2024-2025.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do or cause to be done all such acts, deeds and things, as may be necessary, including finalizing the terms and conditions, modes and executing necessary documents, including contracts, schemes, agreements and other documents, file applications, make representations and seek approval from relevant authorities, if required and deal with any matters necessary as the Board may in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settle any question that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members and that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with matters referred to or contemplated in the foregoing resolutions, be and are hereby approved, ratified and confirmed by the members of the Company in all respects.

**RESOLVED FURTHER THAT** the Board of Directors, be and are hereby authorised to determine the actual sums to be involved in the particular transactions and the terms and conditions related thereto and all other matters arising out of or incidental to the proposed transactions and to finalize and execute all agreements, deeds, documents and writings as required for particular transactions and to do all acts, deeds and things in this connection and incidental thereto as the Board of Directors in its absolute discretion may deem fit.”

**6. TO APPROVE APPOINTMENT OF MRS. BHAVNA BRAHMBHATT (DIN:10736860) AS AN INDEPENDENT DIRECTOR OF THE COMPANY FOR A PERIOD OF FIVE YEARS:**

To consider appointment of Mrs. Bhavna Brahmbhatt (DIN: 10736860), as an Independent Director of the Company for a period of five years and if thought fit, to pass with or without modification(s), the following Resolution(s) as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 149, 150, 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), (Listing Regulations), pursuant to the provisions of Articles of Association of the Company, and in accordance with the recommendation of the Nomination and Remuneration Committee and the Board of Directors of the Company, approval of the members be and is hereby accorded for appointment of Mrs. Bhavna Brahmbhatt (DIN: 10736860), who was appointed as an Additional Director (Independent) of the Company in terms of Section 161 of the Act by the Board of Directors with effect from 04<sup>th</sup> September, 2024 and who holds office upto the date of this Annual General Meeting (AGM) and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and is eligible for appointment under the provisions of the Act, Rules made thereunder and the Listing Regulations and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act proposing

his candidature for the office of a Director, as an Independent Director of the Company to hold office for a first term of 5 (five) consecutive years commencing from 04<sup>th</sup> September, 2024 upto 03<sup>rd</sup> September, 2029 and he shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorised 'Committee' thereof) be and are hereby severally authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

## **7. TO INCREASE THE AUTHORISED SHARE CAPITAL OF THE COMPANY:**

To consider increase in Authorised Capital of the Company and if thought fit, to pass with or without modification(s), the following Resolution(s) as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 13, 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and applicable provisions of SEBI (Listing Obligation & Disclosure Requirements) Regulation, 2015 including any amendment thereto or re-enactment thereof and in accordance with the provisions of the Articles of Association of the Company and subject to receipt of such other approval(s), consent(s), permission(s) and sanction(s), if any, as may be required from concerned statutory authorities and as approved by the Board of Directors of the Company (hereinafter referred to as 'the Board', which expression shall include any Committee of the Board of Directors), approval of the members of the Company be and is hereby accorded for increase in the Authorized Share Capital of the Company from existing Rs. 10,00,00,000 (Rupees Ten Crores) divided into 1,00,00,000 (One Crore) shares of Rs. 10/- each to Rs. 25,00,00,000 (Rupees Twenty-Five Crore) divided into 2,50,00,000 (Two Crore Fifty Lakhs) shares of Rs. 10/- each ranking pari passu in all respect with the existing Equity Shares of the Company as per the Memorandum and Articles of Association of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board / Committee of the Board or any officer(s) authorized by the Board of Directors, be and are hereby authorized to do all such acts, deeds, matters and things whatsoever, including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.

**RESOLVED FURTHER THAT** Mr. Sandeep Gandhi, Managing Director (DIN: 00941665) or Mr. Hitendra Desai, Whole-Time Director (DIN: 00452481) as delegated by the Board, be and are hereby authorized to sign, execute all the documents and file relevant forms with the Registrar of Companies, Stock Exchanges and to do all such acts, deeds and things on behalf of the Company as it may in its absolute discretion deem necessary, proper or desirable to give effect to this resolution without being required to seek further consent or approval of the Shareholders of the Company in General Meeting."



**8. ALTERATION OF CAPITAL CLAUSE OF THE MEMORANDUM OF ASSOCIATION ON ACCOUNT OF INCREASE IN AUTHORISED SHARE CAPITAL OF THE COMPANY:**

To consider alteration of capital clause of the Memorandum of Association on account of increase in Authorised Share Capital of the Company and if thought fit, to pass with or without modification(s), the following Resolution(s) as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 13, 61 and other applicable provisions of the Companies Act, 2013 (“the Act”), if any, read with relevant rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and subject to receipt of such other approval(s), consent(s) and permission(s) as may be required from concerned statutory authorities and as approved by the Board of Directors of the Company (hereinafter referred to as ‘the Board’, which expression shall include any Committee of the Board of Directors), consent of the members of the Company be and is hereby accorded to alter the Memorandum of Association of the Company by substituting the existing Clause V with the following new Clause V:

***“V. The Authorized Share Capital of the Company is Rs. 25,00,00,000 /- (Rupees Twenty-Five Crore only) divided into 2,50,00,000 (Two Crore Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each”***

**RESOLVED FURTHER THAT** pursuant to provisions of Section 15 of the Companies Act, 2013 and the rules framed thereunder (including any statutory amendment made thereto or re-enactment thereof), the above alteration in the articles be and is hereby noted in each copy of the Memorandum of Association of the Company.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the aforesaid resolution, the Board / Committee of the Board or any officer(s) authorized by the Board of Directors, be and are hereby authorized to do all such acts, deeds, matters and things whatsoever, including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard.

**RESOLVED FURTHER THAT** Mr. Sandeep Gandhi, Managing Director (DIN: 00941665) or Mr. Hitendra Desai, Whole-Time Director (DIN: 00452481) as delegated by the Board, be and are hereby authorized to sign, execute all the documents and file relevant forms with the Registrar of Companies, Stock Exchanges and to do all such acts, deeds and things on behalf of the Company as it may in its absolute discretion deem necessary, proper or desirable to give effect to this resolution without being required to seek further consent or approval of the Shareholders of the Company in General Meeting.”

**9. ADOPTION OF NEW SET OF ARTICLES OF ASSOCIATION (AOA) OF THE COMPANY PURSUANT TO THE COMPANIES ACT, 2013:**

To consider adoption of new set of Articles of Association of the Company pursuant to the Companies Act, 2013 and if thought fit, to pass with or without modification(s), the following Resolution(s) as a **Special Resolution**:

**“RESOLVED THAT** in supersession of earlier resolutions passed by the Company, if any, pursuant to provisions of Section 14 and all other applicable provisions, if any, of the Companies Act, 2013, and read with the Companies (Incorporation) Rules, 2014 and other rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to necessary approval(s) if any, from the competent authorities, consent of the Company be and is hereby accorded to substitute the existing Articles of Association of the Company with a new set of Articles of Association (AOA) as per the provisions of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to execute all deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things and to give, from time to time, such directions as may be necessary, proper, expedient or incidental for the purpose of giving effect to this Resolution and to delegate all or any of the powers herein vested in the Board, to any Director(s) or Officer(s) of the Company as may be required to give effect to the above resolution.”

#### **10. ADOPTION OF POLICY ON GRANT OF LOANS & ADVANCES TO EMPLOYEES INCLUDING KEY MANAGERIAL PERSONNEL (KMPS):**

To consider adoption of policy on grant of loans and advances to employees including KMPs and if thought fit, to pass with or without modification(s), the following Resolution(s) as a **Special Resolution**:

**“RESOLVED THAT** pursuant to the applicable provisions of Companies Act, 2013, read with corresponding rule made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 (the “SEBI Listing Regulations”), and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (the “Insider Trading Regulations”), read with other applicable regulations of the Securities and Exchange Board of India and in accordance with the Articles of Association of the Company and based on the recommendation of the Audit Committee, Nomination and Remuneration Committee and Board of Directors and subject to such other approvals as may be necessary, approval of the members be and is hereby accorded for adoption of Policy on Grant of Loans & Advances to Employees including KMPs.

**RESOLVED FURTHER THAT** the Audit Committee and Nomination and Remuneration Committee be and are hereby authorised to oversee the policy framework to promote diversity on Company's Board and to whom the directors and employee shall report in case of any concern.

**RESOLVED FURTHER THAT** any of the Directors or the Company Secretary of the Company be and is hereby authorized to upload the relevant policies on the website of the Company as required under applicable law and to communicate about them among the Directors and employees of the Company in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

**RESOLVED FURTHER THAT** for the purpose of giving effect to the above resolutions, Mr. Sandeep Kirtikumar Gandhi (DIN:00941665), Managing Director and Mr. Hitendra Chimanlal Desai (DIN:00452481), Whole-Time Director of the Company, on behalf of the Board, be and are hereby severally authorized to formalize this plans and policies on behalf of the Company and do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, proper or desirable for such purpose, including to make any filings, furnish any returns or submit any other documents to any government, statutory or regulatory authorities as may be required, to settle any question, difficulty or doubt and to negotiate, finalize and execute all agreements, documents, papers, instruments and writings as they may deem necessary, proper, desirable or expedient and to give such directions and/or instructions as they may from time to time decide and give effect to such modifications, terminations, changes, variations, alterations, deletions and/or additions as regards the terms and conditions as may be required; and any documents so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of the authority of the Board in so doing and any document so executed and delivered or acts and things done or caused to be done-prior to the date hereof are hereby ratified, confirmed and approved as the act and deed of the Board, as the case may be.

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

**Hitendra Desai  
Whole-time Director  
DIN No.: 00452481**

**Date:** 04<sup>th</sup> September, 2024

**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 to 10 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 the person seeking appointment / re- appointment as Director is also annexed.
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. M/s. K M Swadia & Company, Chartered Accountants (Firm Registration No. 110740W) had been appointed as the Statutory Auditors of the Company for a term of five years commencing from the financial year 2019-2020 to 2023-2024 and to hold office from the conclusion of the 9<sup>th</sup> Annual General Meeting and until the conclusion of the 14<sup>th</sup> Annual General Meeting to be held in the year 2024. The present Statutory Auditors of the Company who have completed a period of 5 years are eligible for re-appointment as Statutory Auditors for a further term of 5 years from the financial year 2024-2025 onwards. The Company has also received a certificate from the Statutory Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013 and that they are eligible to be re-appointed as the Statutory Auditors of the Company. Accordingly, based on the recommendation of the Audit Committee, the Board of Directors of the Company have recommended the re-appointment of M/s. K M Swadia & Company, Chartered Accountants (Firm Registration No. 110740W), as Statutory Auditors of the Company for a period of 5 consecutive years from the conclusion of the ensuing Annual General Meeting till the conclusion of 19<sup>th</sup> Annual General Meeting which ought to be held in the year 2029.
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, 01<sup>st</sup> April, 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 02<sup>nd</sup> December, 2020 had fixed 31<sup>st</sup> March, 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 Tuesday, the 24<sup>th</sup> day of September, 2024 to Monday, the 30<sup>th</sup> day of September, 2024. (both days inclusive) for the purpose of 14<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 2023-2024 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 2023-2024 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. Members may note that this Notice and the Annual Report 2023-2024 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 14<sup>th</sup> 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.com](mailto:evoting@nsdl.com). 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, 2024.
- VII. The details of the process and manner for remote e-voting are explained herein below:

**THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-**

**The remote e-voting period begins on Friday, 27<sup>th</sup> September, 2024 at 09:00 A.M. and ends on Sunday, 29<sup>th</sup> September, 2024 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Monday, 23<sup>rd</sup> September, 2024, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Monday, 23<sup>rd</sup> September, 2024.**

**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>1. 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>2. 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>3. 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>



	<p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;">  App Store  Google Play </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <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; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>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.</p>

**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.**

Login type	Helpdesk details
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.com">evoting@nsdl.com</a> or call at 022 - 4886 7000
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 toll free no. 1800 22 55 33

**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.

b) 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.

c) 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.com](mailto:evoting@nsdl.com) 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 is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
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 [dnvoraandassociates@yahoo.com](mailto:dnvoraandassociates@yahoo.com) with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "**Upload Board Resolution / Authority Letter**" displayed under "**e-Voting**" tab in their login.
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: 022-48867000 or send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com).

**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.com](mailto:evoting@nsdl.com) 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 Friday, 27<sup>th</sup> September, 2024 (9:00 am IST) and ends on Sunday, 29<sup>th</sup> September, 2024 (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 Monday, 23<sup>rd</sup> September, 2024, 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. 23<sup>rd</sup> September, 2024, may obtain the login ID and password by sending a request at [evoting@nsdl.com](mailto:evoting@nsdl.com).
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 022-48867000
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 23<sup>rd</sup> September, 2024.

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 14<sup>th</sup> AGM of the Company on 30<sup>th</sup> September, 2024 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 Pvt. Ltd. at <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a> 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> <ol style="list-style-type: none"> <li>a) Name and Branch of the Bank in which you wish to receive the dividend,</li> <li>b) the Bank Account type,</li> <li>c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions</li> <li>d) 9 digit MICR Code Number, and</li> <li>e) 11 digit IFSC Code</li> <li>f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.</li> </ol>
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Demat Holding	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.
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**By Order of the Board of Directors  
For Harish Textile Engineers Limited**

**Hitendra Desai  
Whole-time Director  
DIN No.: 00452481**

**Date:** 04<sup>th</sup> September, 2024

**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 TO 10 OF THE ACCOMPANYING NOTICE.**

**Explanatory Statement in terms of Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**

### **ITEM NO. 3**

In compliance with the provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, M/s. K M Swadia & Company, Chartered Accountants (Firm Registration No. 110740W) had been appointed as the Statutory Auditors of the Company for a term of five years commencing from the financial year 2019-2020 to 2023-2024 and to hold office from the conclusion of the 9<sup>th</sup> Annual General Meeting and until the conclusion of the Annual General Meeting to be held in the year 2024. The present Statutory Auditors of the Company who have completed a period of 5 years are eligible for re-appointment as Statutory Auditors for a further term of 5 years from the financial year 2024-2025 onwards.

The Company has also received a certificate from the Statutory Auditors to the effect that their re-appointment, if made, would be within the limits prescribed under Section 139 of the Companies Act, 2013 and that they are eligible to be re-appointed as the Statutory Auditors of the Company.

Accordingly, based on the recommendation of the Audit Committee, the Board of Directors of the Company have recommended the re-appointment of M/s. K M Swadia & Company, Chartered Accountants (Firm Registration No. 110740W), as Statutory Auditors of the Company for a period of 5 consecutive years from the conclusion of the ensuing Annual General Meeting till the conclusion of Annual General Meeting which ought to be held in the year 2029.

The Board of Directors propose to pay a fee of Rs. 7,50,000/- (Rupees Seven Lakh Fifty Thousand only) per annum and re-imbursalment of applicable taxes, and actual out of pocket and travelling expenses and such other cost incurred, as may be mutually agreed between the Board of Directors of the Company and the Auditors. The quantum of the annual increase will be decided by the Board of Directors. The terms of appointment of the Statutory Auditors will be as specified by the Audit Committee & the Board of Directors of the Company.

M/s. K M Swadia & Company, Chartered Accountants, have consented to the aforesaid appointment and confirmed that their appointment, if made, will be within the limits specified under Section 141(3)(g) of the Companies Act, 2013. They have further confirmed that they are not disqualified to be appointed as the Statutory Auditors in terms of the Companies Act, 2013 and the rules made thereunder.

The Audit Committee and the Board of Directors of the Company have considered the following credentials of M/s. K M Swadia & Company, Chartered Accountants while considering their re-appointment:

- Capability to serve a diverse and complex business landscape.



- Client base of the firm and availability of well trained and experienced professionals in the industry.
- Availability of expertise in Accounting procedures/ processes, Audit, Direct/Indirect Taxation and Corporate Laws.
- Professional integrity, ethics and independence.

Pursuant to Section 139 of the Companies Act, 2013, approval of the members is required for appointment of the Statutory Auditors and fixing their remuneration by means of an Ordinary Resolution.

Additional information about the Statutory Auditors pursuant to Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are provided below:-

Sr. No.	Particular	Details
1	Terms of Appointment	Five years from the conclusion of the 14 <sup>th</sup> Annual General Meeting till the conclusion of the 19 <sup>th</sup> Annual General Meeting.
2	Proposed audit fee payable to auditors	Rs. 7,50,000/- (Rupees Seven Lakh Fifty Thousand only) per annum and re-imburement of applicable taxes, and actual out of pocket and travelling expenses and such other cost incurred, as may be mutually agreed between the Board of Directors of the Company and the Auditors.
3	Material change in fee payable	There is no material change in the fee payable to the Statutory Auditors.
4	Basis of recommendation and Auditor credentials	<p>The Audit Committee and the Board of Directors based on the credentials of the firm and partners and eligibility criteria prescribed under the Companies Act, 2013, recommends the Re-appointment of M/s. K M Swadia &amp; Company as statutory auditors of the Company.</p> <p><b>Profile:-</b>  M/s. K M Swadia &amp; Company (FRN 110740W), ("the Audit Firm"), is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. M/s. K M Swadia &amp; Company, Chartered Accountants, Vadodara, Gujarat is a dynamic accounting firm founded in 1975, offering a wide range of services including audit, taxation, and compliance consulting. With office in Vadodara, the firm's team of experienced professionals provides expert advice to individuals, businesses, and organizations.</p> <p>M/s. K M Swadia &amp; Company has a valid peer review certificate issued by the ICAI.</p>

By considering the above facts, the Board recommends the Ordinary Resolution set out in Item No. 3 of the Notice for the approval of the Shareholders.

None of the Directors and/or Key Managerial Personnel of the Company and/or their respective relatives are concerned or interested, financially or otherwise, in the Ordinary Resolution set out as Item No. 3 of the Notice.

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

On recommendation of the Audit Committee, the Board has approved the appointment and remuneration of M/s. Y S Thakar & Associates, Cost Accountants (Registration No. 000318), as Cost Auditor of the Company at a remuneration of Rs. 50,000/- (Rupees Fifty Thousand only) per annum plus applicable charges, taxes/levies and out of pocket expenses incurred by them in connection with the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2025.

In accordance with the provisions of Section 148(3) of the Act read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration payable to the Cost Auditor as recommended by the Audit Committee and approved by the Board of Directors, has to be ratified by the Members of the Company.

Pursuant to Section 148 of the Companies Act, 2013, approval of the members is required for ratification of the remuneration payable to the Cost Auditor for the financial year ending 31<sup>st</sup> March, 2024 and 31<sup>st</sup> March, 2025 by means of an Ordinary Resolution.

By considering the above facts, the Board recommends the Ordinary Resolution set out in Item No. 4 of the Notice for the approval of the Shareholders.

None of the Directors and/or Key Managerial Personnel of the Company and/or their respective relatives are concerned or interested, financially or otherwise, in the Ordinary Resolution set out as Item No. 4 of the Notice.

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

Pursuant to Section 188 of the Companies Act, 2013 ('the Act') read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 ('Rules') and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 ('LODR Regulations') was amended vide notification dated November 9, 2021, inter alia, enhancing the scope of related party, related party transactions (RPTs) and the materiality threshold for seeking shareholder approval with effect from April 1, 2023, i.e. 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 2024-2025.

Pursuant to rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014, where Related Party Transaction cannot be foreseen and transaction details are not available, Audit Committee may grant omnibus approval for such transactions subject to their value not exceeding Rs. 1,00,00,000/- (One Crore only) per transaction or such other limits prescribed by the Regulatory authorities. Accordingly, the members are requested to give their approval for entering transaction as other development activities and exigencies during the financial year 2024-25 within the specified limit.

The audit committee has given a recommendation for ratification and approval for the above stated related party transactions entered or to be entered during the financial year 2024-25.

Pursuant to applicable provisions of the Companies Act, 2013, approval of the members is required for approval of Material Related Party Transaction for the financial year 2024-2025 by means of an Ordinary Resolution.

By considering the above facts, the Board recommends the Ordinary Resolution set out in Item No. 5 of the Notice for the approval of the Shareholders.

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.

## **ITEM NO. 6**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has appointed Mrs. Bhavna Brahmhatt (DIN: 10736860), as Additional Independent Director of the Company under Section 161 of the Companies Act, 2013 ("the Act") read with applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Articles of Association of the Company with effect from 04<sup>th</sup> September, 2024.

The Company has received opinion under section 149 (6) (a) of the Companies Act, 2013 that she is a person of integrity and possesses relevant expertise and experience. In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Directors requires approval of the members of the Company. Further, in terms of Listing Regulations, effective from 1st January, 2022, a listed entity shall ensure that approval of Shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

As per the provisions of Section 149 of the Companies Act, 2013 read with Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, an Independent Director shall hold office for a term upto five consecutive years on the Board of a Company and is not liable to retire by rotation.

The Company has received a Notice under Section 160 of the Companies Act, 2013 from a Member in writing proposing the candidature of Mrs. Bhavna Brahmbhatt (DIN: 10736860) for appointment as an Independent Director of the Company. Mrs. Bhavna Brahmbhatt (DIN: 10736860) has given a declaration to the Board that she meets the criteria of Independence as provided under Section 149 (6) of the Act and Regulation 16(1) (b) of the Listing Regulations.

In compliance with the provisions of Section 149 read with Schedule IV of Act, the appointment of Mrs. Bhavna Brahmbhatt (DIN: 10736860) as an Independent Director is now being placed before the Members for their approval.

In terms of Regulation 17(1C) of the Listing Regulations and other applicable provisions, the appointment of Mrs. Bhavna Brahmbhatt (DIN: 10736860) as Independent Director is being placed for the approval of the shareholders within the stipulated time frame. Brief Profile of Mrs. Bhavna Brahmbhatt is given below:

<b>Name</b>	Mrs. Bhavna Brahmbhatt
<b>Director Identification Number</b>	10736860
<b>Age</b>	53
<b>Qualification</b>	Bachelor of Arts
<b>Experience</b>	More than 5 years
<b>Nature of expertise in specific functional areas</b>	Mrs. Brahmbhatt is seasoned professional in the textile industries. Her extensive background includes a deep understanding of market dynamics, supply chain management, and sustainable practices within the textile sector.
<b>Brief resume of the Director</b>	Mrs. Brahmbhatt is a seasoned professional and has more than 5 years of experience in the textile sector. She is recognized for her strong analytical skills, her ability to drive growth through innovative solutions, and her commitment to ethical leadership.
<b>Date of first appointment</b>	04 <sup>th</sup> September, 2024
<b>Terms and conditions of appointment</b>	As per the Internal Policy of the Company
<b>Remuneration last drawn</b>	Not Applicable
<b>Remuneration proposed to be given</b>	The Independent Director shall be entitled to receive remuneration by way of sitting fees for attending the meetings of the Board and Committees thereof, reimbursement of expenses for participation in the meetings and also commission on an annual basis of such sum as may be recommended by the NRC and approved by the Board, subject to the overall limits as specified under the Act and the Rules framed thereunder.
<b>Number of Board meetings of the Company attended during the year</b>	Not Applicable
<b>Listed entities in which the person holds the directorship and the membership of Committees of the board</b>	Nil

along with listed entities from which the person has resigned in the past three years	
Directorships held in other Companies/Branches	Nil
Memberships/Chairmanships of committees of other Companies	Nil
Number of shares held in the Company	Nil
Relationship with other Directors and Key Managerial Personnel or their respective relatives	No inter-se relationship with any other Director or KMP of the Company

By considering the above facts, the Board recommends the Special Resolution set out in Item No. 6 of the Notice for the approval of the Shareholders.

None of the Directors and/or Key Managerial Personnel of the Company (except Mrs. Bhavna Brahmhatt the extent of her appointment as Independent Director) and/or their respective relatives are concerned or interested, financially or otherwise, in the Special Resolution set out as Item No. 6 of the Notice.

#### ITEM NO. 7 & 8

The present Authorized Share Capital of the Company is Rs. 10,00,00,000/- (Rupees Ten Crore only). In order to Increase the business opportunities and for further future expansion plans and Augmentation of working capital, it is therefore considered necessary to increase the Authorized Share Capital of the Company from Rs. 10,00,00,000/- (Rupees Ten Crore Only) divided into 1,00,00,000/- (One Crore) equity shares of Rs. 10/- (Rupees Ten Only) each fully paid up to Rs. 25,00,00,000/- (Rupees Twenty Five Crore) divided into 2,50,00,000/- (Two Crores Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten Only) each fully paid up each ranking pari-passu in all respect with the existing Equity Shares of the Company.

The Board of Directors in its meeting held on 04<sup>th</sup> September, 2024 has approved the proposal to increase the Authorized Share Capital of the Company and consequent amendments to the Memorandum of the Company subject to shareholders approval.

Consequently, Clause V of the Memorandum of Association would also require alteration so as to reflect the changed Authorised Share Capital. The existing clause V of the Memorandum of Association shall be substituted with the following:

The Authorised Share Capital after increase will be as under:

**V. "The Authorized Share Capital of the Company is Rs. 25,00,00,000 /- (Rupees Twenty-Five Crore only) divided into 2,50,00,000 (Two Crore Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each."**

The Memorandum of Association of the Company is available for inspection by the members at the Registered Office of the Company during business hours on any working day up to the date of the

Annual General Meeting and will be kept open at the place of the meeting during the continuation of the meeting.

Accordingly, pursuant to provisions of Sections 13, 61 and other applicable provisions of the Act and the Rules made thereunder, the consent of the Members is sought for passing of:

(a) Ordinary Resolution for Increase in Authorised Share Capital of the Company as mentioned at Item No. 7 and

(b) Special Resolution for carrying out alteration to Clause V of the Memorandum of Association of the Company as mentioned at Item No. 8.

None of the Directors and/or Key Managerial Persons of the Company and their relatives is in any way concerned or interested, financially or otherwise, in the Resolution set out at Item No. 7 & 8 of the Notice, except to the extent of their shareholding in the Company if any.

#### **ITEM NO. 9**

The Articles of Association (“AOA”) of the Company as presently in force are based on the Companies Act, 2013 and several regulations in the existing AOA are required to be added as well as altered in conformity with the Companies Act, 2013.

Further several regulations / articles of the existing AOA of the Company require alteration or deletion or addition pursuant to the applicable laws. Therefore, it is considered expedient to wholly replace the existing AOA by a new set of Articles.

The Articles of Association of the Company is available for inspection by the members at the Registered Office of the Company during business hours on any working day up to the date of the Annual General Meeting and will be kept open at the place of the meeting during the continuation of the meeting.

Pursuant to provisions of Section 14 of the Companies Act, 2013, approval of the members is required for adoption of amended and restated Articles of Association of the Company means of a Special Resolution.

By considering the above facts, the Board recommends the Special Resolution set out in Item No. 9 of the Notice for the approval of the Shareholders.

None of the Directors and/or Key Managerial Personnel of the Company and/or their respective relatives are concerned or interested, financially or otherwise, in the Special Resolution set out as Item No. 9 of the Notice.

## **ITEM NO. 10**

The Company considers it appropriate to implement a policy governing the grant of loans and advances to employees, including Key Managerial Personnel (KMPs) and for that the Company has formulated the said Policy to ensure compliance with the applicable laws, rules, and regulations, and to establish a clear procedural framework for such transactions.

The Audit Committee and Nomination and Remuneration Committee are authorised to oversee the policy framework to promote diversity on Company's Board and to whom the directors/KMPs and employees shall report in case of any concern.

Copy of the draft Policy on Grant of Loans & Advances to Employees including KMPs would be available for inspection by the members at the Registered Office of the Company during business hours on any working day up to the date of the Annual General Meeting and will be kept open at the place of the meeting during the continuation of the meeting.

Pursuant to applicable provisions of the act, rules and regulations, approval of the members is required for adoption of policy on grant of loans & advances to employees including KMPs by means of a Special Resolution.

By considering the above facts, the Board recommends the Special Resolution set out in Item No. 10 of the Notice for the approval of the Shareholders.

None of the Directors of the Company and/or their respective relatives are concerned or interested, financially or otherwise, in the Special Resolution set out as Item No. 10 of the Notice.

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

**Hitendra Desai  
Whole-time Director  
DIN No.: 00452481**

**Date:** 04<sup>th</sup> September, 2024

**Place:** Mumbai

**Registered Office**

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

## DIRECTORS' REPORT

To  
The Members,  
Harish Textile Engineers Limited

Your Directors are pleased to present the 14<sup>th</sup> Annual Report on the business and operations of **Harish Textile Engineers Limited** ("the Company") along with the Audited Financial Statements of your Company for the financial year ended 31<sup>st</sup> March, 2024.

### 1. FINANCIAL HIGHLIGHTS:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 ("the Act") read with The Companies (Accounts) Rules, 2014. The financial statements for the financial year ended 31<sup>st</sup> March, 2024 as well as comparative figures for the year ended 31<sup>st</sup> March, 2023 are Ind AS compliant.

The financial highlights of your Company for the year ended 31<sup>st</sup> March, 2024 are summarized as follows:

Particulars	(Rs. In Lakhs)	
	Year ended 31 <sup>st</sup> March, 2024	Year ended 31 <sup>st</sup> March, 2023
Gross Income	13258.58	11771.46
Profit Before Interest and Depreciation	696.97	756.83
Depreciation	186.81	220.15
Net Profit Before Tax	-35.85	10.34
Provision for Tax (Net of reversal)	-7.58	13.60
Net Profit After Tax	-28.27	-3.26
Balance of Retained Earning brought forward	620.07	623.33
Balance of Retained Earning carried forward	591.80	620.07

### 2. DIVIDEND:

Your Directors have not recommended any dividend for the year under review due to loss incurred by the Company for the year ended 31<sup>st</sup> March, 2024.

### 3. 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.

### 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 except one legal intimation received between the end of the financial year of the Company and the date of the Directors' report for case filed by one of the supplier before Hon'ble Micro Small Enterprise Facilitation Council, Ahmedabad, Gujarat alleging that the Company has to pay an amount of Rs. 61,47,306/- which includes Principal amount of Rs. 25,50,385/- (already disclosed in the Books of Accounts) and Interest of Rs. 35,96,921.

**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:**

1. With reference to our earlier disclosure regarding Petition No. 128 of 2022 filed by the petitioner Mr. Nikhil H. Gandhi & two Ors. (Mrs. Chhaya Nikhil Gandhi and Mrs. Kumudben Himatlal Gandhi) against Pacific Harish Industries Ltd. & eight Ors. (Mr. Sandeep K. Gandhi, Mr. Hitendra C. Desai, Mr. Manish K. Vagadia, Mrs. Shaila S. Gandhi, Harish Textile Engineers Limited, Kasha Textile Private Limited, Mr. Kirtikumar S. Gandhi and M/s. K. M. Swadia & Co.), Harish Textile Engineers Limited is respondent no. six, and Mr. Sandeep Gandhi is respondent no. two. The Hon'ble NCLT (National Company Law Tribunal), Mumbai had passed the order dated 14<sup>th</sup> June, 2023 has stayed the further proceedings till the pendency of the Hon. High Court order.
2. The Company had received Arbitral Award through e-mail from legal representative of Claimant of M/s. Ramdev Resins Private Limited ("Creditor") on 06<sup>th</sup> November, 2023 in the case of M/s. Ramdev Resins Private Limited, Gandhinagar Versus M/s. Harish Textile Engineers Limited, Mumbai (Formerly Known as Harish Textiles Engineers Private Limited) being DP No. 2662 (MSME-D/MSEFC/DP-2662/5275/23) by The Hon'ble Micro Small Enterprise Facilitation Council, Gandhinagar, Gujarat. As per the said Award, the Company is liable to make a total payment of Rs. 28,20,230/-, which includes Principal amount of Rs. 11,79,330/- and an Interest amount of Rs. 16,40,900/-, which are provided in the Books of Account.
3. The Company had received Arbitral Award through e-mail from legal representative of Claimant of M/s. Jagjiwan Enchem Udhyog Ltd. ("Creditor") on 06<sup>th</sup> November, 2023 in the case of M/s. Jagjiwan Enchem Udhyog Ltd., Ahmedabad Versus M/s. Harish Textile Engineers Limited, Mumbai being DP No. 2045 by The Hon'ble Micro Small Enterprise Facilitation Council, Gujarat. As per the said Award, the Company is liable to make a total payment of Rs. 52,74,703/- which includes Principal amount of Rs. 25,26,846/- and an Interest amount of Rs. 27,47,857/-, which are provided in the Books of Account.

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

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

## **9. DECLARATION BY INDEPENDENT DIRECTORS:**

The Independent Directors have submitted their disclosures to the Board indicating that they comply with all the requirements that are stipulated in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 so as to qualify themselves to act as Independent Directors in the Company. Further, they have also declared that they are not aware of any circumstance or situation, which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

The Independent Directors of the Company have complied with the requirements of the provisions in relation to the Independent Directors Databank as stated in the Companies (Creation and Maintenance of databank of Independent Directors) Rules, 2019 and the Companies (Appointment and Qualification of Directors) Rules, 2014 as amended from time to time.

## **10. 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 and can be accessed on the Company's website at the link <https://www.harishtextile.com/investors/annual-return>.

## **11. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

As on 31<sup>st</sup> March, 2024, the Company has five Directors comprising of two Executive Directors and three Non-Executive Directors out of which all three are Independent Directors. There is one Women Director.

### **Independent Directors:**

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.

**Change in Directors and Key Managerial Personnel:**

During the year under review there are following changes in the Board of Directors of the Company.

- a) Ms. Sushmita Swarup Lunkad (DIN: 09044848) was appointed as a Non-Executive, Independent Women Director of the Company w.e.f. 04<sup>th</sup> September, 2023.
- b) Mrs. Meena Ramesh Mistry (DIN: 07142544) has resigned from the post of Non-Executive, Independent Director of the Company w.e.f. 11<sup>th</sup> December, 2023.

**Key Managerial Personnel:**

Pursuant to the provisions of Sections 2(51) and 203 of the Act read with The Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014, the following are the Key Managerial Personnel of the Company as on 31<sup>st</sup> March, 2024:

<b>Sr. No.</b>	<b>Name of Key Managerial Personnel</b>	<b>Designation</b>
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 & Compliance Officer

**12. AUDITORS:**

**Statutory Auditor:**

M/s K. M. Swadia & Co., Chartered Accountants, (FRN:110740W) were appointed as Statutory Auditors of the Company from the financial year 2019-2020 at the Annual General Meeting ("AGM") held during 2019 for a term of five financial years commencing from 2019-2020 and until 2023-2024. Considering the performance and experience of M/s K.M. Swadia & Co, a resolution for re-appointing M/s. K. M. Swadia & Co., Chartered Accountants, as Statutory Auditors for a second term of five financial years commencing from 2024-2025 and until 2028-2029 has been proposed by the Board of Directors on the recommendation of the Audit Committee and the said appointment is subject to approval of the Shareholders at the ensuing Annual General Meeting.

**Cost Auditor:**

During the year under review, in accordance with Section 148(1) of the Act, the Company has maintained the accounts and cost records, as specified by the Central Government. The Board of Directors had appointed M/s. Y S Thakar & Associates, (Membership No. 9688 & Firm Registration No.: 000318), as Cost Auditors of the Company, for conducting the audit of cost records for the financial year ended 31<sup>st</sup> March, 2024. The audit is in progress and the report will be filed with the Ministry of Corporate Affairs within the prescribed period.

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 (as amended), the Board of Directors, on the recommendation of the Audit Committee have appointed M/s. Y S Thakar & Associates, (Membership No. 9688 & Firm

Registration No. 000318), Practicing Cost Accountant, Vadodara, as the Cost Auditor of the Company for the Financial Year 2024-25.

The remuneration payable to the Cost Auditor is subject to ratification of Shareholders at the ensuing Annual General Meeting.

**Secretarial Auditor:**

Pursuant to the provisions of Section 204 of the Act, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board, at its meeting held on November 09, 2023 approved the appointment of M/s. D N Vora & Associates (ACS No.: 46989, CP No. 21254), Company Secretary in Practice, Mumbai to conduct the Secretarial Audit of the Company for the financial year ended 31<sup>st</sup> March, 2024.

The Secretarial Audit report for the financial year ended 31<sup>st</sup> March, 2024 is attached as **Annexure III** to this Report.

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors have appointed M/s. D N Vora & Associates (ACS No.: 46989, CP No. 21254), Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2024-25.

**13. STATUTORY AUDITORS' REPORT:**

The Auditors' Report contains two Qualification:

1. *"Gratuity liability of employees is not provided for as required by Ind AS 19 on "Employee Benefits". The impact of the same is not quantified in the absence of actuarial valuation/ management estimate."*

**Management Response:**

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.

2. *"The Company has recently ascertained the particulars of dues to Micro, Small and Medium enterprises, under MSMED Act, 2006. The interest liability arising out of delayed payment to undertakings registered under the MSMED Act, has not been quantified and provided for."*

**Management Response:**

The Company has recently ascertained particulars of registration from vendors covered under by the provisions of MSME Act. With respect to provision of interest under MSME Act, there are several issues that required clarification from legal interpretation point of view. The Company will seek legal advice to address the issues. Until, the issues are addressed, it would not be possible for the Company to correctly compute the interest liability arising out of delayed payment to vendors under the MSME Act. Hence, no provision pertaining to interest liability for the vendors registered under the MSME Act has been provided for

pertaining to the Financial Year 2023-24 and prior period except for the cases for which company has received order under Micro Small Enterprise Facilitation Council.

3. In connection with the observation made in the Auditor's Report, though not in the nature of qualification, the Company uses the accounting software that has a feature of recording audit trail (edit log) facility and is in the process of enabling this facility for all relevant transactions in the accounting software used for maintaining books of account for the Company.

#### **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, 2024, 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. COMPLIANCE WITH SECRETARIAL STANDARDS:**

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and that such systems are adequate and is operating effectively.

#### **16. 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.

#### **17. 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 (if any). Pursuant to Regulation 46 of Listing Regulations the details of Familiarization Programme is uploaded on the Company's website at <https://www.harishtextile.com/investors/policies>.

#### **18. 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 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
- Annual Return
- Shareholding Pattern
- Code of Conduct
- Policies
- Nomination and Remuneration Policy
- Materiality Policy under Regulation 30 of SEBI (LODR) Regulations, 2015

#### **19. 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 239.

#### **20. 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 2023-2024. 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 2023-2024 in Form MR-3 is annexed to this report as **Annexure-III**.

The Secretarial Audit report contains one qualification, reservation, adverse remark or disclaimer as follows:

1. *“During the year under review the Company has not filled form MSME as required under Companies Act, 2013.”*

**Management Response:**

The Company has recently ascertained particulars of registration from vendors covered under by the provisions of MSME Act. With respect to provision of interest under MSME Act, there are several issues that required clarification from legal interpretation point of view. The Company will seek legal advice to address the issues. Until, the issues are addressed, it would not be possible for the Company to correctly compute the interest liability arising out of delayed payment to vendors under the MSME Act. Hence, no provision pertaining to interest liability for the vendors registered under the MSME Act has been provided for pertaining to the Financial Year 2023-24 and prior period except for the cases for which company has received order under Micro Small Enterprise Facilitation Council.

**21. EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS MADE BY STATUTORY AUDITORS AND THE SECRETARIAL AUDITORS IN THEIR REPORTS:**

**The Statutory Audit Report, however contains the following observation from Statutory Auditor:**

1. *“Gratuity liability of employees is not provided for as required by Ind AS 19 on “Employee Benefits”. The impact of the same is not quantified in the absence of actuarial valuation/ management estimate.”*

**Management Response:**

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.

2. *“The Company has recently ascertained the particulars of dues to Micro, Small and Medium enterprises, under MSMED Act, 2006. The interest liability arising out of delayed payment to undertakings registered under the MSMED Act, has not been quantified and provided for.”*

**Management Response:**

The Company has recently ascertained particulars of registration from vendors covered under by the provisions of MSME Act. With respect to provision of interest under MSME Act, there are several issues that required clarification from legal interpretation point of view. The Company will seek legal advice to address the issues. Until, the issues are addressed, it would not be

possible for the Company to correctly compute the interest liability arising out of delayed payment to vendors under the MSME Act. Hence, no provision pertaining to interest liability for the vendors registered under the MSME Act has been provided for pertaining to the Financial Year 2023-24 and prior period except for the cases for which company has received order under Micro Small Enterprise Facilitation Council.

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

2. "During the year under review the Company has not filled form MSME as required under Companies Act, 2013."

**Management Response:**

The Company has recently ascertained particulars of registration from vendors covered under by the provisions of MSME Act. With respect to provision of interest under MSME Act, there are several issues that required clarification from legal interpretation point of view. The Company will seek legal advice to address the issues. Until, the issues are addressed, it would not be possible for the Company to correctly compute the interest liability arising out of delayed payment to vendors under the MSME Act. Hence, no provision pertaining to interest liability for the vendors registered under the MSME Act has been provided for pertaining to the Financial Year 2023-24 and prior period except for the cases for which company has received order under Micro Small Enterprise Facilitation Council.

**22. SHARE CAPITAL:**

**Authorized Share Capital:**

The Authorized Share Capital as on 31<sup>st</sup> March, 2024 was Rs. 10,00,00,000 divided into 1,00,00,000 Equity Shares of Rs. 10 each, which is same as at the previous year end.

**Issued, Subscribed and Paid-up Share Capital:**

The Paid up Equity Share Capital as on 31<sup>st</sup> March, 2024 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.

**23. SHARES/ DEBENTURES:**

- Buyback of Securities: The Company has not bought back any of the securities during the year under review.
- Sweat Equity: The Company has not issued any sweat equity shares during the year under review.
- Employee Stock Option Plan: The Company has not provided any stock options to the employees.



- Non-Convertible Debentures: The Company has not issued and redeem any Debentures/ Non-Convertible Debentures during the year under review.

The Company had issued and allotted 4,23,209 7% (non-cumulative) Unlisted, Secured, Unrated Redeemable, Non-Convertible Debentures of the face value of Rs.100/- each, aggregating to Rs. 4,23,20,900 (Rupees Four Crore Twenty Three Lakh Twenty Thousand and Nine Hundred Only) on 21<sup>st</sup> September, 2022 for tenure of three (3) years. The said NCDs were divided into four (4) different series having different maturity dates.

<b>Series of Debentures</b>	<b>Date of Redemption</b>
Old Series-I Debentures	13 <sup>th</sup> February, 2023 (Redeemed on 13 <sup>th</sup> February, 2023)
Old Series-II Debentures	24 <sup>th</sup> June, 2024
Old Series-III Debentures	13 <sup>th</sup> August, 2024
Series-IV Debentures	20 <sup>th</sup> September, 2025

#### **24. CREDIT RATING:**

The Company does not have any debt instrument or a fixed deposit program or any scheme or proposal involving mobilisation of funds either in India or abroad that requires Credit Rating.

#### **25. 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.

#### **26. ONE-TIME SETTLEMENT AND VALUATION:**

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

#### **27. 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.

#### **28. 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.

#### **29. 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.

### 30. 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.

### 31. 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, 2024 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. 1,52,54,919/- (previous year Rs. 93,73,547/-)

**Foreign Exchange Outgo:** Rs. 1,68,75,788/- (previous year Rs. 88,17,386/-)

### **32. 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:**

- Attendance and Participation.
- Maintaining confidentiality.
- Acting in good faith and in the interest of the Company as a whole.
- Exercising duties with due diligence and reasonable care.
- Complying with legislations and regulations in letter and spirit.
- Openness to ideas, perspectives and opinions and ability to challenge old practices and throwing up new ideas for discussion.
- 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.

### **33. LISTING OF SHARES:**

The Shares of the Company is listed on BSE Limited. Applicable listing fees have been paid up to date. The Shares of the Company have not been suspended from trading at any time during the year by the concerned Stock Exchanges.

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

During the year, **20 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	25-04-2023	Sandeep Gandhi Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry
2	03-05-2023	Sandeep Gandhi Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry
3	12-05-2023	Sandeep Gandhi Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry
4	18-05-2023	Sandeep Gandhi Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry
'5	30-05-2023	Sandeep Gandhi Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry
6	06-07-2023	Sandeep Gandhi Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry
7	24-07-2023	Sandeep Gandhi Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry
8	27-07-2023	Sandeep Gandhi Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry
9	02-08-2023	Sandeep Gandhi Hitendra Desai

		Ritesh Patel Nainesh Trivedi *Meena Mistry
10	14-08-2023	Sandeep Gandhi Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry
11	23-08-2023	Sandeep Gandhi Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry
12	30-08-2023	Sandeep Gandhi Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry
13	04-09-2023	Sandeep Gandhi Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry
14	27-09-2023	Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry #Sushmita Lunkad
15	09-11-2023	Sandeep Gandhi Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry #Sushmita Lunkad
16	20-11-2023	Sandeep Gandhi Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry #Sushmita Lunkad
17	11-12-2023	Sandeep Gandhi Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry #Sushmita Lunkad
18	24-01-2024	Sandeep Gandhi Hitendra Desai Ritesh Patel Nainesh Trivedi

		#Sushmita Lunkad
19	14-02-2024	Sandeep Gandhi Hitendra Desai Ritesh Patel Nainesh Trivedi #Sushmita Lunkad
20	07-03-2024	Sandeep Gandhi Hitendra Desai Ritesh Patel Nainesh Trivedi #Sushmita Lunkad

#Ms. Sushmita Swarup Lunkad (DIN: 09044848) was appointed as a Non-Executive, Independent Women Director of the Company w.e.f. 04<sup>th</sup> September, 2023.

\*Mrs. Meena Ramesh Mistry (DIN: 07142544) has resigned from the post of Non-Executive, Independent Director of the Company w.e.f. 11<sup>th</sup> December, 2023.

### 35. INTERNAL FINANCIAL CONTROL SYSTEM:

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

### 36. 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 Audit Committee acts as a link between the statutory and internal auditors and the Board of Directors. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

The Company has an Internal Auditor, who is responsible for conducting independent Internal Audit. The Internal Auditor reports directly to the Audit Committee of the Board.

Committee invites such of the executives as it considers appropriate, representatives of the statutory auditors and internal auditors, to be present at its meetings. The Company Secretary acts as the Secretary to the Audit Committee. Reports are sent to the members of the Committee on matters relating to the Insider Trading Code.

During the year, 13 Audit Committee Meetings were held.

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

<b>SR. NO.</b>	<b>AUDIT COMMITTEE MEETING DATE</b>	<b>COMMITTEE MEMBERS PRESENT</b>
1	25-04-2023	Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry
2	03-05-2023	Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry
3	18-05-2023	Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry
4	30-05-2023	Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry
5	27-07-2023	Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry
6	14-08-2023	Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry
7	23-08-2023	Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry
8	04-09-2023	Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry
9	27-09-2023	Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry #Sushmita Lunkad
10	09-11-2023	Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry #Sushmita Lunkad
11	20-11-2023	Hitendra Desai Ritesh Patel Nainesh Trivedi *Meena Mistry #Sushmita Lunkad
12	11-12-2023	Hitendra Desai

		Ritesh Patel Nainesh Trivedi *Meena Mistry #Sushmita Lunkad
13	14-02-2024	Hitendra Desai Ritesh Patel Nainesh Trivedi #Sushmita Lunkad

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	13
*Mrs. Meena Mistry	Non-Executive & Independent Director	12
Mr. Hitendra Desai	Executive Director & Whole Time Director	13
Mr. Nainesh Trivedi	Non-Executive & Independent Director	13
#Ms. Sushmita Lunkad	Non-Executive & Independent Director	05

#Ms. Sushmita Swarup Lunkad (DIN: 09044848) was appointed as a Non-Executive, Independent Director of the Company w.e.f. 04<sup>th</sup> September, 2023.

\*Mrs. Meena Ramesh Mistry (DIN: 07142544) has resigned from the post of Non-Executive, Independent Director of the Company w.e.f. 11<sup>th</sup> December, 2023.

**The Committee in particular looks into:**

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending the appointment, re-appointment and removal of statutory auditor, fixation of audit fees and also approval of payment of any other services.
- To ensure proper disclosure in the Quarterly, Half yearly and Annual Financial Statements.
- To review the functioning of the Whistle Blower Mechanism.
- Reviewing with management the quarterly / annual financial statements before submission to the Board focusing primarily on the following:
  - Matters required to be included in the Director's Responsibility Statement.
  - Any change in accounting policies and practices.
  - Major accounting entries based on exercise of judgment by management.
  - Significant adjustment arising out of audit.
  - Compliance with accounting standards.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Qualification in draft audit report.



- Any related party transaction, i.e., transaction of the management, their subsidiaries or relatives, etc., that may have potential conflict with the interest of Company at large. Approval or any subsequent modification of transactions of the Company with related parties and granting omnibus approval to related party transactions which are in the ordinary course of business and on an arm's length basis and to review and approve such transactions.
- Reviewing with the management, statutory and internal auditors and the adequacy of internal control systems and reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing the finding of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity of a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- Reviewing the Company's financial and risk management policies (if any).
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Approval of appointment of CFO (i.e., the Whole Time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
- Review and monitor the Auditor's independence, performance and effectiveness of audit process.
- Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.

### **37. 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 Nomination and Remuneration Policy is available on the Company's website at: <https://www.harishtextile.com/investors/policies>

### **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 **six time** during the year dated 18<sup>th</sup> May, 2023, 06<sup>th</sup> July, 2023, 04<sup>th</sup> September, 2023, 09<sup>th</sup> November, 2023, 11<sup>th</sup> December, 2023, and 07<sup>th</sup> March, 2024. 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:

<b>Name of the Director</b>	<b>Category</b>	<b>No. of Meetings attended</b>
Mr. Ritesh Patel	Non-Executive & Independent Director	6
*Mrs. Meena Mistry	Non-Executive & Independent Director	5
Mr. Nainesh Trivedi	Non-Executive & Independent Director	6
#Mrs. Sushmita Lunkad	Non-Executive & Independent Director	3

#Ms. Sushmita Swarup Lunkad (DIN: 09044848) was appointed as a Non-Executive, Independent Director of the Company w.e.f. 04<sup>th</sup> September, 2023.

\*Mrs. Meena Ramesh Mistry (DIN: 07142544) has resigned from the post of Non-Executive, Independent Director of the Company w.e.f. 11<sup>th</sup> December, 2023.

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.

### **The Committee in particular looks into:**

The nomination and remuneration committee of the Company is constituted in line with the provisions of Regulation 19 with Part D of the Schedule II of SEBI Listing Regulations, read with Section 178 of the Act.

- Recommend to the Board the setup and composition of the Board and its Committees.
- To approve the annual Remuneration of the Directors and Employees of the Company.
- To review the performance of the Chairman and Managing Director and the Whole-time Directors after considering the company's performance.

- To review overall compensation policy, service agreements, performance incentive and other employment conditions of Executive Director(s).
- Recommend to the Board the appointment/re-appointment of Directors and Key Managerial Personnel.
- Recommend to the Board the Remuneration Policy for Directors, executive team or Key Managerial Personnel as well as the rest of employees.
- Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors.
- Oversee familiarization programs for Directors.

### 38. 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 Companies Act, 2013.

#### **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 **four** during the financial year under review dated 27<sup>th</sup> July, 2023, 04<sup>th</sup> September, 2023, 11<sup>th</sup> December, 2023 and 07<sup>th</sup> March, 2024. 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:

<b>Name of the Director</b>	<b>Category</b>	<b>No. of Meetings attended</b>
Mr. Ritesh Patel	Chairman, Non-Executive & Independent Director	4
*Mrs. Meena Mistry	Non-Executive & Independent Director	3
Mr. Nainesh Trivedi	Non-Executive & Independent Director	4
Mr. Hitendra Desai	Executive & Whole-Time Director	4
#Ms. Sushmita Lunkad	Non-Executive & Independent Director	2

#Ms. Sushmita Swarup Lunkad (DIN: 09044848) was appointed as a Non-Executive, Independent Director of the Company w.e.f. 04<sup>th</sup> September, 2023.

\*Mrs. Meena Ramesh Mistry (DIN: 07142544) has resigned from the post of Non-Executive, Independent Director of the Company w.e.f. 11<sup>th</sup> December, 2023.

The committee meets at frequent intervals, to approve inter-alia, transfer/ transmission of Equity shares, non-receipt of annual Report, attending to complaints of investors routed by SEBI/Stock Exchanges and reviews the status of investors' grievances and redressed mechanism and recommend measures to improve the level of investor services. Details of share transfer / transmission approved by the committee are placed at the Board meetings from time to time. Company Secretary of the Company acted as the Secretary to the Stakeholders Relationship Grievance Committee.

**The Committee in particular looks into:**

- To oversee and review redressal of shareholder and investor grievances, on matters relating to issue, transfer, transmission of securities, non-receipt of annual report, non-receipt of dividends/interests.
- 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.
- Attending to complaints of security holders routed by SEBI (SCORES)/Stock Exchanges/RBI or any other Regulatory Authorities.
- 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.
- To monitor transfer of the amounts/shares transferable to Investor Education and Protection Fund.
- To list the securities of the Company on Stock Exchanges.
- Any other matters that can facilitate better investor services and relations.
- Review activities with regard to the Health Safety and Sustainability initiatives of the Company.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholder of the Company.

During the year under review, few queries/complaints were received from shareholders/investors and all of them got resolved on time. Hence, no complaint / query is remaining unresolved & pending as on 31<sup>st</sup> March 2024. The number of pending share transfers as on 31<sup>st</sup> March 2024 were Nil.

**39. INDEPENDENT DIRECTORS' MEETING:**

During the year under review, as required under Schedule IV to the Companies Act, 2013 and the provisions of SEBI Listing Regulations, 2015, the Independent Directors met on 07<sup>th</sup> March, 2024, without the presence of Executive Directors or members of management, inter alia, to discuss:

- Evaluation of performance of Non-Independent Directors and the Board of Directors as a whole
- Evaluation of performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

#### **40. 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 at <https://www.harishtextile.com/investors/policies>

During the year under review, there were no complaints received under this mechanism.

#### **41. RISK MANAGEMENT POLICY:**

As per Regulation 21 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 the top 1000 listed entities need to adopt Risk Management Policy. Therefore, the Company is not required to adopt Risk Management Policy.

#### **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. 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.

#### **44. 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**.

#### **45. VARIOUS POLICIES OF THE COMPANY:**

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 the Company has formulated, implemented and amended (as per the Companies (amendments) Act, 2017, SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019) and SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and other applicable provisions, Company has formulated various policies and the Amended copy of all such Policies are available on Company's website ([www.harishtextile.com](http://www.harishtextile.com)). The Policies are reviewed periodically by the Board and updated based on need and requirements.

#### **46. 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.

#### **47. 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.

#### **48. 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.

The Prevention of Sexual Harassment (POSH) of Women at Workplace Policy is available on the Company's website at: <https://www.harishtextile.com/investors/policies>.

#### **49. 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.

#### **50. 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**.

## **51. ACKNOWLEDGEMENTS:**

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from various stakeholders including financial institutions and banks, government authorities and other business associates who have extended their valuable support and encouragement during the year under review.

Your Directors take this opportunity to place on record their appreciation for the committed services rendered by the employees of the Company at all levels, who have contributed significantly towards the Company's performance and for enhancing its inherent strength.

Your Directors also acknowledge with gratitude the encouragement and support extended by our valued shareholders.

**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: 30<sup>th</sup> May, 2024  
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 significant challenges, the global economy showed remarkable resilience in the financial year 2023-24. These challenges included post-pandemic supply-chain disruptions, a global energy and food crisis due to the Russian-Ukraine conflict, increased logistics costs from the Red Sea crisis, and a notable rise in inflation leading to synchronised monetary policy tightening worldwide. Contrary to many forecasts, the world avoided a recession, the banking system remained largely robust, and major emerging market economies did not experience sudden stops.

Global GDP growth was 3.2% in 2023 and is expected to stay the same in 2024, with a slight increase to 3.3% in 2025. By late 2023, headline inflation in most economies had nearly returned to its pre-pandemic level for the first time since the global inflation surge began.

Global equity markets ended 2023 on a high note, with major global equity benchmarks delivering double-digit returns.

The Indian economy grew 8.2% in FY 2023-24 fiscal against 7.0% in FY 2022-23 mainly on account of the improved performance in the mining and quarrying, manufacturing and certain segments of the services sector.

In FY 2023-24, the CPI inflation averaged 5.4% with rural inflation exceeding urban inflation. Lower production and erratic weather led to a spike in food inflation. In contrast, core inflation averaged at 4.5%, a sharp decline from 6.2% in FY 2022-23.

India's exports of goods and services touched USD 778 Billion in 2023 compared to USD 770 Billion in the previous year.

India withstood global headwinds in 2023 and is likely to remain the world's fastest-growing major economy on the back of growing demand, moderate inflation, stable interest rates and robust foreign exchange reserves.

The Indian textile and apparel market was valued at USD 197.2 Billion in 2023 and it is further expected to reach USD 592.7 Billion by 2032, at a CAGR of 12.6% from 2024-2032. The textile and apparel industry is an integral part of India's economy contributing approximately 2.3% to the GDP, 13% to industrial production and 12% to exports. The textile industry in India is expected to double its contribution to the GDP, rising from 2.3% to approximately 5% by the end of this decade.

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

For the Fiscal year 2023-24, Company has attained the top line of Rs. 132 crores, this records for almost 13% Y-o-Y growth in the annual turnover of the Company. The Non-Woven business performed exceptionally well showing an annual increase in the turnover by almost 4%. The



performance of the PSF division was also increased by approximately 3%. The Textile Engineering business performed significantly showing an annual increase in turnover by almost 43%.

The focussed actions for the textile engineering business have resulted in the attaining the better turnover for the year, further appropriate cost optimisation measure, the management expects that the Engineering division will also 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 50,000 square feet in Umbergam, 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. 1,10,000 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 Gonde, 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 2024-25 seems to be better with Non-Woven business attaining monthly highest turnover and expanded Non-Woven capacity has started to yield fruits in the current year.

The overall scenario for Engineering and PSF is also encouraging.

The recycling industry has evolved from viable businesses in medium term to long term and now the recycling industry is seen/taken as “must have” from “good to have” for overall ecological development resulting to move the industry to main stream from the side stream.

A number of Companies are looking for recycled material to reduce their carbon foot prints, automotive industries is one of the leading industries among this. Our Company’s products Fibre and Non-Woven Fabrics are mainly supplied to automotive ancillary companies and hence we are one of the few Company that can address their growing appetite/demand.

### **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:**

#### **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

**Others:**

- Looming threat of global recession
- Supply chain disruptions
- Employee Health & Wellness

**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: 30<sup>th</sup> May, 2024**  
**Place: Mumbai**

**ANNEXURE II**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2024**  
**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	2nd 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, 6th 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	+91-266490251

**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
1	Textile Processing and Machineries	1313	28.43%
2	Non-Woven	5603	55.36%
3	Polyester staple fibre	3252	16.21%

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

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

Sr. No.	Name & 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)

##### A. Category-wise Share Holding:

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-03-2023]				No. of Shares held at the end of the year [As on 31-03-2024]				% Change during the year
	Demat	Physical	Total	% of total Shares	Demat	Physical	Total	% of total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	1604887	1257	1606144	48.15	1604887	1257	1606144	48.15	Nil
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>	<b>1604887</b>	<b>1257</b>	<b>1606144</b>	<b>48.15</b>	<b>1604887</b>	<b>1257</b>	<b>1606144</b>	<b>48.15</b>	<b>Nil</b>
(2) Foreign									
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	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total Shareholding of Promoter Group A(1+2)</b>	<b>1604887</b>	<b>1257</b>	<b>1606144</b>	<b>48.15</b>	<b>1604887</b>	<b>1257</b>	<b>1606144</b>	<b>48.15</b>	<b>Nil</b>
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	1521	1521	0.05	0	1521	1521	0.05	Nil
b) Banks / FI	13	0	13	0	13	0	13	0	0.00
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) FII's	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>	<b>13</b>	<b>1521</b>	<b>1521</b>	<b>0.05</b>	<b>13</b>	<b>1521</b>	<b>1521</b>	<b>0.05</b>	<b>Nil</b>
2. Non-Institutions									
a) Foreign Company	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Bodies Corp.									
i) Indian	4321	18551	22872	0.69	6131	18564	24695	0.74	0.05
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Individuals									
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh	488263	215748	704011	21.10	512600	208923	721523	21.63	0.52
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	829880	16510	846390	25.37	817271	16510	833781	24.99	(0.38)
d) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non Resident Indians	13683	0	13683	0.41	15261	0	15261	0.46	0.05
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	461	0	461	0.01	52	0	52	0.00	(0.01)
Hindu Undivided Family (HUF)	32405	0	32405	0.97	30512	0	30512	0.91	(0.06)
Trusts	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Foreign Bodies - D R	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Employee	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Unclaimed Suspense Account	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Qualified Foreign Investor	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Associate Companies / Subsidiaries	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Key Managerial Personnel	108500	0	108500	3.25	102498	0	102498	3.07	(0.18)

Relatives of Promoters (Non-Promoter)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Trusts (Non-Promoter)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Directors And their relatives (Non-Promoter)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
IEPF	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sub-total (B)(2):-</b>	<b>1477513</b>	<b>250809</b>	<b>1728322</b>	<b>51.81</b>	<b>1484325</b>	<b>243997</b>	<b>1728322</b>	<b>51.81</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1477526</b>	<b>252330</b>	<b>1729856</b>	<b>51.85</b>	<b>1484338</b>	<b>245518</b>	<b>1729856</b>	<b>51.85</b>	<b>0.00</b>
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Grand Total (A+B+C)</b>	<b>3082413</b>	<b>253587</b>	<b>3336000</b>	<b>100</b>	<b>3089225</b>	<b>246775</b>	<b>3336000</b>	<b>100</b>	<b>0.00</b>

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

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2023			Shareholding at the end of the year 31.03.2024			% 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 Kirtikumar Gandhi	1581344	47.40	0	1604467	48.09	0	0.69
2	Mr. Kirti Shantilal Gandhi	23796	0.71	0	673	0.02	0	(0.69)
3	Sandeep Gandhi (HUF)	1	0.00	0	1	0.00	0	0.00
4	Kirtikumar Gandhi (HUF)	1	0.00	0	1	0.00	0	0.00
5	Mr. Shovan Sandeep Gandhi	261	0.01	0	261	0.01	0	0.00
6	Mr. Shaiv Sandeep Gandhi	1	0.00	0	1	0.00	0	0.00
7	Mrs. Saher Ahmed Gandhi	157	0.01	0	157	0.01	0	0.00

8	Mrs. Shaila Sandeep Gandhi	1	0.00	0	1	0.00	0	0.00
9	Mr. Niranjana Kirtikumar Gandhi	582	0.02	0	582	0.02	0	0.00
	<b>Total</b>	<b>1606144</b>	<b>48.15</b>	<b>0</b>	<b>1606144</b>	<b>48.15</b>	<b>0</b>	<b>0.00</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 Kirtikumar Gandhi	At the beginning of the year	15,81,344	47.40	15,81,344	47.40
		Increase/Decrease	23123	0.69	23123	0.69
		At the end of the year	16,04,467	48.09	16,04,467	48.09
2	Mr. Kirtikumar Shantilal Gandhi	At the beginning of the year	23,796	0.71	23,796	0.71
		Increase/Decrease	(23123)	(0.69)	(23123)	(0.69)
		At the end of the year	673	0.02	673	0.02
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 Sandeep 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 Sandeep 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 Ahmed 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 Sandeep 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 Kirtikumar 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 01.04.2023		Change in share-Holding during the year		Shareholding at the end of the year as on 31.03.2024	
		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	Ram Pal Naraniwal	34825	1.04	54885	1.65	89710	2.69
2	Kailashben Ashokkumar Patel	57360	1.72	13832	0.41	71192	2.13
3	Kuntal Pinkesh Upadhyay	63930	1.92	(8996)	(0.27)	54934	1.65
4	Mahendra Girdharilal	63536	1.90	0	0	63536	1.90
5	Nivedita Kishorchandra Kothari	50260	1.51	(10)	0	50250	1.51
6	Patel Mayur Rajendrabhai	45684	1.37	(24)	(0.001)	45660	1.37
7	Dheeraj Kumar	44741	1.34	(21705)	(0.65)	23036	0.69

	Lohia						
8	Pinkesh H Upadhyay Huf	44500	1.33	0	0	44500	1.33
9	Sunil Bhirud	42000	1.26	(200)	(0.01)	41800	1.25
10	Rahul C. Shah	41810	1.25	(38810)	(1.16)	3000	0.09
11	Bhooshan Suresh Patel	41500	1.24	0	0	41500	1.24
12	Varsha Chugh	40984	1.23	0	0	40984	1.23

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

Sr. No	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2023		Change in share-Holding during the year		Shareholding at the end of the year as on 31.03.2024	
		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)	1581344	47.40	23123	0.69	1604467	48.09
2	Mr. Hitendra Desai (Whole-Time Director)	39000	1.17	39000	1.17	39000	1.17
2	Mr. Ritesh Patel (Independent Director)	-	-	-	-	-	-
3	Ms. Meena Mistry (Independent Director)	-	-	-	-	-	-
4	Mr. Nainesh Trivedi (Independent Director)	-	-	-	-	-	-
5	Ms. Sushmita Lunkad	-	-	-	-	-	-
6	Mr. Pinkesh Upadhyay (Chief						

	Financial Officer)	25000	0.75	6002	0.18	18998	0.57
7	Ms. Priya Gupta (Company Secretary and Compliance Officer)	-	-	-	-	-	-

#### F. INDEBTEDNESS:

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

(Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
<b>i) Principal Amount</b>	3131.81	835.41	0	3967.22
<b>ii) Interest due but not paid</b>	-	-	-	-
<b>iii) Interest accrued but not due</b>	-	-	-	-
<b>Total (i+ii+iii)</b>	3131.81	835.41	0	3967.22
<b>Change in Indebtedness during the financial year</b>				
<b>* Addition**</b>	39.39	0	0	39.39
<b>* Reduction</b>	253.15	163.05	0	416.20
<b>Net Change</b>				
<b>Indebtedness at the end of the financial year</b>				
<b>i) Principal Amount</b>	-	-	-	-
<b>ii) Interest due but not paid</b>	-	-	-	-
<b>iii) Interest accrued but not due</b>	-	-	-	-
<b>Total (i+ii+iii)</b>	2918.05	672.36	0	3590.41

**V. 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 C. Desai	
1	Gross salary	160.20	22.20	182.40
	(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	-	-	-
	<b>Total (A)</b>	160.20	22.20	182.40
	<b>Ceiling as per the Act</b>	<b>180.00</b>	<b>30.00</b>	<b>210.00</b>

**Notes:**

\*The Company had passed a special resolution at the Annual General Meeting held on 30<sup>th</sup> September 2022 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 2023-2024 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	Gross salary	-	6.12	18.00	24.12
	(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	-	-	-	-
	Total	-	6.12	18.00	24.12

**VI. 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: 30<sup>th</sup> May, 2024  
Place: Mumbai



**CS Dipali Vora**  
(B.COM, ACS)

**D N VORA & ASSOCIATES**

Company Secretaries  
(Peer Reviewed Firm)

**SECRETARIAL AUDIT REPORT**

**Form No. MR-3**

**Secretarial Audit Report for the Financial Year ended 31<sup>st</sup> March, 2024**

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

To,  
The Members,  
**Harish Textile Engineers Limited**  
**CIN: L29119MH2010PLC201521**  
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') for the Financial Year ended 31<sup>st</sup> March 2024. Secretarial 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 my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2024 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 the records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2024 according to the provisions of the Companies Act, 2013 and the rules made there under:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

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**Address:** 102, New Kamal Kunj, Daulat Nagar, Road No. 09, Borivali (East), Mumbai- 400066  
**Email ID:** [dnvoraandaassociates@yahoo.com](mailto:dnvoraandaassociates@yahoo.com) | **Mobile:** 9022688680

- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(Not Applicable during the Audit Period)**
- 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 (Listing Obligations & Disclosure Requirements) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital And Disclosure Requirements) Regulations, 2018; *(Not applicable as the Company has not issued any shares during the year under review)*
  - e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; *(Not Applicable as the Company has not issued any shares / options to directors / employees under the said regulations during the Financial Year under review)*
  - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - g) 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;
  - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; *(Not Applicable as the Company has not delisted/proposed to delist its equity shares from any Stock Exchanges during the Financial Year under review)*

- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and The Securities and Exchange Board of India (Buyback of Securities) Regulations 2018; *(Not applicable as the Company has not bought back / has proposed to buy-back any of its securities during the Financial Year under review)*
- j) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

I have also examined compliance with the applicable Clauses / Regulations of the following:

- i. Secretarial Standards with regard to Meetings of Board of Directors ('SS-1') and General Meetings ('SS-2') issued by The Institute of Company Secretaries of India;
- ii. the Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except as mentioned below:

1. *During the year under review the company has not filled form MSME as required under Companies Act, 2013.*

**I further report that:**

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors including Women Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all Directors to schedule Board /Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, except where consent of directors was received for circulation of the agenda and notes on agenda at a shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions of the Board and Committees thereof were carried out with requisite majority.

I further report that based on the review of the compliance mechanism established by the Company and on the basis of Compliance Certificate(s) issued by Whole-time Director - Legal and taken on record by the Board of Directors at their meeting(s), I am of the opinion that Management has adequate systems and processes placed in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.



I further report that during the audit period, no event/ action having a major bearing on the Company's affairs in pursuance of the laws, rules, regulations, guidelines, standards, etc. have taken place.

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

**For D N Vora & Associates,  
Practising Company Secretary**

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**Dipali Natvar Vora**

**Proprietor**

**Membership No: A46989/ COP No: 21254**

**Peer Review No: 4158/2023**

**UDIN: A046989F000491895**

**Place: Mumbai**

**Date: 30/05/2024**

*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 Members,  
**Harish Textile Engineers Limited**  
**CIN: L29119MH2010PLC201521**  
2<sup>nd</sup> Floor, 19 Parsi Panchayat Road,  
Andheri (East), Mumbai-400069

### **MANAGEMENT’S RESPONSIBILITY**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

### **AUDITOR’S RESPONSIBILITY**

2. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. I have conducted the Audit as per the applicable Auditing Standards issued by the Institute of Company Secretaries of India.
4. I believe that audit evidence and information obtained from the Company’s management is adequate and appropriate for us to provide a basis for our opinion.
5. Wherever required, we have obtained reasonable assurance whether the statements prepared, documents or records, in relation to Secretarial Audit, maintained by the Company, are free from misstatement.
6. Wherever required, we have obtained the management’s representation about the compliance of laws, rules and regulations and happening of events etc.

### **DISCLAIMER**

7. 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 affairs of the Company.
8. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

**For D N Vora & Associates,  
Practising Company Secretary**

---

**Dipali Natvar Vora**

**Proprietor**

**Membership No: A46989/ COP No: 21254**

**Peer Review No: 4158/2023**

**UDIN: A046989F000491895**

**Place: Mumbai**

**Date: 30/05/2024**

**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.

**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/ 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
-	-	-	-	-	-	-	-	-

**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 (in Lakhs)
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	6.58
3	Sandeep Gandhi Managing Director	Remuneration Paid	5 Years	NA	30.12.2018	160.20
4	Hitendra Desai	Remuneration	5 Years	NA	30.12.2018	22.20

	Whole time Director	Paid				
5	Shaila Gandhi Relative of Managing Director	Professional Fees paid	5 Years	NA	12.04.2019	30
6	Shovan Gandhi Relative of Managing Director	Remuneration paid	5 Years	NA	22.09.2020	24
7	Pacific Harish Industries Limited (Financial liability- Reliance Loan) Company with common Directors	Repayment of Loan	7 Years	NA	12.04.2019	170.77
8	Nfinia Industries Private Limited	Repayment of Loan	As per Agreement	NA	04.08.2022	69.66

**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: 30<sup>th</sup> May, 2024**  
**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;**

<b>Executive Directors</b>	<b>Ratio to Median Remuneration</b>
Sandeep Gandhi	9.31
Hitendra Desai	2.72

**(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;**

<b>Name of Person</b>	<b>% Increase in remuneration</b>
Mr. Sandeep Gandhi	16.94%
Mr. Hitendra Desai	-
Mr. Pinkesh Upadhyay	-
Ms. Priya Gupta	26.71%

**(c) The percentage increase in the median remuneration of employees in the financial year;**  
About 9.50%.

Note: Percentage in bracket represents negative percentage.

**(d) The number of permanent employees on the rolls of Company;** 239

**(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;**

<b>Particulars</b>	<b>Rs. In lakhs</b>
Remuneration of Key Managerial Personnel (KMP) during financial year 2023-2024 (aggregated)	206.52
Revenue from operations	13,104.25
Remuneration (as % of revenue)	1.58%
Profit before tax (PBT)	(35.85)
Remuneration (as % of PBT)	(576.12)

(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	As at	Variation %
		31st March, 2024	31st March, 2023	
Closing rate of share at BSE	Rs.	50.90	31.93	0.59
Closing rate of share at NSE	Rs.	NA	N.A.	NA
EPS (consolidated)	Rs.	(0.85)	(0.10)	7.5
Market capitalization	Rs./Lakhs	1,696.80	1065.18	0.59
BSE		1,696.80	1065.18	0.59
NSE		NA	N.A.	NA
Price Earnings Ratio	Ratio			
BSE		NA	N.A.	Since EPS is negative, PE cannot be calculated
NSE		NA	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 2023-2024 was 0.06%. Percentage increase in the managerial remuneration for the year was 0.15%.

(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	-	18.00	6.12
Revenue from operations	-	13104.25	13104.25
Remuneration (as % of revenue)	-	0.14%	0.05%
Profit before Tax (PBT)	-	(35.85)	(35.85)
Remuneration (as % of PBT)		(50.12)	(17.07)

(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: 30<sup>th</sup> May, 2024**

**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, 2024 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 material 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, 2024, the loss and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### **Basis for Qualified Opinion**

1. 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.
2. The company has recently ascertained the particulars of dues to Micro, Small and Medium enterprises, under MSMED Act, 2006. The interest liability arising out of delayed payment to undertakings registered under the MSMED Act, has not been quantified and provided for (Refer Note No. 21).

Our audit opinion on the financial statements for the year ended 31 March 2024 is qualified in respect of the said matters.

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 the following matters. Our opinion is not modified in respect of these matters:

- a. Note 36(1) of notes to the financial statement year ended March 31, 2024 which states that “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. Vide order dated 09th June, 2023 Hon. Bombay High Court has instructed parties to maintain Status quo and subsequently, Hon. NCLT as well vide its order dated 14th June, 2023 has stayed the further proceedings till the pendency of the Hon. High Court order.
- b. Note 36(2) of notes to the financial statement year ended March 31, 2024 which states that the Term Loan and other Credit facilities from Bank of India are, inter-alia secured by Corporate Guarantee and mortgage of properties of Kasha Textile Private Limited (KTPL). One of the Shareholders of KTPL has claimed that the said corporate guarantee and security were given by KTPL without obtaining consent of Shareholders as is required in terms of section 186 of Companies Act, 2013. The company is taking appropriate legal recourse to protect its interest.
- c. The Company is not regular in depositing Income Tax/Tax Deducted at Source/Professional Taxes and GST with appropriate authority.

Our conclusions are not modified in respect of these matters.

### **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 Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and 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 Management and Board of Directors are 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:
  - 2.A
    - 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 standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, except requirement of Ind AS 19 on "Employee Benefits" with regard to matters described in the Basis of Qualified Opinion paragraph above.
    - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2024 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) In our opinion, the managerial remuneration for the year ended March 31, 2024 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

2.B 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv.
  - a. 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 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.

- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility which was not enabled throughout the year for all relevant transactions recorded in the software, as described in note 37 to the financial statements. Further, we cannot comment upon whether during the year there was any instance of audit trail feature being tampered with in respect of the accounting software.

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

**Archit Antani**  
Partner  
(Membership No. 149221)  
UDIN: 24149221BKCYZO2297

Place: Vadodara  
Date: May 30, 2024

**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 has maintained proper records showing full particulars of intangible assets.
- 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	INR 650/- Lacs.	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..

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: Bank of India  Limit: 1250	Receivable and Stock (net of trade payable).	June 30, 2023	1823.90	1823.90	-	Refer note no. 38 to the Financial Statement.
		September 30, 2023	1915.74	1915.74	-	
		December 31, 2023	2077.75	2077.75	-	
		March 31, 2024	1974.74	1974.74	-	

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: Union Bank of India  Limit: 600	Receivable and Stock.	June 30, 2023	NA	NA	NA	Refer note no. 38 to the Financial Statement.
		September 30, 2023	NA	NA	NA	
		December 31, 2023	772.07	772.07	-	
		March 31, 2024	1030.20	1030.20	-	

- 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, 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 not 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. There are no such outstanding dues as at the year end 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 2023	23.29
Professional Tax Act	Professional Tax	Dec-19 to March 2024	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.



- 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.** The Company is not required to be registered under Section 45- IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a),(b),(c) and (d) of the Order are not applicable to the Company.
- xvii.** The Company has not incurred any cash losses during the financial year covered by our audit and 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.

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

**Archit Antani**  
Partner  
(Membership No. 149221)  
UDIN: 24149221BKCYZO2297

Place: Vadodara  
Date: May 30, 2024

## **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, 2024 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, 2024, 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: 24149221BKCYZO2297

Place: Vadodara  
Date: May 30, 2024

# HARISH TEXTILE ENGINEERS LIMITED

CIN: L29119MH2010PLC201521

Balance Sheet as at 31st March 2024

(Rupees in Lakhs)

Particulars	Note	As at	
		31st March 2024	31st March 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	2,722.21	2,558.47
Right-of-use assets	5	46.60	69.89
Intangible Assets	6	12.38	-
Capital work-in-progress	7	-	171.13
Financial assets			
Other financial assets	8	280.61	243.59
Other assets	9	95.53	97.31
<b>Current assets</b>			
Inventories	10	1,602.02	1,916.77
Financial assets			
Trade receivables	11	2,234.26	1,820.96
Cash and cash equivalents	12	21.91	5.75
Other bank balances	13	3.64	9.34
Other financial assets	8	205.54	205.54
Current Tax Assets (Net)	14	10.27	-
Other assets	9	526.33	613.85
<b>Total Assets</b>		<b>7,761.31</b>	<b>7,712.61</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	15	333.60	333.60
Other equity	16	591.81	620.07
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial liabilities			
Borrowings	17	585.57	1,166.05
Lease liabilities	18	11.35	21.57
Other Financial liabilities	19	9.24	9.24
Deferred tax liabilities (Net)	20	113.20	120.78
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	17	3,004.84	2,801.17
Lease liabilities	18	10.22	9.21
Trade payables	21		
Due to micro enterprises and small enterprises		773.59	458.48
Due to others		1,299.73	1,654.52
Lease liabilities	18		
Other financial liabilities	19	87.34	89.50
Other current liabilities	22	940.85	425.57
Current Tax liabilities (Net)	23	-	2.85
<b>Total Equity and Liabilities</b>		<b>7,761.31</b>	<b>7,712.61</b>

Corporate information and summary of material accounting policy 1 to 3  
information

Contingent Liabilities and commitments 36

Other notes to account 4 to 35,  
37 to 42

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

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 : 30th May 2024

Place : Mumbai

Date : 30th May 2024

**HARISH TEXTILE ENGINEERS LIMITED**

CIN: L29119MH2010PLC201521

Statement of Profit and Loss for the period ended on 31st March 2024

(Rupees in Lakhs)

Particulars	Note	Year ended 31st March 2024	Year ended 31st March 2023
<b>Revenue</b>			
Revenue from operations	24	13104.25	11644.16
Other income	25	154.33	127.30
<b>Total Income</b>		<b>13,258.58</b>	<b>11,771.46</b>
<b>Expenses</b>			
Cost of materials consumed	26	8449.31	7870.53
Changes in inventories	27	201.91	(273.65)
Employee benefits expenses	28	1072.47	1008.59
Finance costs	29	546.02	526.34
Depreciation and amortization expenses	4,6&7	186.81	220.15
Other expenses	30	2837.92	2409.16
<b>Total Expenses</b>		<b>13,294.43</b>	<b>11,761.11</b>
<b>Profit Before Tax for the year</b>		<b>(35.85)</b>	<b>10.34</b>
<b>Tax expense:</b>			
Current tax	31	-	7.98
Adjustment for earlier tax expense	31		
Deffered tax	31	(7.58)	5.62
<b>Profit for the year</b>		<b>(28.27)</b>	<b>(3.26)</b>
Other comprehensive income		-	-
Total other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>(28.27)</b>	<b>(3.26)</b>
<b>Earnings per equity share of FV of Rs. 10 each</b>			
Basic	32	-0.85	-0.10
Diluted		-0.85	-0.10

Corporate information and summary of material accounting policy information 1 to 3

Contingent Liabilities and commitments 36

Other notes to account 4 to 35,  
37 to 42

See accompanying notes to the financial statements

As per our report attached

For K M Swadia &amp; Co.

Chartered Accountants

FRN - 110740W

For HARISH TEXTILE ENGINEERS LIMITED

(CIN:L29119MH2010PLC201521)

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 officerPinkesh Upadhyay  
Chief Financial Officer

Place : Vadodara

Date : 30th May 2024

Place : Mumbai

Date : 30th May 2024



# HARISH TEXTILE ENGINEERS LIMITED

Notes to financial statements for the year ended 31st March 2024

## Statement of Change in Equity (SOCIE) for the year ending 31st March 2024

### (a) Equity share capital

Equity share capital	As at 31st March 2024	As at 31st March 2023
	Amount	Amount
Balance at the beginning of the reporting period	333.60	333.60
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, 2022</b>	<b>623.32</b>
Add: Profit during the Period	(3.26)
<b>Balance as at March 31, 2023</b>	<b>620.07</b>
Add: Loss during the Period	(28.27)
<b>Balance as at March 31, 2024</b>	<b>591.81</b>

Corporate information and summary of material accounting policy information	1 to 3
Contingent Liabilities and commitments	36
	4 to 35,
Other notes to account	37 to 42

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**

**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, 2024**

**Place : Mumbai**  
**Date : May 30, 2024**

# HARISH TEXTILE ENGINEERS LIMITED

CIN: L29119MH2010PLC201521

## CASHFLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2024

Particulars	Rupees in Lakhs	
	For the year ended	
	31st March 2024	31st March 2023
<b>A) Cash Flow from Operating activities</b>		
<b>Profit before tax</b>	<b>(35.85)</b>	10.34
Adjustments for:		
Depreciation and Amortisation	186.81	220.15
(Profit)/ Loss on sale of Fixed Assets	(0.26)	0.04
Loss on demolition of Factory Building	-	39.65
Sundry bal w.back	(111.96)	(75.11)
Sundry Balance w/off	299.78	-
Provision for expected credit loss	(0.42)	22.90
Interest Income	(22.29)	(22.29)
Interest Paid	546.02	526.34
<b>Operating Profit before Working Capital Changes</b>	<b>861.83</b>	<b>722.01</b>
<b>Adjustments for changes in Working Capital</b>		
(Increase)/Decrease in Trade Receivables	(600.70)	306.30
(Increase)/Decrease in Other - Non Current Assets	1.78	(26.23)
(Increase)/Decrease in Non Current financial assets	(37.02)	(14.68)
(Increase)/Decrease in Other Current Assets	87.53	246.08
(Increase)/Decrease in Other Current financial assets	-	-
(Increase)/Decrease in Inventories	314.74	(508.24)
<b>Changes in Trade and Other Receivables</b>	<b>(233.67)</b>	<b>3.23</b>
Increase/(Decrease) in Trade Payables	(39.68)	(88.12)
Increase/(Decrease) in Other current Liabilities	515.28	(71.79)
Increase/(Decrease) in Short-term provisions	-	(14.22)
Increase/(Decrease) in Other Current financial Liabilities	(2.16)	-
Increase/(Decrease) in Other financial Liabilities	-	56.75
<b>Changes in Trade and Other Payables</b>	<b>473.44</b>	<b>(117.38)</b>
<b>Cash Generated from Operations</b>	<b>1,101.60</b>	<b>607.86</b>
Income tax paid ( Net of refunds)	13.12	2.36
<b>Net Cash from Operating Activities</b>	<b>1,088.48</b>	<b>605.50</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of Assets	0.90	1.00
Purchase of Assets.	(156.46)	(108.86)
Capital Work-in-process	-	(92.24)
Investment in Intangible Assets	(12.70)	-
Interest Received	22.29	22.29
<b>Net Cash used in Investing Activities</b>	<b>(145.97)</b>	<b>(177.81)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-term borrowings (incl. current maturities of long term borrowing)	23.00	19.32
Repayment of Long term loans borrowings (incl. current maturities of long term borrowing)	(416.20)	(376.22)
lease liabilities	(9.21)	(8.29)
Change in Short-term borrowings	16.39	256.77
Additions to Loan ##	-	146.79
Repayment of NCD	-	(92.78)
Interest Paid	(546.02)	(526.34)
<b>Net Cash from Financing Activities</b>	<b>(932.05)</b>	<b>(580.76)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>10.46</b>	<b>(153.08)</b>

# HARISH TEXTILE ENGINEERS LIMITED

CIN: L29119MH2010PLC201521

## CASHFLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2024

Particulars	Rupees in Lakhs	
	For the year ended	
	31st March 2024	31st March 2023
Cash and Cash Equivalents at the beginning of the year	15.09	168.17
Cash and Cash Equivalents at the end of the year	25.55	15.09
<b>Closing Cash and Cash Equivalents comprise:</b>		
Cash in hand	1.97	1.60
Balance in Current Account	23.58	13.49
<b>Total</b>	<b>25.55</b>	<b>15.09</b>
<b>Notes to Cash Flow Statement:</b>		
Cash and Cash equivalents comprise of:		
Cash on Hands	1.97	1.60
Balance with Scheduled Banks in Current Accounts	23.58	13.49
Closing Cash and Cash Equivalents	<b>25.55</b>	<b>15.09</b>

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

## Denotes amount which pertains to conversion of Creditors into Non-Convertible Debentures

Corporate information and summary of material accounting policy information 1 to 3  
Contingent Liabilities and commitments 36  
Other notes to account 4 to 35,  
37 to 42

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**  
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**Sandeep Gandhi**  
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**Managing Director**

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**DIN :00452481**  
**Executive Director**

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

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

**Place : Vadodara**  
**Date : 30th May 2024**

**Place : Mumbai**  
**Date : 30th May 2024**

**Notes on the Financial Statements**  
*for the year ended 31st March 2024.*

**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.

**2. Basis of preparation**

**a. Statement of Compliance**

These standalone financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act 2013 (the 'Act'), Companies (Indian Accounting Standards) Rules, 2015 as amended by Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and other relevant provisions of the Act.

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS I) from April, 2023. Although the amendments did not result in any changes in the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of "material" rather than 'significant' accounting policies. The amendments also provide guidance on the application of it to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the financial statements

Details of the Company's accounting policies are included in Note 3.

**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 lakh, unless otherwise indicated.

**c. Basis of measurement**

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

**d. Use of estimates and judgments**

Information about assumptions and estimation uncertainties that have a material risk of resulting in a material adjustment within the next financial year are included in the following notes:

- Note 4, 5 & 6- Estimates of Useful life and residual value of Property, plant and equipment and other intangible assets
- Note 31 & 20 - Current / Deferred tax expense

**Notes on the Financial Statements**  
*for the year ended 31st March 2024.*

- Note 11 – Provision for Expected credit loss on Trade receivables
- Note 36 - Provision and contingent liabilities.

**3. MATERIAL ACCOUNTING POLICIES.**

**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.

The financial statements are presented in Indian Rupees (C) which is the Company's presentation currency. All financial information presented in Indian Rupees has been rounded up to the nearest Lakhs except where otherwise indicated.

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

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

**Notes on the Financial Statements**  
*for the year ended 31st March 2024.*

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

**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 material 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.
- b) **Material 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 material 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

**Notes on the Financial Statements**  
*for the year ended 31st March 2024.*

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 customer. Contract liabilities are recognized 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 recognized 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 recognized 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.

Revenue from scrap sales and other ancillary sales is recognized when the control over the goods is transferred to the customers.

**Notes on the Financial Statements**  
*for the year ended 31st March 2024.*

**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 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.

**Pre-Operative Expenses**

Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under 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.

**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.



**Notes on the Financial Statements**  
*for the year ended 31st March 2024.*

**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.

**f. Intangible assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

**g. Impairment of Assets**

Property, Plant and Equipment or Intangible asset is evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment has to be recognised in the Statement of Profit and Loss.

An impairment loss is reversed in the Statement of Profit and Loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation) had no impairment loss been recognised for the asset in prior years.

**h. Impairment 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.

**Notes on the Financial Statements**  
*for the year ended 31st March 2024.*

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

- material 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;
- 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.

**Notes on the Financial Statements**  
*for the year ended 31st March 2024.*

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 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.

**i. 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

**Notes on the Financial Statements**  
*for the year ended 31st March 2024.*

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.

**j. 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.

**k. 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 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;

**Notes on the Financial Statements**  
*for the year ended 31st March 2024.*

- 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 material discount or premium to its contractual par 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 termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

**Notes on the Financial Statements**  
*for the year ended 31st March 2024.*

Financial assets: Subsequent measurement and gains and losses

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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**

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.

**Notes on the Financial Statements**  
*for the year ended 31st March 2024.*

**l. 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).

**m. 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.

**n. 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

**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.

**Notes on the Financial Statements**  
*for the year ended 31st March 2024.*

**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.

**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



**Notes on the Financial Statements**  
*for the year ended 31st March 2024.*

assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

**o. 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.

**p. 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.

**q. 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".

**Notes on the Financial Statements**  
*for the year ended 31st March 2024.*

**r. 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”.

**s. 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 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.

**Notes on the Financial Statements**  
*for the year ended 31st March 2024.*

**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.

**t. 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.

**u. Recent Indian Accounting Standard (Ind AS) issued not yet effective**

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

4 Property, Plant and Equipment

(Rupees in Lakhs)

Particulars	Gross Block			Depreciation and Amortization				Net Block		
	As at 1st April 2023	Addition during the year	Disposal/ Adjustment	As at 31st March 2024	As at 1st April 2023	For the year	Disposal/ Adjustment	As at 31st March 2024	As at 31st March 2024	As at 31st March 2023
Freehold land (Refer Note 4.1)	1,225.67	-	-	1,225.67	-	-	-	-	1,225.67	1,225.67
Building (Refer Note 4.2)	240.79	16.31	-	257.10	49.81	11.91	-	61.72	195.38	190.98
Plant & Machinery	3,028.49	283.81	-	3,312.29	2,063.74	112.66	-	2,176.40	1,135.90	964.75
Computers	56.87	5.93	-	62.80	51.53	1.66	-	53.19	9.61	5.35
Furniture and fixtures	71.08	-	-	71.08	51.52	1.77	-	53.29	17.79	19.56
Vehicles	346.96	21.52	17.52	350.96	194.80	35.18	16.87	213.11	137.85	152.16
	<b>4,969.86</b>	<b>327.57</b>	<b>17.52</b>	<b>5,279.91</b>	<b>2,411.39</b>	<b>163.19</b>	<b>16.87</b>	<b>2,557.70</b>	<b>2,722.21</b>	<b>2,558.47</b>

Property, Plant and Equipment

(Rupees in Lakhs)

Particulars	Gross Block			Depreciation and Amortization				Net Block		
	As at 1st April 2022	Addition during the year	Disposal/ Adjustment	As at 31st March 2023	As at 1st April 2022	For the year	Disposal/ Adjustment	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
Freehold land (Refer Note 4.1)	1,225.67	-	-	1,225.67	-	-	-	-	1,225.67	1,225.67
Building (Refer Note 4.2)	329.90	14.97	104.08	240.79	101.73	12.51	64.44	49.81	190.98	228.17
Plant & Machinery	2,962.19	66.30	-	3,028.49	1,925.54	138.20	-	2,063.74	964.75	1,036.65
Computers	52.59	4.28	-	56.87	48.99	2.54	-	51.53	5.35	3.61
Furniture and fixtures	71.08	-	-	71.08	49.64	1.88	-	51.52	19.56	21.44
Vehicles	332.16	23.31	8.51	346.96	160.54	41.71	7.45	194.80	152.16	171.62
	<b>4,973.59</b>	<b>108.86</b>	<b>112.59</b>	<b>4,969.86</b>	<b>2,286.43</b>	<b>196.85</b>	<b>71.89</b>	<b>2,411.39</b>	<b>2,558.47</b>	<b>2,687.16</b>

4.1 Details of "Title Deeds of immovable property not held in the name of the Company"

Relevant line item in the Balance Sheet	Description of the Property	Gross Block as at 31st March 2024	Gross Block as at 31st March 2023	Title deeds held in the name of	Whether Title deed holder is a promoter, director or relative of promoter/director or employee of promoter/ director	Property held since which date	Reasons for not being held in the name of the company
Property, Plant & Equipment	Land	650	650	Mr. Sandeep Gandhi	Promoter	31/12/2019	Refer note 38

4.2	Includes an amount of INR 78.47 Lacs in the gross block which is constructed on lease hold land.
4.3	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.
4.4	Security Pledge of Assets : Refer to Note 17 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 2024

5 Right-of-use assets

Particulars	Gross Block			Depreciation and Amortization				Net Block		
	As at 1st April 2023	Addition during the year	Termination of Lease	As at 31st March 2024	As at 1st April 2023	For the year	Termination of Lease	As at 31st March 2024	As at 31st March 2024	As at 31st March 2023
	Factory Buildings	163.09	-	-	163.09	93.19	23.30	-	116.49	46.60
	163.09	-	-	163.09	93.19	23.30	-	116.49	46.60	69.89

(Rupees in Lakhs)

Right-of-use assets

Particulars	Gross Block			Depreciation and Amortization				Net Block		
	As at 1st April 2022	Addition during the year	Termination of Lease	As at 31st March 2023	As at 1st April 2022	For the year	Termination of Lease	As at 31st March 2023	As at 31st March 2023	As at 31st March 2022
	Factory Buildings	163.09	-	-	163.09	69.89	23.30	-	93.19	69.89
	163.09	-	-	163.09	69.89	23.30	-	93.19	69.89	93.19

(Rupees in Lakhs)

6 Intangible Assets

Particulars	Gross Block			Depreciation and Amortization				Net Block		
	As at 1st April 2023	Addition during the year	Disposal/ Adjustment	As at 31st March 2024	As at 1st April 2023	For the year	Disposal/ Adjustment	As at 31st March 2024	As at 31st March 2024	As at 31st March 2023
	Software	-	12.70	-	12.70	-	0.32	-	0.32	12.38
	-	12.70	-	12.70	-	0.32	-	0.32	12.38	-

(Rupees in Lakhs)

7 Capital work in progress

(Rupees in Lakhs)

Particulars	31st March 2024	31st March 2023
Opening Balance	171.13	78.89
Addition:		92.24
Less: Capitalized during the year	171.13	
<b>Closing Balance</b>	<b>-</b>	<b>171.13</b>

Ageing for Capital Work-in-Progress as on 31/03/2024 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			-	-	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>

Ageing for Capital Work-in-Progress as on 31/03/2023 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	92.24	78.89	-	-	171.13
<b>Total</b>	<b>92.24</b>	<b>78.89</b>	<b>-</b>	<b>-</b>	<b>171.13</b>

**Notes to financial statements for the year ended 31st March 2024**

(Rupees in Lakhs)

**8 Other financial assets**

(Unsecured and Considered Good)

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Non-Current</b>		
Security Deposits		
-Related Parties*	240.20	224.48
-Others	40.41	19.11
	<b>280.61</b>	<b>243.59</b>
<b>Current</b>		
Receivable against sale of assets from Related Party**	205.54	205.54
	<b>205.54</b>	<b>205.54</b>
<b>* Deposits to related party</b>		
Harish Enterprise Private Limited.	240.20	224.48
<b>** Receivable against sale of assets</b>		
Sanish Investment and Trading Co P Limited.	205.54	205.54

**9 Other assets**

(Unsecured and Considered Good)

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Non-Current</b>		
Balance with Government Authorities & Others	92.62	95.82
Prepaid expenses	2.91	1.49
	<b>95.53</b>	<b>97.31</b>
<b>Current</b>		
Advance to suppliers*	254.51	356.36
Advance to Staff	23.13	10.73
Advance recoverable in cash or kind	69.48	42.70
Balance with government authority	166.70	190.18
Security Deposits	-	-
Prepaid expenses	12.51	13.88
	<b>526.33</b>	<b>613.85</b>
<b>* includes advance to related party:</b>		
1.Harish Enterprise Private Limited.	23.11	27.72
2. Every's Health Care Private Limited.	51.55	54.73

**10 Inventories#**

(At lower of cost and net realisable value)

Particulars	As at 31st March 2024	As at 31st March 2023
Raw Materials	920.51	1,033.35
Work in Process	22.18	232.59
Finished Goods	659.33	650.83
	<b>1,602.02</b>	<b>1,916.77</b>

#Inventories are hypothecated with the bankers against term loans and Working Capital (Refer note 17)

Notes to financial statements for the year ended 31st March 2024

(Rupees in Lakhs)

11 Trade receivables#

Particulars	As at 31st March 2024	As at 31st March 2023
<b>Unsecured , Considered Good*</b>		
Un-billed	-	-
Billed	2,287.92	1,875.78
	<b>2,287.92</b>	<b>1,875.78</b>
Less: Provision for Doubtful Receivables (Including Expected credit loss allowance)	53.66	54.82
	<b>2,234.26</b>	<b>1,820.96</b>

# Receivables are hypothecated with the bankers against term loans and Working Capital (Refer note 17)

Ageing for Trade receivable as at 31st March 2024 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	1,449.95	732.03	11.96	16.87	57.34	12.12	2,280.27
(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>1,449.95</b>	<b>732.03</b>	<b>11.96</b>	<b>16.87</b>	<b>57.34</b>	<b>19.77</b>	<b>2,287.92</b>

Ageing for Trade receivable as at 31st March 2023 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	1,240.85	461.00	17.75	46.24	18.67	83.61	1,868.13
(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>1,240.85</b>	<b>461.00</b>	<b>17.75</b>	<b>46.24</b>	<b>18.67</b>	<b>91.26</b>	<b>1,875.78</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 31st March 2024	As at 31st March 2023
Opening Balance	54.82	31.92
Additions/(Reversal) during the year	-1.16	22.90
<b>Closing Balance</b>	<b>53.66</b>	<b>54.82</b>

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



**Notes to financial statements for the year ended 31st March 2024***(Rupees in Lakhs)***12 Cash and cash equivalents**

Particulars	As at	As at
	31st March 2024	31st March 2023
Bank Balances: Current accounts	19.94	4.15
Cash on hand	1.97	1.60
	<b>21.91</b>	<b>5.75</b>

**13 Other Bank Balance**

Particulars	As at	As at
	31st March 2024	31st March 2023
Bank Margin on LC	3.64	9.34
	<b>3.64</b>	<b>9.34</b>

**Note: Deposits with Original Maturity more than 3 months but less than 12 months****14 Current Tax Assets (Net)**

Particulars	As at	As at
	31st March 2024	31st March 2023
(a) Income tax assets	10.27	-
	<b>10.27</b>	<b>-</b>

## HARISH TEXTILE ENGINEERS LIMITED

### Notes to financial statements for the year ended 31st March 2023

(Rs. in Lakhs)

#### 15 Share capital

##### Authorised, issued, subscribed, fully paid up share capital

Particulars	As at 31st March 2024		As at 31st March 2023	
	No. of shares	Rs. in Lakhs	No. of shares	Rs. in Lakhs
<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 fully 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>

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

Particulars	As at 31st March 2024		As at 31st March 2023	
	Equity Shares of Rs. 10 each fully paid		Equity Shares of Rs. 10 each	
	No. of Shares	Rs. in Lakhs	No. of Shares	Rs. in Lakhs
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

#### 15.2 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.

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

Name of Shareholder	As at 31st March 2024		As at 31st March 2023	
	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	16,064,467	48.09%	1,581,344	47.40%
	<b>16,064,467</b>	<b>48.09%</b>	<b>1,581,344</b>	<b>47.40%</b>

15.4 Disclosures of Shareholding of Promoters - Shares held by the Promoters:

As on 31 March 2024:

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	673.00	0.02%	23,796.00	0.71%	-0.69%
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	16,064,467.00	48.09%	1,581,344.00	47.40%	0.69%
6	Sandeep Kirtilumar Gandhi HUF	Equity	1.00	0.00%	1.00	0.00%	0.00%
7	Saher 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	0.01%	1.00	0.01%	0.00%
<b>Total</b>			<b>16,066,144.00</b>	<b>48.15%</b>	<b>1,606,144.00</b>	<b>48.15%</b>	<b>0.00%</b>

As on 31 March 2023:

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	1,581,344.00	47.40%	2,173,344.00	71.44%	-6.29%
6	Sandeep Kirtilumar Gandhi HUF	Equity	1.00	0.00%	1.00	0.00%	0.00%
7	Saher 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	0.01%	1.00	0.00%	0.00%
<b>Total</b>			<b>1,606,144.00</b>	<b>48.15%</b>	<b>2,198,144.00</b>	<b>72.19%</b>	<b>0.00%</b>

16 OTHER EQUITY

(Rs. in Lakhs)

Particulars	As at 31st	As at 31st
	March 2024	March 2023
<b>A. Retained Earnings</b>		
Opening balance	620.07	623.32
Add: Profit (Loss) during the Period	(28.27)	(3.26)
	<b>591.81</b>	<b>620.07</b>
<b>B. Other Comprehensive Income (OCI)</b>	-	-
<b>Closing Balance (B)</b>	-	-
<b>Total (A+B)</b>	<b>591.81</b>	<b>620.07</b>

## HARISH TEXTILE ENGINEERS LIMITED

Notes to financial statements for the year ended 31st March 2024

17 Borrowings						(Rs. in Lakhs)
Particulars	As at 31st March 2024		As at 31st March 2023		Security and other details	
	Non-Current	Current maturity of long term loan	Non-Current	Current maturity of long term loan		
<b>A. Secured</b>						
a Term Loan from Banks	187.61	184.68	363.85	219.62	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	64.34	23.48	66.74	17.01	Term loans (vehicle Loans) from HDFC Bank, Bank of India and Sundaram Finance for acquisition of vehicles are secured by the hypothecation of the respective Vehicle financed. Rate of interest is in range of 7.5% to 11.50% p.a.	
c 7% Redeemable Non Convertible Debentures	146.79	183.64	330.43	-	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>398.73</b>	<b>391.81</b>	<b>761.02</b>	<b>236.63</b>		
<b>B. Unsecured</b>						
a From Banks and NBFC	0.00	2.40	2.41	17.00	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>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.)	186.85	175.02	402.62	128.32	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>186.85</b>	<b>177.42</b>	<b>405.03</b>	<b>145.32</b>		
<b>TOTAL [A+B]</b>	<b>585.58</b>	<b>569.23</b>	<b>1166.05</b>	<b>381.95</b>		

## 17.1 Current Borrowings

Particulars	As at	As at
	31st March 2024	31st March 2023
<b>Loan from Directors/ Related Parties</b>	<b>149.53</b>	<b>222.56</b>
<b>Short Term Loan From Bank</b>		
Working Capital Loan	2,286.08	2,196.66
	<b>2,435.61</b>	<b>2,419.22</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 Further secured by personal guarantee of Director, Sandeep Gandhi.

### 2. Non woven and Techncal 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 Further secured by personal guarantee of Director, Sandeep Gandhi.

## 17.2 Terms of original repayment

Secured	Repayment 2024-25	Repayment 2025-26	Repayment 2026-27	Repayment 2027-28	Repayment 2028-29	Total
Term Loan from Banks	188.10	140.10	39.11	0.00	0.00	367.31
Vehicle Loans	31.92	29.53	18.77	7.48	5.05	92.75
7% Non Convertible Debetures	183.64	146.79				330.43
<b>Total secured borrowing [A]</b>	<b>403.66</b>	<b>316.42</b>	<b>57.88</b>	<b>7.48</b>	<b>5.05</b>	<b>790.49</b>
<b>Unsecured</b>						
From Banks and NBFC	2.44	0.00	0.00	0.00	0.00	2.44
<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.)	196.18	147.28	18.42	0.00	0.00	361.88
<b>Total unsecured borrowing [B]</b>	<b>198.62</b>	<b>147.28</b>	<b>18.42</b>	<b>0.00</b>	<b>0.00</b>	<b>364.32</b>
<b>TOTAL [A+B]</b>	<b>602.28</b>	<b>463.70</b>	<b>76.30</b>	<b>7.48</b>	<b>5.05</b>	<b>1154.81</b>

Notes to financial statements for the year ended 31st March 2024

(Rupees in Lakhs)

18 Lease liabilities

Particulars	As at	As at
	31st March 2024	31st March 2023
<b>Non-Current</b>		
Lease liabilities	11.35	21.57
	<b>11.35</b>	<b>21.57</b>
<b>Current</b>		
Lease liabilities	10.22	9.21
	<b>10.22</b>	<b>9.21</b>

19 Other Financial liabilities

Particulars	As at	As at
	31st March 2024	31st March 2023
<b>Non-Current</b>		
Security Deposit	9.24	9.24
	<b>9.24</b>	<b>9.24</b>
<b>Current</b>		
Salaries, wages, and other employee benefit payable	76.73	79.11
Interest Payable	10.61	10.39
	<b>87.34</b>	<b>89.50</b>

20 Deferred tax liabilities (Net)

Particulars	As at	As at
	31st March 2024	31st March 2023
Deferred Tax Liabilities	113.20	120.78
	<b>113.20</b>	<b>120.78</b>

(a) Deferred tax balances and movement for FY 2023-24

Particulars	Net Balance April 1, 2023	Recognised in Profit or Loss	As at 31st March 2024
<b>Deferred Tax Liabilities in relation to:</b>			
Difference between WDV of PPE as per books and income tax	137.45	(8.28)	129.17
Right of use assets	17.59	(5.86)	11.73
Lease Liability	(7.75)	2.31	(5.43)
Trade Receivables - provision for doubtful debts	(13.80)	0.29	(13.51)
Other timing difference- Lease Deposit	(12.72)	3.96	(8.76)
<b>Net deferred tax liabilities/(assets)</b>	<b>120.78</b>	<b>-7.58</b>	<b>113.20</b>

(b) Deferred tax balances and movement for FY 2022-23

Particulars	Net Balance April 1, 2022	Recognised in Profit or Loss	As at 31st March 2023
Difference between WDV of PPE as per books and income tax	120.11	17.34	137.45
Right of Use Assets	29.32	(11.73)	17.59
Lease Liability	(9.83)	2.08	(7.75)
Trade Receivables - provision for doubtful debts	(8.03)	(5.76)	(13.80)
Other timing difference- Lease Deposit	(16.41)	3.69	(12.72)
<b>Net deferred tax liabilities/(assets)</b>	<b>115.16</b>	<b>5.62</b>	<b>120.78</b>

Notes to financial statements for the year ended 31st March 2024

(Rupees in Lakhs)

21 Trade payables

Particulars	As at	As at
	31st March 2024	31st March 2023
Due to micro enterprises and small enterprises	773.59	458.48
<b>Total A</b>	<b>773.59</b>	<b>458.48</b>
Due to others		
Trade payables for goods	947.68	1,225.80
Trade payables for Expenses	347.67	427.62
Trade payables for Capital goods	4.38	1.10
<b>Total B</b>	<b>1,299.73</b>	<b>1,654.52</b>
<b>Total (A+B)</b>	<b>2,073.32</b>	<b>2,113.00</b>

The Company has recently ascertained particulars of registration from vendors covered under by the provisions of MSME Act. On the basis of the said information, as available as at 31st March, 2024, particulars of ageing of trade payables have been furnished for the Financial Year 2023-24 and Financial Year 2022-23.

Ageing for Trade payable as at 31st March 2024 is as follows:

Particulars	Outstanding for following period from due date of payment					Total
	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	655.73	7.24	9.90	100.72	773.58
(ii) Others	-	996.98	13.28	13.46	276.02	1,299.73
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1,652.71</b>	<b>20.51</b>	<b>23.36</b>	<b>376.74</b>	<b>2,073.32</b>

Ageing for Trade payable as at 31st March 2023 is as follows:

Particulars	Outstanding for following period from due date of payment					Total
	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	265.25	156.51	-	36.72	458.48
(ii) Others	-	1,229.71	144.96	21.21	258.64	1,654.52
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>1,494.96</b>	<b>301.47</b>	<b>21.21</b>	<b>295.36</b>	<b>2,113.00</b>

**Notes to financial statements for the year ended 31st March 2024***(Rupees in Lakhs)*

- 21.1 Information as required to be furnished as per Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) for the year ended 31st March 2024 and the year ended 31st March 2023 is given below.

This information has been determined to the extent such parties have been identified on the basis of information available with the company.

Particulars	As at	As at
	31st March 2024	31st March 2023
i Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act		
-Principal	773.59	458.48
-Interest*	64.00	Not ascertained.
ii The amount of interest paid by the buyer in terms of section 16, of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	Nil	Nil
iii The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act	Not ascertained.	Not ascertained.
iv The amount of interest accrued and remaining unpaid at the end of each accounting year*	64.00	Not ascertained.
v The amount of further interest remaining due and payable even if the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure*	64.00	Not ascertained.

\*With respect to provision of interest under MSME Act, there are several issues that required clarification from legal interpretation point of view. The Company will seek legal advice to address the issues. Until, the issues are addressed, it would not be possible for the Company to correctly compute the interest liability arising out of delayed payment to vendors under the MSME Act. Hence, no provision pertaining to interest liability for the vendors registered under the MSME Act has been provided for pertaining to the Financial Year 2023-24 and prior period except for the cases for which company has received order under Micro Small Enterprise Facilitation Council amounting to Rs. 64 lacs.

**22 Other current liabilities**

Particulars	As at	As at
	31st March 2024	31st March 2023
Advance from customers	793.27	379.82
Statutory dues (including provident fund, tax deducted at source and others)	147.58	45.76
	<b>940.85</b>	<b>425.57</b>

**23 Current Tax liabilities (Net)**

Particulars	As at	As at
	31st March 2024	31st March 2023
(a) Income tax assets	-	5.13
(b) Current income tax liabilities	-	7.98
Current Tax Liabilities (Net off Advance Tax and TDS)	-	2.85



**Notes to financial statements for the year ended 31st March 2024**

(Rupees in Lakhs)

**24 Revenue from operations**

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>Revenue from Operations</b>		
Sale of products	13,043.20	11,562.37
Sale of services	12.67	11.22
Job work income	46.61	57.02
Duty draw back / Export incentive	1.77	13.54
	<b>13,104.25</b>	<b>11,644.16</b>

**25 Other income**

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest income	6.58	7.60
Other interest on lease deposit	15.71	14.69
Liability no longer required	111.96	75.11
ECL	0.42	-
Net Gain on Foreign Currency Transactions and Translation	-	10.50
Rent income	19.40	19.40
Other miscellaneous income	0.26	-
	<b>154.33</b>	<b>127.30</b>

**26 Cost of materials consumed**

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>Raw Material and Packing Material</b>		
Opening Stock Raw Material	1,033.36	798.77
Add : Purchase Raw Material	8,336.46	8,105.12
	9,369.82	8,903.89
Less: Closing Stock Raw Material	920.51	1,033.36
	<b>8,449.31</b>	<b>7,870.53</b>

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

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
<b>Changes in inventories of finished goods and stock in trade</b>		
Inventory at the beginning of the year		
Finished Goods	650.83	472.81
Work in Process	232.59	136.96
<b>sub total (a)</b>	<b>883.42</b>	<b>609.77</b>
Less: Inventory at the end of the year		
Finished/ Traded Goods	659.33	650.83
Work in Process	22.18	232.59
<b>sub total (b)</b>	<b>681.51</b>	<b>883.42</b>
	<b>201.91</b>	<b>(273.65)</b>

**28 Employee benefits expenses\***

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Salaries, wages and allowances (Refer note below 28.1)	828.34	803.14
Contribution to provident fund	23.53	12.43
Directors' remunerations	182.40	159.20
Welfare expenses	38.20	33.82
	<b>1,072.47</b>	<b>1,008.59</b>

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

**Notes to financial statements for the year ended 31st March 2024**

(Rupees in Lakhs)

**29 Finance costs**

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Interest expense:		
– On Debentures	23.19	23.50
– On Financial liabilities measured at amortised cost	303.81	290.71
– On Lease Liabilities	2.79	3.70
Interest on MSME delayed payments	64.00	
Other borrowing cost	73.80	93.18
Other Interest	78.43	115.25
	<b>546.02</b>	<b>526.34</b>

**30 Other expenses**

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
Job work / Labour Charges	466.27	458.89
Power and fuel	602.06	532.02
Repairs to Building and Plant and Machinery	32.24	3.12
Hire Charges	1.81	7.93
Testing Expenses	-	0.21
Rates & Taxes	16.69	27.23
Payment to auditors*	7.50	7.50
Insurance	28.03	31.50
Professional Fees / Menpower Expenses	550.26	560.48
Printing and Stationery	10.91	8.44
Rent	23.05	16.69
Vehicle expenses	33.95	33.98
Computer Expenses	8.03	6.38
Security Charges	41.67	38.06
Postage & Telephone Charges	7.75	6.99
Office Expenses	10.90	11.80
Electricity charges	18.88	4.28
Net Loss on Foreign Currency Transactions	2.81	-
Repairs and Maintenance	50.82	52.63
Bank Charges	5.26	1.64
Provision for Expected Credit Loss and write off	-	22.90
Advertisement & Sales Promotion Expenses	17.21	32.68
Commission and Brokerage	14.36	7.48
Exhibition cum Seminar Expenses	126.53	54.91
Outward Freight, Forwarding ,Transport	360.32	255.84
Conveyance, Travelling, Lodging & Boarding and Car Hire expenses	77.71	165.57
Sundry Balance written off	299.78	-
Loss on sale of Asset	-	0.04
Loss on demolition of Factory Building	-	39.65
Other Expenses	23.12	20.32
	<b>2,837.92</b>	<b>2,409.16</b>
*Payment to auditors includes		
- Audit Fees	7.50	7.50
	<b>7.50</b>	<b>7.50</b>

**Notes to financial statements for the year ended 31st March 2024***(Rupees in Lakhs)***31 Current tax**

(a) Amounts recognised in profit and loss

Particulars	For the Year ended 31st March 2024	For the Year ended 31st March 2023
Current Tax		
(a) Current income tax	-	7.98
(b) Deferred Tax	-7.58	5.62
(b) Short/(Excess) provision of income tax in respect of previous years		
Tax expense for the year ( a+b)	<b>-7.58</b>	<b>13.61</b>

(b) Reconciliation of effective tax rate

The following is a reconciliation of the Company's effective tax rates for the years ended 31 March 2024 and 31 March 2023

Particulars	For the Year ended 31st March 2024	For the Year ended 31st March 2023
Profit before income tax as per Statement of Profit and Loss	-35.85	10.34
Enacted tax rate in India in Percentage	25.17%	25.17%
Computed expected tax expense	-9.02	2.60
Other difference On account of:		
Timing difference	1.44	10.99
Expense not deductible and Income not taxable, others, change in tax rate	-	0.01
Income Tax Expense	<b>-7.58</b>	<b>13.60</b>
Effective tax rate		131.54%

**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 2024	For the year ended 31st March 2023
Profit for the year (Profit attributable to equity shareholders) (Amount In Lakhs.)	-28.27	-3.26
Weighted average number of ordinary equity shares for Basic EPS (in Nos.)	3,336,000.00	3,336,000.00
Weighted average number of ordinary equity shares for Diluted EPS (in Nos.)	3,336,000.00	3,336,000.00
Face Value of equity share ( RS)	10.00	10.00
Basic EPS ( RS.)	-0.85	-0.10
Diluted EPS ( RS)	-0.85	-0.10

## HARISH TEXTILE ENGINEERS LIMITED

Notes to financial statements for the year ended 31st March 2024

### 33 Fair Value Measurement

#### A Accounting classification and fair values

As at 31 March 2024

(Rupees in Lakhs)

Particulars	FVTPL	FVTOCI	Amortised Cost	Total
<b>Financial assets</b>				
Trade receivables	-	-	2,234.26	2,234.26
Cash and cash equivalents	-	-	21.91	21.91
Other bank balance	-	-	3.64	3.64
Other financial assets	-	-	486.15	486.15
<b>Total Financial assets</b>	-	-	<b>2,745.96</b>	<b>2,745.96</b>
<b>Financial Liabilities</b>				
Borrowings (incl. current maturities)	-	-	3,590.41	3,590.41
Lease Liabilities	-	-	21.57	21.57
Trade payable	-	-	2,073.32	2,073.32
Other financial liabilities	-	-	96.58	96.58
<b>Total Financial liabilities</b>	-	-	<b>5,781.88</b>	<b>5,781.88</b>

As at 31 March 2023

(Rupees in Lakhs)

Particulars	FVTPL	FVTOCI	Amortised Cost	Total
<b>Financial assets</b>				
Trade receivables	-	-	1,820.96	1,820.96
Cash and cash equivalents	-	-	5.75	5.75
Other bank balance	-	-	9.34	9.34
Other financial assets	-	-	449.13	449.13
<b>Total Financial assets</b>	-	-	<b>2,285.18</b>	<b>2,285.18</b>
<b>Financial Liabilities</b>				
Borrowings (incl. current maturities)	-	-	3,967.22	3,967.22
Lease Liability	-	-	30.78	30.78
Trade payable	-	-	2,113.00	2,113.00
Other financial liabilities	-	-	98.74	98.74
<b>Total Financial liabilities</b>	-	-	<b>6,209.74</b>	<b>6,209.74</b>

#### B Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- (i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (iii) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

**HARISH TEXTILE ENGINEERS LIMITED**  
Notes to financial statements for the year ended 31st March 2024

**33 Financial instruments – Fair values and risk management**

(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.

**Net Open Exposures Outstanding as at the Balance Sheet Date** (Rupees in Lakhs)

Particulars	Year ended March 31, 2024			Year ended March 31, 2023	
	Foreign Currency Denomination	Foreign Currency Amount	Amount in Rs.	Foreign Currency Amount	Amount in Rs.
Trade Payables	USD	-	-	0.07	5.92
Trade Receivables	USD	-	-	0.49	40.40

(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 2024</b>				
Trade Payables	-	-	-	-
Trade Receivables	-	-	-	-
<b>Total</b>	-	-	-	-
<b>31st March 2023</b>				
Trade Payables	0.18	(0.18)	0.13	(0.13)
Trade Receivables	1.21	(1.21)	0.90	(0.90)
<b>Total</b>	<b>-1.03</b>	<b>1.03</b>	<b>-0.77</b>	<b>0.77</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	(Rupees in Lakhs)	
	31st March 2024	31st March 2023
<b>Fixed-rate instruments</b>		
Financial assets	21.91	9.34
Financial liabilities	330.43	330.43
<b>Variable-rate instruments</b>		
Financial assets	-	-
Financial liabilities	3,259.98	3,636.79
<b>Non-interest bearing instruments</b>		
Financial assets	2,724.05	2,275.84
Financial liabilities	2,191.47	2,242.52

**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	(Rupees in Lakhs)			
	Profit or (Loss)		Equity (net of tax)	
	100 bp Decrease	100 bp Increase	100 bp Decrease	100 bp Increase
<b>31st March 2024</b>				
Borrowings	(35.90)	35.90	(26.57)	26.57
<b>Total</b>	<b>(35.90)</b>	<b>35.90</b>	<b>(26.57)</b>	<b>26.57</b>
<b>31st March 2023</b>				
Borrowings	(39.67)	39.67	(29.36)	29.36
<b>Total</b>	<b>(39.67)</b>	<b>39.67</b>	<b>(29.36)</b>	<b>29.36</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 2024

### 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, 2024 and March 31, 2023:

Particulars	(Rupees in Lakhs)	
	As at 31st March 2024	As at 31st March 2023
Neither impaired nor past due	1,449.95	1,240.85
<b>Past due but not impaired</b>		
0-6 Months	732.03	461.00
6-12 Months	11.96	17.75
1-2 years	16.87	46.24
2-3 years	57.34	18.67
more 3 years	19.77	91.26
	<b>2,287.92</b>	<b>1,875.78</b>

## HARISH TEXTILE ENGINEERS LIMITED

### Notes to financial statements for the year ended 31st March 2024

#### 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.

As at 31st March 2024	Carrying amount	Total	(Rs. in Lakhs)	
			Contractual maturities	
			Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities</b>				
Borrowings (incl. current maturities)	3,590.41	3,590.41	3,004.84	585.57
Trade payables	2,073.32	2,073.32	2,073.32	-
Lease Liability	21.57	21.57	10.22	11.35
Other financial liabilities	96.58	96.58	87.34	9.24
<b>Total</b>	<b>5,781.88</b>	<b>5,781.88</b>	<b>5,175.72</b>	<b>606.16</b>
<b>As at 31st March 2023</b>				
<b>Non-derivative financial liabilities</b>				
Borrowings (incl. current maturities)	3,967.22	3,967.22	2,801.17	1,166.05
Trade payables	2,113.00	2,113.00	1,688.19	424.81
Lease Liability	30.78	30.78	9.21	21.57
Other financial liabilities	98.74	98.74	89.50	9.24
<b>Total</b>	<b>6,209.74</b>	<b>6,209.74</b>	<b>4,588.07</b>	<b>1,621.67</b>

# HARISH TEXTILE ENGINEERS LIMITED

## Notes to financial statements for the year ended 31st March 2024

### 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	(Rupees in Lakhs)	
	As at 31st March 2024	As at 31st March 2023
Total borrowings*	3,590.41	3,967.22
Less: Cash and bank balances	-25.55	-15.09
<b>Adjusted net debt</b>	<b>3,564.86</b>	<b>3,952.13</b>
<b>Total equity</b>	<b>925.41</b>	<b>953.67</b>
<b>Debt equity ratio</b>	<b>3.88</b>	<b>4.16</b>
<b>Adjusted net debt to equity ratio</b>	<b>3.85</b>	<b>4.14</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 2024

#### 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	<i>(Rupees in Lakhs)</i>	
	31-Mar-24	31-Mar-23
Interest on lease liabilities	2.79	3.70
Amortisation of right of use assets	23.30	23.30
Expenses relating to short term and low value leases charged as Rent	23.05	16.69

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

Particulars	31-Mar-24	31-Mar-23
Interest component	2.79	3.70
Lease component	(12.00)	(11.99)
	<b>(9.21)</b>	<b>(8.29)</b>

##### C Maturity Analysis of Lease Liabilities

Particulars	31-Mar-24	31-Mar-23
<b>Maturity Analysis - Undiscounted</b>		
Less than one year	10.22	9.21
One to five years	11.35	21.57
More than five years	-	-
	<b>21.57</b>	<b>30.78</b>
<b>Lease liabilities included in Balance Sheet</b>		
- Current	10.22	9.21
- Non Current	11.35	21.57
	<b>21.57</b>	<b>30.78</b>

##### D Movement of Right of Use Assets

Forming part of note to "Right of Use Assets" (refer note 5).

##### E Movement of Lease Liability

Particulars	31-Mar-24	31-Mar-23
Balance as at the beginning	30.78	39.07
Addition during the year		
Finance cost accrued	2.79	3.70
Payment of lease liabilities	(12.00)	(11.99)
Lease liability written off on termination of lease	-	-
<b>Balance as at the end</b>	<b>21.57</b>	<b>30.78</b>

# HARISH TEXTILE ENGINEERS LIMITED

Notes to financial statements for the year ended 31st March 2024

## 36 CONTINGENT LIABILITIES & CONTINGENT ASSETS AND CAPITAL COMMITMENTS

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

Particulars	As at 31st March	As at 31st March
	2024	2023
<b>Amount in Lakhs</b>		
1) 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. The liability, if any, could not be quantified at this stage.	-	-
2) The Term Loan and other Credit facilities from Bank of India are, inter-alia secured by Corporate Guarantee and mortgage of properties of Kasha Textile Private Limited (KTPL). One of the Shareholders of KTPL has claimed that the said corporate guarantee and security were given by KTPL without obtaining consent of Shareholders as is required in terms of section 186 of Companies Act, 2013. The liability, if any, could not be quantified at this stage.	-	-
3) Liability pertaining to Goods and Service Tax Act with respect to delayed payments to suppliers has not been quantified and provided for.	-	-
4) The Company has recently ascertained particulars of registration from vendors covered under by the provisions of MSME Act. With respect to provision of interest under MSME Act, there are several issues that required clarification from legal interpretation point of view. The Company will seek legal advice to address the issues. Until, the issues are addressed, it would not be possible for the Company to correctly compute the interest liability arising out of delayed payment to vendors under the MSME Act. Hence, no provision pertaining to interest liability for the vendors registered under the MSME Act has been provided for pertaining to the Financial Year 2023-24 and prior period except for the cases for which company has received order under Micro Small Enterprise Facilitation Council	-	-
5) The Company is in receipt of legal intimation dated April 18, 2024 from one of the Creditors for delayed payment. The said creditor has filed application for delayed payment before the Hon' ble Micro Small Enterprise Facilitation Council, Ahmedabad, Gujarat. As per the said intimation, the company is liable to make a total payment of Rs. 61,47,306/- which includes Principal amount of Rs. 25,50,385/- (already accounted for in the Books of Account) and an interest amount of Rs. 35,96,921/- as of 20/07/2023. The Company is in the process of seeking legal advice with respect to the claim of interest by the said creditor. The Company has not accounted for the said interest liability.	<b>35.96</b>	-
<b>TOTAL (A)</b>	<b>35.96</b>	-

### B CAPITAL COMMITMENTS

NIL

NIL

**Notes on the Financial Statements**  
*for the year ended 31st March 2024.*

**Note 37:**

The Company have used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has not operated throughout the year for all relevant transactions recorded in the software.

**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 2024 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.
9. 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.
10. 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:
  - a) 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;
  - b) Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
11. 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:
  - a) 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;
  - b) Provide any guarantee, security or the like on behalf of the ultimate beneficiary.

**Notes on the Financial Statements**  
for the year ended 31st March 2024.

12. 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.
13. The company has not traded or invested in Crypto Currency or Virtual Currency during the financial year.
14. 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
15. 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.

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
Name of bank: Bank of India  Limit: 1250	Receivable and Stock (net of trade payable).	June 30, 2023	1823.90	1823.90	-
		September 30, 2023	1915.74	1915.74	-
		December 31, 2023	2077.75	2077.75	-
		March 31, 2024	1974.74	1974.74	-

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
Name of bank: Union Bank of India  Limit: 600	Receivable and Stock.	June 30, 2023	NA	NA	NA
		September 30, 2023	NA	NA	NA
		December 31, 2023	772.07	772.07	-
		March 31, 2024	1030.20	1030.20	-

## HARISH TEXTILE ENGINEERS LIMITED

### Notes to the financial statements (continued)

for the year ended 31 March 2024

(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

- 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	Textile Engineering	Non-Woven	PSF	Trading	Unallocable	Inter-segment transactions	Total
<b>Segment Revenue</b>							
- 31 March 2024	3,725.32	7,254.24	3,175.84			(1,051.14)	13,104.25
- 31 March 2023	2,596.09	6,993.62	3,074.61			(1,020.16)	11,644.16
<b>Other income</b>							
- 31 March 2024	152.38	(0.69)	2.64				154.33
- 31 March 2023	171.56	(50.37)	6.11				127.30
<b>Segment Expenses</b>							
- 31 March 2024	4,400.96	6,460.25	2,938.34	-		(1,051.14)	12,748.41
- 31 March 2023	3,064.49	6,340.84	2,849.61	-		(1,020.16)	11,234.78
<b>Finance Cost</b>							
- 31 March 2024	206.39	224.74	114.89				546.02
- 31 March 2023	143.46	227.20	155.68				526.34
<b>Segment Result</b>							
- 31 March 2024	(729.65)	568.55	125.25				(35.85)
- 31 March 2023	(440.30)	375.21	75.43				10.34
<b>Profit before tax</b>							
- 31 March 2024	(729.65)	568.55	125.25				(35.85)
- 31 March 2023	(440.30)	375.21	75.43				10.34
<b>Tax Expense</b>							
- 31 March 2024					(7.58)		(7.58)
- 31 March 2023					13.60		13.60
<b>Profit for the year</b>							
- 31 March 2024	-	-	-				(28.27)
- 31 March 2023	-	-	-				(3.26)

# HARISH TEXTILE ENGINEERS LIMITED

Notes to the financial statements (continued)

for the year ended 31 March 2024

(Rupees in Lakhs)

## Segment Assets and Liabilities

Particulars	Textile Engineering	Non-Woven	PSF	Trading	Unallocable	Inter-segment balances	Total
<b>Segment Assets</b>							
- 31 March 2024	2,857.27	3,590.31	1,545.76		1,158.83	(1,158.06)	7,994.11
- 31 March 2023	3,116.92	3,640.88	1,451.53			(1,409.56)	6,799.76
<b>Segment Liabilities</b>							
- 31 March 2024	3,586.92	3,021.77	1,420.52		197.55	(1,158.06)	7,068.70
- 31 March 2023	3,557.22	3,640.87	1,376.09			(2,728.09)	5,846.09
<b>Unallocable Assets</b>							
- 31 March 2024	-	-	-	-	-	-	-
- 31 March 2023	-	-	-	-	-	-	-
<b>Unallocable Liabilities</b>							
- 31 March 2024	-	-	-	-	-	-	-
- 31 March 2023	-	-	-	-	-	-	-
<b>Capital Employed</b>							
	(729.65)	568.54	125.24	-	961.28	-	925.41
	(440.30)	0.01	75.44	-	-	-	953.67

## Information about secondary business segments

The Company uses same set of assets for the sales made in the India and outside India. The expenses incurred for sales to be made in India and outside are Common. Hence, the only the details related to Revenue related to the geographical segments are presented to the CODM.

## Secondary Segment informaiton

Sales revenue is based on the location of sales:

Particulars	For the Year ended 31st March 2024		For the Year ended 31st March 2023	
	Revenue from operations	Percentage of total revenue from operations	Revenue from operations	Percentage of total revenue from operations
India	12951.70	98.84%	11592.73	99.56%
Bangaladesh	149.53	1.14%	42.67	0.37%
Brazil	3.02	0.02%	2.14	0.02%
Srilanka	0.00	0.00%	0.52	0.00%
Uzbekistan	0.00	0.00%	3.96	0.03%
Mozambique	0.00	0.00%	2.14	0.02%
Total	13104.25	100.00%	11644.16	100.00%

# HARISH TEXTILE ENGINEERS LIMITED

## Notes to the financial statements (continued)

for the year ended 31 March 2024

### 40 Related Party disclosure:

a Related party disclosure as required by Ind AS-24, "Related Party Disclosure", is given below:

#### Key Management Personnel:

Name		Designation
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
Priya Gupta	<i>(with effect from August 14, 2021)</i>	Company Secretary

#### Independent Director

Name		
Ritesh Patel	<i>(with effect from December 11, 2019)</i>	
Meena Mistry	<i>(with effect from December 11, 2019)</i>	<i>(Resigned with effect from December 11, 2023)</i>
Nainesh Trivedi	<i>(with effect from September 07, 2020)</i>	
Sushmita Lunkad	<i>(with effect from September 04, 2023)</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
Everys 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
Nifinia Industries Private Limited	Common Directors and Common Shareholders

**b Transactions with Related Parties**

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

<i>(Rupees in Lakhs)</i>			
Sr. No.	Name of Related Party and nature of transactions	For the year ended 31st March, 2024	For the year ended 31st March, 2023
<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	240.19	224.48
	other receivable	23.11	27.72
2	<b>Pacific Harish Industries Limited.</b> - Other Financial Liabilities		
	- Financial Liabilities -Reliance Loan	361.87	532.64
3	<b>Every's Health Care Private Limited.</b> Interest Income	6.47	6.52
	Repayment done	9.00	
	Advance to supplier	51.55	54.73
4	<b>Sanish Investment &amp; Trading Co P Limited.</b> Consideration receivable-Closing	205.54	205.54
5	<b>Shovan S Gandhi</b> Salary	24.00	24.00
6	<b>Shaila S. Gandhi</b> Professional Fees	30.00	30.00
7	<b>Nfinia Industries Private Limited</b> Loan Received	0.00	217.50
	Loan Repaid	69.66	0.00
	Outstanding amount	147.84	217.50
<b>Director and Key management Personnel</b>			
8	<b>Sandeep K Gandhi</b> Director Remuneration	160.20	137.00
9	<b>Hitendra Desai</b> Director Remuneration	22.20	22.20
10	<b>Pinkesh Upadhyay</b> Remuneration	18.00	18.00
11	<b>Priya Gupta</b> Remuneration Paid	6.12	4.83



# HARISH TEXTILE ENGINEERS LIMITED

## Notes to financial statements for the year ended 31st March 2024

### 41 Ratio Analysis:

As on 31 March 2024:

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	0.75	0.84	-10.42%	NA
<b>Solvency Ratio</b>						
Debt-Equity Ratio (times)	Total Debt	Shareholder's Equity	3.88	4.16	-6.73%	NA
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	0.88	0.82	7.25%	NA
<b>Profitability ratio</b>						
Net Profit Ratio (%)	Profit After Tax	Total Sales	-0.22%	-0.03%	671.11%	The variance is on account of Lower operating Margin
Return on Equity Ratio (%)	Profit After Tax - Preference Div. (if any)	Average Shareholder's Equity	-3.01%	-0.34%	782.36%	
Return on Capital employed (%)	Earning before interest and tax	Tangible Net Worth + Total Debt + Deferred Tax Liability	11.02%	10.64%	3.54%	
<b>Utilization Ratio</b>						
Trade Receivables turnover ratio (time)	Net Credit Sales	Average Trade Receivables	6.46	5.98	8.12%	NA
Inventory turnover ratio (times)	Cost of goods sold or Sales	Average Inventory	4.92	4.57	7.62%	NA
Trade payables turnover ratio (times)	Net Credit Purchases	Average Trade Payables	3.98	3.82	4.32%	NA
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, 2024

Place : Mumbai  
Date : May 30, 2024

**HARISH TEXTILE ENGINEERS LIMITED**

CIN: L29119MH2010PLC201521

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

Tel: 91-22-66490251, E-mail: investor@harishtextile.com, Website: www.harishtextile.com

**ATTENDANCE SLIP**

**14<sup>TH</sup> ANNUAL GENERAL MEETING ON MONDAY, 30<sup>TH</sup> SEPTEMBER, 2024 AT 10.30 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 14<sup>th</sup> Annual General Meeting (AGM) of the Company held on Monday, 30<sup>th</sup> September, 2024, at 10:30 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]

**14<sup>TH</sup> ANNUAL GENERAL MEETING ON MONDAY, 30<sup>TH</sup> SEPTEMBER, 2024 AT 10.30 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 14<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 30<sup>th</sup> September, 2024 at 10:30 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:

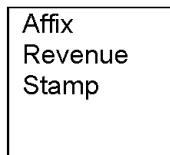
Resolution No.	Description of Resolutions	Assent	Dissent
<b>Ordinary Business:</b>			
1.	To consider and adopt the Audited Financial Statement of the Company for the financial year ended 31 <sup>st</sup> March, 2024 and the reports of the Board of Directors and Auditors thereon.		
2.	To appoint a director in place of Mr. Hitendra Chimanlal 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.		
3	To approve re-appointment of Statutory Auditors of the Company for a period of five years and to fix their remuneration.		
<b>Special Business:</b>			
4.	To consider the ratification of remuneration payable to Cost Auditor for the financial year 2023-2024 and 2024-2025.		
5.	To approve the Material Related Party Transaction for the financial year 2024-2025.		

6.	To approve Appointment of Mrs. Bhavna Brahmbhatt (DIN: 10736860) as an Independent Director of the Company for a period of five years.		
7.	To approve increase in Authorised Capital of the Company.		
8.	To approve alteration of Capital Clause of the Memorandum of Association on account of increase in Authorised Share Capital of the Company.		
9.	To approve adoption of new set of Articles of Association (AOA) of the Company pursuant to the Companies Act, 2013.		
10.	To approve adoption of policy on grant of Loans & Advances to Employees including Key Managerial Personnel (KMPs).		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024

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, India.

**BALLOT PAPER**

<b>Sr. No.</b>	<b>Particulars</b>	<b>Details</b>
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:

<b>Item No.</b>	<b>Item</b>	<b>Nature of Resolution</b>	<b>No. of shares held by me</b>	<b>I assent to the resolution</b>	<b>I dissent from the resolution</b>
01.	To consider and adopt the Audited Financial Statement of the Company for the financial year ended 31 <sup>st</sup> March, 2024 and the reports of the Board of Directors and Auditors thereon.	Ordinary			
02.	To appoint a director in place of Mr. Hitendra Chimanlal 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.	Re-appointment of Statutory Auditors of the Company for a period of five years and to fix their remuneration.	Ordinary			

04.	Ratification of remuneration payable to Cost Auditor for the financial year 2023-2024 and 2024-2025.	Ordinary			
05.	Approval of Material Related Party Transaction for the financial year 2024-2025.	Ordinary			
06.	Appointment of Mrs. Bhavna Brahmbhatt (DIN: 10736860) as an Independent Director of the Company for a period of five years.	Special			
07.	Increase the Authorised Capital of the Company.	Ordinary			
08.	Alteration of Capital Clause of the Memorandum of Association on account of increase in Authorised Share Capital of the Company.	Special			
09.	Adoption of new set of Articles of Association (AOA) of the Company pursuant to the Companies Act, 2013.	Special			
10.	Adoption of policy on grant of Loans & Advances to Employees including Key Managerial Personnel (KMPs).	Special			

**Place:**

**Date:**

**(Signature of the Shareholder)**

E-Voting shall remain start on Friday, the 27<sup>th</sup> September, 2024 at 09.00 a.m. (IST) and will be open till Sunday, the 29<sup>th</sup> September, 2024 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
 via Dr S Radha Krishnan Rd/Old Nagardas Rd and Parsi Panchayat Rd	13 min 1.0 km

All routes are mostly flat

