



Date: July 29, 2023

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

Ref.: Scrip Code: BSE 542682

Dear Sir,

Sub: Postal Ballot Notice-Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Postal Ballot Notice dated July 27, 2023, seeking approval of the members of the Company, by way of remote e-voting process.

Postal Ballot Notice is being sent only through electronic mode to the members whose names appear on the Register of Members / List of Beneficial Owners as received from National Securities Depository Limited and Central Depository Services (India) Limited and whose email ID is registered with the Company / Bigshare Services Pvt Ltd, Company's Registrar and Transfer Agent / Depository Participants / Depositories as on Friday, July 28, 2023 ("Cut-off Date").

The Company has availed e-voting facility for Postal Ballot from Bigshare Services Pvt Ltd (BIGSHARE) in order to enable the members to cast their vote electronically. The e-voting facility will be available during the following period:

Commencement of e-voting: **9:00 a.m. (IST) on Monday, July 31, 2023**
End of e-voting: **5:00 p.m. (IST) on Tuesday, August 29, 2023**



HARISH TEXTILE ENGINEERS LIMITED

CIN No.: L29119MH2010PLC201521



The Postal Ballot Notice is also uploaded on the Company's website and can be accessed at: <http://www.harishtextile.com/notices.php>

Request you to please take the same on your records.

Thanking you

Yours faithfully,

For **Harish Textile Engineers Limited**

Hitendra Desai
Whole-Time Director
DIN: 00452481



Place: Mumbai

Encl.: Copy as above

HARISH TEXTILE ENGINEERS LIMITED

CIN: L29119MH2010PLC201521

Registered Office: 2nd Floor, 19, Parsi Panchayat Road, Andheri East, Mumbai-400069, Maharashtra, India.

Tel No: 022 40373000/28367151/2/3, E-mail: investor@harishtextile.com; Website: www.harishtextile.com

POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013 and applicable rules made thereunder)

| VOTING STARTS ON | VOTING ENDS ON |
|--|--|
| 31 ST JULY, 2023 AT 9:00 AM (IST) | 29 TH AUGUST, 2023 AT 5:00 PM (IST) |

Dear Member(s),

Notice is hereby given that the resolutions set out hereunder are proposed for the approval of the members of **Harish Textile Engineers Limited** (“Company”) by means of postal ballot through e-voting process (“E-voting”), pursuant to Section 110, Section 108 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, (“the Rules”) including any statutory modifications or re-enactments thereof for the time being in force as amended from time to time, read with General Circular Nos.14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 8, 2021, 3/2022 dated May 5, 2022 and 11/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs, Government of India (the “MCA Circulars”), Secretarial Standard on General Meetings (“SS-2”) issued by the Institute of Company Secretaries of India, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the “Listing Regulations”) and any other applicable laws, rules and regulations (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), seeking approval of the Members for the Special Resolutions set out below through postal ballot by voting through electronic means (remote e-voting).

In terms of the MCA Circulars, the Postal Ballot Notice is being sent in electronic mode only to all those Members whose names appear on the Register of Members / List of Beneficial Owners and who have registered their e-mail addresses with the Company or Depository Participant / Depository / Bigshare Services Pvt. Ltd., the Company’s Registrar & Transfer Agent as on July 28, 2023, being the cut-off date for this purpose. Members can vote only through the remote e-voting process. Physical copies of the Postal Ballot Notices along with Postal Ballot Forms and prepaid business reply envelopes are

not being sent to the Members for this Postal Ballot and no physical ballot forms will be accepted. Members are requested to read the instructions in the Notes in this Postal Ballot Notice so as to cast their vote electronically not later than 5:00 p.m. IST on August 29, 2023, (the last day to cast vote electronically) to be eligible for being considered.

The Explanatory Statement pursuant to Sections 102, 110 and other applicable provisions, if any, of the Act, pertaining to the said Special Resolutions setting out the material facts and the reasons thereof is annexed hereto along with the Postal Ballot Notice. The Postal Ballot Notice will also be placed on the website of the Company, www.harishtextile.com and the website of Bigshare Services Pvt Ltd (“Bigshare”) at <https://ivote.bigshareonline.com>. The Notice can also be accessed from the website of the stock exchanges i.e. BSE Limited (“BSE”) (“Stock Exchanges”) at www.bseindia.com respectively.

The Board of Directors at its meeting held on July 27, 2023 has appointed M/s D N Vora and Associates, Practicing Company Secretary (ACS No. 46989, COP No. 21254), as Scrutinizer for conducting the Postal Ballot, through the e-voting process, in a fair and transparent manner. The Scrutinizer’s decision on the validity of the Postal Ballot shall be final. The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny and results of the Postal Ballot would be announced on or before August 31, 2023.

The results will be published on the website of the Company i.e. www.harishtextile.com and will be communicated to the Stock Exchanges where the Company's shares are listed. The results will also be posted on the website of Bigshare Services Pvt Ltd (“Bigshare”) at <https://ivote.bigshareonline.com>. The Resolutions, if assented by the requisite majority, shall be deemed to have been passed on the last date specified for e-voting, i.e. August 29, 2023.

The Company has engaged the services of Bigshare Services Pvt Ltd (“Bigshare”) to provide remote e-voting facility to all its Members to cast their votes electronically.

In the event the draft resolution as set out in the notice is assented to by the requisite majority by means of evoting, it shall be deemed to have been passed at a General Meeting.

SPECIAL BUSINESS

1. TO TRANSFER THE TEXTILE ENGINEERING BUSINESS UNDERTAKING OF THE COMPANY TO NFINIA INDUSTRIES PRIVATE LIMITED (A COMPANY OWNED AND CONTROLLED BY THE PROMOTER(S) OF THE COMPANY), AS GOING CONCERN, ON SLUMP SALE BASIS, THROUGH BUSINESS TRANSFER AGREEMENT TO BE EXECUTED BETWEEN THE COMPANY AND NFINIA INDUSTRIES PRIVATE LIMITED

To consider and, if thought fit, to give assent/ dissent to the following resolution as a **Special Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification, amendment or re-enactment thereof for the time being in force), read with the Companies (Meetings of Board and its Powers) Rules, 2014, the applicable provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and the provisions of the Memorandum and Articles of Association of the Company, subject to other applicable statutory provisions, rules, regulations, guidelines and also subject to necessary approvals, consents, permissions and sanctions from the concerned authorities, regulatory authority, banks and/or financial institutions, secured lenders, and any other third parties etc., to the extent applicable and necessary and upon recommendation of the Board of Directors, the consent of the members of the company be and is hereby accorded to the Board of Directors of the company (hereinafter referred to as the "Board" which term shall include a Committee thereof), to sell or transfer or otherwise dispose of as a going concern by way of slump sale (as defined in Section 2(42C) of the Income-tax Act, 1961) the Business Undertaking, wherein the term ‘Business Undertaking’ means the **“Textile Engineering Business Undertaking”** of the Company and includes all movable and immovable assets and liabilities comprising in the said business undertaking on and with effect from the effective date (effective date would mean (a) date on which all the required approvals for the said business transfer are received or (b) such date as the Board of Directors of both the Companies may mutually agree upon; whichever is later). The assets and liabilities comprising in the said undertaking are set out in Annexure 1 to this notice subject to the adjustments as provided in the Business Transfer Agreement (“BTA”).

RESOLVED FURTHER THAT the net worth of the said undertaking as on May 31, 2023 is negative (as indicated in Annexure 1 to this notice) and that the actual consideration for this transaction will be determined as on Effective Date and to the extent of such negative consideration as may be determined as on Effective Date the Company

shall compensate Nfinia Industries Private Limited in cash or kind, in such manner and on such terms and conditions as may be deemed appropriate and decided by the Board, with the power to the Board to consider, evaluate, negotiate, finalize and execute all the required documents, memoranda, deeds of assignment/conveyance and any other incidental documents with such modifications as may be required from time to time to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, including finalizing and varying the terms and conditions to transfer the Textile Engineering Business Undertaking of the Company and finalizing, modifying and executing necessary documents, including Business Transfer Agreement (“**BTA**”), contracts, agreements, deeds of assignment / conveyance and such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including governmental authorities if required, and deal with any matters, take necessary steps as the Board may in its absolute discretion deem necessary, desirable or expedient to give effect to this resolution, and to settle any questions, difficulties or doubts that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any committee constituted by Board of the Company or to any Director of the Company or to any other officer(s) or employee(s) of the Company as it may consider appropriate in order to give effect to this resolution;

RESOLVED FURTHER THAT all actions taken by the Board in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respect.”

2. TO APPROVE RELATED PARTY TRANSACTION IN ORDER TO TRANSFER THE TEXTILE ENGINEERING BUSINESS UNDERTAKING TO NFINIA INDUSTRIES PRIVATE LIMITED (A COMPANY OWNED AND CONTROLLED BY THE PROMOTER(S) OF THE COMPANY)

To consider and, if thought fit, to give assent/ dissent to the following resolution as an **Ordinary Resolution:**

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (the “Act”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any statutory modification, amendment or re-enactment thereof for the time being in force) and Regulation 23 and other applicable regulations of the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015 (as amended) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed by the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall be deemed to include any Committee which the Board has constituted or to be constituted to exercise its powers, including the powers, conferred by this resolution), consent of the members of the Company be and is hereby accorded to the Board to enter into related party transaction, by way of entering into a Business Transfer Agreement (“BTA”), with **Nfinia Industries Private Limited** (a related party within the meaning of the Section 2(76) of the Act and Regulation 2 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) in order to transfer the Textile Engineering Business Undertaking of the Company, as a going concern, on slump sale basis (as defined under Section 2(42C) of the Income Tax Act, 1961), for the consideration as may be determined on the effective date and on such other terms and conditions as the Board may consider fit and proper and to do all such things as may be considered necessary or expedient to give effect to the same;

RESOLVED FURTHER THAT the negative consideration for above said transfer of the Textile Engineering Business Undertaking to Nfinia Industries Private Limited is worked out on arm’s length basis as determined by independent valuation report and that Nfinia Industries Pvt Ltd. will be compensated for such negative consideration in such manner as the Board May decide;

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary and as the Board may in its absolute discretion deem necessary, desirable or expedient, including but not limited to finalizing the terms and conditions, methods and modes, finalizing and executing necessary documents, including contracts, schemes, agreements and such other papers, documents as may be required, filing applications and making representations, seeking all necessary approvals from relevant authorities, including governmental authorities to give effect to this resolution, for and on behalf of the Company and settling all such issues, questions, difficulties or doubts whatsoever that may arise without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby further authorized to delegate all or any of the powers herein conferred to director(s), committee(s), executive(s), officer(s) or representatives(s) of the Company or to any other person to do all such acts, deeds, matters and things as may be considered necessary or expedient and also to execute such documents, writings etc. as may be necessary to give effect to this

resolution.

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

3. APPROVAL FOR MATERIAL RELATED PARTY TRANSACTIONS FOR RAISING FUNDS FROM RELATED PARTIES AND DIRECTORS:

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

“**RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act, 2013 (the “**Act**”) read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Act (including any statutory modification, amendment or re-enactment thereof for the time being in force) and Regulation 23 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) and any other provisions of applicable law(s), including any amendment(s) or statutory modification(s) or re-enactment(s) thereof, for the time being in force (hereinafter collectively referred to as “**Applicable Laws**”), the Company’s policy on related party transactions, as may be applicable from time to time, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company, (hereinafter referred to as “**Board**”, which term shall be deemed to include the Audit Committee of the Company and any duly authorized committee of Directors constituted /empowered by the Board, from time to time, to exercise its powers conferred by this resolution), to enter into and / or to carry out and / or continue to enter, carry out contracts / arrangements / transactions, whether by way of renewal(s) or extension(s) or modification(s) of earlier contracts/ arrangements / transactions or otherwise, either directly or through its subsidiaries or companies having common promoters/ Directors or associate companies or Directors or Promoters with Harish Textile Engineers Limited (“**HTEL**”), a related party within the meaning of Regulation 2(1)(zb) of the SEBI Listing Regulations, on such terms and conditions as the Board may decide (“**Related Party Transactions**”), and valid for a period of one year from the date of approval of the members (“**Relevant Period**”), up to a maximum aggregate value of the Related Party Transactions as mentioned herein below, notwithstanding the fact that the aggregate value of Related Party Transactions may exceed materiality threshold as prescribed under the Applicable Laws, provided however, that the said Related Party Transactions shall be carried out on an arm’s length basis and in the ordinary course of business of the Company and/ or its subsidiaries or companies having common promoters/ Directors or associate companies or Directors or Promoters, and such Related Party Transactions shall be in the nature of acceptance of loan/raising of funds from Director and/or other Companies having common promoter(s) or director(s) or other associate companies being a related party to the Company not exceeding Rs.

75,00,00,000/- (Rupees Seventy Five Crores Only) excluding the amount already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) in full and/or part from time to time with or without security, on such terms and conditions as may be considered fit.

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

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

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

**Sandeep Gandhi
Managing Director
DIN: 00941665**

**Hitendra Desai
Whole-Time Director
DIN: 00452481**

Registered Office

2nd Floor, 19 Parsi Panchayat Road,
Andheri (East), Mumbai-400069
CIN: L29119MH2010PLC201521

Date: July 27, 2023

Place: Mumbai

NOTES:

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013 (the Act) read with Regulation 36 of the SEBI Listing Regulations, and SS-2, setting out material facts and reasons for the Special Business is annexed hereto and forms part of this Postal Ballot Notice.
2. In accordance with the MCA Circulars, this Postal Ballot Notice is being sent via email only to the members of the Company, whose names appear on the Register of Members/list of Beneficial Owners, as received from NSDL and Central Depository Services (India) Limited (“CDSL”) on Friday, July 28, 2023 (“cut-off date”) and whose e-mail addresses are registered with the Company/Depositories/Depository Participants/Registrar and Transfer Agent (“RTA”)- Bigshare Services Pvt. Ltd.. Any person who is not a member as on the cut-off date should treat this Postal Ballot Notice for information purposes only. The same will also be available on the Company’s website at www.harishtextile.com, websites of the Stock Exchanges at www.bseindia.com and on the website of Bigshare Services Pvt Ltd at <https://ivote.bigshareonline.com>.
3. Members who have not registered their e-mail addresses are requested to register the same with the RTA (in case of the physical shareholding)/ Depository Participant(s) (in case of electronic shareholding).
4. The dispatch of the Postal Ballot Notice and the Explanatory Statement shall be announced through an advertisement in at least 1 (one) English newspaper and at least 1 (one) Marathi newspaper, each with wide circulation in the district, where the Registered Office of the Company is situated, and also be published on the Company’s website at www.harishtextile.com.
5. In compliance with the provisions of Section 108 and 110 of the Act read with Rules 20 and 22 of the Rules and Regulation 44 of the Listing Regulations, the MCA Circulars and SS-2, the Company has provided e-voting facility for its Members to enable them to cast their votes electronically. The Company has engaged the services of Bigshare Services Pvt Ltd (“Bigshare”) for the purpose of providing e-voting facility to all its Members.
6. The voting rights of the Members shall be reckoned in proportion to the equity shares held by them on the Cut-off date i.e. July 28, 2023. Only those Members holding shares either in physical form or dematerialized form as on the Cut-off date will be entitled to cast their votes by remote e-voting. A person who is not a Member as on the Cut-off date should treat this Postal Ballot Notice for information purpose only.
7. The e-voting period commences on Monday, July 31, 2023 at 9:00 A.M. (IST) and ends on Tuesday, August 29, 2023 at 5:00 P.M. (IST).

8. Once the vote on the Resolution is cast by the members, the members shall not be allowed to change it subsequently.
9. Relevant documents referred to in this Postal Ballot Notice will be made available for inspection on Bigshare Services Pvt Ltd website, from the date of dispatch of notice upto the last date of e-voting i.e. Tuesday, August 29, 2023.
10. The last date specified by the Company for e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.
11. Contact details of the person responsible to address the queries/grievances connected with the voting by Postal Ballot including voting by electronic means, if any:
 - The Company Secretary & Compliance Officer, Harish Textile Engineers Limited, 02nd Floor, 19 Parsi Panchayat Road, Andheri East, Mumbai-400069., Tel: (91 22) 66490251; Email – investor@harishtextile.com.
 - In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions (‘FAQs’) and i-Vote e-Voting module available at <https://ivote.bigshareonline.com>, under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.
12. Documents referred to in this notice and explanatory statement are open for inspection by the shareholders at the Registered Office of the Company on all working days (except Sunday) from 10:00 am to 5:00 pm till from the date of dispatch of the Postal Ballot Notice up to the completion of Postal Ballot i.e., August 29, 2023.
13. Members may download the Postal Ballot Notice from the Company’s website at www.harishtextile.com or from Bigshare Services Pvt Ltd at <https://ivote.bigshareonline.com>.

14. Information and Other Instructions relating to Remote E-Voting:

- (a) In compliance with the provisions of Section 108 and other applicable provisions, if any, of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the Listing Regulations and the MCA Circulars, Members are provided with the facility to cast their vote electronically, through the remote e- voting services provided by Bigshare Services Pvt Ltd, on the resolution(s) set forth in this Postal Ballot Notice. The instructions for remote e-voting are given below.
- (b) In order to increase the efficiency of the voting process and pursuant to SEBI Circular No. SEBI/ HO/CFD/CMD/CIR/P/2020/242 dated 9th December, 2020, all individual

shareholders holding shares in demat mode can now cast their vote by way of a single login credential, through either their demat accounts / websites of Depositories / DPs thereby not only facilitating seamless authentication but also ease and convenience of participating in the e-Voting process.

- (c) Members are advised to update their mobile number and e-mail ID with their Depository Participants to access this facility.
- (d) The communication relating to remote e-voting containing details about User ID and Password, instructions and other information relating thereto is given in this Postal Ballot Notice.
- (e) The remote e-voting facility will be available during the following period: Commencement of remote e-voting: 9.00 a.m. (IST) on Monday, July 31, 2023; End of remote e-voting: 5.00 p.m. (IST) on Tuesday, August 29, 2023. The remote e-voting will not be allowed beyond the aforesaid date and time, and the e-voting module shall be disabled by NSDL upon expiry of the aforesaid period.
- (f) The Board of Directors of the Company has appointed M/s D N Vora and Associates, Practicing Company Secretaries (Membership Number: ACS No. 46989, COP No. 21254), as the Scrutinizer to scrutinize the Postal Ballot process and the remote e-voting in a fair and transparent manner.
- (g) The Scrutinizer, after scrutinizing the votes cast through remote e-voting will, not later than two working days of the conclusion of the remote e-voting, make a Scrutinizer's Report and submit the same to the Chairman or the Company Secretary. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company at the link www.harishtextile.com and on the website of e-voting agency i.e. Bigshare Services Pvt Ltd at <https://ivote.bigshareonline.com>. The results shall be communicated to the Stock Exchanges simultaneously.
- (h) Subject to receipt of the requisite number of votes, the Resolution(s) shall be deemed to have been passed on the last date of remote e-voting i.e. Tuesday, August 29, 2023.
- (i) The cut-off date for Members to whom this Postal Ballot Notice is being sent and the Members who are eligible to exercise their right to vote on Resolution(s) proposed to be passed through the Postal Ballot by remote e-voting is Friday, July 28, 2023. A person who is not a Member as on the cut-off date should treat this Postal Ballot Notice for information purposes only.

- (j) It is however clarified that Members of the Company as on cut-off date (including Members who may have not received this communication due to non-registration of their e-mail address with the Company / RTA / Depositories) shall be entitled to vote in respect of the Resolution(s), in accordance with the process specified in this Postal Ballot Notice.
- (k) The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- (l) In case of joint holders, only such joint holder who is higher in the order of names will be entitled to vote.
- (m) Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, ECS mandates, email addresses, nominations, power of attorney, change of address/ name etc. to their Depository Participants (“DPs”) and Bighshare.
- (n) Any such changes effected by the DPs will automatically reflect in the Company’s records.
- (o) Members holding shares in electronic mode may contact their respective DPs for availing the nomination facility.
- (p) Members holding shares under multiple folios / demat accounts are requested to vote separately for each of their folios / demat accounts.
- (q) Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned certified true copy (PDF Format) of the Board Resolution / Power of Attorney / Authority Letter, etc., to the Scrutinizer by email to dnvoraandassociates@yahoo.com with a copy marked to investor@harishtextile.com.
- (r) Non-Resident Indian Members are requested to inform their respective DPs, immediately of: Change in their email address, residential status on return to India for permanent settlement, Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
- (s) E-voting is mandatory for the Members and is the only means to cast a vote on the stated items of business. Members may in accordance with the provisions of Sections 112 and 113 of the Act, appoint representatives for the purpose of voting through remote e-

voting.

- (t) The instructions to the Members for exercising their vote along with the process and the manner for remote e-voting are as under [for Members whose email ID are registered with the Company/ Depository Participant(s)]:

E-VOTING INTRUCTIONS FOR POSTAL BALLOT ARE AS UNDER:

- i. The voting period begins on **Monday, July 31, 2023 (9:00 a.m. IST)** and ends on **Tuesday, August 29, 2023 (5:00 p.m. IST)**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. **Friday, July 28, 2023** may cast their vote electronically. The e-voting module shall be disabled by Bigshare for voting thereafter.
- ii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- iii. In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 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.

1. Pursuant to above said SEBI Circular, Login method for e-Voting for Individual

shareholders holding securities in Demat mode is given below:

| Type of shareholders | Login Method |
|--|---|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> 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 URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 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 BIGSHARE the e-Voting service provider and you will be re-directed to i-Vote website 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 i.e. BIGSHARE, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & 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. Click on BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-voting period. |
| Individual Shareholders | <ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on |

| | |
|--|--|
| <p>holding securities in demat mode with NSDL</p> | <p>a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nSDL.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nSDL.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) 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. 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 e-Voting service provider name BIGSHARE and you will be redirected to i-Vote website for casting your vote during the remote e-Voting period.</p> |
| <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. After Successful login, you will be able to see e-Voting option. Once you 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 name and you will be redirected to e-Voting service provider website 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 abovementioned website.

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

| Login type | Helpdesk details |
|---|--|
| 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 helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43. |
| 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 evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

2. Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on “**LOGIN**” button under the ‘**INVESTOR LOGIN**’ section to Login on E-Voting Platform.
- Please enter you ‘**USER ID**’ (User id description is given below) and ‘**PASSWORD**’ which is shared separately on you register email id.
 - Shareholders holding shares in **CDSL demat account should enter 16 Digit Beneficiary ID** as user id.
 - Shareholders holding shares in **NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID** as user id.
 - Shareholders holding shares in **physical form should enter Event No + Folio Number** registered with the Company as user id.

Note If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in

helpdesk section).

- Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

NOTE: If Shareholders are holding shares in demat form and have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on ‘**LOGIN**’ under ‘**INVESTOR LOGIN**’ tab and then Click on ‘**Forgot your password?**’
- Enter “**User ID**” and “**Registered email ID**” Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on ‘**Reset**’.

(In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for shareholders on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.
- Click on “**VIEW EVENT DETAILS (CURRENT)**” under ‘**EVENTS**’ option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on “**VOTE NOW**” option which is appearing on the right hand side top corner of the page.
- Cast your vote by selecting an appropriate option “**IN FAVOUR**”, “**NOT IN FAVOUR**” or “**ABSTAIN**” and click on “**SUBMIT VOTE**”. A confirmation box will be displayed. Click “**OK**” to confirm, else “**CANCEL**” to modify. Once you confirm, you will not be allowed to modify your vote.
- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can “**CHANGE PASSWORD**” or “**VIEW/UPDATE PROFILE**” under “**PROFILE**” option on investor portal.

3. Custodian registration process for i-Vote E-Voting Website:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
- Click on “**REGISTER**” under “**CUSTODIAN LOGIN**”, to register yourself on Bigshare i-Vote e-Voting Platform.

- Enter all required details and submit.
- After Successful registration, message will be displayed with **“User id and password will be sent via email on your registered email id”**.
NOTE: If Custodian have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.
- If you have forgotten the password: Click on ‘**LOGIN**’ under ‘**CUSTODIAN LOGIN**’ tab and further Click on ‘**Forgot your password?**’
- Enter **“User ID”** and **“Registered email ID”** Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on **‘RESET**.
(In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).

Voting method for Custodian on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.

Investor Mapping:

- First you need to map the investor with your user ID under **“DOCUMENTS”** option on custodian portal.
 - Click on **“DOCUMENT TYPE”** dropdown option and select document type power of attorney (POA).
 - Click on upload document **“CHOOSE FILE”** and upload power of attorney (POA) or board resolution for respective investor and click on **“UPLOAD”**.
Note: The power of attorney (POA) or board resolution has to be named as the **“InvestorID.pdf”** (Mention Demat account number as Investor ID.)
 - Your investor is now mapped and you can check the file status on display.

Investor vote File Upload:

- To cast your vote select **“VOTE FILE UPLOAD”** option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on **“UPLOAD”**. Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can **“CHANGE PASSWORD”** or **“VIEW/UPDATE PROFILE”** under **“PROFILE”** option on custodian portal.

Helpdesk for queries regarding e-voting:

| Login type | Helpdesk details |
|--|--|
| Shareholder's other than individual shareholders holding shares in Demat mode & Physical mode. | In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions ('FAQs') and i-Vote e-Voting module available at https://ivote.bigshareonline.com , under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22. |

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

**Sandeep Gandhi
Managing Director
DIN: 00941665**

**Hitendra Desai
Whole-Time Director
DIN: 00452481**

Registered Office

2nd Floor, 19 Parsi Panchayat Road,
Andheri (East), Mumbai-400069
CIN: L29119MH2010PLC201521

Date: July 27, 2023

Place: Mumbai

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following statement sets out all material facts relating to the special businesses mentioned in the accompanying Postal Ballot Notice:

ITEM NO. 1

The Textile Engineering Business has been making losses over the past several quarters which in turn is dragging down the overall performance of the Company. Due to the Poor performance of textile engineering business overall financial position, critical financial Ratios of the Company are adversely affected. As a result, thereof the valuation for all the stakeholders of the company is adversely affected. Due to the adverse ratios, the Company is not in a position to undertake meaningful expansion for its other business segments. For the improvement of financial position and critical Ratios and positive value creation on all the stakeholders of the company, it is proposed to transfer the Textile Engineering Business on a slump sale basis of Nfinia Industries Private Limited.

The Executive management of Harish Textile Engineers Limited (HTEL) including the promoters, directors and officials have been continuously interacting with the investor fraternity over the years. A view that has emerged from these interactions is that the investors view the Textile Engineering Business Undertaking as a drag on the overall business operations of the Company as the return ratios of the core operations get diluted after factoring in the results of this segment while evaluating the entity as a whole.

Also, the prospects of this undertaking when compared with that of the core business operations give a completely different picture, especially with respect to the imminent inevitable replacement capex that the Textile Engineering Business warrant, though the same does not necessarily bring in the requisite incremental revenues when compared with the capital outlay involved.

Going ahead, the management wishes to position Harish Textile Engineers Limited (HTEL) as an entity focusing on Non-woven and PSF business which are profitable and have huge scope of expansion and scaling up. The Company had explored options to sell off this undertaking to an independent third party however no satisfactory response could be seen with regard to this transaction. Promoters, having started this undertaking, have stepped in and are agreeable to take over the operations on a going concern basis and hence the said transaction. As such, it is proposed that the operations of this undertaking be hived off completely from Harish Textile Engineers Limited (HTEL) and that this undertaking be sold as a going concern by way of a slump sale.

The shareholders of the Company be and is hereby informed that the Company with an

objective to improve the financial health and long term viability of the Company's business and with a view to reduce the overall debt obligations of the company, the Board of the Directors in its meeting held on July 27, 2023 has proposed to transfer the Business Undertaking i.e "Textile Engineering Business Undertaking" from the Company to Nfinia Industries Private Limited, the Business Undertaking means the Company's Undertaking "Textile Engineering Business Undertaking" includes all movable and immovable assets and liabilities such as Trade Receivables, Inventories, Other Current Assets, Trade Payables, Loans, Current Liabilities and Provisions etc. pertaining to such identified Textile Engineering Business Undertaking.

Valuation of the Business Undertaking has been carried out by the independent valuers i.e. M/s Vivro Financial Services Private Limited a category 1 Merchant Banker registered with SEBI having Registration number INM000010122 and they have issued the necessary valuation report which is also in compliance with the Listing Regulation guidelines.

Upon the proposed hiving of the Textile engineering Business, the Company will have the profitable businesses of Non-woven and PSF. Both these businesses offer excellent scope for expansion and scaling up. Upon the proposed slump sale of the Textile Engineering Business all the critical financial parameters of the Company will substantially improve and this will pave way for sustainable value creation for all the stake holders.

The overall liabilities of the identified undertaking as at 31st May, 2023 is Rs 36.47 Crore as against the adjusted total book value of the assets of the said undertaking is Rs 27.97 Crore hence resulting into a negative net worth amounting to Rs 8.5 Crore. As per the independent valuer report, the valuation of the said undertaking is as appended as below.

| Particular | Rs. in Crore |
|-------------------|---------------------|
| Gross Assets | 27.97 |
| Gross liabilities | 36.47 |
| Net assets | (8.50) |

Section 180 (1) (a) of the Companies Act, 2013 makes it mandatory for the board of directors to obtain shareholder approval vide special resolution before sale of the whole or substantially the whole of an undertaking by the company. For the division to qualify as an "undertaking", the division should be either (i) an undertaking in which the investment of the Company exceeds 20% of its net worth as per the audited balance sheet of the preceding financial year or (ii) an undertaking which generates 20% of the total income of the company during the previous financial year. Albeit these defined conditions may not apply in the instant case, the Board of Directors of the Company have considered

the fact that the Textile Engineering Business Undertaking has separate identifiable business model, assets, revenues and expenses and is capable of being considered as an “*undertaking*”, and has historically, been recognized and recorded in the financial statements as a separate segment. On this basis consent of the members of the Company has been sought for the proposed transfer of the Engineering Business Undertaking.

The promoters wish to continue operating the Textile Engineering Business Undertaking in their individual capacity independently from Harish Textile Engineers Limited. It may be noted here specifically that the operations of this division do not warrant a continued business focus on part of the promoters contrary to that required for the other business operations. As such, by continuing the existing workforce as also by setting up independent maintenance infrastructure, the promoters believe that they can handle the Engineering Business Undertaking in a separate entity owned by them without diluting their focus in the PSF and Non-Woven business of Harish Textile Engineers Limited.

The management has already obtained an independent valuation report from M/s. Vivo Financial Services Private Limited a category 1 Merchant Banker registered with SEBI having registration no.: INM000010122. The management of the Company is of the view that since the fate of the transaction would be decided by the non-interested shareholders, a fair and independent valuation having being obtained as also given that no dilution being envisaged in the availability of promoters to attend to the other (PSF and Non-Woven business) business, it would be in the interest of the Company to transact the same.

Given that the promoters propose to acquire the said Textile Engineering Business Undertaking, Mr. Sandeep Gandhi, Managing Director is interested in the said transaction.

Except Mr. Sandeep Gandhi, Managing Director and his relatives, none of the Directors and Key Managerial Person (KMP) or their respective relatives is interested financially or otherwise in the resolution set out at item no. 1 of the accompanying notice.

The directors recommend the resolution set out under Item nos. 1 accompanying Notice to the members for approval by way of Special Resolution.

Annexure-1

Financial Summary of Business undertaking- Engineering Division

Annexure :A

Harish Textile Engineering Limited - Engineering Division

Summation Method

Valuation Date : May 31, 2023

Numbers in INR Crores

| No | Particulars | INR in Crores |
|-----|--|---------------|
| A. | Book value of all the assets in the balance-sheet | |
| | Non Current Assets | |
| (a) | Property, plant and equipment | 8.77 |
| (b) | Right of use asset | 0.70 |
| (c) | Other non-current assets | 2.80 |
| | Total Non Current Assets | 12.27 |
| | Current Assets | |
| (a) | Inventories | 5.65 |
| (b) | Trade receivables | 1.96 |
| (c) | Cash and cash equivalents | 0.01 |
| (d) | Other current assets | 5.83 |
| | Total Current Assets | 13.45 |
| | Total Assets | 25.71 |
| | Add/(Less) : | |
| (i) | Fair value adjustment of Land and Building at Bhilad | 2.26 |
| | Total Assets (after fair value adjustment) | 27.97 |
| B. | Book value of liabilities shown in the balance sheet | 36.47 |
| | Net asset value (A-B) | (8.50) |

ITEM NO. 2

As per the provisions of Section 188 of the Companies Act, 2013 (“Act”), transactions with related parties which are on an arm’s length basis and in the ordinary course of business, are exempted from the obligation of obtaining prior approval of members. However, as per the requirements of the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) such transactions, if material, require the prior approval of members through a resolution, notwithstanding the fact that the same are at an arm’s length basis and in the ordinary course of business.

The provisions of the SEBI Listing Regulations, as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective April 1, 2022, mandates prior approval of Members by means of an ordinary resolution for all material related party transactions, even if such transactions are in the ordinary course of business of the concerned company and at an arm’s length basis. A transaction with a related party shall be considered as material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed(s) ₹ 1,000 crores, or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower.

In the financial year 2023-2024, the related party transactions as mentioned below, in the aggregate, are expected to cross the applicable materiality thresholds as mentioned above. Accordingly, as per the SEBI Listing Regulations, prior approval of the Members is being sought for all such arrangements / transactions to be undertaken by the Company. All the transactions to be entered into would be in the ordinary course of business of the Company and on an arm’s length basis.

The Company, proposes to enter into transactions with its related party Nfinia Industries Private Limited (Nfinia Industries Private Limited is a related party to the Company in terms of Section 2(76) of the Companies Act 2013) for transfer of the Textile Engineering Business Undertaking mentioned in Resolution at Item no. 2 of the Notice, during the financial year 2023-2024, as per the terms and conditions in accordance to the Business Transfer Agreement (“BTA”). The Board of Directors and the Audit Committee of the Company has approved the said related party transactions at its meeting held on July 27, 2023 and has noted that although the proposed related party transactions are in the ordinary course of business of the Company and shall be entered into at an arm’s length basis, they may, in aggregate, cross the applicable materiality thresholds as mentioned above.

Accordingly, as per the SEBI Listing Regulations, prior approval of the Members is being sought for all such arrangements / transactions to be undertaken by the Company.

On this basis, as the Company is considering the proposed transfer of the Textile Engineering Business Undertaking to Nfinia Industries Private Limited as material related party transaction for which approval of the members by means of an ordinary resolution is being sought, relevant information/disclosures pursuant to Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 are set out below:

- (a) **Name of the related party:** Nfinia Industries Private Limited
- (b) **Name of the director or key managerial personnel who is related, if any:** Mr. Sandeep Gandhi, Managing Director
- (c) **Nature of relationship:** Nfinia Industries Private Limited, a related party owned and controlled by the promoters.
- (d) **Nature, material terms, monetary value and particulars of the contract or arrangement:** The Company will transfer its Textile Engineering Business Undertaking to Nfinia Industries Private Limited at a negative Net Worth as may be determined as at Effective Date. The Negative Net Worth value is subject to the necessary adjustments as per applicable accounting policies at the time of closure of the transaction. To the extent of negative net worth as may be determined as at the Effective Date, the Company will compensate Nfinia Industries Private Limited in such manner as may be mutually agreed upon.
- (e) **Any other information relevant or important for the members to take a decision on the proposed resolution:**

The Company had explored options to sell off this business undertaking to an independent third party however no satisfactory response could be seen with regard to this transaction. Promoters, having started this undertaking, have stepped in and are agreeable to take over the operations on a going concern basis and hence the said transaction.

The Board of Directors of the Company have deemed the proposed transfer of the Engineering Business Undertaking to be a material related party transaction under the scheme of Regulation 23 (1) of the SEBI Listing Regulations and recommended that prior approval of the members be obtained through an ordinary resolution by means of postal ballot.

Details to be placed before the members in line with the SEBI circular dated 22 November 2021 (SEBI/HO/CFD/CMD1/CIR/P/2021/662), are given below:

| Sr. No. | Information to be provided to shareholders for consideration of the proposed related party transaction | Remarks |
|---------|--|---------|
| | | |

| | | |
|----|---|---|
| 1. | Type, material terms and particulars of the proposed transaction | Sale/transfer of the Textile Engineering Business Undertaking by way of slump sale on a going concern basis. The said sale/ transfer is going to take place on a negative net worth as may be determined as on the Effective Date |
| 2. | Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise) | Nfinia Industries Private Limited, a Promoter Group entity incorporated under Companies Act, 1956, funded by the Promoters for the said transaction. |
| 3. | Tenure of the proposed transaction (particular tenure shall be specified) | The date of completion of transfer shall be the effective date (effective date would mean (a) date on which all the required approvals for the said business transfer are received; or (b) such date as the Board of Directors of both the companies may mutually agree upon, whichever is later) |
| 4. | Value of the proposed transaction | Negative net worth as may be determined as at the Effective Date) subject to customary adjustments basis closing date accounts. |
| 5. | The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a related party transaction involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided) | 22.30% based on the Total income as contained in the Audited Financials for the year ended 31st March 2023. |

| | | |
|----|--|---|
| 6. | <p>If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:</p> <ul style="list-style-type: none"> i. details of the source of funds in connection with the proposed transaction; ii. where any financial indebtedness is incurred to make or give loans, interoperate deposits, advances or investments, (A) nature of indebtedness; (B) cost of funds; and (C) tenure; iii. applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and iv. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the related party transaction. | Not Applicable |
| 7. | Justification as to why the related party transaction is in the interest of the listed entity | <p>The Textile Engineering Business has been making losses since the last several quarters. The losses of this undertaking has adverse effect on the overall performance and critical financial parameters of the Company. Due to this, the Other two business undertakings of the Company are unable to undertake any meaningful expansion,</p> <p>The Company had explored options to sell off this undertaking to an independent third party however no satisfactory response could be seen with regard to this transaction.</p> |

| | | |
|----|--|--|
| | | <p>Promoters having started this undertaking have stepped in and are agreeable to take over the operations on a going concern basis and hence the transaction.</p> <p>Sale of Textile Engineering Business Undertaking is being transacted to enable Harish Textile Engineers Limited focus on its other business segments, which is PSF and Non-woven business.</p> <p>Post the proposed transfer of the textile engineering business, the overall critical financial parameters of the Company are likely to improve substantially which will pave way for expansion plans of other two undertaking.</p> <p>The proposed transfer of undertaking is in overall interest and benefit of all the stakeholders of the Company</p> |
| 8. | <p>A copy of the valuation or other external party report, if any such report has been relied upon (such valuation or other external party report will be made available through the registered email address of the shareholders)</p> | <p>Copies of the valuation reports are available for inspection by the shareholders at the registered office of the Company. In case, a shareholder is unable to inspect the valuation report at the registered office of the Company, such valuation report will be made available through the registered email address of the shareholder as available with the Company or the RTA.</p> |

| | | |
|-----|--|----------------|
| 9. | Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed related party transaction on a voluntary basis | |
| 10. | Any other information that may be relevant | Not Applicable |

Pursuant to Section 188 of the Companies Act 2013 and as per Regulations 23 of the SEBI LODR Regulations, 2015, all entities falling under the definition of 'related party' shall abstain from voting in respect of the resolution proposed at item no 2 of the accompanying Postal Ballot Notice.

Given that the promoters propose to acquire the said Engineering Business Undertaking, Mr. Sandeep Gandhi, Managing Director is interested in the said transaction.

Except Mr. Sandeep Gandhi, Managing Director and his relatives, none of the Directors and Key Managerial Person (KMP) or their respective relatives is interested financially or otherwise in the resolution set out at item no. 2 of the accompanying notice.

The directors recommend the resolution set out under Item nos. 2 accompanying Notice to the members for approval by way of Ordinary Resolution.

ITEM NO. 3

As per the provisions of Section 188 of the Companies Act, 2013 ("Act"), transactions with related parties which are on an arm's length basis and in the ordinary course of business, are exempted from the obligation of obtaining prior approval of members. However, as per the requirements of the provisions of Regulation 23(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") such transactions, if material, require the prior approval of members through a resolution, notwithstanding the fact that the same are at an arm's length basis and in the ordinary course of business.

The provisions of the SEBI Listing Regulations, as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective April 1, 2022, mandates prior approval of Members by means of an ordinary resolution for all material related party transactions, even if such transactions are in the ordinary course of business of the concerned company and at an arm's length basis. A transaction with a related party shall be considered as material if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceed(s) ₹ 1,000 crores, or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity,

whichever is lower.

In the financial year 2023-2024, the related party transactions as mentioned below, in the aggregate, are expected to cross the applicable materiality thresholds as mentioned above. Accordingly, as per the SEBI Listing Regulations, prior approval of the Members is being sought for all such arrangements / transactions to be undertaken by the Company. All the transactions to be entered into would be in the ordinary course of business of the Company and on an arm's length basis.

Acceptance of loan/raising of funds from Director and/or other Companies having common promoter(s) or director(s) or other associate companies being a related party to the Company not exceeding Rs. 75,00,00,000/- (Rupees Seventy Five Crore Only) in full and/or part from time to time excluding the amount already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) with or without security, on such terms and conditions as may be considered fit.

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 2023-2024.

Except Mr. Sandeep Gandhi, Managing Director of the Company and his relatives, none of the other directors and key managerial personnel or their relatives are interested in the resolution as set out in item no. 3 of this notice.

The directors recommend the resolution set out under Item nos. 3 accompanying Notice to the members for approval by way of Ordinary Resolution.

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

**Sandeep Gandhi
Managing Director
DIN: 00941665**

**Hitendra Desai
Whole-Time Director
DIN: 00452481**

Registered Office

2nd Floor, 19 Parsi Panchayat Road,
Andheri (East), Mumbai-400069
CIN: L29119MH2010PLC201521

Date: July 27, 2023

Place: Mumbai