

# **15<sup>TH</sup> ANNUAL REPORT**



**HARISH TEXTILE ENGINEERS  
LIMITED**

**2024-2025**

**CIN: L29119MH2010PLC201521**

## CORPORATE INFORMATION

### **BOARD OF DIRECTORS**

*(as on date of this report)*

Mr. Sandeep Kirtikumar Gandhi  
Managing Director

Mr. Sunil Narayan Bhirud  
Executive Director  
(Appointed w.e.f. March 27, 2025)

Mrs. Bhavna Ronil Brahmbhatt  
Non- Executive, Independent Director

Mr. Mahesh Ratilal Sapariya  
Non- Executive, Independent Director  
(Appointed w.e.f. March 27, 2025)

Mr. Ashwini Ramakant Gupta  
Non- Executive, Independent Director  
(Appointed w.e.f. June 10, 2025)

Mr. Hitendra Chimanlal Desai  
Whole-time, Executive Director  
(Resigned w.e.f. March 28, 2025)

Mr. Ritesh Harshad Patel  
Non- Executive, Independent Director  
(Resigned w.e.f. June 10, 2025)

Ms. Sushmita Swarup Lunkad  
Non- Executive, Independent Director  
(Resigned w.e.f. March 28, 2025)

### **COMMITTEES OF THE BOARD**

*(as on date of this report)*

#### **AUDIT COMMITTEE-**

Mrs. Bhavna Brahmbhatt- Chairperson  
Mr. Sunil Bhirud- Member  
Mr. Mahesh Sapariya- Member  
Mr. Ashwini Gupta-Member

#### **NOMINATION & REMUNERATION COMMITTEE-**

Mrs. Bhavna Brahmbhatt- Chairperson  
Mr. Mahesh Sapariya- Member  
Mr. Ashwini Gupta-Member

#### **STAKEHOLDER'S RELATIONSHIP COMMITTEE-**

Mrs. Bhavna Brahmbhatt- Chairperson  
Mr. Sunil Bhirud- Member  
Mr. Mahesh Sapariya- Member  
Mr. Ashwini Gupta-Member

#### **COMPANY SECRETARY & COMPLIANCE OFFICER-**

Priya Gupta

#### **CHIEF FINANCIAL OFFICER (CFO)-**

Pinkesh Upadhyay

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#### **Corporate Information-**

Name: Harish Textile Engineers Limited  
CIN: L29119MH2010PLC201521  
Scrip Code: 542682  
Scrip Name: HARISH  
ISIN: INE01K301012  
Listing: BSE Limited

#### **Registered Office-**

Harish Textile Engineers Limited  
02<sup>nd</sup> Floor, 19, Parsi Panchayat Road, Andheri East,  
Mumbai-400069, Maharashtra, India.  
Website: www.harishtextile.com

#### **Registrar & Share Transfer Agent-**

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

#### **BANKER-**

Union Bank of India  
Bank of India

#### **STATUTORY AUDITOR-**

M/s. K.M. Swadia & Co.,  
Chartered Accountants  
314, Shriram Chambers, R. C. Dutt Road, Alkapuri,  
Vadodara-390005

#### **INTERNAL AUDITOR-**

M/s. Ravi H. Dasija & Co.,  
Chartered Accountants  
B 903, Savgan Heights, RTO Lane, Four Bungalows,  
Andheri West, Mumbai 400053

#### **COST AUDITORS**

M/s. Y S Thakar & Associates  
Cost Accountants  
305, Ujjwal complex, Near Akota Stadium, Akota,  
Vadodara -390020

#### **SECRETARIAL AUDITORS-**

M/s D N Vora & Associates  
Practicing Company Secretaries  
102, New Kamal Kunj, Daulat Nagar, Road No.-09,  
Borivali East, Mumbai-400066, Maharashtra, India.

## **NOTICE TO SHAREHOLDERS**

NOTICE IS HEREBY GIVEN THAT THE 15<sup>TH</sup> ANNUAL GENERAL MEETING (AGM) OF THE SHAREHOLDERS OF HARISH TEXTILE ENGINEERS LIMITED ("THE COMPANY" OR "HTEL") WILL BE HELD ON TUESDAY, 30<sup>TH</sup> SEPTEMBER, 2025 AT 11:00 A.M. INDIAN STANDARD TIME ("IST") THROUGH VIDEO CONFERENCING ('VC')/ OTHER AUDIO-VISUAL MEANS ('OAVM') TO TRANSACT THE FOLLOWING BUSINESS:

### **ORDINARY BUSINESS:-**

1. **ADOPTION OF AUDITED STANDALONE FINANCIAL STATEMENTS AND THE REPORTS OF THE BOARD OF DIRECTORS AND AUDITORS THEREON FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2025:**

*To consider and, if thought fit, to pass the following resolutions as an **Ordinary Resolutions**:*

**"RESOLVED THAT** the Audited Standalone Financial Statements of the Company for the Financial Year ended 31<sup>st</sup> March, 2025 and the reports of the Board of Directors and Auditors thereon, as circulated to the Members, be and are hereby considered and adopted".

2. **APPOINTMENT OF MR. SANDEEP KIRTIKUMAR GANDHI (DIN: 00941665) AS DIRECTOR, LIABLE TO RETIRE BY ROTATION:**

*To consider and, if thought fit, to pass the following resolutions as an **Ordinary Resolutions**:*

**"RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Sandeep Kirtikumar Gandhi (DIN: 00941665), who retires by rotation and being eligible offers herself for reappointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Section 152 of the Companies Act 2013 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder including any statutory modification(s) or re-enactment thereof for the time being in force, Mr. Sandeep Kirtikumar Gandhi (DIN: 00941665), who retires by rotation as a Director at this Annual General Meeting, and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

### **SPECIAL BUSINESS:-**

3. **TO CONSIDER THE RATIFICATION OF REMUNERATION PAYABLE TO COST AUDITOR FOR THE FINANCIAL YEAR 2025-2026:**

*To consider and, if thought fit, to pass the following resolutions as an **Ordinary Resolutions**:*

**"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 10<sup>th</sup> June, 2025 for the financial

year 2025-2026, 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, 2026.

**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."

#### 4. APPROVAL FOR MATERIAL RELATED PARTY TRANSACTION FOR THE FINANCIAL YEAR 2025-2026:

*To consider and, if thought fit, to pass the following resolutions as an **Ordinary Resolutions**:*

**"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	Sunil Bhirud	Executive Director	36.00	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	Company with Common Directors	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 2025-2026.

**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.”

**5. APPOINTMENT OF M/S. D N VORA & ASSOCIATES, PRACTISING COMPANY SECRETARIES AS SECRETARIAL AUDITORS FOR A PERIOD OF FIVE CONSECUTIVE YEARS I.E., F.Y 2025-2026 TO F.Y 2029-2030 AND FIX THEIR REMUNERATION:**

*To consider and, if thought fit, to pass the following resolutions as an **Ordinary Resolutions**:*

**“RESOLVED THAT** pursuant to the provisions of Regulation 24A & other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) read with Circulars issued thereunder from time to time and Section 204 and other applicable provisions of the Companies Act, 2013, if any read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (“the Act”), M/s. D N Vora & Associates (M. No. ACS 46989 & C.P. No. 21254), Practising Company Secretaries be and is hereby appointed as Secretarial Auditors of the Company for a period of 5 consecutive years, from 01<sup>st</sup> April, 2025 to 31<sup>st</sup> March, 2030 (“the Term”), on such terms & conditions, including remuneration as may be determined by the Board of Directors (hereinafter referred to as the ‘Board’ which expression shall include any Committee thereof or person(s) authorized by the Board).

**RESOLVED FURTHER THAT** approval of the Members is hereby accorded to the Board to avail or obtain from the Secretarial Auditor, such other services or certificates or reports which the Secretarial Auditor may be eligible to provide or issue under the applicable laws at a remuneration to be determined by the Board.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution and for matters connected therewith or incidental thereto.”

## **6. APPROVAL FOR BORROWING POWER:**

*To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:*

“**RESOLVED THAT** in supersession of the earlier resolution passed by the Members of the Company at the 09<sup>th</sup> and 11<sup>th</sup> Annual General Meeting held on 30<sup>th</sup> September, 2019 and 30<sup>th</sup> September, 2021, the approval/consent of the Members be and is hereby accorded by way of special resolution, under the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the "Act"), the rules made thereunder, including any amendment, modification, variation or re-enactment thereof and the Articles of Association of the Company, to the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any committee(s) constituted/to be constituted by the Board, from time to time, to exercise its powers conferred by this resolution) or its Committee as may be authorized by the Board of Directors to borrow, from time to time, such sum or sums of money for and on behalf of the Company in Indian Rupees and/or in any foreign currency as it may deem necessary for the purpose of the business of the Company inter alia by way of availing of long/short term loans, commercial papers, by way of issue of bonds/notes and all kinds of financial assistance, secured/unsecured from banking companies, financial institutions, bodies corporate, by way of issue of redeemable nonconvertible debentures, subordinated debentures or any other security or instrument(s) on private placement basis as well as by way of public issue by all permissible methods including shelf-disclosure documents, prospectus, shelf-prospectus, information memorandum, offering circular or otherwise, from persons, institutional investors, foreign institutional investors, qualified institutional buyers, resident public financial institutions, statutory corporations, provident funds, pension funds, superannuation funds, gratuity funds, alternative investments funds, insurance companies, mutual funds, national investment fund, insurance funds, non-institutional investors, companies, bodies corporate, societies, educational institutions and association of persons, trusts, scientific and/or industrial research organizations, partnership firms, Limited Liability Partnerships, Resident Individuals, High Net worth Individuals (HNIs), Hindu Undivided Families (HUFs), retail individual investors, by way of acceptance of deposits from public, shareholders, directors, relatives of directors, HUF, resident individuals, Non-resident Indians (through NRO accounts), trusts, firms, corporates or issuance of commercial papers, bonds, any other permissible instruments or methods of borrowing whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge or otherwise of the Company's assets and properties, whether movable or immovable on such terms and conditions as the Board at its sole discretion may deem fit, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained and/or to be obtained from the Company's bankers in the ordinary course of business) and remaining outstanding at any point of time will or may exceed the aggregate of the paid up share capital of the Company and its free reserves (that is to say reserves not set apart for any specific purpose), provided that the total amount up to which monies may be borrowed by the Board and which shall remain outstanding at any given point of time shall continue to be Rs. 200 crore (Rupees Two Hundred Crores Only).

**RESOLVED FURTHER THAT** the Board or such Committee/ or person/(s) as authorized by the Board of Directors be and are hereby authorized to do all such acts, deeds, matters and things as it/they may consider necessary, expedient, usual or proper to give full effect to the aforesaid resolution, including but not limited to settle any questions or resolve difficulties that may arise in this regard, if any, as it may, in its absolute discretion, deem fit, without requiring the Board to secure any further consent or approval of the Members of the Company to the intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**By Order of the Board of Directors**

**For Harish Textile Engineers Limited**

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

**Sunil Bhirud**  
**Executive Director**  
**DIN: 03469816**

**Date:** 04<sup>th</sup> September, 2025

**Place:** Mumbai

**Registered Office**

2<sup>nd</sup> Floor, 19 Parsi Panchayat Road,

Andheri (East), Mumbai-400069

CIN: L29119MH2010PLC201521

Tel.: 022-66490251

Website: <https://www.harishtextile.com/>

E-mail: [investor@harishtextile.com](mailto:investor@harishtextile.com)

## NOTES:

1. Ministry of Corporate Affairs (“MCA”) vide its General Circular Nos. 14/2020 dated April 08, 2020, 17/2020 dated April 13, 2020 and subsequent circulars issued in this regard, the latest being 9/2024 dated September 19, 2024, (collectively referred to as (“MCA Circulars”)) has permitted the companies to hold their Annual General Meeting (“AGM” or “Meeting”) through Video Conference (“VC”) or through Other Audio Visual Means (“OAVM”) without the physical presence of Members at a common venue. In compliance with the provisions of Companies Act, 2013 (“the Act”), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI Listing Regulations”) and Secretarial Standard-2 on General Meetings (“SS-2”) issued by The Institute of Company Secretaries of India and MCA Circulars, the 15<sup>th</sup> AGM of the Company is being held virtually. The deemed venue for the AGM shall be the registered office of the Company.
2. The Notice convening this AGM along with the Annual Report for FY 2024-2025 is being sent by electronic mode to those Members whose e-mail address is registered with the Company/Depositories, unless a member has specifically requested for a physical copy of the same. Members may kindly note that the Notice convening this AGM and Annual Report for FY 2024-2025 will also be available on the Company’s website [www.harishtextile.com](http://www.harishtextile.com), website of the Stock Exchange i.e. BSE Limited (BSE) at [www.bseindia.com](http://www.bseindia.com) and on the website of National Securities Depository Limited (NSDL) at <https://www.evoting.nsdl.com>. The Company will also publish an advertisement in the newspapers containing details of the AGM and other relevant information for Members viz. manner of registering e-mail Id., Cut-off date for e-voting, etc.
3. Appointment of Proxy and Attendance Slip:  
  
Since the 15<sup>th</sup> AGM is being held through VC/OAVM in accordance with the MCA Circulars, physical attendance of Members has been dispensed with. Accordingly, the facility of appointment of proxy would not be available to the Members for attending the 15<sup>th</sup> AGM, and therefore, proxy form and attendance slip are not annexed to this Notice.  
  
Since this AGM is held through Video Conference/Other Audio Visual Means (“VC/OAVM”), route map to the venue is not required and therefore, the same is not annexed to this Notice.
4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc. authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting pursuant to Section 113 of the Companies Act, 2013 (“the Act”). In the absence of such resolution from any of them, would be considered as ‘not voted’. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [dnvoraandassociates@yahoo.com](mailto:dnvoraandassociates@yahoo.com) with a copy marked to [investor@harishtextile.com](mailto:investor@harishtextile.com) and [evoting@nsdl.com](mailto:evoting@nsdl.com).
5. The statement pursuant to Section 102 of the Companies Act, 2013, setting out the material facts in respect of the business under Item Nos. 3 to 6 set out in this Notice and the details under Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS-2) issued by the Institute of Company Secretaries of India, in respect of the persons seeking appointment/ re-appointment as Director at the AGM, is annexed hereto as Annexure A.

6. At the 14<sup>th</sup> AGM held on September 30, 2024, the members approved re-appointment of M/s. K M Swadia & Company, Chartered Accountants Firm (Firm Registration No. 110740W) as Statutory Auditors of the Company to hold office from the conclusion of 14<sup>th</sup> AGM till the conclusion of the 19<sup>th</sup> AGM. M/s. K M Swadia & Company, will complete their present term as Statutory Auditors of the Company on conclusion of the AGM to be held in 2029.
7. Brief particulars of the Directors proposed to be re-appointed/ appointed, as mandated under Regulation 36(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and in terms of Para 1.2.5 of Secretarial Standard on General Meetings (SS-2) is annexed as Annexure A hereto and forms part of this Notice.
8. 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 Wednesday, September 24, 2025 to Tuesday, September 30, 2025 (both days inclusive).
9. The Members holding the shares in physical form may obtain the nomination form from the Company's Registrar & Share transfer agent- Bigshare Services Private Limited (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. The said forms can be downloaded from the Company's website <https://www.harishtextile.com/>.
10. 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.
11. 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.
12. 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.
13. Pursuant to Rule 18(3) of the Companies (Management and Administration) Rules, 2014, the Members are requested to provide their e-mail id to their Depository Participants ("DP") in case the shares are held by them in electronic form and with the Company or Registrar and Share Transfer Agent in case the shares are held by them in physical form in order to facilitate easy and faster dispatch of Notices of the general meetings and other communication by electronic mode from time to time.
14. 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.
15. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSDRTAMB/P/CIR/2022/8 dated January 25, 2022, has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of

duplicate securities certificate; claim from unclaimed suspense account; renewal/exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/ folios; transmission and transposition. Accordingly, members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at <https://www.harishtextile.com/>. It may be noted that any service request can be processed only after the folio is KYC Compliant.

16. SEBI vide its notification SEBI/LAD-NRO/GN/2022/66 dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialization, Members are advised to dematerialize the shares held by them in physical form. Members can contact the Company or BSPL, for assistance in this regard.
17. SEBI vide its Circular dated July 31, 2023 issued guidelines for members to resolve their grievances by way of Online Dispute Resolution ('ODR') through a common ODR portal. Members are requested to first take up their grievance, if any, with Bigshare Services Private Limited, Registrar and Share Transfer Agent of the Company. If the grievance is not redressed satisfactorily, the member may escalate the same through: i) SCORES Portal in accordance with the SCORES guidelines, and ii) if the member is not satisfied with the outcome, dispute resolution can be initiated through the ODR Portal at <https://smartodr.in/login>.
18. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline.
19. Pursuant to Finance Act 2020, dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof. The shareholders are requested to update their PAN with the DP (if shares held in electronic form) and Company/BSPL (if shares held in physical form). Shareholders are requested to note that in case their PAN is not registered, or having invalid PAN or Specified Person as defined under section 206AB of the Income-tax Act ("the Act"), the tax will be deducted at a higher rate prescribed under section 206AA or 206AB of the Act, as applicable.
20. Members who hold shares in dematerialized form are requested to login with their DP ID and Client ID numbers for easy identification of attendance at the meeting.
21. 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.
22. Annual Listing fees for the year 2024-2025 has been paid to all stock exchange wherein shares of the Company are listed.
23. As per the provisions of Section 72 of the Act and SEBI circular, 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. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's

website <https://www.harishtextile.com/>. 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.

24. As mandated by the Securities and Exchange Board of India ("SEBI"), securities of the Company can be transferred /traded only in dematerialized form. Members holding shares in physical form are advised to avail the facility of dematerialization.
25. SEBI has vide Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated November 3, 2021 read with SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/687 dated December 14, 2021 and SEBI/HO/MIRSD/MIRSD-PoD-1/P/ CIR/2023/37 dated March 16, 2023 ("SEBI Circulars") mandated furnishing of Permanent Account Number ('PAN'), KYC details viz. Contact Details (Postal Address, Mobile Number and E-mail), Bank Details, Nomination etc. by holders of physical securities. The Company had sent letters for furnishing the required details.
26. Any service request shall be entertained by BSPL only upon registration of the PAN, KYC details and the nomination. Further, in absence of the above information on or after October 1, 2023, the folio(s) shall be frozen by BSPL in compliance with the aforesaid SEBI Circulars. If the folio(s) continue to remain frozen as on December 31, 2025, the frozen folios shall be referred by BSPL/Company to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002.
27. Members attending the meeting through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act, in case of voting by joint holders, voting by such joint holder who is higher in the order of the names as per the Register of Members of the Company, as of the cut-off date, will be counted for the purpose of this Meeting. Members holding Equity Shares as on **Tuesday, September 23, 2025 ("Cut-off date")** may join the AGM anytime 30 minutes before the scheduled time by following the procedure outlined in the Notice. A person who is a Member as on the Cut-off date shall be eligible to attend and vote on resolutions proposed at the AGM. Any person who is not a Member as on the Cut-off date shall treat this Notice for informational purpose only.
28. The Company has appointed Ms. Dipali Vora, Practicing Company Secretary (ACS No. 46989, COP No. 21254) as the Scrutinizer for scrutinizing the remote e-voting process as well as voting at the AGM in a fair and transparent manner.
29. **Mandatory updation of PAN, KYC, Nomination and Bank details by Members:**  
  
Members holding shares in demat mode are requested to update their details with their Depository Participants at the earliest.
30. To support the 'Green Initiative', Members who have not yet registered their E-mail addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the RTA/Company in case the shares are held by them in physical form.
31. **Electronic dissemination of the AGM Notice and Annual Report:** Electronic/digital copy of the Annual Report for FY 2024-2025 and Notice convening the 15<sup>th</sup> AGM are being sent to all Members whose e-mail Id. are registered with the RTA/ Company/Depositories. Members who have not registered their e-mail Id. may get the same registered by with their Depository Participants. For Members who have not registered their e-mail address, a letter containing exact web-link of the website i.e. <https://www.harishtextile.com/investors/annual-reports> where details pertaining to the entire Annual

Report is hosted is being sent at the address registered in the records of RTA/Company/Depositories. The Company shall provide hard copy of the Annual Report for FY 2024-2025 to the Members, upon request.

### 32. E-voting:

- Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Secretarial Standard 2 on General Meetings issued by the Institute of Company Secretaries of India, and Regulation 44 of the SEBI Listing Regulations, the Company has extended the facility of voting through electronic means including 'Remote e-voting' (e-voting other than at the AGM) to transact the business mentioned in the Notice convening the 15<sup>th</sup> AGM., the Company has engaged services of NSDL, for providing e-Voting services.
- In terms of the provisions of Section 107 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e-voting, the said resolutions will not be decided on a show of hands at the AGM. However, facility for casting vote during the AGM through e-voting would be provided to the Members who have not cast their vote through remote e-voting earlier.
- Necessary arrangements have been made by the Company to facilitate 'Remote e-voting' as well as e-voting at the aforementioned AGM. Members shall have the option to vote either through remote e-voting (during the remote e-voting window) or at the AGM.
- Voting rights of Members shall be reckoned on the paid-up value of Equity Shares registered in their name as on the Cut-off date.
- Members 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, shall be entitled to avail the facility of remote e-voting or e-voting at the AGM, as the case may be.
- The procedure for e-voting on the day of the AGM is identical to Remote e-voting instructions as outlined in this Notice.
- Remote e-voting facility will begin from **Thursday, September 25, 2025 (9:00 a.m. IST) to Monday, September 29, 2025 (5:00 p.m. IST)** after which the facility will be disabled by NSDL and remote e-voting shall not be allowed beyond the said date and time. During this period shareholders of the Company, holding shares in dematerialized form, as on the cut-off date **Tuesday, September 23, 2025** may cast their votes electronically. Those members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM.
- Any person who becomes a Member of the Company after dispatch of the Notice and holds Equity Shares as on the Cut-off date can vote by following the procedure for e-voting, as outlined in the Notice. 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" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on 022 - 4886 7000. In case of Shareholders holding securities in demat mode who acquire shares and become Member after the notice is sent through e-mail and holding shares as of the Cut-off date may follow steps mentioned in the Notice. The procedure for e-voting on the day of the AGM is identical to Remote e-voting instructions as outlined in this Notice.



- Members present at the 15<sup>th</sup> AGM and who have not cast their vote on resolutions set out in the Notice convening the AGM through remote e-voting and who are not otherwise barred from doing so, shall be allowed to cast their vote through e-voting facility during the AGM.
- However, Members who have exercised their right to vote during the Remote e-voting period may attend the AGM but shall not be entitled to cast their vote again.
- Once the vote on a resolution is cast, Member shall not be allowed to change the same subsequently or cast vote again.
- Members can opt for only one mode of voting i.e. either through Remote e-voting or e-voting at the AGM. If a Member cast votes by both modes, then voting done through Remote e-voting shall prevail.

**33. Inspection of documents:** The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act and all other documents will be available electronically for inspection by the Members during the remote e-voting period and during the proceedings of the 15<sup>th</sup> AGM. Members may seek inspection of documents by accessing to the NSDL e-voting platform at <https://www.evoting.nsdl.com> during the aforementioned period.

**34. Speaker registration/facility for non-speakers: Process Registration as speaker at the AGM**

Members who would like to express their views/ ask questions as a speaker at the AGM may pre-register themselves by sending a request from their registered e-mail address mentioning their names, DP ID and Client ID/Folio No., and Mobile No. at [investor@harishtextile.com](mailto:investor@harishtextile.com) from **Wednesday, September 24, 2025 (9:00 AM. IST) to Sunday, September 28, 2025 (5:00 PM. IST)**. Only those Members who have preregistered themselves as a speaker on the dedicated e-mail id i.e. [investor@harishtextile.com](mailto:investor@harishtextile.com) will be allowed to express their views/ask questions during the AGM.

The Company reserves the right to restrict the number of questions and/or number of speakers during the AGM, depending upon availability of time and for smooth conduct of the meeting. However, the Company will endeavour to respond to the questions which have remained unanswered during the meeting to the respective shareholders.

**Facility for non-speakers**

Members who wish to obtain any information on the Annual Report for FY 2024-2025 or have questions on the financial statements and/or matters to be placed at the 15<sup>th</sup> AGM, may send a communication from their registered e-mail address mentioning their names, DP ID and Client ID/Folio No., and Mobile No. at [investor@harishtextile.com](mailto:investor@harishtextile.com) from **Wednesday, September 24, 2025 (9:00 AM. IST) to Sunday, September 28, 2025 (5:00 PM. IST)**.

**35. Declaration of results of voting:** After conclusion of the meeting, the Scrutinizer will submit the report on votes cast in favour or against and invalid votes, if any, to the Chairman or any other person authorized by him, who shall countersign the same, and the result of the voting will be declared within the time stipulated under the applicable laws.

The voting results along with the Scrutinizer's report, will be hosted on the Company's website, <https://www.harishtextile.com/>, website of NSDL, [https:// www.evoting. nsdl.com/](https://www.evoting.nsdl.com/), displayed on the Notice Board of the Company at the Registered Office and will be simultaneously forwarded to the Stock Exchange i.e. BSE Limited.

The Members are requested to submit their nomination Form No. SH-13 to their DP in case the shares are held by them in electronic form. For any help, please contact RT&A or Company on given email addresses.

- 1) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. The Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participant(s).
- 2) Members may also note that the Notice of the 15<sup>th</sup> AGM and the Annual Report for FY 2024-2025 are available on the Company's website at <https://www.harishtextile.com/>.

## **INSTRUCTIONS FOR REMOTE E-VOTING AND ACCESS TO THE 15<sup>TH</sup> AGM**

**Members are requested to follow the instructions given below to cast their vote through e-voting and to access the Video Conference facility at the AGM:**

- A. The remote e-voting period begins on **Thursday, September 25, 2025 (9:00 a.m. IST) to Monday, September 29, 2025 (5:00 p.m. IST)**. 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. **Tuesday, September 23, 2025**, 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 **Tuesday, September 23, 2025**.

During this period, shareholders holding shares in dematerialized form as on the 'Cut-off date' i.e. **Tuesday, September 23, 2025** may cast their vote electronically by logging to NSDL website at <https://www.evoting.nsdl.com//>

The e-voting module shall be disabled by NSDL for voting thereafter.

- B. Detailed steps on the process and manner for remote e-voting/e-voting at the AGM and to access the VC facility at the AGM, is given below:

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

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



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

##### **A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 09, 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>For OTP based login you can click on <a href="https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp">https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp</a>. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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 or joining virtual meeting &amp; voting during the meeting.</li> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

	<p><b>NSDL Mobile App is available on</b></p> <p>  App Store          Google Play       </p> <div style="display: flex; justify-content: space-around;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<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 or joining virtual meeting &amp; voting during the meeting. 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>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<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 or joining virtual meeting &amp; voting during the meeting.</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. NSDL and CDSL.**

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.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. 1800-21-09911

**B) Login Method for e-Voting and joining virtual meeting 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:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
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 and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting 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 and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Members will be able to see the VC/OAVM link placed under Join Meeting menu against the Company’s name. Members are requested to click on the VC/OAVM link placed under Join Meeting menu.
2. 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.
3. 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.
4. 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 - 4886 7000 or send a request to Ms. Pallavi Mhatre, Senior Manager, NSDL at [evoting@nsdl.com](mailto:evoting@nsdl.com)

**Process for those shareholders whose email ids are not registered with the depositories 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 and joining virtual meeting 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.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under **"Join meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.



3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investor@harishtextile.com. The same will be replied by the company suitably.

**By Order of the Board of Directors**

**For Harish Textile Engineers Limited**

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

**Sunil Bhirud**  
**Executive Director**  
**DIN: 03469816**

**Date:** 04<sup>th</sup> September, 2025

**Place:** Mumbai

**Registered Office**

2<sup>nd</sup> Floor, 19 Parsi Panchayat Road,

Andheri (East), Mumbai-400069

CIN: L29119MH2010PLC201521

Tel.: 022-66490251

Website: <https://www.harishtextile.com/>

E-mail: investor@harishtextile.com

## **ANNEXURE – A – 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 6 OF THE ACCOMPANYING NOTICE.**

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

### **ITEM NO. 3**

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, 2026.

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, 2026 by means of an Ordinary Resolution.

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**

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 2025-2026.

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 2025-2026 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 2025-2026.

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 2025-2026 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.

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. 4 of this notice.

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

Pursuant to the Regulation 24A of the SEBI Listing Regulations read with provisions of Section 204 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable provisions of the Companies Act, 2013, the appointment of M/s. D N Vora & Associates, (M. No. ACS 46989 & C.P. No. 21254), Practising Company Secretaries, as the Secretarial Auditors of the Company has been recommended by the Board of Directors to the Members for the term of 5 (Five) consecutive years from the financial year 2025-26 till 2029-30 for their approval.

Prior to the introduction of Regulation 24A of the SEBI Listing Regulations, M/s. D N Vora & Associates were appointed as the Secretarial Auditor for the financial year 2020-2021, 2021-2022, 2022-2023, 2023-2024, and 2024-2025, respectively, in terms of provisions of Section 204 of the Act. As the Secretarial Auditor, M/s. D N Vora & Associates have demonstrated their expertise and proficiency in handling Secretarial audits of the Company to date.

In terms of Regulation 36(5) of the SEBI Listing Regulations, the Members are requested to note that:

- a. M/s. D N Vora & Associates was formed in 2018 by Ms. Dipali Vora, a Practising Company Secretary. She having Membership No. A46989 and COP No. 21254. She is an Associate Member of The Institute of Company Secretaries of India (ICSI). Having good working experience and proficiency in all matters related to Company law, SEBI and various other business laws and have command over compliance management with respect to statutory reporting and other statutory requirements.
- b. The Members are also requested to note that any association of individual/firm as the Secretarial Auditor of the listed entity before 31<sup>st</sup> March, 2025, shall not be considered for computing the tenure under Regulation 24A of the SEBI Listing Regulations.

- c. M/s. D N Vora & Associates is a Peer Reviewed Firm of Company Secretaries in Practice and holds a valid Certificate of Peer Review (bearing No.4158/2023) as issued by the ICSI and has confirmed their eligibility to be appointed as the Secretarial Auditor for the term of 5 (Five) years at the proposed audit fees as recommended by the Committee and as may be mutually agreed between the Board of Directors of the Company and the Secretarial Auditors from time to time.

M/s. D N Vora & Associates have given their consent to act as Secretarial Auditors of the Company and confirmed that their aforesaid appointment (if made) would be within the prescribed limits under the Act and Rules made thereunder and the SEBI Listing Regulations. M/s. D N Vora & Associates have also confirmed that they are not disqualified to be appointed as Secretarial Auditors in terms of provisions of the Act and Rules made thereunder and SEBI Listing Regulations.

The services to be rendered by M/s. D N Vora & Associates as Secretarial Auditors are within the purview of the SEBI Listing Regulations, read with SEBI circular no. SEBI/ HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated 31<sup>st</sup> December, 2024 and the FAQs issued thereon on 23<sup>rd</sup> April, 2025.

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.

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. 5 of the Notice.

#### **ITEM NO. 6**

In terms of the provisions of Section 180(1)(c) of the Companies Act, 2013 and the relevant provisions of the Articles of Association of the Company, the Members of the Company at the 09<sup>th</sup> and 11<sup>th</sup> Annual General Meetings held on 30<sup>th</sup> September, 2019 and 30<sup>th</sup> September, 2021 had granted their approval by way of a special resolution to the Board of Directors of the Company to borrow, from time to time, such sums of money as they may deem necessary for the purpose of the business of the Company, provided that the amount outstanding consequent to such monies borrowed by the Board of Directors on behalf of the Company does not exceed Rs. 200 Crore (Rupees Two Hundred Crores Only) at any point of time.

As on 31<sup>st</sup> March, 2025, the outstanding borrowings of the Company amounted to Rs. 29.85 Crores. The present proposal does not seek to increase the borrowing limit but is being placed before the Members for renewal/continuation of the approval, since the earlier approval was last obtained in the AGM conducted on 30.09.2021.

The said proposal for borrowing is only an enabling sanction for creation of charges/mortgages and the Management shall seek approval of the Board as and when the actual borrowings are to be made.

Your consent is required under the provisions of Sections 180(1)(a) and 180(1)(c) of the Act, to increase the borrowing limits and to mortgage and / or create a charge on any of the moveable and / or immovable properties and / or the whole or any part of the undertaking(s) of your Company to secure its borrowings.

Accordingly, the approval of the Members is being sought by way of a special resolution authorising the Board of Directors to borrow further sums of monies within an overall limit of Rs. 200 Crores outstanding at any point of time.

The Board, recommends passing of the Special Resolution as set out at Resolution No. 6 of Notice.

None of the Directors, Key Managerial Personnel of the Company nor their Relatives are concerned or interested, financially or otherwise in the proposed resolution.

**By Order of the Board of Directors**

**For Harish Textile Engineers Limited**

<b>Sandeep Gandhi</b>	<b>Sunil Bhirud</b>
<b>Managing Director</b>	<b>Executive Director</b>
<b>DIN: 00941665</b>	<b>DIN: 03469816</b>

**Date:** 04<sup>th</sup> September, 2025

**Place:** Mumbai

**Registered Office**

2<sup>nd</sup> Floor, 19 Parsi Panchayat Road,

Andheri (East), Mumbai-400069

CIN: L29119MH2010PLC201521

Tel.: 022-66490251

Website: <https://www.harishtextile.com/>

E-mail: [investor@harishtextile.com](mailto:investor@harishtextile.com)

### **Annexure A**

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

<b>Particulars</b>	Mr. Sandeep Gandhi
<b>Director Identification Number (DIN)</b>	00941665
<b>Date of Birth</b>	02/06/1964
<b>Date of First Appointment on the Board</b>	31/03/2010
<b>Experience in functional Area</b>	Master of Business Administration from USA and having handsome experience of more than 3 decades. Mr. Sandeep, has lead the diversification of the group. Under his leadership the group has diversified into Polyester Staple Fibres, Non-Woven and Technical Textile Fabrics.
<b>Qualification</b>	MBA
<b>Directorship in other Companies (Public Limited Companies)</b>	1
<b>Membership of Committees of other public limited companies (Audit Committee and Shareholder's/Investor's Grievance Committee only)</b>	0
<b>No. of Shares held in the Company</b>	1604467
<b>The number of Meetings of the Board attended during the F.Y. 2024-2025</b>	19
<b>Remuneration Proposed</b>	Rs. 15,00,000 per month
<b>Remuneration Paid</b>	Rs. 1,62,54,000 per Annum
<b>Disclosure of relationship with other Directors, Manager and other Key Managerial Personnel of the Company</b>	There are no inter-se relationships between the Directors mentioned above, and Manager and other Key Managerial Personnel of the Company.

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

<b>Sandeep Gandhi</b>	<b>Sunil Bhirud</b>
<b>Managing Director</b>	<b>Executive Director</b>
<b>DIN: 00941665</b>	<b>DIN: 03469816</b>

**Date:** 04<sup>th</sup> September, 2025

**Place:** Mumbai

**Registered Office**

2<sup>nd</sup> Floor, 19 Parsi Panchayat Road,  
Andheri (East), Mumbai-400069  
CIN: L29119MH2010PLC201521  
Tel.: 022-66490251  
Website: <https://www.harishtextile.com/>  
E-mail: investor@harishtextile.com

## **BOARD'S REPORT**

**To**  
**The Members,**  
**Harish Textile Engineers Limited**

Your Directors are pleased to present the **Fifteenth Annual Report** on the business and operations of **Harish Textile Engineers Limited** ("the Company") together with the audited financial statements along with the report of the Auditors for the financial year ended 31<sup>st</sup> March, 2025 prepared as per Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 ("the Act").

### **1. FINANCIAL HIGHLIGHTS:**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 ("the Act") and The Companies (Accounts) Rules, 2014. The financial statements for the financial year ended 31<sup>st</sup> March, 2025 as well as comparative figures for the year ended 31<sup>st</sup> March, 2024 are Ind AS compliant.

The financial highlights of your Company for the year ended 31<sup>st</sup> March, 2025 are summarized as follows:

<b>(Rs. In Lakhs)</b>		
<b>Particulars</b>	<b>Year ended 31<sup>st</sup> March, 2025</b>	<b>Year ended 31<sup>st</sup> March, 2024</b>
Gross Income	13,259.96	13258.58
Profit Before Interest and Depreciation	579.29	684.69
Depreciation	167.94	186.81
Net Profit Before Tax	15.57	-47.84
Provision for Tax (Net of reversal)	-7.98	-10.58
Net Profit After Tax	23.55	-37.26
Balance of Retained Earning brought forward	536.49	576.09
Balance of Retained Earning carried forward	555.30	536.49

### **2. DIVIDEND:**

In order to strengthen the financial position of the Company and support future growth initiatives, the Directors have decided to plough back the profits into the business. Accordingly, no dividend is recommended for the financial year under review

### **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 have been no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this Report, except as stated below:

**1. Approval for Slump Sale of Textile Processing and Finishing Machinery Business:**

During the reporting period, the Board of Directors, at its meeting held on 10<sup>th</sup> June, 2025, approved the sale/transfer of the Textile Processing and Finishing Machinery Business of the Company to Nfinia Industries Private Limited, a Company owned and controlled by the Promoter(s) of the Company, as a going concern on a slump sale basis, through a Business Transfer Agreement to be executed between the Company and Nfinia Industries Private Limited, subject to the approval of Shareholders and, if required, the prior approval of the Company's bankers.

In this regard, the approval of the Shareholders is being sought through a Postal Ballot process. The Postal Ballot has already commenced, and the period of e-voting is as follows: e-voting commenced on Friday, 13<sup>th</sup> June, 2025, and will conclude on Saturday, 12<sup>th</sup> July, 2025.

**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:**

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.

**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:**

Pursuant to the provisions of Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the



Company has received declarations from all continuing Independent Directors confirming that they meet the criteria of independence as laid down in the aforesaid provisions and are not aware of any circumstances which may affect their status as Independent Directors except the following director.

Mr. Ritesh Harshad Patel, Director of the Company, has not submitted the declaration as required under the provisions of the Companies Act, 2013. The Company was not formally notified of the disqualification by the Director. The matter came to light during an internal compliance review undertaken in the normal course, following the director's continued absence from meetings and non-filing of the annual disclosure for FY 2025–26. Upon becoming aware, the Company immediately took appropriate steps to ensure compliance, and Mr. Ritesh Patel ceased to be a director effective 10<sup>th</sup> June, 2025. All requisite statutory filings were duly made.

It is further confirmed that these Independent Directors have affirmed their commitment to discharge duties with objectivity and independence and have complied with the applicable requirements under the Companies (Creation and Maintenance of Databank of Independent Directors) Rules, 2019 and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended.

#### **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 annual return in MGT-7 is available on the website of the Company at the web link: <https://www.harishtextile.com/investors/annual-return>.

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

As on the date of Report, 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.

##### **Retirement by Rotation:**

In accordance with the provisions of Section 152 of the Companies Act, 2013 read with Companies (Appointment and Qualifications of Directors) Rules, 2014 and the Articles of Association of the Company, Mr. Sandeep Gandhi (DIN: 00941665), Managing Director of the Company, retires by rotation at the ensuing Annual General Meeting of the Company and offers himself to be re-appointed as Executive Director of the Company.

##### **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.

The Board, after undertaking assessment and on examination of the relationships disclosed, considered the following Non-Executive Directors as Independent Directors:

Sr. No.	Name of Directors	Designation
1	Mrs. Bhavna Ronil Brahmhatt	Non-Executive, Independent Director
2	Mr. Mahesh Ratilal Sapariya	Non-Executive, Independent Director
3	Mr. Ashwini Ramakant Gupta	Non-Executive, Independent Director

**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) Mrs. Bhavna Ronil Brahmhatt (DIN: 10736860) was appointed as a Non-Executive, Independent Director of the Company w.e.f. 04<sup>th</sup> September, 2024.
- b) Mr. Nainesh Bhanushankar Trivedi (DIN: 08816850) has resigned from the post of Non-Executive, Independent Director of the Company w.e.f. 04<sup>th</sup> September, 2024.
- c) Mr. Sunil Narayan Bhirud (DIN: 03469816) was appointed as an Executive Director of the Company w.e.f. 27<sup>th</sup> March, 2025.
- d) Mr. Mahesh Ratilal Sapariya (DIN: 00414104) was appointed as a Non-Executive, Independent Director of the Company w.e.f. 27<sup>th</sup> March, 2025.
- e) Mr. Hitendra Chimanlal Desai (DIN: 00452481) has resigned from the post of Executive, Whole-Time Director of the Company w.e.f. closure of business hours on 27<sup>th</sup> March, 2025.
- f) Ms. Sushmita Swarup Lunkad (DIN: 09044848) has resigned from the post of Non-Executive, Independent Director of the Company w.e.f. closure of business hours on 27<sup>th</sup> March, 2025.
- g) Mr. Ritesh Harshad Patel (DIN: 00700189) has resigned from the post of Non-Executive, Independent Director of the Company w.e.f. 10<sup>th</sup> June, 2025.
- h) Mr. Ashwini Ramakant Gupta (DIN: 08930567) was appointed as a Non-Executive, Independent Director of the Company w.e.f. 10<sup>th</sup> June, 2025.

**Composition of Board of Directors till date of the report**

During the year under review, there is change in the composition of the Board as stated below:

Sr. No.	Name of Directors	Designation
1	Mr. Sandeep Gandhi	Managing Director
2	Mr. Sunil Bhirud	Executive Director

3	Mr. Pinkesh Upadhyay	Chief Financial Officer
4	Ms. Priya Gupta	Company Secretary & Compliance Officer
5	Mrs. Bhavna Brahmhatt	Non-Executive, Independent Director
6	Mr. Mahesh Sapariya	Non-Executive, Independent Director
7	Mr. Ashwini Gupta	Non-Executive, Independent Director

### **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 the date of report:

<b>Sr. No.</b>	<b>Name of Key Managerial Personnel</b>	<b>Designation</b>
1	Mr. Sandeep Gandhi	Managing Director
2	Mr. Sunil Bhirud	Executive Director
3	Mr. Pinkesh Upadhyay	Chief Financial Officer
4	Ms. Priya Gupta	Company Secretary & Compliance Officer

## **12. 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**.

## **13. AUDITORS:**

### **Statutory Auditor:**

M/s. K. M. Swadia & Co., Chartered Accountant (FRN: 110740W) were re-appointed as statutory auditors of the Company for a second term shall hold office for a term of five years, from the 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 in the year 2029, subject to ratification of their appointment by the members, if required, at every intervening Annual General Meeting held after this 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, 2025. 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 2025-2026.

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 of Directors had appointed 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, 2025.

The Secretarial Audit report for the financial year ended 31<sup>st</sup> March, 2025 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 five financial year from 2025-2026 to 2029-2030.

**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 appointed as an Internal Auditors of the Company for the three financial year with effect from FY 2022-2023 to 2024-2025.

Pursuant to the provisions of Section 138 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the Board of Directors have Re-appointed M/s Ravi H. Dasija & Co., Chartered Accountants (ICAI FRN No. 138346W) to undertake the Internal Audit of the Company for period of three financial year from 2025-2026 to 2027-2028.

**14. STATUTORY AUDITORS' REPORT:**

The Auditors' Report contains the following Qualification, observation on Going Concern and other matters:

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

**Management Response:**

The Company has 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 2024-2025 and prior period except for the cases for which Company has received order under Micro Small Enterprise Facilitation Council.

2. *In connection with the observation made in the Auditor's Report, though not in the nature of qualification **pertaining to** "Material Uncertainty Related to Going Concern":*

*"We draw attention to Note no. 19 to the financial statements, regarding extensions of timelines /defaults in repayment of debenture obligations arising out of liquidity crunch faced by the Company. We further draw your attention to the fact that the net working capital of the Company is negative at the year end. The current liabilities (including short term borrowings) amounted to INR 6465 Lacs. The current assets amounted to INR 4325 Lacs. The net negative working capital amounted to INR 2140 Lacs.*

*In view of the above, the Company's ability to continue as a going concern is dependent on its ability to raise additional funds as required and successful negotiations with lenders/debenture holders and vendors for continued support and generation of cash flow from its operations that it needs to settle its liabilities as they fall due. Our opinion is not modified in respect of this matter."*

**Management Response:**

In view of the default in discharging the liability of Old Series III Debentures due on 12<sup>th</sup> May, 2025, a meeting of the said series Debenture Holders was convened on Thursday, 22<sup>nd</sup> May, 2025. During the meeting, it was collectively agreed that the formal extension and processing of the revised redemption timeline shall be undertaken only upon receipt of duly signed No Objection Certificates (NOCs) from majority debenture holders.

The extensions of timelines/defaults in repayment of debenture obligations have taken place arising out of liquidity crunch faced by the Company. The net working capital of the Company is negative at the year end. The current liabilities (including short term borrowings) amounted to INR 6465 Lacs. The current assets amounted to INR 4325 Lacs. The net negative working capital has amounted to INR 2140 Lacs.

The Company's ability to continue as a going concern is dependent on its ability to raise additional funds as required and successful negotiations with debenture holders and continued support of lenders and vendors along with generation of cash flow from its operations that it needs to settle its liabilities as they fall due.

As of date, the Company has met all its debt obligations payable to its lenders/banks and financial institutions along with applicable interest except for debentures as stated above. The Company is confident of raising resources to tide over the liquidity crunch.

The Company believes that it will be able to conclude the negotiations with debenture holders for settlement of their dues and will have continued support from lenders/vendors and generation of cash flow from operations that will enable it to settle its liabilities as they fall due. These financial statements have, therefore, been prepared on a Going Concern basis.

3. *Based on our examination, which included test checks, the Company has maintained its books of account using accounting software that has the feature of recording an audit trail (edit log) facility. However, the said feature was not enabled during the year, as described*

*in Note 46 to the financial statements. Accordingly, the question of tampering with the audit trail does not arise.*

**Management Response:**

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.

**15. 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 2024-2025. 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 2024-2025 in Form MR-3 is annexed to this report as **Annexure-III.**

The Secretarial Audit Report contains the following Qualification, Observation, Reservation, and Adverse Remark/Disclaimer as follows:

- a) *The Company has received an intimation from the Hon'ble Micro and Small Enterprises Facilitation Council, Ahmedabad, Gujarat, regarding a claim filed by a supplier for Rs. 61,47,306/-, including the principal amount of Rs. 25,50,385/- (already disclosed in the books) and interest of Rs. 35,96,921/-.*

**Management Response:**

The Company has received a hearing intimation from the Hon'ble Micro and Small Enterprises Facilitation Council, Ahmedabad, Gujarat, in connection with a claim amounting to Rs. 61,47,306/-, which includes the principal amount of Rs. 25,50,385/- (already disclosed in the books of accounts) and an interest component of Rs. 35,96,921/-. The Company is in the process of seeking appropriate legal advice in the matter and intends to file its detailed reply and submissions before the relevant authority. The Company believes it has strong merits in the case and will take all necessary steps to defend its position through the proper legal channels.

- b) *A notice has been received from the State Tax Officer, Commissionerate of Taxes, Government of Gujarat, demanding a sum of Rs. 4,80,971/- in relation to unpaid/short-paid tax or wrongful availment of input tax credit. The notice does not allege fraud or wilful misstatement.*

**Management Response:**

The matter is currently being dealt with and is under process. The Company, in consultation with its legal and tax advisors, is actively engaged in preparing and filing the necessary responses before the concerned authorities. The case is ongoing and pending conclusion. The Company remains committed to complying with all applicable tax laws and regulations.

- c) *A legal notice has been served upon the Company by the advocate/legal consultant of M/s. Machine Tools and Bearing Corporation, demanding payment of Rs. 3,10,110.93/- along with interest for outstanding dues.*

**Management Response:**

The matter is currently under review and is being dealt with in consultation with the Company's legal advisors. The Company has evaluated the claim and is in the process of finalizing and submitting an appropriate response. As the case is under process and yet to be concluded, the Company will continue to take all necessary steps to resolve the matter appropriately while ensuring compliance with applicable legal requirements.

- d) *An intimation dated 19<sup>th</sup> March 2025 has been received from the Micro and Small Enterprises Facilitation Council, District (East), Delhi, directing the Company to make payment within 15 days to M/s. Leon International Logistics LLP for outstanding dues.*

**Management Response:**

The Company has already made the payment to M/s. Leon International Logistics LLP for the said dues. Accordingly, the claim is not valid, and the notice received in this regard is void. The Company has communicated with the supplier and provided all necessary documentation supporting the payment made. Appropriate steps are being taken to clear up any misunderstanding and resolve the matter with the supplier.

- e) *A warrant of attachment under Order XXI, Rules 43 and 54 of the Civil Procedure Code has been issued against the Company's movable and immovable properties in connection with the matter of M/s. Ramdev Resins Private Limited vs. Harish Textile Engineers Limited. This follows Arbitration Award No. 7 of 2023 for Rs. 28,20,230/-, including a principal sum of Rs. 11,79,330/- and interest of Rs. 16,40,900/-. A Settlement Agreement/Memorandum of Understanding has been executed, pursuant to which the Company agreed to pay Rs. 28,36,111/- in full and final settlement. The MOU has been filed before the Hon'ble High Court of Bombay.*

**Management Response:**

We are pleased to report that the matter has been amicably settled. A Memorandum of Understanding (MoU) has been executed with M/s. Ramdev Resins Private Limited, and the Company has made a full and final settlement payment of Rs. 28,41,111/-. A No Due Certificate dated 12<sup>th</sup> June, 2025, has been received from the claimant. The parties will be filing the consent terms before the Hon'ble High Court of Bombay in due course to formally conclude the matter.

- f) *The Company has amicably settled a matter with M/s. Jagjiwan Enchem Udhyog Ltd. through an MOU dated 6<sup>th</sup> June 2024. A payment of Rs. 42,00,000/- was made on 27<sup>th</sup> June 2024 via cheque no. 144013 as full and final settlement.*

**Management Response:**

We are pleased to report that the matter has been amicably settled. A Memorandum of Understanding (MOU) dated 6<sup>th</sup> June, 2024, has been executed with M/s. Jagjiwan Enchem Udhyog Ltd., pursuant to which the Company has made a payment of Rs. 42,00,000/-

(Rupees Forty-Two Lakhs only) vide Cheque No. 144013 dated 27<sup>th</sup> June, 2024, drawn on Union Bank of India, towards full and final settlement of the claim.

- g) *An intimation of tax liability amounting to Rs. 28,25,811/- has been received in Form GST DRC-01A under Section 73(5) of the CGST Act from the State Tax Officer, Commissionerate of Taxes, Government of Gujarat, dated 13<sup>th</sup> June 2024. The demand relates to unpaid/short-paid tax or wrongful availment of input tax credit, excluding instances of fraud or wilful misstatement.*

**Management Response:**

Based on the advice of its tax advisors/ consultants, the Company submitted a comprehensive response within the stipulated timeframe. Upon consideration of the submissions, the authorities passed an order, dropping the proceedings. Accordingly, the matter now stands conclusively closed.

- h) *The Company has received a Demand Cum Show Cause Notice from the Hon'ble CGST & Central Excise Commissionerate, Surat, alleging wrongful availment and utilization of Input Tax Credit amounting to Rs. 2,61,274/-.*

**Management Response:**

Based on the advice of its tax advisors/ consultants, the Company submitted a comprehensive response within the stipulated timeframe. Upon consideration of the submissions, the authorities passed an order, dropping the proceedings. Accordingly, the matter now stands conclusively closed.

- i) *During the period under review, it was observed that Mr. Ritesh Patel incurred disqualification under Section 164(2) of the Companies Act, 2013. Notwithstanding such disqualification, Mr. Ritesh Patel continued to be shown as a director on the records of the Company until 10<sup>th</sup> June, 2025, post which he ceased to be a director of the Company. It is further observed that although Mr. Ritesh Patel was disqualified during the reporting period, the overall composition of the Board of Directors remained in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Based on the records and documents made available for our verification, it is also noted that Mr. Ritesh Patel did not attend any Board or Committee meetings, nor did he sign any resolutions or documents during the period of his disqualification.*

**Management Response:**

The Company acknowledges the observation regarding Mr. Ritesh Patel's disqualification under Section 164(2) of the Companies Act, 2013. The Company was not formally notified of the disqualification by the director or any regulatory authority. The matter came to light during an internal compliance review undertaken in the normal course, following the director's continued absence from meetings and non-filing of the annual disclosure for FY 2025–26. Upon becoming aware, the Company immediately took appropriate steps to ensure compliance, and Mr. Ritesh Patel ceased to be a director effective 10<sup>th</sup> June, 2025. All requisite statutory filings were duly made.



It is important to note that during the relevant period, Mr. Ritesh Patel did not attend any Board or Committee meetings, nor did he participate in the Company's affairs or sign any documents during the period of his disqualification. As a result, there was no impact on the Company's governance or operations.

The composition of the Board remained in full compliance with the Companies Act, 2013, and SEBI (LODR) Regulations, 2015. The Company continues to strengthen its internal processes to monitor director eligibility and ensure timely compliance with all statutory requirements.

## **16. 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, 2025, 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.

## **17. 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.

## **18. 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-.

## **19. 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>.

## **20. 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

## **21. 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 139.

## **22. SHARE CAPITAL OF THE COMPANY:**

### **Authorized Share Capital:**

The Authorized Share Capital as on 31<sup>st</sup> March, 2025 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.

An increase in Authorized Share Capital and the corresponding alteration of the Memorandum of Association were approved by the shareholders at the 14<sup>th</sup> Annual General Meeting. However, this approval was subsequently withdrawn by the shareholders through a Postal Ballot.

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

The Paid-up Equity Share Capital as on 31<sup>st</sup> March, 2025 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.

### **PROPOSED RIGHTS ISSUE**

The Board of Directors has constituted Right Issue Committee to evaluate, oversee and decide on all matters pertaining to the Rights Issue.

### **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: During the year under review, the Company did not issue any debentures but redeemed the Old Series-II Debentures (Non-Convertible Debentures).

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	Redeemed
Old Series-II Debentures	Redeemed
Old Series-III Debentures	*12 <sup>th</sup> May, 2025
Series-IV Debentures	20 <sup>th</sup> December, 2025

*\*The Old Series-III Debentures, due on 12<sup>th</sup> May, 2025, have not yet been redeemed. A meeting of the NCD holders was held on 22<sup>nd</sup> May, 2025, wherein a proposal to extend the redemption timeline was approved. The Company is currently in the process of obtaining the necessary No Objection Certificates (NOCs) from the NCD holders and completing the required formalities in connection with the approved extension.*

### **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:**

Your Directors, to the best of their knowledge and belief and according to the information and explanations obtained by them and as required under Section 134(5) of the Companies Act, 2013 state that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors 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 of the Company for that period;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a going concern basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**Remuneration to the Directors/KMP**

Sr. No.	Name of KMP	Designation	Remuneration in the year 2024-25 (in Lacs)
1	Sandeep Gandhi	Managing Director	162.54
2	Hitendra Desai	Whole-Time Director	7.35
3	Pinkesh Upadhyay	Chief Financial Officer	18.00
4	Priya Gupta	Company Secretary & Compliance Officer	6.62

**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, 2025 is as under:

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

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

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

**Foreign Exchange Earnings:** Rs. 3,14,98,752/- (previous year Rs. 1,52,54,919/-)

**Foreign Exchange Outgo:** Rs. 2,61,69,026/- (previous year Rs. 1,68,75,788/-)

**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 05<sup>th</sup> January, 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	30-04-2024	Sandeep Gandhi Hitendra Desai Ritesh Patel *Nainesh Trivedi Sushmita Lunkad
2	30-05-2024	Sandeep Gandhi Hitendra Desai Ritesh Patel *Nainesh Trivedi Sushmita Lunkad
3	05-06-2024	Sandeep Gandhi

		Hitendra Desai Ritesh Patel *Nainesh Trivedi Sushmita Lunkad
4	24-06-2024	Sandeep Gandhi Hitendra Desai Ritesh Patel *Nainesh Trivedi Sushmita Lunkad
5	09-07-2024	Sandeep Gandhi Hitendra Desai Ritesh Patel *Nainesh Trivedi Sushmita Lunkad
6	13-08-2024	Sandeep Gandhi Hitendra Desai Ritesh Patel *Nainesh Trivedi Sushmita Lunkad
7	04-09-2024	Hitendra Desai Ritesh Patel *Nainesh Trivedi Sushmita Lunkad
8	16-09-2024	Sandeep Gandhi Hitendra Desai Ritesh Patel Sushmita Lunkad #Bhavna Brahmbhatt
9	19-09-2024	Sandeep Gandhi Hitendra Desai Ritesh Patel Sushmita Lunkad #Bhavna Brahmbhatt
10	04-10-2024	Sandeep Gandhi Hitendra Desai Ritesh Patel Sushmita Lunkad #Bhavna Brahmbhatt
11	29-10-2024	Sandeep Gandhi Hitendra Desai Ritesh Patel Sushmita Lunkad #Bhavna Brahmbhatt
12	06-12-2024	Sandeep Gandhi Hitendra Desai Sushmita Lunkad #Bhavna Brahmbhatt
13	19-12-2024	Sandeep Gandhi Hitendra Desai Sushmita Lunkad

		#Bhavna Brahmbhatt
14	23-12-2024	Sandeep Gandhi Hitendra Desai Sushmita Lunkad #Bhavna Brahmbhatt
15	27-12-2024	Sandeep Gandhi Hitendra Desai Sushmita Lunkad #Bhavna Brahmbhatt
16	23-01-2025	Sandeep Gandhi Hitendra Desai Sushmita Lunkad #Bhavna Brahmbhatt
17	12-02-2025	Sandeep Gandhi Hitendra Desai Sushmita Lunkad #Bhavna Brahmbhatt
18	28-02-2025	Sandeep Gandhi Hitendra Desai Sushmita Lunkad #Bhavna Brahmbhatt
19	18-03-2025	Sandeep Gandhi Hitendra Desai Sushmita Lunkad #Bhavna Brahmbhatt
20	27-03-2025	Sandeep Gandhi Hitendra Desai Sushmita Lunkad #Bhavna Brahmbhatt

#Mrs. Bhavna Ronil Brahmbhatt (DIN: 10736860) was appointed as a Non-Executive, Independent Women Director of the Company w.e.f. 04<sup>th</sup> September, 2024.

\*Mr. Nainesh Bhanushankar Trivedi (DIN: 08816850) has resigned from the post of Non-Executive, Independent Director of the Company w.e.f. 04<sup>th</sup> September, 2024.

### 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, **15 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	30-04-2024	Ritesh Patel Hitendra Desai *Nainesh Trivedi Sushmita Lunkad
2	30-05-2024	Ritesh Patel Hitendra Desai *Nainesh Trivedi Sushmita Lunkad
3	05-06-2024	Ritesh Patel Hitendra Desai *Nainesh Trivedi Sushmita Lunkad
4	24-06-2024	Ritesh Patel Hitendra Desai *Nainesh Trivedi Sushmita Lunkad
5	09-07-2024	Ritesh Patel Hitendra Desai *Nainesh Trivedi Sushmita Lunkad
6	13-08-2024	Ritesh Patel Hitendra Desai *Nainesh Trivedi Sushmita Lunkad
7	04-09-2024	Ritesh Patel Hitendra Desai *Nainesh Trivedi Sushmita Lunkad
8	16-09-2024	Ritesh Patel Hitendra Desai Sushmita Lunkad #Bhavna Brahmbhatt

9	06-12-2024	Hitendra Desai Sushmita Lunkad #Bhavna Brahmbhatt
10	23-12-2024	Hitendra Desai Sushmita Lunkad #Bhavna Brahmbhatt
11	23-01-2025	Hitendra Desai Sushmita Lunkad #Bhavna Brahmbhatt
12	12-02-2025	Hitendra Desai Sushmita Lunkad #Bhavna Brahmbhatt
13	28-02-2025	Hitendra Desai Sushmita Lunkad #Bhavna Brahmbhatt
14	18-03-2025	Hitendra Desai Sushmita Lunkad #Bhavna Brahmbhatt
15	27-03-2025	Hitendra Desai Sushmita Lunkad #Bhavna Brahmbhatt

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	08
*Mr. Nainesh Trivedi	Non-Executive & Independent Director	07
Mr. Hitendra Desai	Executive Director & Whole Time Director	15
Ms. Sushmita Lunkad	Non-Executive & Independent Director	15
#Mrs. Bhavna Brahmbhatt	Non-Executive & Independent Director	08

#Mrs. Bhavna Ronil Brahmbhatt (DIN: 10736860) was appointed as a Non-Executive, Independent Women Director of the Company w.e.f. 04<sup>th</sup> September, 2024.

\*Mr. Nainesh Bhanushankar Trivedi (DIN: 08816850) has resigned from the post of Non-Executive, Independent Director of the Company w.e.f. 04<sup>th</sup> September, 2024.

**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 **Four Time** during the year dated 30<sup>th</sup> April, 2024, 30<sup>th</sup> May, 2024, 04<sup>th</sup> September, 2024, and 27<sup>th</sup> March, 2025. 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	3
*Mr. Nainesh Trivedi	Non-Executive & Independent Director	3
Ms. Sushmita Lunkad	Non-Executive & Independent Director	4
#Mrs. Bhavna Brahmbhatt	Non-Executive & Independent Director	1

#Mrs. Bhavna Ronil Brahmbhatt (DIN: 10736860) was appointed as a Non-Executive, Independent Women Director of the Company w.e.f. 04<sup>th</sup> September, 2024.

\*Mr. Nainesh Bhanushankar Trivedi (DIN: 08816850) has resigned from the post of Non-Executive, Independent Director of the Company w.e.f. 04<sup>th</sup> September, 2024.

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 **Three Time** during the financial year under review dated 30<sup>th</sup> April, 2024, 04<sup>th</sup> September, 2024, and 27<sup>th</sup> March, 2025. Company Secretary of the Company acted as the Secretary to the Committee.

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

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

Name of the Director	Category	No. of Meetings attended
Mr. Ritesh Patel	Chairman, Non-Executive & Independent Director	2
*Mr. Nainesh Trivedi	Non-Executive & Independent Director	2

Ms. Sushmita Lunkad	Non-Executive & Independent Director	3
Mr. Hitendra Desai	Executive & Whole-Time Director	3
# Mrs. Bhavna Brahmbhatt	Non-Executive & Independent Director	1

#Mrs. Bhavna Ronil Brahmbhatt (DIN: 10736860) was appointed as a Non-Executive, Independent Women Director of the Company w.e.f. 04<sup>th</sup> September, 2024.

\*Mr. Nainesh Bhanushankar Trivedi (DIN: 08816850) has resigned from the post of Non-Executive, Independent Director of the Company w.e.f. 04<sup>th</sup> September, 2024.

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 2025. The number of pending share transfers as on 31<sup>st</sup> March 2025 were Nil.

### **39. RIGHTS ISSUE COMMITTEE:**

The Rights Issue Committee was constituted by the Board of Directors at its meeting held on 28th April, 2025, in line with the provisions of the Companies Act, 2013 and applicable SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### **Terms of Reference:**

The Committee was constituted to evaluate, oversee, and take all decisions in relation to the proposed Rights Issue of equity shares, including determination of issue size, price, ratio, record date, appointment of intermediaries, and ensuring compliance with applicable legal and regulatory requirements.

### **Functions:**

The Committee was entrusted with:

- Structuring and finalising the terms of the Rights Issue;
- Appointment of intermediaries such as merchant bankers, registrars, legal advisors, etc.;
- Approving offer documents and undertaking filings with SEBI, BSE, and ROC;
- Opening bank accounts and handling related operational matters.
- To monitor compliance with applicable provisions of the Companies Act, 2013, SEBI (LODR) Regulations, 2015, and SEBI (ICDR) Regulations, 2018;
- To review and approve timelines, advertisements, notices, and announcements related to the Rights Issue;
- To take any other incidental or ancillary actions necessary for successful execution or withdrawal of the Rights Issue.

### **Composition of the Rights Issue Committee and Meeting Details:**

<b>Sr. No.</b>	<b>Name of the Director</b>	<b>Designation</b>	<b>Category</b>
1	Mr. Sandeep Gandhi	Managing Director	Chairman
2	Mr. Sunil Bhirud	Executive Director	Member
3	Mrs. Bhavna Brahmbhatt	Non-Executive, Independent Woman Director	Member
4	Mr. Mahesh Sapariya	Non-Executive, Independent Director	Member

#### **40. 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 27<sup>th</sup> March, 2025, 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.

#### **41. 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.

#### **42. 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.

#### **43. 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**.

#### **44. 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.

#### **45. 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**.

#### **46. 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.



#### **47. 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.

#### **48. 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.

#### **49. 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>.

#### **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. CEO & CFO CERTIFICATION:**

In terms of Listing Regulations, the certification by the Managing Director and the Chief Financial Officer is annexed to this Annual Report.

#### **52. INVESTOR RELATIONS:**

Your Company always endeavours to keep the time of response to shareholders request/grievance at the minimum. Priority is accorded to address all the issues raised by shareholders and provide them a satisfactory reply at the earliest possible time. The

Stakeholder Relationship Committee of the board meets periodically and reviews the status of the Shareholders' Grievances.

### **53. 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: 00941665**

**Sunil Bhirud**  
**Executive Director**  
**DIN: 03469816**

**Date: 25<sup>th</sup> June, 2025**  
**Place: Mumbai**

## **MD & CFO CERTIFICATION**

To,  
The Board of Directors  
**Harish Textile Engineers Limited**  
Mumbai

Dear Sir/ Madam,

We, Sandeep Gandhi, Managing Director and Pinkesh Upadhyay, Chief Financial Officer of Harish Textile Engineers Limited ("the Company"), to the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the Company's affairs and comply with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which is fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee:
1. that there were no significant changes in internal control over financial reporting during the year;
  2. that there were no significant changes in accounting policies during the year; and
  3. that there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Thanking you,

**Harish Textile Engineers Limited**

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

**Pinkesh Upadhyay**  
**Chief Financial Officer**  
**PAN: AACPU1766B**

**Date: 25<sup>th</sup> June, 2025**  
**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:**

A traditional industry like Indian textiles is rapidly reinventing itself with a modern twist. The over Rs. 14.80-lakh crore sector is venturing into newer markets and diversifying into newer products to stay relevant and grow.

Dating back to the Indus Valley Civilisation, the more than 5,000-year-old domestic textile industry is very vital to the Indian economy. The textile industry – which comprises fibre, yarn, fabric, garment and apparel segments – contributes around 2.3 per cent to the country's GDP, 13 per cent to its industrial production and 12 per cent to its exports.

The textile industry is also the second-largest employment generator after agriculture, with over 4.5 crore people employed directly. It is one of the most inclusive industries, employing a large section of women and the rural population. Besides, about 80 per cent of the industry is composed of MSMEs.

India is the sixth-largest exporter of different components or segments of textiles in the world. The share of textiles in the country's total exports is a little over 8 per cent. Moreover, Indian textiles make up about 4 per cent of the total global textile trade.

Cotton textile is a lifeline for nearly 6 crore Indians, with around 65 lakh working on cotton farms and many more crores involved in different stages of different segments of the textile industry. The Indian textile industry, which has been passing through a rough patch for the past many years, seems to be looking up gradually.

A big global push has helped the industry learn a new lesson. Unlike the cotton textile-driven Indian market, apparels and garments made out of manmade fibres – like nylon, rayon, polyester and viscose, among others – are in greater demand in global markets. Export-oriented Indian companies are slashing their overdependence on cotton and aggressively scaling up production of manmade textile-based apparels and garments to capture a greater share of their newfound global markets.

This shift is further supported by the launch of the multi-million-dollar National Technical Textiles Mission (NTTM), aimed at upscaling India's global leadership in the technical textile space. The move into high-value technical textiles, catering to industries as diverse as healthcare, automotive, agriculture and others, is set to take the Indian industry to the next level.

The government has been launching many schemes to handhold the industry in its global quest. The Production-Linked Incentives (PLI) Scheme for Textiles has been rolled out to increase manufacturing in manmade fibres and technical textiles. Besides, the PM MITRA Parks are developing world-class industrial infrastructure for the entire value chain of the textile industry – including spinning, weaving, processing, garmenting, textile manufacturing and textile machinery. These parks – seven have already been set up – are designed to reduce logistics costs, attract FDI and improve competitiveness in global markets.

### **Company Performance/ Review of Operations:**

For the Fiscal Year 2024-25, the 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 11%. The performance of the PSF division was also increased substantially by about 17%. The Textile Engineering business is not performing well and has been incurring losses.

Non-Woven and PSF divisions are attaining their fullest capacity utilisations, and with a better product mix, the contributions from both the business segments are improving on a year-on-year basis. Particularly, the PSF division, with the help of a profitable product mix and increased capacity utilisations, has attained the EBIDTA contributions of 10% as against 7% for the Financial Year 2023-24.

Profits of Non-Woven and PSF Divisions get set off against the losses of the Textile Engineering Division.

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

Your Company is one of the leading producers of textile processing and finishing machinery in India. The machinery manufactured by your Company is well-accepted by reputed clients both in India and abroad. Your Company has successfully exported its products to over 25 countries, including prestigious markets like the United Kingdom.

The Company's manufacturing facilities are spread across 50,000 square feet in Umbergam, Gujarat.

In addition to machinery manufacturing, your Company is also engaged in the production of Non-Woven fabrics, primarily used in automotive interiors, filtration, and hygiene segments. This activity is carried out at its Umbergam plant, which has a factory building of approximately 1,10,000 square feet.

Furthermore, your Company is involved in the production of polyester staple fibre (PSF) by recycling PET bottles and waste polyester at its plant located in Gonde, Nashik.

### **Strengths:**

Over the years, your Company has gained significant product and domain expertise across all the products it manufactures. It also has an excellent technical and design team capable of handling tailor-made and specialised projects, including those outside the textile industry.

Your Company has best-in-class infrastructure and advanced plant and machinery in this business. The PSF business is eco-friendly and sustainable as it converts PET bottles and polyester scrap into useful fibre. Your Company has domain expertise and experience in this segment, supported by strong infrastructure and ambitious plans for expansion.

The Company's Non-Woven Business offers a wide range of products catering to a broad customer base. With backward integration through its PSF plant, the Company enjoys assured raw material supply, putting it in a unique and advantageous position in the industry.

**Quality:**

Harish machines are known and respected for their quality and productivity, and they command premium valuation in the market.

Similarly, the PSF and Non-Woven products of your Company are well-known for their high-quality standards and reliability.

**Outlook:**

The outlook for the financial year 2025-2026 appears positive. The Non-Woven Business has achieved its highest-ever monthly turnover, and the recently expanded capacity is starting to yield positive results. Non-Woven Segment is also planning to expand its capacity by acquiring additional NW lines during the year to cater the market demand.

The Company has already proposed to spin off its loss making Textile Processing and Finishing Machinery Business for which postal ballot has already commenced.

The overall business scenario for both Non-Woven and PSF Segments also looks encouraging.

The recycling industry has moved from being considered a medium- to long-term viable business to now being a “must-have” for ecological development. As a result, this industry is moving from a side stream to the mainstream.

Many companies, particularly in the automotive industry, are increasingly seeking recycled materials to reduce their carbon footprint. Since your Company supplies fibre and Non-Woven fabrics mainly to automotive ancillary companies, it is well-positioned to cater to the growing demand in this segment.

**OPPORTUNITIES AND THREATS:****Opportunities:**

- Export markets offer strong opportunities for the engineering business.
- Specialised and tailor-made solutions for non-textile customers also present good growth prospects.
- For the PSF business, expansion plans are in place, and rising auto sales are improving opportunities for both PSF and Non-Woven Segments.

**Threats:**

- Potential threats include economic slowdown, liquidity issues, rising raw material prices, and unfavourable government policies.
- However, since the textile industry is one of the top three employment generators, government policies are expected to remain supportive.

**Other Threats:****Geopolitical:**

- Emerging geopolitical trade issues

- Trade restrictions and supply chain challenges

**New Competition:**

- Entry of new players in the market

**Financial:**

- Volatility in the INR/USD exchange rates
- Higher interest rate regime

**Cyber-Security:**

- Data theft/loss
- Domain-based threats
- Hacktivism
- Website/system non-availability

**Others:**

- Possibility of global recession
- Supply chain disruptions
- Employee health and wellness concerns

**RISKS AND CONCERNS:**

The industry is currently facing risks due to a liquidity crunch and a global economic slowdown, caused by monetary tightening and higher interest rate regimes implemented by central banks around the world.

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

Your Company has a well-defined organizational structure, documented policies, and an authority matrix to ensure operational effectiveness, reliability of financial reporting, and compliance with applicable laws and regulations.

The internal financial control system includes:

- Proper delegation of authority
- Segregation of duties
- System access controls

- Proper documentation and record-keeping

The Internal Auditor continuously reviews the effectiveness of these controls. Reports prepared by the Internal Auditor are reviewed by the Audit Committee.

The Company follows a risk-based internal audit policy, with the objective of identifying key processes and controls, assessing their operating effectiveness, and providing recommendations for process improvement and control enhancement.

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

**Harish Textile Engineers Limited**

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

**Sunil Bhirud**  
**Executive Director**  
**DIN: 03469816**

**Date: 25<sup>th</sup> June, 2025**  
**Place: Mumbai**



**ANNEXURE II**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2025**  
**Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company**  
**(Management & Administration) Rules, 2014.**

**I. REGISTRATION & OTHER DETAILS:**

1	CIN	L29119MH2010PLC201521
2	Registration Date	31/03/2010
3	Name of the Company	Harish Textile Engineers Limited
4	Category/Sub-Category of the Company	Company Limited By Shares/ Indian Non-Government Company
5	Address of the Registered Office & Contact Details	2 <sup>nd</sup> Floor, 19 Parsi Panchayat Road, Andheri (East), Mumbai- 400069
6	Whether Listed Company	Yes
7	Name, Address & Contact Details of the Registrar & Transfer Agent, if any.	Bigshare Services Pvt. Ltd. Office No S6-2, 6 <sup>th</sup> Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai-400093 Telephone:022-62638200/206 Fax: 022-62638299
8	E-mail ID	compliances@harishtextile.com
9	Telephone Number	022-266490251

**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	18.53%
2	Non-Woven	5603	55.70%
3	Polyester staple fibre	3252	25.77%

**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 31-03-2024]				No. of Shares held at the end of the year [As on 31-03-2025]				% 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) FIIs	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>1534</b>	<b>0.05</b>	<b>13</b>	<b>1521</b>	<b>1534</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	6131	18564	24695	0.74	18223	18551	36774	1.10	0.36
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	512574	208923	721497	21.63	571271	206570	777841	23.32	1.69
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	817271	16510	833781	24.99	731348	16510	747858	22.42	(2.58)
d) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Non Resident Indians	15287	0	15287	0.46	15360	0	15360	0.46	0.00
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	52	0	52	0.00	52	0	52	0.00	0.00
Hindu Undivided Family (HUF)	30512	0	30512	0.91	51439	0	51439	1.54	0.63
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	102498	0	102498	3.07	98998	0	98998	2.97	(0.10)
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>1484325</b>	<b>243997</b>	<b>1728322</b>	<b>51.81</b>	<b>1486691</b>	<b>241631</b>	<b>1728322</b>	<b>51.81</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>1484338</b>	<b>245518</b>	<b>1729856</b>	<b>51.85</b>	<b>1486704</b>	<b>243152</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>3089225</b>	<b>246775</b>	<b>3336000</b>	<b>100</b>	<b>3091591</b>	<b>244409</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 01.04.2024			Shareholding at the end of the year 31.03.2025			% 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	1604467	48.09	0	1604467	48.09	0	0.00
2	Mr. Kirti Shantilal Gandhi	673	0.02	0	673	0.02	0	0.00
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	16,04,467	48.09	16,04,467	48.09
		Increase/Decrease	0	0	0	0
		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	673	0.02	673	0.02
		Increase/Decrease	0	0	0	0
		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 01.04.2024		Change in share-Holding during the year		Shareholding at the end of the year as on 31.03.2025	
		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	89710	2.69	2340	0.07	92050	2.76
2	Kailashben Ashokkumar Patel	71192	2.13	(71192)	(2.13)	0	0
3	Kuntal Pinkesh Upadhyay	54934	1.65	(1838)	(0.06)	53096	1.59
4	Mahendra Girdharilal	63536	1.90	0	0	63536	1.90

5	Nivedita Kishorchandra Kothari	50250	1.51	(1510)	(0.05)	48740	1.46
6	Patel Mayur Rajendrabhai	45660	1.37	(1554)	(0.05)	44106	1.32
7	Kamal Kumar Goyal	25456	0.76	18209	0.55	43665	1.31
8	Pinkesh H Upadhyay HUF	44500	1.33	0	0	44500	1.33
9	Sunil Bhirud	41800	1.25	(1468)	(0.04)	40332	1.21
10	Asha Naraniwal	13452	0.40	27195	0.82	40647	1.22
11	Bhooshan Suresh Patel	41500	1.24	(20750)	(0.62)	20750	0.62
12	Varsha Chugh	40984	1.23	(1232)	0.04	39752	1.19

#### E. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No.	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2024		Change in Share-Holding during the year		Shareholding at the end of the year as on 31.03.2025	
		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)	1604467	48.10	0	0	1604467	48.10
2	*Mr. Hitendra Desai (Whole-Time Director)	39000	1.17	0	0	39000	1.17
3	**Mr. Ritesh Patel (Independent Director)	-	-	-	-	-	-
4	***Mr. Nainesh Trivedi (Independent Director)	-	-	-	-	-	-
5	****Ms. Sushmita Lunkad (Independent Director)	-	-	-	-	-	-
6	#Mrs. Bhavna Brahmhatt (Independent Director)	-	-	-	-	-	-
7	##Mr. Sunil Bhirud (Executive Director)	41800	1.25	1468	0.04	40332	1.21
8	###Mr. Mahesh Sapariya (Independent Director)	-	-	-	-	-	-
9	####Mr. Ashwini Gupta (Independent Director)	-	-	-	-	-	-
10	Mr. Pinkesh Upadhyay (Chief Financial Officer)	18998	0.57	3500	0.10	15498	0.46
11	Ms. Priya Gupta (Company Secretary & Compliance Officer)	-	-	-	-	-	-

#### Notes:

\*Mr. Hitendra Chimanlal Desai (DIN: 00452481) has resigned from the post of Executive, Whole-Time Director of the Company w.e.f. 28<sup>th</sup> March, 2025.

**\*\*Mr. Ritesh Harshad Patel (DIN: 00700189)** has resigned from the post of Non-Executive, Independent Director of the Company w.e.f. 10<sup>th</sup> June, 2025.

**\*\*\*Mr. Nainesh Bhanushankar Trivedi (DIN: 08816850)** has resigned from the post of Non-Executive, Independent Director of the Company w.e.f. 04<sup>th</sup> September, 2024.

**\*\*\*\*Ms. Sushmita Swarup Lunkad (DIN: 09044848)** has resigned from the post of Non-Executive, Independent Director of the Company w.e.f. 28<sup>th</sup> March, 2025.

**#Mrs. Bhavna Ronil Brahmbhatt (DIN: 10736860)** was appointed as a Non-Executive, Independent Director of the Company w.e.f. 04<sup>th</sup> September, 2024.

**##Mr. Sunil Narayan Bhirud (DIN: 03469816)** was appointed as an Executive Director of the Company w.e.f. 27<sup>th</sup> March, 2025.

**###Mr. Mahesh Ratilal Sapariya (DIN: 00414104)** was appointed as a Non-Executive, Independent Director of the Company w.e.f. 27<sup>th</sup> March, 2025.

**####Mr. Ashwini Ramakant Gupta (DIN: 08930567)** was appointed as a Non-Executive, Independent Director of the Company w.e.f. 10<sup>th</sup> June, 2025.

## 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>				
i) Principal Amount	2918.05	672.36	0	3590.41
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2918.05</b>	<b>672.36</b>	<b>0</b>	<b>3590.41</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition**	4.05	143.95	0	148.00
* Reduction	518.08	63.59	0	581.67
<b>Net Change</b>	<b>-514.03</b>	<b>80.36</b>	<b>0</b>	<b>-433.67</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	2404.02	752.72	0	3156.74
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2404.02</b>	<b>752.72</b>	<b>0</b>	<b>3156.74</b>

## 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	162.54	7.35	169.89
	(a)Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961			
	(b)Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c)Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission - as % of profit - others, specify...	-	-	-
5	Others, please specify (Reimbursement of Expenses)	-	-	-
	<b>Total (A)</b>	162.54	7.35	169.89
	<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 29<sup>th</sup> September 2023 for payment of remuneration along-with perquisites and allowances Managing Director and Whole-time Director.

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

\*\*\*\*Mr. Hitendra Chimanlal Desai (DIN: 00452481) has resigned from the post of Executive, Whole-Time Director of the Company w.e.f. 28<sup>th</sup> March, 2025.

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

The details of sitting fees/remuneration paid to the Directors for the year 2024-2025 are as under:  
Nil

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



(Rs. in Lakhs)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CS	CFO	Total
1	Gross salary	-	6.62	18.00	24.62
	(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	-	6.62	18.00	24.62

**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: 00941665

Sunil Bhirud  
Executive Director  
DIN: 03469816

Date: 25<sup>th</sup> June, 2025  
Place: Mumbai

**ANNEXURE IV**  
**FORM NO. AOC -2**

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

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

**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	5 Years	Factory Building taken on rent for the period of 5 years ending on 30.06.2026 at Umbergaon	30.06.2021	12.00
2	Every's Healthcare Private Limited Company with common Directors	Interest Income	NA	NA	12.04.2019	6.19
3	Every's Healthcare Private Limited	Receipt of Advance	NA	NA	12.04.2019	57.12
4	Sandeep Gandhi Managing	Remuneration Paid	5 Years	NA	29.09.2023	162.54

	Director					
5	Hitendra Desai Whole time Director	Remuneration Paid	5 Years	NA	29.09.2023	7.35
6	Shaila Gandhi Relative of Managing Director	Professional Fees paid	5 Years	NA	07.03.2024	30
7	Shovan Gandhi Relative of Managing Director	Remuneration paid	5 Years	NA	22.09.2020	25.30
8	Pacific Harish Industries Limited (Financial liability- Reliance Loan) Company with common Directors	Repayment of Loan	7 Years	NA	12.04.2019	172.12
9	Nfinia Industries Private Limited	Repayment of Loan	As per Agreement	NA	04.08.2022	60.50

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

**Harish Textile Engineers Limited**

**Sandeep Gandhi**  
Managing Director  
DIN: 00941665

**Sunil Bhirud**  
Executive Director  
DIN: 03469816

**Date: 25<sup>th</sup> June, 2025**

**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	9.44
Hitendra Desai	0.90

**(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	1.46%
Mr. Hitendra Desai	(66.89%)
Mr. Pinkesh Upadhyay	NIL
Ms. Priya Gupta	8.18%

**(c) The percentage increase in the median remuneration of employees in the financial year;**  
About 10.61%

Note: Percentage in bracket represents negative percentage.

**(d) The number of permanent employees on the rolls of Company; 139**

**(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 2024-2025 (aggregated)	194.51
Revenue from operations	13,202.74
Remuneration (as % of revenue)	1.47%
Profit before tax (PBT)	15.57
Remuneration (as % of PBT)	1249.26%

(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 31st March, 2025	As at 31st March, 2024	Variation %
Closing rate of share at BSE	Rs.	71.2	50.90	39.88%
Closing rate of share at NSE	Rs.	NA	N.A.	NA
EPS (consolidated)	Rs.	0.56	(1.19)	1.47%
Market capitalization	Rs./Lakhs	2375.23	1,696.80	39.88%
BSE		2375.23	1,696.80	
NSE		NA	N.A.	NA
Price Earnings Ratio	Ratio			
BSE		127.14	N.A.	Since EPS is negative for last year, 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 2024-2025 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	6.62
Revenue from operations	-	13202.74	13202.74
Remuneration (as % of revenue)	-	0.14%	0.05%
Profit before Tax (PBT)	-	15.57	15.57
Remuneration (as % of PBT)		115.61	42.52

**(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: 00941665**

**Sunil Bhirud**  
**Executive Director**  
**DIN: 03469816**

**Date: 25<sup>th</sup> June, 2025**  
**Place: Mumbai**



**HARISH TEXTILE ENGINEERS LIMITED**

**SECRETARIAL AUDIT REPORT**

**Form No. MR-3**

**For The Financial Year Ended 31<sup>st</sup> March, 2025**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 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'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluation of the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31<sup>st</sup> March, 2025 ('Audit Period') 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, minutes books, forms and returns filed, and other records maintained by the Company for the financial year ended 31<sup>st</sup> March, 2025 according to the provisions of:

- a. The Companies Act, 2013 ('the Act') and the rules made thereunder;
- b. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- c. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- d. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; (**Not applicable to the Company during the Audit Period**);



**HARISH TEXTILE ENGINEERS LIMITED**

- e. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**
  - Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable to the Company during the Audit Period);**
  - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - 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;
  - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the Audit Period);**
  - The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period);** and
  - The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- f. As informed and certified by the management of the Company, there are no laws that are specifically applicable to the business activities carried on by the Company based on its section / industry.

I have also examined compliance with the applicable clauses of the Secretarial Standards (SS – 1 and SS – 2) issued by the Institute of Company Secretaries of India.





**HARISH TEXTILE ENGINEERS LIMITED**

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

- A. In respect of compliance falling under Companies Act 2013 and the rules made thereunder:
- It has been observed that Mr. Ritesh Harshad Patel, Independent Director of the Company, is disqualified from being appointed as a director under the provisions of Section 164(2)(a) of the Companies Act, 2013.*
- B. In respect of compliances falling under The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR):
- the company has made payment of annual Listing Fee for the year 2024-2025 after the due date;*
  - the company has made payment of annual charges for the year 2024-2025 to the Depositories after the respective due dates;*
  - the company delayed in filing Un-Audited Financial Results for the Quarter & Half Year ended on 30<sup>th</sup> September, 2024.*
  - the company delayed in filing Un-Audited Financial Results for the Quarter ended on 31<sup>st</sup> December, 2024.*
  - It is observed that the Company has defaulted in the repayment of principal and/or interest obligations on its unlisted debentures.*
  - During the year under review, Mr. Ritesh Harshad Patel, Director of the Company, has not submitted the declaration as required under the provisions of the Companies Act, 2013, including but not limited to Section 164(2) and Section 184(1) of the Act, thereby resulting in non-compliance with the statutory requirements.*

During the period under review, the following observations are made which may have a bearing on the Company's compliance, governance, and operations under applicable laws, rules, regulations, and standards:

- The Company has received an intimation from the Hon'ble Micro and Small Enterprises Facilitation Council, Ahmedabad, Gujarat, regarding a claim filed by a supplier for ₹61,47,306/-, including the principal amount of ₹25,50,385/- (already disclosed in the books) and interest of ₹35,96,921/-.*
- A notice has been received from the State Tax Officer, Commissionerate of Taxes, Government of Gujarat, demanding a sum of ₹4,80,971/- in relation to unpaid/short-paid tax or wrongful availment of input tax credit. The notice does not allege fraud or willful misstatement.*
- A legal notice has been served upon the Company by the advocate/legal consultant of M/s. Machine Tools and Bearing Corporation, demanding payment of ₹3,10,110.93/- along with interest for outstanding dues.*



**HARISH TEXTILE ENGINEERS LIMITED**

- d. *An intimation dated 19th March 2025 has been received from the Micro and Small Enterprises Facilitation Council, District (East), Delhi, directing the Company to make payment within 15 days to M/s. Leon International Logistics LLP for outstanding dues.*
- e. *A warrant of attachment under Order XXI, Rules 43 and 54 of the Civil Procedure Code has been issued against the Company's movable and immovable properties in connection with the matter of M/s. Ramdev Resins Private Limited vs. Harish Textile Engineers Limited. This follows Arbitration Award No. 7 of 2023 for ₹28,20,230/-, including a principal sum of ₹11,79,330/- and interest of ₹16,40,900/-. A Settlement Agreement/Memorandum of Understanding has been executed, pursuant to which the Company agreed to pay ₹28,36,111/- in full and final settlement. The MoU has been filed before the Hon'ble High Court of Bombay.*
- f. *The Company has amicably settled a matter with M/s. Jagjiwan Enchem Udhyog Ltd. through an MoU dated 6th June 2024. A payment of ₹42,00,000/- was made on 27th June 2024 via cheque no. 144013 as full and final settlement.*
- g. *An intimation of tax liability amounting to ₹28,25,811/- has been received in Form GST DRC-01A under Section 73(5) of the CGST Act from the State Tax Officer, Commissionerate of Taxes, Government of Gujarat, dated 13th June 2024. The demand relates to unpaid/short-paid tax or wrongful availment of input tax credit, excluding instances of fraud or willful misstatement.*
- h. *The Company has received a Demand Cum Show Cause Notice from the Hon'ble CGST & Central Excise Commissionerate, Surat, alleging wrongful availment and utilization of Input Tax Credit amounting to ₹2,61,274/-.*
- i. *During the period under review, it was observed that Mr. Ritesh Patel incurred disqualification under Section 164(2) of the Companies Act, 2013. Notwithstanding such disqualification, Mr. Ritesh Patel continued to be shown as a director on the records of the Company until June 10, 2025, post which he ceased to be a director of the Company. It is further observed that although Mr. Ritesh Patel was disqualified during the reporting period, the overall composition of the Board of Directors remained in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Based on the records and documents made available for our verification, it is also noted that Mr. Ritesh Patel did not attend any Board or Committee meetings, nor did he sign any resolutions or documents during the period of his disqualification.*

I further report that

The Company is constituted with the combination of Executive, Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Further the following changes have been made in the composition of Board:



**HARISH TEXTILE ENGINEERS LIMITED**

Sr. No.	Name of the Director	Designation	Nature of Change	Date of Change
01	Bhavna Ronil Brahmabhatt	Director	Appointment	04/09/2024
02	Sushmita Lunkad	Director	Resignation	28/03/2025
03	Hitendra Chimanlal Desai	Whole Time Director	Resignation	28/03/2025
04	Nainesh Bhanushankar Trivedi	Director	Resignation	04/09/2024

Adequate notices were given to all directors and members to schedule the Board and Committee Meetings respectively; agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

All decisions at Board Meetings and Committee Meetings were taken unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period there was no specific event or action in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. having a major bearing on the Company's affairs.

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

**Dipali Natvar Vora**  
***Proprietor***

**M. No: 46989; C. P. No. 21254**

**Peer Review No: 4158/2023**

**UDIN: A046989G000659898**

**Date: 25/06/2025**

**Place: Mumbai**

Note: you can verify UDIN on the link <https://stimulate.icsi.edu/udin/Home/UDINVerification>

**Notes:** This report is to be read with my letter of even date which is annexed as Annexure-I and forms an integral part of this report.



**HARISH TEXTILE ENGINEERS LIMITED**

Annexure-I

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

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

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



**CS DIPALI VORA**  
(Practicing Company Secretary)

102, New Kamal Kunj, Daulat Nagar, Road No.:09, Borivali East, Mumbai- 400066  
Contact: Office No. 8080616428, Email: [dnvoraandassociates@yahoo.com](mailto:dnvoraandassociates@yahoo.com)

<b>HARISH TEXTILE ENGINEERS LIMITED</b>
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For D N Vora & Associates,  
*Practicing Company Secretary*

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**Dipali Natvar Vora**

*Proprietor*

**M. No: 46989; C. P. No. 21254**

**Peer Review No: 4158/2023**

**UDIN: A046989G000659898**

**Date: 25/06/2025**

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# 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, 2025 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 2025, the profit and total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

## Basis for Qualified Opinion

The company has 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.

Our audit opinion on the financial statements for the year ended 31st March 2025 is qualified in respect of the said matter.

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

## Material Uncertainty Related to Going Concern

We draw attention to Note 19 to the financial statements, regarding extensions of timelines/defaulted in repayment of debenture obligations arising out of liquidity crunch faced by the Company. We further

draw your attention to the fact that the net working capital of the Company is negative at the year end. The current liabilities (including short term borrowings) amounted to INR 6465 Lakhs. The current assets amounted to INR 4325 Lakhs. The net negative working capital amounted to INR 2140 Lakhs.

In view of the above, the Company's ability to continue as a going concern is dependent on its ability to raise additional funds as required and successful negotiations with lenders/debenture holders and vendors for continued support and generation of cash flow from its operations that it needs to settle its liabilities as they fall due. Our opinion is not modified in respect of this matter.

### **Emphasis of matter**

We draw attention to the following matters. Our opinion is not modified in respect of these matters:

- a. Note 42 A (1) of notes to the financial statement year ended March 31, 2025 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 42 A (2) of notes to the financial statement year ended March 31, 2025 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. Note 19 of notes to the financial statement year ended March 31, 2025 which states that "the Company has availed working capital loans from various banks, which are repayable on demand or subject to annual renewal. As at the reporting date, working capital facilities aggregating to ₹ 1755.75 Lakhs are due for renewal. The Company has applied for the renewal of these facilities and is in discussions with the respective banks. Management expects the renewal process to be completed in the normal course of business without any significant modification to the terms."

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 Standalone Financial Statements of the current period. These matters were addressed in the



context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Response To Key Audit Matter
<p>The Company has significant borrowings from various financial institutions and banks, including both short-term and long-term facilities. The accounting for borrowings requires careful evaluation of the classification between current and non-current portions, compliance with covenants, and accuracy in interest expense recognition.</p> <p>Given the materiality of the borrowings in the financial statements and the complexities involved in their accounting, disclosure, and compliance aspects, we considered this as a key audit matter.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>- Reviewing loan sanction letter and other supporting documents to assess the classification and measurement of borrowings;</li> <li>- Evaluating management's assessment of compliance with debt covenants and verifying supporting calculations;</li> <li>- Testing the arithmetical accuracy and appropriateness of interest expense recognition;</li> <li>- Verifying disclosures made in the financial statements as per the applicable accounting standards (e.g., Ind AS 107 and Ind AS 109, where applicable);</li> <li>- Obtaining direct confirmations from lenders and reconciling them with the books of accounts;</li> <li>- Assessing the adequacy of related disclosures in the financial statements.</li> </ul>

### 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.
- e) On the basis of the written representations received from the directors as on 31st March, 2025, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013, except as stated below:

Mr. Ritesh Harshad Patel, Independent Director of the Company, did not submit the declaration as required under the provisions of the Companies Act, 2013 and hence, was disqualified. We draw attention to Clause 9 – “Declaration by Independent Directors” of the Board’s Report, which describes the matter in detail.
- 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, 2025 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 42 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 it’s knowledge and belief, other than as disclosed in the notes to the accounts no funds (which are material either individually or in aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding whether recorded in writing or otherwise, that the Intermediary shall whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf

of the Ultimate beneficiaries;

- b. Management has represented to us that, to the best of it's knowledge and belief other than as disclosed in the notes to the accounts no funds (which are material either individually or in aggregate) have been 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 maintained its books of account using accounting software that has the feature of recording an audit trail (edit log) facility. However, the said feature was not enabled during the year by the Company.

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

**Pravin Panchiwala**  
Partner  
(Membership No. 127406)  
UDIN: 25127406BNFXEU4140

Place: Vadodara  
Date: June 25, 2025

## Annexure – A

To The Independent Auditor's Report of Harish Textile Engineers Limited.

(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 Lakhs					
Description of property value	Gross carrying	Held in the name of director or	Whether promoter, range, their relative or employee	Period held - indicate name of where appropriate	Reason for not being held in the Company
Land	INR 650/- Lakhs.	Mr. Sandeep Gandhi	Yes -Director and Promoter	From 31/12/2019	Refer note 47

**d.** The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year. Accordingly, the reporting under clause 3(i)(d) of the order is not applicable to the Company.

**e.** Based on the information and explanations furnished to us, no proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the company has appropriately disclosed the details in its financial statements does not arise.

**ii.**

**a.** The physical verification of inventory (excluding stocks with third parties) has been conducted at

reasonable intervals by the Management during the year and, in our opinion, the coverage and procedure of such verification by Management is appropriate. In respect of inventory lying with third parties, these have substantially been confirmed by them. In respect of inventories of stores and spares, the Management has a verification programme designed to cover the item over a period of three years. The discrepancies noticed on physical verification of inventory as compared to book records were not 10% or more in aggregate for each class of inventory.

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

INR in Lakhs						
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: 1500	Receivable and Stock (net of trade payable).	June 30, 2024	2671.90	2671.9	-	Refer note no. 47 to the Financial Statement.
		September 30, 2024	2778.19	2778.19	-	
		December 31, 2024	2918.74	2936.13	-17.39	
		March 31, 2025	2816.52	2838.48	-21.96	
Name of bank: Union Bank of India  Limit: 600	Receivable and Stock.	June 30, 2024	1027.4	1001.81	25.59	Refer note no. 47 to the Financial Statement.
		September 30, 2024	1192.95	1167.36	25.59	
		December 31, 2024	975.92	898.13	77.79	
		March 31, 2025	1047.29	946.62	100.67	

- iii. a. 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 except the following parties.

INR in Lakhs			
Particulars	Loans	Terms of repayment	Rate of interest
Every's Health Care Private Limited.	57.12	Repayable on demand	12%
KMP but not director or relative of any directors	3.67	Repayable on demand	Interest free

- b.** According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loan during the year is not prejudicial to the interest of the Company except for loan granted to KMP as stated in clause iii (a) above.
- c.** According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal is on demand. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the party to whom the money has been lent.
- d.** According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.
- e.** According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion no instances of loans falling due during the year.
- f.** According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

Particulars	Loans INR in Lakhs
Aggregate of loans	
- Repayable on demand (A)	57.12
- Agreement does not specify any terms or period of Repayment (B)	-
Total (A+B)	57.12

- 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. The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and value added tax during the year, since effective July 01, 2017, these statutory dues has been subsumed into GST.

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, income tax, duty of customs, 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 Lakhs

Name of Statute	Nature of Dues	Period to which the Amount Relates	Amount Unpaid
Income Tax Act 1961	Tax Deducted at Source	April 2019- March 2024	23.29
ESIC	ESIC	April 2023 to March 2025	8.41

- 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 based on the information and explanations provided to us, the Company has not defaulted in the repayment of loans or other borrowings, or in the payment of interest to any lender during the year, except for the following delays/defaults in the redemption of debentures and payment of interest:

(INR in Lakhs)

Series of Debentures	Scheduled Date of Redemption	Extended Date of Redemption	Further Extended Date of Redemption	Total Debenture borrowing	Payment on Due Date	Payment after on Due Date	Due but not paid
Old Series- II	24/06/2024	23/12/2024	NA	112.61	32.79	79.82	NA
Old Series- III	13/08/2024	12/02/2025	12/05/2025	71.03	6.31	0	64.72
Interest on Old Series- III	NA	NA	NA	-	-	-	6.9
Old Series- IV	20/09/2025	NA	20/12/2025	146.79	-	-	--

- b. According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.



- c.** In our opinion, and according to the information and explanations given to us, during the year, the term loans have been applied for the purposes for which they were obtained.
- d.** According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the financial statements of the Company, we report that during the year, no funds raised on short-term basis have been used for long-term purposes by the Company.
- e.** According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company does not have any subsidiaries, associates and joint ventures. Hence, the said clause is not applicable.
- f.** According to the information and explanations given to us and procedures performed by us, we report that the Company does not have any subsidiaries, associates and joint ventures. Hence, the said clause is not applicable.
- x.**

  - a.** The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
  - b.** The Company has not made any preferential allotment or private placement of shares or fully or partially or optionally convertible debentures during the year. Accordingly, the reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi.**

  - a.** During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the management.
  - b.** During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, a report under Section 143(12) of the Act, in Form ADT-4, as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
  - c.** During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, and as represented by the management, no whistle-blower complaints were received by the Company during the year. Accordingly, the reporting requirements under Clause 3(xi)(c) of the Order are not applicable.
- xii.** As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.

- xiii.** The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard 24 “Related Party Disclosures” specified under Section 133 of the Act.
- xiv.**
- a.** In our opinion and according to the information and explanation given to us, the Company has an internal audit system commensurate with the size and nature of its business.
- b.** The reports of the Internal Auditor for the period under audit have been considered by us.
- xv.** In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them. Accordingly, the provisions of Section 192 of the Companies Act, 2013 are not applicable, and hence, the reporting requirements under Clause 3(xv) of the Order are not applicable.
- xvi.** The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting requirements 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 19/48 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.
- We draw the attention to note “19” to the financial statements pertaining to default/delay in the redemption of Debentures. The Company believes that it will be able to conclude the negotiations with debenture holders for settlement of their dues and will have continued support from lenders/vendors and generation of cash flow from operations that will enable it to settle its liabilities as 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)

Place: Vadodara  
Date: June 25, 2025

**Pravin Panchiwala**  
Partner  
(Membership No. 127406)  
UDIN: 25127406BNFXEU4140

## ANNEXURE – B

To The Independent Auditor's Report of Harish Textile Engineers Limited.

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, 2025 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, 2025, 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)

**Pravin Panchiwala**  
Partner  
(Membership No. 127406)  
UDIN: 25127406BNFXEU4140

Place: Vadodara  
Date: June 25, 2025

# HARISH TEXTILE ENGINEERS LIMITED

CIN: L29119MH2010PLC201521

Balance Sheet as at 31st March 2025

Particulars	Note	As at 31st March 2025	As at 31st March 2024 (Restated)	As at 1st April 2023 (Restated)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	2,766.53	2,722.21	2,558.47
Right-of-use assets	5	23.29	46.60	69.89
Capital Work-in-Progress	6	86.41	-	171.13
Intangible Assets	7	11.11	12.38	-
Intangible Assets under Development	8	1.60	-	-
Financial assets				
Other financial assets	9	297.14	280.61	243.59
Other assets	10	107.84	95.53	97.31
<b>Current assets</b>				
Inventories	11	1,334.73	1,602.02	1,916.77
Financial assets				
Loans	12	95.13	23.13	10.73
Trade receivables	13	2,641.59	2,234.26	1,820.96
Cash and cash equivalents	14	9.11	21.91	5.75
Other bank balances	15	3.64	3.64	9.34
Other financial assets	9	-	205.54	205.54
Current Tax Assets (Net)	16	-	10.27	-
Other assets	10	241.60	503.20	603.12
<b>Total Assets</b>		<b>7,619.74</b>	<b>7,761.31</b>	<b>7,712.62</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	17	333.60	333.60	333.60
Other equity	18	555.30	536.49	576.09
<b>Liabilities</b>				
<b>Non-Current Liabilities</b>				
Financial liabilities				
Borrowings	19	119.48	585.57	1,166.05
Lease liabilities	20	-	11.35	21.57
Other Financial liabilities	21	9.24	9.24	9.24
Provisions	22	80.75	67.96	54.17
Deferred tax liabilities (Net)	23	56.32	94.73	106.12
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	19	3,037.27	3,004.84	2,801.18
Lease liabilities	20	11.35	10.22	9.21
Trade payables	24			
Due to micro enterprises and small enterprises		417.79	773.59	458.48
Due to others		1,867.84	1,295.35	1,653.42
Other financial liabilities	21	127.64	85.42	84.30
Provisions	22	6.90	5.78	4.48
Other current liabilities	25	990.65	947.15	431.87
Current Tax liabilities (Net)	26	5.61	-	2.85
<b>Total Equity and Liabilities</b>		<b>7,619.74</b>	<b>7,761.31</b>	<b>7,712.62</b>
Corporate information and summary of material accounting policy information	1-3			
Contingent liabilities and commitments	42			
Other notes to accounts	4 to 41, 43 to 49			

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

As per our report of even date  
**For K M Swadia & Co.**  
Chartered Accountants  
ICAI Firm Registration No. 110740W

For and on behalf of the Board of Directors of  
**HARISH TEXTILE ENGINEERS LIMITED**  
CIN:L29119MH2010PLC201521

**Pravin Panchiwala**  
Partner  
Membership No. 127406

**Sandeep Gandhi**  
DIN : 00941665  
Managing Director

**Sunil Bhirud Narayan**  
DIN :03469816  
Executive Director

**Priya Gupta**  
Company Secretary and  
Compliance officer

**Pinkesh Upadhyay**  
Chief Financial Officer

Place : Vadodara  
Date : 25th June, 2025

Place : Mumbai  
Date : 25th June, 2025

# HARISH TEXTILE ENGINEERS LIMITED

CIN: L29119MH2010PLC201521

Statement of Profit and Loss for the year ended on 31st March 2025

(Rupees in Lakhs)

Particulars	Note	Year ended 31st March 2025	Year ended 31st March 2024 (Restated)
<b>Revenue</b>			
Revenue from operations	27	13202.74	13104.25
Other income	28	57.22	154.33
<b>Total Income</b>		<b>13,259.96</b>	<b>13,258.58</b>
<b>Expenses</b>			
Cost of materials consumed	29	8220.81	8449.31
Changes in inventories	30	216.24	201.91
Employee benefits expenses	31	1163.01	1084.45
Finance costs	32	395.78	546.02
Depreciation, amortization & impairment of assets	4,5 & 7	167.94	186.81
Other expenses	33	3080.62	2837.92
<b>Total Expenses</b>		<b>13,244.39</b>	<b>13,306.42</b>
<b>Profit Before Tax for the year</b>		<b>15.57</b>	<b>(47.84)</b>
<b>Tax expense:</b>			
Current tax	34	16.43	-
Adjustment for earlier tax expense	34	12.43	-
Deferred tax	34	(36.84)	(10.58)
<b>Profit for the year</b>		<b>23.55</b>	<b>(37.26)</b>
<b>Other comprehensive income</b>		-	-
Items that will not be reclassified to profit or loss in subsequent period			
a. Remeasurement gain/ (loss) on defined benefit plans		(6.32)	(3.12)
b. Income tax related to items that will not be reclassified to profit or loss		1.57	0.78
<b>Total other comprehensive income</b>		<b>4.75</b>	<b>2.34</b>
<b>Total comprehensive income for the year</b>		<b>18.80</b>	<b>(39.60)</b>
<b>Earnings per equity share of FV of Rs. 10 each</b>	35		
Basic		0.56	(1.19)
Diluted		0.56	(1.19)
Corporate information and summary of material accounting policy information	1-3		
Contingent liabilities and commitments	42		
Other notes to accounts	4 to 41, 43 to 49		

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

As per our report of even date

For K M Swadia & Co.

Chartered Accountants

ICAI Firm Registration No. 110740W

For and on behalf of the Board of Directors of

HARISH TEXTILE ENGINEERS LIMITED

CIN:L29119MH2010PLC201521

Pravin Panchiwala

Partner

Membership No. 127406

Sandeep Gandhi

DIN : 00941665

Managing Director

Sunil Bhirud Narayan

DIN :03469816

Executive Director

Priya Gupta

Company Secretary and  
Compliance officer

Pinkesh Upadhyay  
Chief Financial Officer

Place : Vadodara

Date : 25th June, 2025

Place : Mumbai

Date : 25th June, 2025

# HARISH TEXTILE ENGINEERS LIMITED

CIN: L29119MH2010PLC201521

Statement of Change in Equity (SOCIE) for the year ending 31st March 2025

## (a) Equity share capital

Equity share capital	As at 31st March 2025	As at 31st March 2024
	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, 2023</b>	<b>576.09</b>
Add: Loss during the Period	(37.26)
Less : Re-measurement gains / (losses) on defined benefit plans	(2.34)
<b>Balance as at March 31, 2024</b>	<b>536.49</b>
Add: Profit during the Period	23.55
Less : Re-measurement gains / (losses) on defined benefit plans	(4.75)
<b>Balance as at March 31, 2025</b>	<b>555.30</b>
Corporate information and summary of material accounting policy information	1-3
Contingent liabilities and commitments	42
Other notes to accounts	4 to 41, 43 to 49

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

As per our report of even date

**For K M Swadia & Co.**

**Chartered Accountants**

**ICAI Firm Registration No. 110740W**

For and on behalf of the Board of Directors of

**HARISH TEXTILE ENGINEERS LIMITED**

**CIN:L29119MH2010PLC20**

**Pravin Panchiwala**  
**Partner**  
**Membership No. 127406**

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

**Sunil Bhirud Narayan**  
**DIN :03469816**  
**Executive Director**

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

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

**Place : Vadodara**  
**Date : 25th June, 2025**

**Place : Mumbai**  
**Date : 25th June, 2025**



# HARISH TEXTILE ENGINEERS LIMITED

CIN: L29119MH2010PLC201521

## Statement of Cash Flows For the Year ended 31st March, 2025

Particulars	For the year ended 31st March 2025	For the year ended 31st March 204 (Restated)
<b>A) Cash Flow from Operating activities</b>		
Profit before tax	15.57	(47.84)
Adjustments for:		
Depreciation and Amaotisation	167.94	186.81
(Profit)/ Loss on sale of Fixed Assets	(11.42)	(0.26)
Sundry bal w.back	(0.48)	(111.96)
Sundry Balance w/off	117.19	299.78
Provision for expected credit loss	34.56	(0.42)
Gratuity Provision	12.58	15.12
Interest Income	(23.00)	(22.29)
Interest Paid	395.78	546.02
<b>Operating Profit before Working Capital Changes</b>	<b>708.72</b>	<b>864.96</b>
<b>Adjustments for changes in Working Capital</b>		
(Increase)/Decrease in Trade Receivables	(559.08)	(600.70)
(Increase)/Decrease in Other - Non Current Assets	(12.31)	1.78
(Increase)/Decrease in Non Current financial assets	(16.53)	(37.02)
(Increase)/Decrease in Other Current Assets	261.59	99.93
(Increase)/Decrease in Loans	(72.00)	(12.40)
(Increase)/Decrease in Other Current financial assets	205.54	-
(Increase)/Decrease in Inventories	267.30	314.74
<b>Changes in Trade and Other Receivables</b>	<b>74.51</b>	<b>(233.67)</b>
Increase/(Decrease) in Trade Payables	217.17	(39.68)
Increase/(Decrease) in Other current Liabilities	43.50	515.28
Increase/(Decrease) in Provisions	(6.60)	(3.14)
Increase/(Decrease) in Other Current financial Liabilities	42.22	(2.16)
Increase/(Decrease) in Other financial Liabilities	-	-
<b>Changes in Trade and Other Payables</b>	<b>296.29</b>	<b>470.30</b>
<b>Cash Generated from Operations</b>	<b>1,079.52</b>	<b>1,101.59</b>
Income tax paid ( Net of refunds)	12.98	13.12
<b>Net Cash from Operating Activities</b>	<b>1,066.54</b>	<b>1,088.47</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of Assets	13.72	0.90
Purchase of PPE, Intangible Assets, WIP and Capital Advances	(276.40)	(169.16)
Interest Received	23.00	22.29
<b>Net Cash used in Investing Activities</b>	<b>(239.68)</b>	<b>(145.97)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long-term borrowings (incl. current maturities of long term borrowing)	-	23.00
Repayment of Long term loans borrowings (incl. current maturities of long term borrowing)	(516.78)	(416.20)
lease liabilities	(12.00)	(9.21)
Change in Short-term borrowings	83.12	16.39
Repayment of NCD	-	-
Interest Paid	(394.00)	(546.02)
<b>Net Cash from Financing Activities</b>	<b>(839.66)</b>	<b>(932.04)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(12.80)</b>	<b>10.45</b>

# HARISH TEXTILE ENGINEERS LIMITED

CIN: L29119MH2010PLC201521

## Statement of Cash Flows For the Year ended 31st March, 2025

Particulars	For the year ended 31st March 2025	For the year ended 31st March 204 (Restated)
Cash and Cash Equivalents at the beginning of the year	25.55	15.09
Cash and Cash Equivalents at the end of the year	12.75	25.55
<b>Closing Cash and Cash Equivalents comprise:</b>		
Cash in hand	3.30	1.97
Balance in Current Account	9.45	23.58
<b>Total</b>	<b>12.75</b>	<b>25.55</b>
<b>Notes to Cash Flow Statement:</b>		
Cash and Cash equivalents comprise of:		
Cash on Hands	3.30	1.97
Balance with Scheduled Banks in Current Accounts	9.45	23.58
<b>Closing Cash and Cash Equivalents</b>	<b>12.75</b>	<b>25.55</b>
Corporate information and summary of material accounting policy information	1-3	
Contingent liabilities and commitments	42	
Other notes to accounts	4 to 41, 43 to 49	

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

### Notes:

Statement of Cash Flows has been prepared under the Indirect Method as set out in the Indian Accounting Standard (Ind AS) 7

"Statement of Cash Flows" as specified in the Companies (Indian Accounting Standards) Rules, 2015.

Property, plant and equipment, Investment property and Intangible assets are adjusted for movement of (a) Capital work-in-progress for Property, plant and equipment and (b) Intangible assets under development during the year.

Previous year figures have been regrouped wherever necessary.

As per our report of even date

**For K M Swadia & Co.**

**Chartered Accountants**

**ICAI Firm Registration No. 110740W**

For and on behalf of the Board of Directors of

**HARISH TEXTILE ENGINEERS LIMITED**

**CIN:L29119MH2010PLC201521**

**Pravin Panchiwala**

**Partner**

**Membership No. 127406**

**Sandeep Gandhi**

**DIN : 00941665**

**Managing Director**

**Sunil Bhirud Narayan**

**DIN :03469816**

**Executive Director**

**Priya Gupta**

**Company Secretary &**

**Compliance officer**

**Pinkesh Upadhyay**

**Chief Financial Officer**

**Place : Vadodara**

**Date : 25th June, 2025**

**Place : Mumbai**

**Date : 25th June, 2025**

## **HARISH TEXTILE ENGINEERS LIMITED**

**Notes forming part of the Financial Statements for the Financial Year Ended March 31, 2025**

### **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 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:

## **HARISH TEXTILE ENGINEERS LIMITED**

### **Notes forming part of the Financial Statements for the Financial Year Ended March 31, 2025**

- Note 4 to 8- Estimates of Useful life and residual value of Property, plant and equipment and other intangible assets
- Note 23, 26 & 34- Current / Deferred tax expense
- Note 13 – Provision for Expected credit loss on Trade receivables
- Note 42 - 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 (INR) 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,

## HARISH TEXTILE ENGINEERS LIMITED

### Notes forming part of the Financial Statements for the Financial Year Ended March 31, 2025

- 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.

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 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.

## **HARISH TEXTILE ENGINEERS LIMITED**

**Notes forming part of the Financial Statements for the Financial Year Ended March 31, 2025**

### **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.

### **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 recognized 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.

### **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



## **HARISH TEXTILE ENGINEERS LIMITED**

### **Notes forming part of the Financial Statements for the Financial Year Ended March 31, 2025**

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.

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.

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

## **HARISH TEXTILE ENGINEERS LIMITED**

### **Notes forming part of the Financial Statements for the Financial Year Ended March 31, 2025**

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

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;
- 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

## HARISH TEXTILE ENGINEERS LIMITED

### Notes forming part of the Financial Statements for the Financial Year Ended March 31, 2025

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 paramount, 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.

#### Financial assets: Subsequent measurement and gains and losses

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

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

## **Derecognition**

### **Financial assets**

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

### **Financial liabilities**

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

### **Offsetting**

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.

## **I. 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,

## HARISH TEXTILE ENGINEERS LIMITED

### Notes forming part of the Financial Statements for the Financial Year Ended March 31, 2025

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:

Inventories	Cost Formula
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.

##### 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).

## **HARISH TEXTILE ENGINEERS LIMITED**

### **Notes forming part of the Financial Statements for the Financial Year Ended March 31, 2025**

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 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.



## **HARISH TEXTILE ENGINEERS LIMITED**

### **Notes forming part of the Financial Statements for the Financial Year Ended March 31, 2025**

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".

#### **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

## **HARISH TEXTILE ENGINEERS LIMITED**

### **Notes forming part of the Financial Statements for the Financial Year Ended March 31, 2025**

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.

##### **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

## **HARISH TEXTILE ENGINEERS LIMITED**

### **Notes forming part of the Financial Statements for the Financial Year Ended March 31, 2025**

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 accounting pronouncements**

Recent accounting pronouncements 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, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to financial statements for the year ended 31st March 2025

4 Property, Plant and Equipment- Financial Year 2024-25

Particulars	Gross Block				Depreciation and Amortization				Net Block		
	As at 1st April 2024	Addition during the year	Disposal/ Adjustment	As at 31st March 2025	As at 1st April 2024	For the year	Disposal/ Adjustment	As at 31st March 2025	As at 31st March 2025	As at 31st March 2024	
Freehold land (Refer Note 4.1 and 4.2)	1,225.67	-	-	1,225.67	-	-	-	-	1,225.67	1,225.67	
Building	257.10	-	-	257.10	61.72	11.31	-	73.03	184.07	195.38	
Plant & Machinery	3,312.29	186.65	13.15	3,485.79	2,176.40	110.48	10.85	2,276.03	1,209.76	1,135.90	
Computers	62.80	3.34	-	66.14	53.19	1.46	-	54.65	11.49	9.61	
Furniture and fixtures	71.08	-	-	71.08	53.29	1.88	-	55.17	15.91	17.79	
Vehicles	350.96	-	-	350.96	213.11	18.23	-	231.34	119.62	137.85	
	5,279.91	189.98	13.15	5,456.75	2,557.70	143.37	10.85	2,690.22	2,766.53	2,722.21	

Property, Plant and Equipment - Financial Year 2023-24

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 and 4.2)	1,225.67	-	-	1,225.67	-	-	-	-	1,225.67	1,225.67	
Building	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	
	4,969.86	327.57	17.52	5,279.91	2,411.39	163.18	16.87	2,557.70	2,722.21	2,558.47	

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 47

## Notes to financial statements for the year ended 31st March 2025

4.2	<p>The company has executed a MOU dated 29/04/2025 with M/s Agratha Enterprise to transfer the land situated at Survey no. 104/1, 105/1/2/3/4/5 and 300/1 situated at Raikhadi, Umbergaon Sanjan Road, Umbergaon. The draft MOU was approved by the Board on its meeting held on 27/03/2025 and by the shareholders through postal ballot resolution dated 29/04/2025. The Company had originally received the said land as part of the consideration at the time of its retirement from M/s Agratha Enterprises, pursuant to a Deed of Retirement dated 31st December, 2018, with the mutual understanding that Agratha Enterprises would take necessary steps to convert the said land for non-agricultural use.</p> <p>However, due to factors beyond the control of Agratha Enterprises, the conversion of the said agricultural lands for non-agricultural use could not take place. In light of this, both the Company and Agratha Enterprises have mutually agreed that the said agricultural lands shall now be transferred back to Agratha Enterprises under the following terms and conditions:</p> <p>a. <b>Consideration for Transfer:</b> HTEL has agreed to return the said agricultural lands to Agratha Enterprises at the original consideration of Rs. 6.50 crores.</p> <p>b. <b>Obligation of Agratha Enterprises:</b> Agratha Enterprises shall undertake and bear the entire cost of converting the lands for non-agricultural use. The conversion process must be completed within 24 months from the execution of the MOU.</p> <p>c. <b>Failure to Convert:</b> In the event that Agratha Enterprises is unable to complete the conversion within the specified 24-months period, Agratha Enterprises shall be required to pay HTEL a sum of Rs. 6.50 crores within 30 months from the execution of the MOU.</p> <p>The aforesaid Agricultural Lands have been transferred back to M/s Agratha Enterprises effective the date of the execution of the aforesaid MOU i.e. 29/04/2025</p>									
	4.3 <b>The gross block and net block of Property, Plant and Equipment include the following assets constructed/installed on leasehold properties:</b>									
	Particulars	As at 31st March 2025			As at 31st March 2024			As at 31st March 2023		
		Building	Plant & Machinery	Furniture, Fixtures & Computer	Building	Plant & Machinery	Furniture, Fixtures & Computer	Building	Plant & Machinery	Furniture, Fixtures & Computer
	Gross Value	215.86	3485.79	137.21	199.54	3312.29	133.88	199.54	3028.49	127.95
	Net Value	173.28	1209.76	27.39	183.44	1135.90	27.40	177.78	964.75	24.91
	These assets have been capitalised in accordance with the Company's accounting policy as they are intended for use during the lease term. The lease arrangements do not confer ownership rights on the Company, and such assets are subject to the terms of the respective lease agreements. The lease term expires on June 30, 2026.									
4.4	Impairment of Assets : There is no impairment of any assets in terms of Ind AS - 36 "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.									
4.5	Security Pledge of Assets : Refer to Note 19 on borrowings for details in terms of pledge of assets as security.									

## 5 Right-of-use assets

(Rupees in Lakhs)

Particulars	Gross Block			Depreciation and Amortization			Net Block		
	As at 1st April 2024	Addition during the year	Termination of Lease	As at 31st March 2025	As at 1st April 2024	For the year	As at 31st March 2025	As at 31st March 2025	As at 31st March 2024
Factory Land and Buildings*	163.09			163.09	116.49	23.30	139.79	23.29	46.59
	163.09	-	-	163.09	116.49	23.30	139.79	23.29	46.59

\*The lease term expires on June 30, 2026.

## Right-of-use assets

(Rupees in Lakhs)

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	As at 31st March 2024	As at 31st March 2024	As at 31st March 2023
Factory Land and Buildings*	163.09			163.09	93.19	23.30	116.49	46.59	69.89
	163.09	-	-	163.09	93.19	23.30	116.49	46.59	69.89

\*The lease term expires on June 30, 2026.

6 Capital work in progress

(Rupees in Lakhs)

Particulars	31st March 2025	31st March 2024
Opening Balance	-	171.13
Addition:	86.41	
Less: Capitalized during the year	-	171.13
Closing Balance	86.41	-

Ageing for Capital Work-in-Progress as on 31/03/2025 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	
Plant & Machinery - Fire Hydrant	17.94				17.94
Plant & Machinery- Grasim Carding Line	68.47		-	-	68.47
Total	86.41	0.00	0.00	0.00	86.41

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	
			-	-	0
Total	0	-	-	-	0

7 Intangible Assets

Particulars	Gross Block			Depreciation and Amortization				Net Block		
	As at 1st April 2024	Addition during the year	Disposal/ Adjustment	As at 31st March 2025	As at 1st April 2024	For the year	Disposal/ Adjustment	As at 31st March 2025	As at 31st March 2025	As at 31st March 2024
Software	12.70		-	12.70	0.32	1.27		1.59	11.11	12.38
	12.70	-	-	12.70	0.32	1.27	-	1.59	11.11	12.38

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	-

8 Intangible Asset under Development

Particulars	(Rupees in Lakhs)	
	31st March 2025	31st March 2024
Opening Balance	-	-
Addition:	1.60	-
Less: Capitalized during the year	-	-
Closing Balance	1.60	-

Ageing for Intangible Asset under Development as on 31/03/2025 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	
Web Design		1.6			0
		-	-		0
Total	1.6	0	0	0	0

**HARISH TEXTILE ENGINEERS LIMITED**
**Notes to financial statements for the year ended 31st March 2025**
*(Rupees in Lakhs)*
**9 Other financial assets**
*(Unsecured and Considered Good)*

Particulars	As at 31st March 2025	As at 31st March 2024	As at 1st April 2023
<b>Non-Current</b>			
Security Deposits			
-Related Parties*	257.01	240.20	224.48
-Others	40.13	40.41	19.11
	<b>297.14</b>	<b>280.61</b>	<b>243.59</b>
<b>Current</b>			
Receivable against sale of assets from Related Party**	-	205.54	205.54
	<b>-</b>	<b>205.54</b>	<b>205.54</b>
<b>* Deposits to related party</b>			
Harish Enterprise Private Limited.	<b>257.01</b>	<b>240.20</b>	<b>224.48</b>
<b>** Receivable against sale of assets</b>			
Sanish Investment and Trading Co P Limited.	<b>-</b>	<b>205.54</b>	<b>205.54</b>

**10 Other assets**
*(Unsecured and Considered Good)*

Particulars	As at 31st March 2025	As at 31st March 2024	As at 1st April 2023
<b>Non-Current</b>			
Balance with Government Authorities & Others	95.48	92.62	95.82
Advance to Suppliers for Capital Assets	11.73	-	
Prepaid expenses	0.63	2.91	1.49
	<b>107.84</b>	<b>95.53</b>	<b>97.31</b>
<b>Current</b>			
Advance to suppliers*	108.25	254.51	356.36
Advance recoverable in cash or kind	51.75	69.48	42.70
Balance with government authority	70.19	166.70	190.18
Prepaid expenses	11.42	12.51	13.88
	<b>241.60</b>	<b>503.20</b>	<b>603.12</b>
<b>* includes advance to related party:</b>			
1. Harish Enterprise Private Limited.	12.13	23.11	27.72
2. Every's Health Care Private Limited.	-	51.55	54.73

**11 Inventories#**
*(At lower of cost and net realisable value)*

Particulars	As at 31st March 2025	As at 31st March 2024	As at 1st April 2023
Raw Materials	869.46	920.51	1,033.35
Work in Process	120.30	22.18	232.59
Finished Goods	344.97	659.33	650.83
	<b>1,334.73</b>	<b>1,602.02</b>	<b>1,916.77</b>

**#Inventories are hypothecated with the bankers against term loans (Refer note 19)**
**12 Loans**

Particulars	As at 31st March 2025	As at 31st March 2024	As at 1st April 2023
Advances to Staff \$	38.01	23.13	10.73
Inter Corporate Loan*	57.12	-	-
	<b>95.13</b>	<b>23.13</b>	<b>10.73</b>
<b>\$ Includes advance to KMP</b>			
Pinkesh Updhyay -CFO	3.67		
Terms of repayment/interest/secured/unsecured etc.	Repayable on Demand, unsecured and Interest Free		
<b>* Includes advance to related party:</b>			
Every's Health Care Private Limited.	57.12		
Terms of repayment/interest/secured/unsecured etc.	Repayable on Demand, unsecured and Interest at rate of 12%.		



**HARISH TEXTILE ENGINEERS LIMITED**
**Notes to financial statements for the year ended 31st March 2025**
*(Rupees in Lakhs)*
**13 Trade receivables#**

Particulars	As at 31st March 2025	As at 31st March 2024	As at 1st April 2023
<b>Unsecured , Considered Good*</b>			
Un-billed	-	-	
Billed	2,729.81	2,287.92	1,875.78
	<b>2,729.81</b>	<b>2,287.92</b>	<b>1,875.78</b>
Less: Provision for Doubtful Receivables (Including Expected credit loss allowance)	88.22	53.66	54.82
	<b>2,641.59</b>	<b>2,234.26</b>	<b>1,820.96</b>

**# Receivables are hypothecated with the bankers against term loans (Refer note 19)**

Ageing for Trade receivable as at 31st March 2025 is as follows:

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	1,836.62	787.99	16.64	9.22	0.15	71.54	2,722.16	
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-	
(iv) Disputed Trade Receivables - Considered Good	-	-	-	-	-	-	-	
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	7.65	7.65	
Total	1,836.62	787.99	16.64	9.22	0.15	79.19	2,729.81	

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

Ageing for Trade Receivable as at 31st March 2024 is as follows:								
		Outstanding for following period from due date of payment						
Particulars		Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(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		-	-		-	-	-	-
Total		1,449.95	732.03	11.96	16.87	57.34	19.77	2,287.92

Ageing for Trade receivable as at 1st April 2023 is as follows:

Ageing for Trade Receivable as at 1st April 2023 is as follows.		Outstanding for following period from due date of payment						
Particulars		Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(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		-	-	-	-	-	-	-
Total		1,240.85	461.00	17.75	46.24	18.67	91.26	1,875.78

\*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 2025	As at 31st March 2024
Opening Balance	53.66	54.82
Additions/(Reversal) during the year	34.56	(1.16)
<b>Closing Balance</b>	<b>88.22</b>	<b>53.66</b>

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

**HARISH TEXTILE ENGINEERS LIMITED****Notes to financial statements for the year ended 31st March 2025***(Rupees in Lakhs)***14 Cash and cash equivalents**

<b>Particulars</b>	<b>As at 31st March 2025</b>	<b>As at 31st March 2024</b>	<b>As at 1st April 2023</b>
Bank Balances: Current accounts	5.81	19.94	4.15
Cash on hand	3.30	1.97	1.60
	<b>9.11</b>	<b>21.91</b>	<b>5.75</b>

**15 Other Bank Balance**

<b>Particulars</b>	<b>As at 31st March 2025</b>	<b>As at 31st March 2024</b>	<b>As at 1st April 2023</b>
Bank Margin on LC	3.64	3.64	9.34
	<b>3.64</b>	<b>3.64</b>	<b>9.34</b>

**16 Current Tax Assets (Net)**

<b>Particulars</b>	<b>As at 31st March 2025</b>	<b>As at 31st March 2024</b>	<b>As at 1st April 2023</b>
(a) Income tax assets	-	10.27	
(b) Current income tax liabilities	-		
Current Tax Liabilities (Net off Advance Tax and TDS)	-	10.27	-

## HARISH TEXTILE ENGINEERS LIMITED

### Notes to financial statements for the year ended 31st March 2025

(Rs. in Lakhs)

#### 17 Share capital

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

Particulars	As at 31st March 2025		As at 31st March 2024	
	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
	3,336,000	333.60	3,336,000	333.60

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

Particulars	As at 31st March 2025		As at 31st March 2024	
	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>

#### 17.2 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.

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

Name of Shareholder	As at 31st March 2025		As at 31st March 2024	
	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	1,604,467	48.09%	1,604,467	48.09%
	1,604,467	48.09%	1,604,467	48.09%

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

**As on 31 March 2025:**

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%	673.00	0.02%	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	1,604,467.00	48.09%	1,604,467.00	48.09%	0.00%
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	0.00%	1.00	0.00%	0.00%
<b>Total</b>			<b>1,606,144.00</b>	<b>48.14%</b>	<b>1,606,144.00</b>	<b>48.14%</b>	<b>0.00%</b>

**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	1,604,467.00	48.09%	1,581,334.00	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	0.00%	1.00	0.00%	0.00%
<b>Total</b>			<b>1,606,144.00</b>	<b>48.14%</b>	<b>1,606,134.00</b>	<b>48.14%</b>	<b>0.00%</b>

**18 OTHER EQUITY**

Particulars	(Rs. in Lakhs)		
	As at 31st March 2025	As at 31st March 2024	As at 1st April 2023
<b>Retained Earnings</b>			
Opening balance	536.49	576.09	620.08
Add: Profit (Loss) during the Period	23.55	(37.26)	(43.98)
Other comprehensive income arising from remeasurement of defined benefit obligation * (Refer note 43)	(4.75)	(2.34)	
	<b>555.30</b>	<b>536.49</b>	<b>576.09</b>

## HARISH TEXTILE ENGINEERS LIMITED

Notes to financial statements for the year ended 31st March 2025

19 Borrowings					(Rs. in Lakhs)
Particulars	As at 31st March 2025		As at 31st March 2024		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	52.26	137.16	187.61	184.68	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 non-woven division respectively and Mortgage of Property situated at Bhilad owned by the company and at Umbergaon owned by Kasha Textiles Private Limited Respectively. further Term Loan is secured against the charge over plant & machinery financed under Term Loan. Personal Guarantee by Mr. Sandeep Gandhi
b Vehicle Loans	42.20	22.77	64.34	23.48	Vehicle Loans from Banks and/or Financial Institutions/ NBFC for acquisition of vehicles are secured by the hypothecation of the respective Vehicle financed. Rate of interest is in range of 7.5% to 11.5% p.a.
c 7% Redeemable Non Convertible Debentures**	0.00	211.51	146.79	183.64	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>94.46</b>	<b>371.44</b>	<b>398.73</b>	<b>391.81</b>	
<b>B. Unsecured</b>					
a From Banks and NBFC	0.00	0.00	-	2.40	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>					
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.)	25.02	147.10	186.85	175.02	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>25.02</b>	<b>147.10</b>	<b>186.85</b>	<b>177.42</b>	
<b>TOTAL [A+B]</b>	<b>119.48</b>	<b>518.54</b>	<b>585.58</b>	<b>569.23</b>	

## HARISH TEXTILE ENGINEERS LIMITED

### Notes to financial statements for the year ended 31st March 2025

#### 7% Redeemable Non Convertible Debentures\*\*

Pursuant to the supplementary deed executed on 24th June, 2024 and the second supplementary deed executed on March 18, 2025 between the Company and Axis Trustees Service Limited, the Company had extended the tenure of certain Non-Convertible Debentures (NCDs). The details of the extensions and subsequent defaults in redemption are furnished hereunder:

Series of Debentures	Scheduled Date of Redemption	Extended Date of Redemption	Further Extended Date of Redemption	Total Debenture borrowing	Payment on Due Date	Payment after on Due Date	Due but not paid
Old Series- II	24th June, 2024	23rd December, 2024	NA	112.61	32.79	79.82	NA
Old Series- III	13th August, 2024	12th February, 2025	12th May, 2025	71.03	6.31	-	64.72
Interest on Old Series- III	NA	NA	NA	-	-	-	6.9
Old Series- IV	20th September, 2025	NA	20th December, 2025	146.79	-	-	-

In view of the default in discharging the liability of Old Series III Debentures due on 12th May, 2025, a meeting of the said series Debenture Holders was convened on Thursday, 22nd May, 2025. During the meeting, it was collectively agreed that the formal extension and processing of the revised redemption timeline shall be undertaken only upon receipt of duly signed No Objection Certificates (NOCs) from majority debenture holders.

The extensions of timelines/default in repayment of debenture obligations have taken place arising out of liquidity crunch faced by the Company. The net working capital of the Company is negative at the year end. The current liabilities (including short term borrowings) amounted to INR 6465 Lacs. The current assets amounted to INR 4325 Lacs. The net negative working capital has amounted to INR 2140 Lacs.

The Company's ability to continue as a going concern is dependent on its ability to raise additional funds as required and successful negotiations with debenture holders and continued support of lenders and vendors along with generation of cash flow from its operations that it needs to settle its liabilities as they fall due.

As of date, the Company has met all its debt obligations payable to its lenders/banks and financial institutions along with applicable interest except for debentures as stated above. The Company is confident of raising resources to tide over the liquidity crunch.

The Company believes that it will be able to conclude the negotiations with debenture holders for settlement of their dues and will have continued support from lenders/vendors and generation of cash flow from operations that will enable it to settle its liabilities as they fall due. These financial statements have, therefore, been prepared on a Going Concern basis.

#### 19.1 Current Borrowings

Particulars	As at 31st March 2025	As at 31st March 2024
Loan from Directors/ Related Parties #	98.59	149.53
Short Term Loan From Bank ##		
Working Capital Loan	2,420.14	2,286.08
	2,518.73	2,435.61

# Unsecured, interest free from the Directors and Promoters.

## Secured borrowings from Banks

Term of Repayment: Repayable Demand:

##### 1. Engineering Division

Union Bank of India (Corporation Bank) -Overdraft .

Rate of Interest is in the range of 12.50 to 13.50%.

Sanction Limit

600.00

600.00

Outstanding Balance.

588.49

602.43

##### Security:

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

Further secured by personal guarantee of Director, Sandeep Gandhi.

## HARISH TEXTILE ENGINEERS LIMITED

### Notes to financial statements for the year ended 31st March 2025

#### Renewal of Facility:

As at the reporting date, the said working capital facility is due for renewal. The Company has applied for the renewal of these facilities and is in discussions with the respective banks. Management expects the renewal process to be completed in the normal course of business without any significant modification to the terms.

#### 2. Non woven and Technical Textile Division

Bank of India- Cash Credit Limit.

Rate of Interest is in the range of 11 to 12%.

Sanction Limit	1,500.00	1,250.00
Outstanding Balance.	1,167.26	1,163.21

- 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.

#### Renewal of Facility:

As at the reporting date, the said working capital facility is due for renewal. The Company has applied for the renewal of these facilities and is in discussions with the respective banks. Management expects the renewal process to be completed in the normal course of business without any significant modification to the terms.

#### 19.2 Terms of original repayment

Secured	Repayment 2025-26	Repayment 2026-27	Repayment 2027-28	Repayment 2028-29	Total
Term Loan from Banks	140.10	39.11	0.00	0.00	179.21
Vehicle Loans	29.53	18.77	17.48	9.40	75.18
7% Non Convertible Debentures	211.51	0.00	0.00	0.00	211.51
<b>Total secured borrowing [A]</b>	<b>381.14</b>	<b>57.88</b>	<b>17.48</b>	<b>9.40</b>	<b>465.90</b>
<b>Unsecured</b>					
From Banks and NBFC	-	-	-	-	-
<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.)	147.10	25.02	-	-	172.12
<b>Total unsecured borrowing [B]</b>	<b>147.10</b>	<b>25.02</b>	<b>0.00</b>	<b>0.00</b>	<b>172.12</b>
<b>TOTAL [A+B]</b>	<b>528.24</b>	<b>82.90</b>	<b>17.48</b>	<b>9.40</b>	<b>638.02</b>

20 Lease liabilities

Particulars	As at 31st March 2025	As at 31st March 2024	As at 1st April 2023
<b>Non-Current</b>			
Lease liabilities	-	11.35	21.57
	<b>-</b>	<b>11.35</b>	<b>21.57</b>
<b>Current</b>			
Lease liabilities	11.35	10.22	9.21
	<b>11.35</b>	<b>10.22</b>	<b>9.21</b>

21 Other Financial liabilities

Particulars	As at 31st March 2025	As at 31st March 2024	As at 1st April 2023
<b>Non-Current</b>			
Inter-division	-	-	
Security Deposit	9.24	9.24	9.24
	<b>9.24</b>	<b>9.24</b>	<b>9.24</b>
<b>Current</b>			
Payables to capital creditors			
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small ent	9.05	4.38	1.10
Salaries, wages, and other employee benefit payable	106.70	76.73	79.11
Gratuity payable	4.99		
Interest Accrued and Due on Borrowings#	6.90	4.31	4.09
	<b>127.64</b>	<b>85.42</b>	<b>84.30</b>

# The interest accrued on these debentures, which has become due for payment as per the terms of issue but remains unpaid as at 31st March 2025, is classified as "Interest Accrued and Due on Borrowings". Refer Note-19 "Borrowings" for detail.

22 Provisions

Particulars	As at 31st March 2025	As at 31st March 2024	As at 1st April 2023
<b>Provision for employee benefits (Refer note 43)</b>			
<b>Non-Current</b>			
Gratuity	80.75	67.96	54.17
	<b>80.75</b>	<b>67.96</b>	<b>54.17</b>
<b>Current</b>			
Gratuity	6.90	5.78	4.48
	<b>6.90</b>	<b>5.78</b>	<b>4.48</b>

23 Deferred tax liabilities (Net)

Particulars	As at 31st March 2025	As at 31st March 2024	As at 1st April 2023
Deferred Tax Liabilities	56.32	94.73	105.31
	<b>56.32</b>	<b>94.73</b>	<b>105.31</b>

(a) Deferred tax balances and movement for FY 2024-25

Particulars	Net Balance March 31, 2024	Recognised in Profit or Loss	Recognised in OCI	Net Balance March 31, 2025
<b>Deferred Tax Liabilities in relation to:</b>				
Difference between WDV of PPE as per books and income tax	129.17	20.76		149.93
Right of use assets	11.73	(5.87)		5.86
Lease Liability	(5.43)	2.57		(2.86)
Trade Receivables - provision for doubtful debts	(13.51)	(8.70)		(22.20)
Other timing difference- Lease Deposit	(8.76)	4.23		(4.53)
Provision for employee benefits	(18.47)	(2.02)	1.57	(22.06)
Deduction allowed on payment basis u/s 43B(h) of the Income Tax Act, 1961	0.00	(47.82)		(47.82)
	<b>94.73</b>	<b>(36.84)</b>	<b>1.57</b>	<b>56.32</b>

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

Particulars	Net Balance April 1, 2023	Recognised in Profit or Loss	Recognised in OCI	Net Balance March 31, 2024
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)	2.32		(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)
Provision for employee benefits	(15.47)	(3.00)	0.78	(18.47)
<b>Net deferred tax liabilities/(assets)</b>	<b>105.31</b>	<b>(10.58)</b>	<b>0.78</b>	<b>94.73</b>



**HARISH TEXTILE ENGINEERS LIMITED**
**Notes to financial statements for the year ended 31st March 2025**
*(Rupees in Lakhs)*
**24 Trade payables**

Particulars	As at 31st March 2025	As at 31st March 2024	As at 1st April 2023
Due to micro enterprises and small enterprises	417.79	773.59	458.48
<b>Total A</b>	<b>417.79</b>	<b>773.59</b>	<b>458.48</b>
Due to others			
Due to others	1,867.84	1,295.35	1,653.42
<b>Total B</b>	<b>1,867.84</b>	<b>1,295.35</b>	<b>1,653.42</b>
<b>Total (A+B)</b>	<b>2,285.64</b>	<b>2,068.94</b>	<b>2,111.90</b>

**Ageing for Trade payable as at 31st March 2025 is as follows:**

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME		63.59	298.93	23.37	0.64	31.26	417.79
(ii) Others		398.88	1,226.86	145.95	15.07	81.08	1,867.84
(iii) Disputed dues - MSME		-					-
(iv) Disputed dues -Others		-					-
<b>Total</b>	<b>-</b>	<b>462.47</b>	<b>1,525.80</b>		<b>15.71</b>	<b>112.34</b>	<b>2,285.62</b>

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

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	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>-</b>	<b>1,652.71</b>		<b>23.36</b>	<b>376.74</b>	<b>2,073.32</b>

**Ageing for Trade payable as at 1st April, 2023 is as follows:**

Particulars	Outstanding for following period from due date of payment						Total
	Unbilled	Not Due	Less than 1 Year	1-2 years	2-3 years	More than 3 years	
(i) MSME			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>-</b>	<b>1,494.96</b>		<b>21.21</b>	<b>295.36</b>	<b>2,113.00</b>

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 2025 and the year ended 31st March 2024 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 31st March 2025	As at 31st March 2024	As at 1st April 2023
Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act			
-Principal	417.79	773.59	458.48
-Interest*	6.32	64.00	Not ascertained.
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	Nil
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.	Not ascertained.
The amount of interest accrued and remaining unpaid at the end of each accounting year*	6.32	64	Not ascertained.
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*	6.32	64	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 2024-25 and prior period.

**25 Other current liabilities**

Particulars	As at 31st March 2025	As at 31st March 2024	As at 1st April 2023
Advance from customers	609.01	793.27	379.82
Excess of billing over Revenue*	245.00		
Statutory dues #	136.64	153.88	52.06
	<b>990.65</b>	<b>947.15</b>	<b>431.87</b>

\*Amounts to cases where related work is performed and are disclosed in the Balance Sheet as contract liability and termed as "Advance from Customer".

# Mainly includes liabilities towards statutory dues, provident fund, Tax Deducted at Source and others.

**26 Current Tax liabilities (Net)**

Particulars	As at 31st March 2025	As at 31st March 2024	As at 1st April 2023
(a) Income tax assets	10.82		5.13
(b) Current income tax liabilities	16.43		7.98
Current Tax Liabilities (Net off Advance Tax and TDS)	<b>5.61</b>	<b>-</b>	<b>2.85</b>

**HARISH TEXTILE ENGINEERS LIMITED**
**Notes to financial statements for the year ended 31st March 2025**
*(Rupees in Lakhs)*
**27 Revenue from operations**

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
<b><u>Revenue from Operations</u></b>		
Sale of products	13,155.48	13,043.20
Sale of services	11.56	12.67
Job work income	24.39	46.61
Duty draw back / Export incentive	11.31	1.77
	<b>13,202.74</b>	<b>13,104.25</b>

**28 Other income**

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Interest income	6.19	6.58
Other interest on lease deposit	16.81	15.71
Gain on sale of property, plant and equipment - Net	11.42	-
Liability no longer required	0.48	111.96
Reversal of Expected Credit Loss	-	0.42
Net Gain on Foreign Currency Transactions and Translation	2.92	-
Rent income	19.40	19.40
Other miscellaneous income	-	0.26
	<b>57.22</b>	<b>154.33</b>

**29 Cost of materials consumed**

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
<b><u>Raw Material and Packing Material</u></b>		
Opening Stock Raw Material	920.51	1,033.35
Add : Purchase Raw Material	8,169.75	8,336.47
	9,090.27	9,369.82
Less: Closing Stock Raw Material	869.46	920.51
	<b>8,220.81</b>	<b>8,449.31</b>

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

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
<b><u>Changes in inventories of finished goods and stock in trade</u></b>		
Inventory at the beginning of the year		
Finished Goods	401.42	853.13
Work in Process	280.08	30.29
<b>sub total (a)</b>	<b>681.50</b>	<b>883.42</b>
Less: Inventory at the end of the year		
Finished/ Traded Goods	344.97	659.33
Work in Process	120.30	22.18
<b>sub total (b)</b>	<b>465.27</b>	<b>681.51</b>
	<b>216.24</b>	<b>201.91</b>

**HARISH TEXTILE ENGINEERS LIMITED****Notes to financial statements for the year ended 31st March 2025***(Rupees in Lakhs)***31 Employee benefits expenses**

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Salaries, wages and allowances	903.43	828.34
Contribution to provident fund, ESIC	36.18	23.53
Directors' remunerations	165.24	182.40
Welfare expenses	45.58	38.20
Provision for Gratuity (Refer note no. 43)	12.58	11.98
	<b>1,163.01</b>	<b>1,084.45</b>

**32 Finance costs**

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Interest expense:		
– On Debentures	20.98	23.19
– On Financial liabilities measured at amortised cost	373.18	419.07
– On Lease Liabilities	1.78	2.79
Interest on MSME delayed payments**	(20.56)	64.00
Other borrowing cost	3.51	5.66
Other Interest #	16.89	31.31
	<b>395.78</b>	<b>546.02</b>

\*\* As part of the settlement arrangements with certain vendors, the Company has reversed interest provisions made in earlier periods to the extent such interest amounts are no longer payable.

# includes interest on delayed payment of Tax Deducted Source, Goods and Service Tax and other Statutory dues.

**33 Other expenses**

Particulars	For the year ended 31st March 2025	For the year ended 31st March 2024
Job work / Labour Charges	493.96	466.27
Power and fuel	700.52	602.06
Repairs to Building and Plant and Machinery	90.08	32.24
Hire Charges	8.83	1.81
Rates & Taxes	22.98	16.69
Payment to auditors*	7.75	7.50
Insurance	29.85	28.03
Professional Fees / Menpower Expenses	589.29	550.26
Printing and Stationery	11.74	10.91
Rent	17.21	23.05
Vehicle expenses	30.90	33.95
Computer Expenses	10.22	8.03
Security Charges	42.24	41.67
Postage & Telephone Charges	10.72	7.75
Office Expenses	10.09	10.90
Electricity charges	5.83	18.88
Car/ Bus Hire Charges	2.16	-
Net Loss on Foreign Currency Transactions	-	2.81
Repairs and Maintenance	42.44	50.82
Bank Charges	6.84	5.26
Provision for Expected Credit Loss and write off	34.56	-
Advertisement & Sales Promotion Expenses	15.66	17.21
Commission and Brokerage	23.30	14.36
Exhibition cum Seminar Expenses	12.55	126.53
Outward Freight, Forwarding ,Transport	442.10	360.32
Conveyance, Travelling, Lodging & Boarding and Car Hire expenses	63.70	77.71
Sundry Balance written off	117.19	299.78
Liquidated Damages\$\$	215.54	-
Other Expenses	22.37	23.12
	<b>3,080.62</b>	<b>2,837.92</b>
Payment to Auditors includes:		
- Audit Fees	7.50	7.50
- Reimbursement of Expenses	0.25	-
	<b>7.75</b>	<b>7.50</b>

\$\$ Liquidated damages amounting to ₹215 lakh, pertaining to a related party transaction, have been considered and approved by the Audit Committee and the Board of Directors at their respective meetings held on September 05, 2024.

**HARISH TEXTILE ENGINEERS LIMITED****Notes to financial statements for the year ended 31st March 2025**

(Rupees in Lakhs)

**34 Current tax**

(a) Amounts recognised in profit and loss

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Current Tax		
(a) Current income tax	16.43	-
(b) Deferred Tax	(36.84)	(10.58)
(c) Short/(Excess) provision of income tax in respect of previous years	12.43	-
Tax expense for the year ( a+b+c)	<b>(7.98)</b>	<b>(10.58)</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 2025 and 31 March 2024

Particulars	For the Year ended 31st March 2025	For the Year ended 31st March 2024
Profit before income tax as per Statement of Profit and Loss	15.57	(47.84)
Enacted tax rate in India in Percentage	25.17%	25.17%
Computed expected tax expense	3.92	(12.04)
Other difference On account of:		
Timing difference	12.92	1.46
Expense not deductible and Income not taxable, others, change in tax rate	(0.40)	-
Reversal of deferred Tax	(36.84)	-
Short/(Excess) provision of income tax in respect of earlier years	12.43	-
Income Tax Expense	<b>(7.98)</b>	<b>(10.58)</b>
Effective tax rate	-51.24%	22.12%

**35 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 2025	For the Year ended 31st March 2024
Profit for the year (Profit attributable to equity shareholders) (Amount in Lakhs.)	18.80	(39.60)
Weighted average number of ordinary equity shares for Basic EPS (in Nos.)	3,336,000	3,336,000
Weighted average number of ordinary equity shares for Diluted EPS (in Nos.)	3,336,000	3,336,000
Face Value of equity share ( RS)	10.00	10.00
Basic EPS ( RS.)	0.56	(1.19)
Diluted EPS ( RS)	0.56	(1.19)

# HARISH TEXTILE ENGINEERS LIMITED

Notes to financial statements for the year ended 31st March 2025

## 36 Fair Value Measurement

### A Accounting classification and fair values

As at 31 March 2025

(Rupees in Lakhs)

Particulars	FVTPL	FVTOCI	Amortised Cost	Total
<b>Financial assets</b>				
Trade receivables	-	-	2,641.59	2,641.59
Cash and cash equivalents	-	-	9.11	9.11
Other bank balance	-	-	3.64	3.64
Other financial assets	-	-	297.14	297.14
<b>Total Financial assets</b>	-	-	<b>2,951.49</b>	<b>2,951.49</b>
<b>Financial Liabilities</b>				
Borrowings (incl. current maturities)	-	-	3,156.75	3,156.75
Lease Liabilities	-	-	11.35	11.35
Trade payable	-	-	2,285.64	2,285.64
Other financial liabilities	-	-	136.88	136.88
<b>Total Financial liabilities</b>	-	-	<b>5,590.61</b>	<b>5,590.61</b>

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 Liability	-	-	21.57	21.57
Trade payable	-	-	2,068.94	2,068.94
Other financial liabilities	-	-	94.66	94.66
<b>Total Financial liabilities</b>	-	-	<b>5,775.58</b>	<b>5,775.58</b>

### B Fair value hierarchy

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- 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).
- 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 2025

#### 37 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	Foreign Currency Denomination	Year ended March 31, 2025		Year ended March 31, 2024	
		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 2025</b>				
Trade Payables	-	-	-	-
Trade Receivables	-	-	-	-
<b>Total</b>	-	-	-	-
<b>31st March 2024</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 2025	31st March 2024
<b>Fixed-rate instruments</b>		
Financial assets	9.11	21.91
Financial liabilities	211.51	330.43
<b>Variable-rate instruments</b>		
Financial assets	-	-
Financial liabilities	2,945.24	3,259.98
<b>Non-interest bearing instruments</b>		
Financial assets	2,942.38	2,724.05
Financial liabilities	2,433.86	2,185.17

###### Sensitivity analysis

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

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

Particulars	Profit or (Loss)		Equity (net of tax)	
	100 bp Decrease	100 bp Increase	100 bp Decrease	100 bp Increase
<b>31st March 2025</b>				
Borrowings	(29.45)	29.45	(21.79)	21.79
<b>Total</b>	<b>(29.45)</b>	<b>29.45</b>	<b>(21.79)</b>	<b>21.79</b>
<b>31st March 2024</b>				
Borrowings	(32.60)	32.60	(24.12)	24.12
<b>Total</b>	<b>(32.60)</b>	<b>32.60</b>	<b>(24.12)</b>	<b>24.12</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 2025

### 38 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, 2025 and March 31, 2024:

Particulars	(Rupees in Lakhs)		
	As at 31st March 2025	As at 31st March 2024	As at 1st April 2023
Neither impaired nor past due	1,836.62	1,449.95	1,240.85
<b>Past due but not impaired</b>			
0-6 Months	787.99	732.03	461.00
6-12 Months	16.64	11.96	17.75
1-2 years	9.22	16.87	46.24
2-3 years	0.15	57.34	18.67
more than 3 years	79.19	19.77	91.26
	<b>2,729.81</b>	<b>2,287.92</b>	<b>1,875.78</b>



## HARISH TEXTILE ENGINEERS LIMITED

### Notes to financial statements for the year ended 31st March 2025

#### 39 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.

(Rs. in Lakhs)				
As at 31st March 2025	Carrying amount	Total	Contractual maturities	
			Less than 12 months	More than 12 months
<b>Non-derivative financial liabilities</b>				
Borrowings (incl. current maturities)	3,156.75	3,156.75	3,037.27	119.48
Trade payables	2,285.64	2,285.64	2,285.64	-
Lease Liability	11.35	11.35	11.35	-
Other financial liabilities	136.88	136.88	127.64	9.24
<b>Total</b>	<b>5,590.61</b>	<b>5,590.61</b>	<b>5,461.89</b>	<b>128.72</b>
As at 31st March 2024	Carrying amount	Total	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>

## HARISH TEXTILE ENGINEERS LIMITED

### Notes to financial statements for the year ended 31st March 2025

#### 40 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 2025	As at 31st March 2024
Total borrowings*	3,156.75	3,590.41
Less: Cash and bank balances	(12.75)	(25.55)
<b>Adjusted net debt</b>	<b>3,144.00</b>	<b>3,564.86</b>
<b>Total equity</b>	<b>888.90</b>	<b>870.09</b>
<b>Debt equity ratio</b>	<b>3.55</b>	<b>4.13</b>
<b>Adjusted net debt to equity ratio</b>	<b>3.54</b>	<b>4.10</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 2025

### 41 Leases

#### The Company as a Lessee

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

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

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

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

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

Particulars	(Rupees in Lakhs)	
	as on 31st March, 2025	as on 31st March, 2024
Interest on lease liabilities	1.78	2.79
Amortisation of right of use assets	23.30	23.30
Expenses relating to short term and low value leases charged as Rent	17.21	23.05

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

Particulars		
	as on 31st March, 2025	as on 31st March, 2024
Interest component	1.78	2.79
Lease component	(12.00)	(12.00)
	<b>(10.22)</b>	<b>(9.21)</b>

#### C Maturity Analysis of Lease Liabilities

Particulars		
	as on 31st March, 2025	as on 31st March, 2024
<b>Maturity Analysis - Undiscounted</b>		
Less than one year	11.35	10.22
One to five years	-	11.35
More than five years	-	-
	<b>11.35</b>	<b>21.57</b>
<b>Lease liabilities included in Balance Sheet</b>		
- Current	11.35	10.22
- Non Current	-	11.35
	<b>11.35</b>	<b>21.57</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		
	as on 31st March, 2025	as on 31st March, 2024
Balance as at the beginning	<b>21.57</b>	<b>30.78</b>
Additon during the year		
Finance cost accrued	1.78	2.79
Payment of lease liabilities	(12.00)	(12.00)
Lease liability written off on termination of lease	-	-
<b>Balance as at the end</b>	<b>11.35</b>	<b>21.57</b>

# HARISH TEXTILE ENGINEERS LIMITED

Notes to financial statements for the year ended 31st March 2025

## 42 CONTINGENT LIABILITIES & CONTINGENT ASSETS AND CAPITAL COMMITMENTS

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

Particulars	As at 31st March 2025	As at 31st March 2024
	Amount in Lakhs	
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.	Not Ascertainable	Not Ascertainable
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.	Not Ascertainable	Not Ascertainable
3 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 had received a notice of hearing from MSEFC on 12th March, 2025 and the said matter for fixed for hearing on 18/06/2025. The matter was adjourned due to paucity of time and the next date is yet to be announced.	35.96	35.96
4 The Company has yet not been able to determine liability of interest payable to vendors registered under MSME Act on account of issues pertaining to interpretation of law with regard to computation of interest liability. The Company has initiated the process of seeking legal advice and is awaiting legal opinion. In view thereof, the Company has not been able to compute the interest liability and provide for the same in the books of account.	Not Ascertainable	Not Ascertainable
5 The Company has received a legal notice from the advocate/legal consultant of one of the suppliers, demanding payment of the outstanding amount of Rs. 3,10,110.93/- along with applicable interest.	3.10	-
6 A tax liability notice has been received from the State Tax Officer, Commissionerate of Taxes, Government of Gujarat, for Rs. 4,80,971/- in relation to unpaid or short-paid tax or wrongful availing of input tax credit, not involving fraud or willful misstatement.	4.80	-
7 The Company has received a Demand-cum-Show Cause Notice/Advisory under Section 50(1) of the CGST/GGST Act, 2017, from the Commissionerate of Taxes, Government of Gujarat, dated 27th January, 2025, alleging delayed payment of self-assessed tax beyond the due date for furnishing returns. As per the notice, the Company is liable to pay interest amounting to Rs. 2,29,079/-. The Company's representatives are taking necessary actions and have appeared before the authorities in response to the said notice.	2.29	-
8 The Company had received an Intimation of Liability under Section 73(5)/74(5) from the Commissioner of State Tax, Government of Gujarat, alleging a total liability of Rs. 23,03,030/- (inclusive of tax, interest, and penalty) for FY 2021-2022 on 26th May, 2025. The intimation pertains to alleged excess availing of Input Tax Credit (ITC) and short payment of tax, based on discrepancies observed in GSTR-3B, GSTR-1, GSTR-2A, and E-Way Bills. The Company's representatives are taking necessary actions and have appeared before the authorities in response to the said notice.	23.03	-
9 The Company had received an Intimation of Liability under Section 73(5)/74(5) from the Commissioner of State Tax, Government of Gujarat, alleging a total liability of Rs. 86,209/- (inclusive of tax, interest, and penalty) for FY 2021-2022 on 20th June, 2025. The intimation pertains to alleged excess availing of Input Tax Credit (ITC) and short payment of tax, based on discrepancies observed in GSTR-3B, GSTR-1, GSTR-2A, and E-Way Bills. The Company is in the process of seeking legal advice and preparing its response/submissions to be filed with the appropriate authority.	0.87	-
<b>TOTAL (A)</b>	<b>70.05</b>	<b>35.96</b>

In respect of the items above, future cash outflows in respect of contingent liabilities are determinable only on receipt of judgements/decisions pending at various forums/authority. The Company doesn't expect the outcome of matters stated above to have a material adverse effect on the Company's financial conditions, result of operations or cash flows and hence, no provision for such liability is accounted for.

### B CAPITAL COMMITMENTS

NIL

NIL

# HARISH TEXTILE ENGINEERS LIMITED

## Notes to financial statements for the year ended 31st March 2025

### 43 EMPLOYEE BENEFITS

#### A Disclosures pursuant to Ind AS-19

##### i Defined Contribution Plans

The Company makes contributions, determined as a specified percentage of employee salaries in respect of qualifying employees towards Provident Fund (PF) and Employee State Insurance Corporation (ESIC), which are defined contribution plans. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue.

The company has contributed the following amounts to the fund :-

Particulars	31st March 2025	31st March 2024	1st April 2023
Employer's Contribution to Provident Fund & ESIC	36.18	23.53	-

##### ii Defined Benefit Plans

The Company provides post-employment benefits to its employees in the form of a gratuity plan. The gratuity liability of the Company is determined in accordance with the provisions of Ind AS 19 – "Employee Benefits", as notified under the Companies (Indian Accounting Standards) Rules, 2015.

The gratuity plan is unfunded, and the liability for the same is recognized in the books of account based on an actuarial valuation carried out by an independent actuary using the projected unit credit method as at the balance sheet date.

The key assumptions used in the actuarial valuation include estimates of salary escalation, employee attrition rate, and discount rate based on prevailing market yields of government securities.

#### a The amounts recognised in Balance sheet are as follows

Particulars	31st March 2025	31st March 2024	1st April 2023
Present Value of Defined Benefit Obligation			
Wholly Funded	-	-	-
Wholly Unfunded	87.65	73.74	58.65
Less: Fair Value of Plan Assets	-	-	-
Amounts recognised as Liability	87.65	73.74	58.65

#### b The amounts recognised in statement of Profit and Loss are as Follows:-

Particulars	31st March 2025	31st March 2024	1st April 2023
Current Service Cost	7.48	7.78	58.65
Interest Cost	5.10	4.20	-
Past Service Cost			
Expenses included in Employee Benefits	12.58	11.98	58.65

#### c The amounts recognised in Other Comprehensive Income are as Follows:-

Particulars	31st March 2025	31st March 2024	1st April 2023
Due to Change in financial assumptions	3.24	1.56	-
Due to experience adjustments	3.07	1.55	-
Expenses included in Other Comprehensive Income	6.31	3.11	-

#### d The Reconciliation of Opening and Closing Balances of Defined Benefit Obligation is as Follows :-

Particulars	31st March 2025	31st March 2024	1st April 2023
Opening Balance of present value of Defined Benefit Obligation	73.74	58.65	-
Add: Current Service Cost	7.48	7.78	58.65
Add: Interest Cost	5.10	4.20	-
Add/(less): Actuarial Losses/(gains)	6.31	3.11	-
Less: Defined Benefit Claims to be Settled	4.99	-	-
Closing Balance of present value of Defined Benefit Obligation	87.65	73.74	58.65

# HARISH TEXTILE ENGINEERS LIMITED

## Notes to financial statements for the year ended 31st March 2025

### e Breakup of Other Comprehensive Income

Particulars	31st March 2025	31st March 2024	1st April 2023
Actuarial losses / (gains) arising from change in financial assumptions	3.24	1.56	-
Actuarial losses / (gains) arising from change in Demographic assumptions	-	-	-
Actuarial losses / (gains) arising from change in experience adjustments	3.07	1.55	-

### f Actuarial Assumptions

Principal actuarial assumptions at the Reporting date are as follows :-

Particulars	31st March 2025	31st March 2024	1st April 2023
Discount Rate (per anum)	6.75 % p.a.	7.20 % p.a.	7.40 % p.a.
Salary Growth Rate (per anum)	1.00 % p.a.	1.00 % p.a.	1.00 % p.a.
Retirement Age			
Attrition Rate	6.11%	0.82%	-
Younger Ages	23.00	13.00	12.00
Older Ages	116.00	110.00	110.00

### g Maturity profile of defined benefit obligation

Particulars	31st March 2025	31st March 2024	1st April 2023
Year 1	6.90	5.78	4.48
Year 2	2.79	2.47	2.03
Year 3	12.76	2.54	2.10
Year 4	2.64	10.70	2.15
Year 5	4.87	2.42	8.76
Year 6 to Year 10	49.12	49.99	37.97

### h Amounts recognized in Profit & Loss Account and Other Comprehensive Income for the Key Managerial Personnel

Particulars	31st March 2025	31st March 2024	1st April 2023
P&L Account	1.32	2.06	9.37
OCI	0.02	1.21	-
DBO	13.98	12.64	9.37

# HARISH TEXTILE ENGINEERS LIMITED

Notes to the financial statements (continued)  
for the year ended 31 March 2025

(Rupees in Lakhs)

## 44 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	Unallocable	Inter-segment transactions	Total
<b>Segment Revenue</b>						
- 31 March 2025	2,676.51	8,046.90	3,722.54		(1,243.21)	13,202.74
- 31 March 2024	3,725.32	7,254.24	3,175.84		(1,051.14)	13,104.25
<b>Other income</b>						
- 31 March 2025	56.87	(0.14)	0.49	-	-	57.22
- 31 March 2024	152.38	(0.69)	2.64	-	-	154.33
<b>Segment Expenses</b>						
- 31 March 2025	3,531.26	7,183.54	3,364.44	12.58	(1,243.21)	12,848.61
- 31 March 2024	4,400.96	6,460.25	2,938.34	11.98	(1,051.14)	12,760.39
<b>Finance Cost</b>						
- 31 March 2025	100.00	189.49	106.29	-	-	395.78
- 31 March 2024	206.39	224.74	114.89	-	-	546.02
<b>Segment Result</b>						
- 31 March 2025	(897.88)	673.73	252.30	(12.58)	-	15.57
- 31 March 2024	(729.65)	568.55	125.25	(11.98)	-	(47.84)
<b>Profit before tax</b>						
- 31 March 2025	(897.88)	673.73	252.30	(12.58)	-	15.57
- 31 March 2024	(729.65)	568.55	125.25	(11.98)	-	(47.84)
<b>Tax Expense</b>						
- 31 March 2025				(7.98)		(7.98)
- 31 March 2024		-	-	(10.58)		(10.58)
<b>Profit for the year</b>						
- 31 March 2025					-	23.55
- 31 March 2024					-	(37.26)

## HARISH TEXTILE ENGINEERS LIMITED

Notes to the financial statements (continued)  
for the year ended 31 March 2025

(Rupees in Lakhs)

### Segment Assets and Liabilities

Particulars	Textile Engineering	Non-Woven	PSF	Unallocable	Inter-segment balances	Total
<b>Segment Assets</b>						
- 31 March 2025	2,189.59	4,088.09	1,777.26	1,059.77	(1,026.98)	8,087.73
- 31 March 2024	2,857.27	3,590.31	1,545.76	1,158.83	(1,158.06)	7,994.11
<b>Segment Liabilities</b>						
- 31 March 2025	3,817.11	2,845.79	1,399.72	163.18	(1,026.98)	7,198.83
- 31 March 2024	3,586.92	3,021.77	1,420.52	252.86	(1,158.06)	7,124.01
<b>Unallocable Assets</b>						
- 31 March 2025	-	-	-	-	-	-
- 31 March 2023	-	-	-	-	-	-
<b>Capital Employed</b>	(1,627.52)	1,242.30	377.54	896.59	-	#REF!
	(729.65)	568.54	125.24	905.97	-	#REF!



## HARISH TEXTILE ENGINEERS LIMITED

Notes to the financial statements (continued)  
for the year ended 31 March 2025

(Rupees in Lakhs)

### 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 2025		For the Year ended 31st March 2024	
	Revenue from operations	Percentage of total revenue from operations	Revenue from operations	Percentage of total revenue from operations
India	12887.76	97.61%	12951.70	98.84%
Bangaladesh	143.27	1.09%	149.53	1.14%
Brazil	0.00	0.00%	3.02	0.02%
Srilanka	0.42	0.00%	0.00	0.00%
Uzbekistan	157.94	1.20%	0.00	0.00%
Germany	6.15	0.05%	0.00	0.00%
Nigeria	7.21	0.05%	0.00	0.00%
Total	13202.74	100.00%	13104.25	100.00%

### Information about major customer.

There are one customers from which the group derived 10% or more of the Company's revenue

Particulars	For the Year ended 31st March 2025		For the Year ended 31st March 2024	
	Revenue from operations	Percentage of total revenue from	Revenue from operations	Percentage of total revenue from
A	1480.22	11.21%	1,561.43	11.92%
B	2426.17	18.38%	1958.01	14.94%
			-	

# HARISH TEXTILE ENGINEERS LIMITED

## Notes to the financial statements (continued)

for the year ended 31 March 2025

### 45 Related Party disclosure:

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

#### Key Management Personnel:

##### Name

Sandeep K Gandhi  
Hitendra Desai

*(with effect from December 30, 2018)*  
*(with effect from December 30, 2018)*  
*(Resigned with effect from March 28, 2025)*  
*(with effect from December 30, 2018)*  
*(with effect from August 14, 2021)*  
*(with effect from March 27, 2025)*

##### Designation

Managing Director  
Whole time Director  
  
Chief Financial Officer  
Company Secretary  
Executive Director

Pinkesh Upadhyay  
Priya Gupta  
Sunil Bhirud

#### Independent Director

##### Name

Ritesh Patel

*(with effect from December 11, 2019)*  
*(Resigned with effect from June 10, 2025)*  
*(with effect from December 11, 2019)*  
*(Resigned with effect from December 11, 2023)*  
*(with effect from September 07, 2020)*  
*(Resigned with effect from September 04, 2024)*  
*(with effect from September 04, 2024)*  
*(Resigned with effect from March 28, 2025)*  
*(with effect from September 04, 2024)*  
*(with effect from September 04, 2024)*

Meena Mistry

Nainesh Trivedi

Sushmita Swarup Lunkad

Bhavna Ronil Brahmhatt  
Mahesh Ratilal Sapariya

#### 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.  
Pacific Harish Industries Limited.  
Every's Health Care Private Limited.  
Sanish Investment and Trading Co P Limited.  
Kasha Textile Pvt. Ltd.  
Agratha Enterprise-Partnership Firm

Common Shareholders  
Common Directors and Common Shareholders  
Common Directors and Common Shareholders  
Common Directors and Common Shareholders  
Common Shareholders  
KMP and relative of Director is partner in the firm

**b Transactions with Related Parties**

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

Sr. No.	Name of Related Party and nature of transactions	For the Year ended 31st March, 2025	For the year ended 31st March, 2024
<b>Entities where Directors/Close family members of Directors having control/significant influence</b>			
<b>1</b>	<b>Harish Enterprise Private Limited.</b>		
	Rent expense	12.00	12.00
	Rent deposit given		
	- Undiscounted value	275.00	275.00
	- Discounted value	257.01	240.2
	other receivable	12.13	23.11
<b>2</b>	<b>Pacific Harish Industries Limited.</b>		
	- Other Financial Liabilities		
	- Loan Repaid	189.75	169.06
	- Financial Liabilities -Reliance Loan	172.12	361.87
<b>3</b>	<b>Every's Health Care Private Limited.</b>		
	Interest Income	6.19	6.47
	Repayment done	-	9.00
	Loan Given	57.12	51.55
<b>4</b>	<b>Sanish Investment &amp; Trading Co P Limited.</b>		
	Consideration receivable-Closing	215.54	205.54
	Liquidated Damages	-215.54	0
<b>5</b>	<b>Shovan S Gandhi</b>		
	Salary	25.30	24.00
<b>6</b>	<b>Shaila S. Gandhi</b>		
	Professional Fees	30.00	30.00
<b>7</b>	<b>Nfinia Industries Private Limited</b>		
	Loan Repaid	60.5	69.66
	Loan Received	11.25	
	Closing Balance	98.59	147.84
<b>Director and Key management Personnel</b>			
<b>7</b>	<b>Sandeep K Gandhi</b>		
	Director Remuneration (including reimbursement of expense)	162.54	160.20
<b>8</b>	<b>Hitendra Desai</b>		
	Director Remuneration	7.35	22.20
<b>9</b>	<b>Pinkesh Upadhyay</b>		
	Remuneration	18.00	18.00
	Loan Given	28.66	-
	Loan Repaid	25.00	-
	Closing Balance	3.67	-
<b>10</b>	<b>Priya Gupta</b>		
	Remuneration Paid	6.62	6.12
<b>11</b>	<b>Gratuity for Key Managerial Personnel</b>		
	P&L Account	1.32	2.06
	OCI	0.02	1.21
	DBO	13.98	12.64

**Note 46:**

The Company has maintained its books of account using accounting software that has the feature of recording an audit trail (edit log) facility. However, the said feature could not be enabled during the year.

**Note 47: 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 granted loans or advances to KMP's and the related parties that are repayable on demand. (refer note no. 12)
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.
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.

## HARISH TEXTILE ENGINEERS LIMITED

### Notes forming part of the Financial Statements for the Financial Year Ended March 31, 2025

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, other than those as set out below:

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: 1500	Receivable and Stock (net of trade payable).	June 30, 2024	2671.90	2671.9	-
		September 30, 2024	2778.19	2778.19	-
		December 31, 2024	2918.74	2936.13	-17.39 *
		March 31, 2025	2816.52	2838.48	-21.96 *

#### \* Reason for Difference between Stock as per Books and Stock Statement

The difference between inventory as per books of accounts and as reported in the stock statement submitted to the bank primarily arises due to the treatment of goods in transit.

Under Ind AS, revenue is recognized only when the control of goods is transferred to the customer. Accordingly, goods for which risk and reward of ownership have not been transferred as of the reporting date are considered as inventory (stock in transit) in the books of accounts. These include shipments dispatched but not yet delivered or acknowledged by customers, for which revenue recognition criteria under Ind AS 115 are not fulfilled.

However, the stock statement furnished to the bank excludes such stock in transit, based on the operational definition and the format prescribed by the bank, which generally considers only physically available stock at the entity's premises.

This accounting treatment, consistent with Ind AS principles, results in a higher closing inventory in the books compared to the stock reported in the bank statement.

**HARISH TEXTILE ENGINEERS LIMITED**

Notes forming part of the Financial Statements for the Financial Year Ended March 31, 2025

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, 2024	1027.4	1001.81	25.59 #
		September 30, 2024	1192.95	1167.36	25.59 #
		December 31, 2024	975.92	898.13	77.79 #
		March 31, 2025	1047.29	946.62	100.67 #

**# Reason for Difference between Stock & Receivable as per Books and Stock Statement**

The difference in the value of stock/receivable as per the books of accounts and the stock statement submitted to the bank is primarily due to the revaluation of inventories and bill discounted.

## HARISH TEXTILE ENGINEERS LIMITED

Notes to financial statements for the year ended 31st March 2025

### 48 Ratio Analysis:

As on 31 March 2025:

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	0.67	0.75	-11.02%	NA
<b>Solvency Ratio</b>						
Debt-Equity Ratio (times)	Total Debt	Shareholder's Equity	3.55	4.13	-13.94%	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	0.79	0.91	-13.48%	NA
<b>Profitability ratio</b>						
Net Profit Ratio (%)	Profit After Tax	Total Sales	0.18%	-0.28%	-162.74%	The variance is on account of Lower operating Margin
Return on Equity Ratio (%)	Profit After Tax - Preference Div. (if any)	Average Shareholder's Equity	2.68%	-4.19%	-163.95%	
Return on Capital employed (%)	Earning before interest and tax	Tangible Net Worth + Total Debt + Deferred Tax Liability	10.03%	10.94%	-8.31%	
<b>Utilization Ratio</b>						
Trade Receivables turnover ratio (times)	Net Credit Sales	Average Trade Receivables	5.42	6.46	-16.21%	NA
Inventory turnover ratio (times)	Cost of goods sold or Sales	Average Inventory	5.75	4.92	16.85%	NA
Trade payables turnover ratio (times)	Net Credit Purchases	Average Trade Payables	3.75	3.99	-5.91%	NA
Net capital turnover ratio (times)	Net Sales	Working Capital	-	-	0.00%	Working capital is negative
<b>Other Ratios</b>						
Long Term Debt to Working Capital Ratio	Long term loans borrowings (incl. current maturities of long term borrowing)	Current Assets- Current Liabilities (excl. current maturities of long term borrowing)	-	-	0.00%	Working capital is negative
Interest Service Coverage Ratio (ISCR)	EBITA (excl. exceptional items)	Interest Expenses	1.56	0.91	70.44%	MSME Interest provided in the previous year has been reversed in the current year resulting in negative interest impact. Exceptional items in the current year has been adjusted .
Bad Debts to accounts receivable ratio	Bad Debts	Average Trade Receivables	0.05	0.15	-67.49%	Trade receivable management has been improved
Current Liability Ratio	Current Liabilities	Total Liabilities	0.96	0.89	8.11%	NA
Total Debt to Total Assets Ratio	Total Borrowings	Total Assets	0.41	0.46	-10.44%	NA

### 49.1 Previous year figures

Previous year's figures have been regrouped or reclassified wherever necessary to confirm to the current period's presentation

### 49.2 The financial statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings conducted on 25th June, 2025.

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

For and on behalf of the Board of Directors of  
**HARISH TEXTILE ENGINEERS LIMITED**  
(CIN:L29119MH2010PLC201521)

Pravin Panchiwala  
Partner  
Membership No. 127406

Sandeep Gandhi  
DIN : 00941665  
Managing Director

Sunil Bhirud Narayan  
DIN :03469816  
Executive Director

Priya Gupta  
Company Secretary and  
Compliance officer

Pinkesh Upadhyay  
Chief Financial Officer

Place : Vadodara  
Date : 25th June, 2025

Place : Mumbai  
Date : 25th June, 2025

**If undelivered return to:**



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