K M Swadia & Company
Chartered Accountants

Independent Auditor's Review Report on Unaudited Quarterly and Half Yearly Financial Results of Harish Textile Engineers Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To the Board of Directors of
Harish Textile Engineers Limited.

1. We have reviewed the accompanying statement of unaudited financial results of Harish Textile Engineers Limited ("the Company"), for the quarter and half year ended 30.09.2026 ("the Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Basis for qualified conclusion:

   a. As stated in Note 7 to the financial results, the Company has extended the timelines for, and defaulted in, the redemption of debentures, and has received a Notice of Event of Default from the Debenture Trustee.

      The Company has failed to meet its redemption payment obligation on its 7% Unlisted, Secured, Unrated, Redeemable, Non-Convertible Debentures ("NCDs") - Old Series-III and New Series-IV, which were due for redemption on October 07, 2025 and December 20, 2025 respectively. The principal amount due was INR 64.72 Lakhs in respect of Old Series-III and INR 146.79 Lakhs in respect of New Series-IV. Interest on the said Non-convertible Debenture Series III and IV has been paid up to 30th June, 2026.

      The Company has received a Notice of "Event of Default" dated November 11, 2025 from Debenture Trustee, Axis Trustee Services Limited. The Debenture Trustee has notified the Company of its intent to initiate enforcement proceedings. Further, the Debenture Trustee has called upon the Company to repay aggregate dues amounting to INR 211.51 Lakhs plus interest, payable to the Old Series III and New Series IV Debenture Holders.

      The financial results have not been adjusted to reflect the full impact of this breach, and in the absence of a complete assessment by the Management, we are unable to quantify the consequential impact on the financial position of the Company.

   b. We have not been able to validate the computation of interest liability of INR 115.33 Lakhs provided in the financial statement (refer Note 16) for the MSME vendors under the MSMED Act, in the absence of adequate

audit evidence to establish the amounts payable to the vendors on account of interest on their outstanding dues. As a result, we are unable to quantify the consequential impact on the financial position of the Company.

c. The Company has not quantified the impact of non-reversal of input tax credit pertaining to suppliers unpaid beyond 180 days as required under Section 16(2) of the CGST Act, 2017 read with Rule 37 of the CGST Rules (refer Note 8.a). In the absence of such quantification, we are unable to determine the extent of overstatement of input tax credit and understatement of statutory liabilities and related interest, if any.

Our audit opinion on the financial statements for the year ended March 31, 2026 was qualified in respect of the aforesaid matters. Our review conclusion on the unaudited financial results for the quarter ended June 30, 2026 was also qualified in respect of these matters.

5. Based on our review conducted as stated in paragraph 3 above, except for the effects of the matters described in para 4 "Basis for qualified conclusion", nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. Material Uncertainty Related to Going Concern:

We draw attention to the following matter:

Note 7 to the financial results, regarding extensions of timelines/defaults in repayment of debenture obligations/Notice of "Event of Default" received from Debenture Trustee, 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 as at September 30, 2026. The current liabilities (including short term borrowings) amounted to INR 7,085.39 Lakhs. The current assets amounted to INR 5,732.05 Lakhs. The net negative working capital has amounted to INR 1,353.34 Lakhs.

In view of the above, the Company's ability to continue as a going concern is dependent upon successful renewal/continuation of the credit facilities referred to in Note 14 to the financial results, raising of additional funds, continued support from lenders, debenture holders and creditors, and generation of adequate cash flows from operations to meet its obligations as they fall due. Our conclusion is not modified in respect of this matter.

7. Emphasis of matter:

We draw attention to the following matters.

a. Note 4 of notes to the financial results, 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 Harish 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. Subsequently, the Hon'ble High Court of Bombay vide order dated July 04, 2025 has disposed off the interim application seeking stay on the impugned

order. The Impugned order restrains the appellants from the proceedings with the matter filed before the Hon'ble NCLT, Mumbai."

b. Note 5 of notes to the financial results, which states that, In the Interim application no: 15004 of 2026 in suit no. 11273 of 2026 filed by Mrs. Renu Umesh Sanjanvalla against Shri Sandeep Gandhi and family and Shri Nikhil Gandhi and Family, the Hon. Single judge of Hon. Bombay High Court vide order dated 1st July, 2026 has given ad-interim relief to Mrs. Renu Umesh Sanjanvalla in terms of prayer clause (c) of the Interim application, whereby the defendants no. 1 to 9 (i.e. Sandeep Gandhi family and Nikhil Gandhi Family) to the suit, their agents, servants and representative or all persons claiming through them from parting with the possession, dealing with, alienating, transferring, conveying or creating any third party rights or encumbering any of the family owned assets which are more particularly described in Exhibit A to the suit.

   Exhibit A to the said suit lists various assets and at Sr. no. 11 "Equity shares of Sandeep Gandhi family in M/s Harish Textile Engineers Limited along with underlying immovable and moveable assets like plant, machinery and Finished Goods" is mentioned. The appeal filed by defendant no. 1 to 4 (i.e. Sandeep Gandhi Family) to the suit, before the Hon. Division bench has also not been allowed by the Hon. Court vide order dated 24th July, 2026.

   The company has been advised that various assets owned by the company would not be the subject matter of stay by the Hon. Court. The Company is in the process of taking appropriate legal recourse to seek clarification and exclusion in the matter.

c. Note 6 to the financial results, 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. Further, the said shareholder has written one more letter / communications to the bank on the similar line. The company is taking appropriate legal recourse to protect its interest.

d. Note 7.b to the financial results, regarding the provision for managerial remuneration of INR 97.20 Lakhs for the period October 2025 to March 2026 and INR 97.20 Lakhs for the period April 2026 to September 2026, aggregating INR 194.40 Lakhs, of which INR 152.56 Lakhs (net of tax deducted at source of INR 41.84 Lakhs) remains payable as at September 30, 2026. The Company is in default in repayment of dues to debenture holders during the said period and as at the reporting date. As explained in the said note, no payment of such remuneration has been made and the same shall be considered only after the default is regularised and subject to compliance with the provisions of Section 197 of the Companies Act, 2013 and other applicable approvals, where required.

e. Note 12 of notes to the financial results, pertaining to certain property, plant and equipment installed and utilised by the Company at a leased premises of Harish Enterprise Private Limited (HEPL). The lease agreement has expired on 30 June 2026. The said agreement is not renewed. The company has received a notice from HEPL to vacate the said premises. The Company has responded to the said notice. The Company has not vacated the said premises and continues to operate from them after expiry of the lease. The security deposit of INR 275 Lakhs placed with the lessor is refundable on vacation of the premises, and any additional claim by the lessor for the period of occupation has not been ascertained. The Company's Textile Engineering segment and a part of its Non-Woven segment operate from the said premises.

f. Note 14 of notes to the financial results, pertaining to the Company's working capital facilities from Union

Bank of India aggregate to Rs. 600.00 Lakhs, against which an amount of Rs. 606.69 Lakhs was outstanding as at September 30, 2026. The Company has provided an email communication from the Branch Manager confirming short renewal of the Cash Credit facility up to March 19, 2027. No formal sanction letter for the said renewal has been issued by the bank up to the date of this report. However, the facility has continued to be operated by the Company and the bank has continued to honour transactions in the account in the normal course of business.

g. Note 15 of notes to the financial results, pertaining to the Company's inability to discharge some of the statutory dues including Income Tax/Tax Deducted at Source/Professional Taxes/Gratuity/ESIC and GST with appropriate authority in time.

Our conclusions are not modified in respect of these matters.

For **K. M. Swadia and Company**
Chartered Accountants
Firm Registration No. 110740W

PRAVINKUMAR
HASMUKHLAL
PANCHIWALA

Digitally signed by PRAVINKUMAR HASMUKHLAL PANCHIWALA
DN: c=IN, o=Personal, postalCode=390023, l=Vadodara, st=Gujarat, street=A101 Saumya Srushti Vadodara Gujarat India 390023 Manav Hospital, title=6794, 2.5.4.20=82d3143943eb18a0934494d50b3f9626e9ff90ddddb8531eb7f32ea52e4a341b140a1, serialNumber=9a9a1b43172d2e4de359cf959e37dfb269238f47183f32109cf6f0b94dfa61289, email=pravin@kms.net.in, cn=PRAVINKUMAR HASMUKHLAL PANCHIWALA
Date: 2026.11.03 17:42:07 +05'30'

Pravin Panchiwala
Partner
Membership No. 127406
UDIN: 26127406MJWWDF8005

Place: Vadodara
Date: November 3, 2026

HARISH TEXTILE ENGINEERS LIMITED

CIN: L29119MH2010PLC201521

Statement of Assets and Liabilities as at 30th September 2026

(Rupees in Lakhs)

Particulars	As at 30th September 2026 (Unaudited)	As at 31st March 2026 (Audited)
ASSETS		
Non-current assets		
Property, plant and equipment	2,121.55	2,036.12
Right-of-use assets	-	-
Capital work-in-progress	69.76	170.35
Intangible assets	9.21	9.84
Intangible assets under development	7.60	-
Financial assets		
Other financial assets	390.79	389.65
Other non-current assets	666.59	655.99
Current assets		
Inventories	1,620.37	1,353.59
Financial assets		
Loans	136.67	111.95
Trade receivables	3,282.97	2,916.60
Cash and cash equivalents	35.57	73.44
Other bank balances	16.87	16.26
Other current assets	639.60	309.52
Total Assets	**8,997.55**	**8,043.32**
EQUITY AND LIABILITIES		
Equity		
Equity share capital	333.60	333.60
Other equity	1,401.93	1,110.28
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	47.78	35.60
Lease liabilities	-	-
Other financial liabilities	0.00	-
Provisions	102.57	107.83
Deferred tax liabilities (net)	26.28	25.40
Current liabilities		
Financial liabilities		
Borrowings	3,008.10	2,989.19
Lease liabilities	-	-
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	1,031.86	712.22
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,526.24	1,586.65
Other financial liabilities	357.19	292.31
Provisions	31.01	8.95
Other current liabilities	1,014.41	711.90
Current tax liabilities (net)	116.59	129.40
Total Equity and Liabilities	**8,997.55**	**8,043.32**

Statement of Profit and Loss for the half year ended 30th September 2026

(Rupees in Lakhs)

Particulars	Half year ended 30th September 2026 (Unaudited)	Year ended 31st March 2026 (Audited)
Income		
Revenue from operations	8,475.26	13,849.17
Other income	6.17	34.42
Total Income	**8,481.43**	**13,883.59**
Expenses		
Cost of materials consumed	5,503.51	8,259.17
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(190.17)	31.32
Employee benefits expense	795.88	1,297.38
Finance costs	258.92	391.45
Depreciation, amortisation and impairment of assets	79.87	174.66
Other expenses	1,621.38	2,991.59
Total Expenses	**8,069.38**	**13,145.57**
Profit before tax	**412.04**	**738.02**
Tax expense		
Current tax	116.59	215.54
Adjustment of tax relating to earlier periods	-	-
Deferred tax	1.62	(31.32)
Profit for the period	**293.83**	**553.80**
Other comprehensive income		
Items that will not be reclassified to profit or loss in subsequent periods		
a. Remeasurement (gain)/loss on defined benefit plans	2.93	(1.58)
b. Income tax related to items that will not be reclassified to profit or loss	(0.74)	0.40
Total other comprehensive income	**2.19**	**(1.18)**
Total comprehensive income for the period	**291.64**	**554.98**
Earnings per equity share of face value Rs. 10 each		
Basic (Rs.)	8.81	16.60
Diluted (Rs.)	8.81	16.60



HARISH TEXTILE ENGINEERS LIMITED

CIN: L29119MH2010PLC201521

Statement of Cash Flows for the half year ended 30th September 2026

(Rupees in Lakhs)

Particulars	Half year ended 30.09.2026 (Unaudited)	Half year ended 30.09.2025 (Unaudited)	Year ended 31.03.2026 (Audited)
A. Cash flow from operating activities			
Profit before tax	**412.04**	**303.21**	**738.02**
Adjustments for:			
Depreciation and amortisation	79.87	87.13	174.66
(Profit)/loss on sale of fixed assets	1.32	(1.69)	(1.83)
Sundry balances written back	-	-	
Other non-cash expenses		1.60	
Sundry balances written off	15.14	23.41	128.66
Provision for expected credit loss	6.48	3.63	(70.30)
Gratuity provision	9.72	7.21	34.86
Interest income	(6.17)	(12.27)	(24.90)
Finance costs	258.92	211.59	391.45
Operating profit before working capital changes	**777.32**	**623.82**	**1,370.62**
Adjustments for changes in working capital:			
(Increase)/decrease in trade receivables	(388.28)	(272.84)	(332.22)
(Increase)/decrease in other non-current assets	0.78	(39.59)	101.86
(Increase)/decrease in non-current financial assets	(1.14)	(3.77)	(92.51)
(Increase)/decrease in other current assets	(330.08)	(3.40)	(63.91)
(Increase)/decrease in loans	(24.72)	(7.20)	(16.82)
(Increase)/decrease in inventories	(266.78)	53.98	(18.87)
Changes in trade and other receivables	**(1,010.22)**	**(272.81)**	**(422.47)**
Increase/(decrease) in trade payables	259.23	58.88	13.23
Increase/(decrease) in other current liabilities	302.51	(185.25)	(278.75)
Increase/(decrease) in provisions	7.09	0.01	(7.72)
Increase/(decrease) in other current financial liabilities	14.03	94.89	164.67
Increase/(decrease) in other financial liabilities	-	(9.24)	(9.24)
Changes in trade and other payables	**582.86**	**(40.70)**	**(117.81)**
Cash generated from operations	**349.96**	**310.31**	**830.34**
Income tax paid (net of refunds)	129.40	9.75	91.75
Net cash from operating activities (A)	**220.56**	**300.56**	**738.58**
B. Cash flow from investing activities			
Proceeds from sale of assets	1.27	8.47	8.91
Purchase of PPE, intangible assets, CWIP and capital advances	(88.29)	(66.19)	(160.69)
Interest received	6.17	12.27	24.90
Net cash used in investing activities (B)	**(80.85)**	**(45.44)**	**(126.88)**
C. Cash flow from financing activities			
Proceeds from long-term borrowings (incl. current maturities of long-term borrowings)	40.00	13.25	13.25
Repayment of long-term borrowings (incl. current maturities of long-term borrowings)	(79.85)	(199.12)	(308.33)
Payment of lease liabilities		(5.53)	(12.00)
Change in short-term borrowings	70.94	192.62	163.12
Interest paid	(208.06)	(211.59)	(390.80)
Net cash from/(used in) financing activities (C)	**(176.97)**	**(210.37)**	**(534.75)**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(37.26)**	**44.75**	**76.95**
Cash and cash equivalents at the beginning of the period	89.70	12.75	12.75
Cash and cash equivalents at the end of the period	**52.44**	**57.50**	**89.70**
Note: Closing cash and cash equivalents comprise:			
Cash on hand	14.28	2.25	22.69
Balances with scheduled banks in current accounts	21.29	41.16	67.01
Other bank balances	16.87	14.09	-
Closing cash and cash equivalents	**52.44**	**57.50**	**89.70**



HARISH TEXTILE ENGINEERS LIMITED

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Phone: +91 22 28367151 / 40373000 | Website: www.harishtextile.com | E-mail: pinkesh@harishtextile.com
CIN: L29119MH2010PLC201521

Statement of Unaudited Financial Results for the Quarter and Half Year ended 30th September 2026

(Rupees in Lakhs, except EPS)

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2026 (Unaudited)	30.06.2026 (Unaudited)	30.09.2025 (Unaudited)	30.09.2026 (Unaudited)	30.09.2025 (Unaudited)	31.03.2026 (Audited)
I	Revenue from operations	4,530.95	3,944.31	3,502.32	8,475.26	6,678.56	13,849.17
II	Other income	1.99	4.18	8.14	6.17	17.73	34.42
	Total Income (I + II)	**4,532.94**	**3,948.49**	**3,510.46**	**8,481.43**	**6,696.29**	**13,883.59**
III	**Expenses**						
	Cost of materials consumed	2,860.12	2,643.39	2,111.75	5,503.51	4,110.86	8,259.17
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(33.52)	(156.65)	(17.39)	(190.17)	(44.70)	31.32
	Employee benefits expense	408.36	387.52	314.99	795.88	617.99	1,297.38
	Finance costs	130.11	128.81	126.72	258.92	211.59	391.45
	Depreciation, amortisation and impairment of assets	40.36	39.51	43.73	79.87	87.13	174.66
	Other expenses	843.48	777.90	778.13	1,621.38	1,410.21	2,991.59
	Total Expenses	**4,248.90**	**3,820.48**	**3,357.93**	**8,069.38**	**6,393.07**	**13,145.57**
IV	**Profit before exceptional items and tax**	**284.04**	**128.01**	**152.53**	**412.04**	**303.21**	**738.02**
V	Exceptional items	-	-	-	-	-	-
VI	**Profit before tax**	**284.04**	**128.01**	**152.53**	**412.04**	**303.21**	**738.02**
VII	**Tax expense**						
	Current tax	77.38	39.21	15.67	116.59	49.02	215.54
	Adjustment of tax relating to earlier periods	-	-	-	-	-	-
	Deferred tax	2.38	(0.76)	34.83	1.62	35.99	(31.32)
VIII	**Net profit for the period**	**204.28**	**89.56**	**102.03**	**293.83**	**218.21**	**553.80**
IX	**Other comprehensive income (after tax)**						
	Items that will not be reclassified to profit or loss						
	a. Remeasurement (gain)/loss on defined benefit plans	1.68	1.25	1.17	2.93	(0.69)	(1.58)
	b. Income tax related to items that will not be reclassified to profit or loss	(0.42)	(0.32)	(0.29)	(0.74)	0.17	0.40
X	**Total comprehensive income for the period (comprising profit (after tax) and other comprehensive income (after tax))**	**203.02**	**88.63**	**102.91**	**291.64**	**217.69**	**554.98**
XI	Paid-up equity share capital (face value Rs. 10/- each)	333.60	333.60	333.60	333.60	333.60	333.60
XII	**Earnings per share (EPS) (of Rs. 10/- each) (not annualised for quarters and half years)**						
	Basic (Rs.)	6.12	2.68	3.08	8.81	6.53	16.60
	Diluted (Rs.)	6.12	2.68	3.08	8.81	6.53	16.60



HARISH TEXTILE ENGINEERS LIMITED

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Phone: +91 22 28367151 / 40373000 | Website: www.harishtextile.com | E-mail: pinkesh@harishtextile.com
CIN: L29119MH2010PLC201521

Segment-wise Revenue, Results, Assets and Liabilities for the Quarter and Half Year ended 30th September 2026

(Rupees in Lakhs)

Sl. No.	Particulars	Quarter ended			Half year ended		Year ended
		30.09.2026 (Unaudited)	30.06.2026 (Unaudited)	30.09.2025 (Unaudited)	30.09.2026 (Unaudited)	30.09.2025 (Unaudited)	31.03.2026 (Audited)
1	**Segment revenue**						
	a) Textile Engineering	783.11	767.75	490.55	1,550.86	877.26	1,842.01
	b) Non-Woven	2,999.22	2,586.00	2,212.09	5,585.22	4,386.29	9,184.53
	c) PSF	1,106.92	877.79	1,045.81	1,984.71	2,008.70	4,078.09
	d) Unallocable	-	-	-	-	-	-
	Total	**4,889.25**	**4,231.54**	**3,748.45**	**9,120.79**	**7,272.25**	**15,104.63**
	Less: Inter-segment revenue	358.30	287.23	246.13	645.53	593.69	1,255.46
	Revenue from operations	**4,530.95**	**3,944.31**	**3,502.32**	**8,475.26**	**6,678.56**	**13,849.17**
2	**Segment results (profit/(loss) before tax)**						
	a) Textile Engineering	(116.99)	(39.29)	(148.04)	(156.28)	(276.58)	(500.84)
	b) Non-Woven	310.57	101.57	211.19	412.14	398.97	910.94
	c) PSF	99.52	65.47	92.98	164.99	188.03	383.79
	d) Unallocable	(9.06)	0.26	(3.61)	(8.80)	(7.22)	(55.90)
	Total	**284.04**	**128.01**	**152.53**	**412.04**	**303.21**	**738.02**
	Add: Other unallocable income net of unallocable expenditure	-	-	-	-	-	-
	Total profit before tax	**284.04**	**128.01**	**152.53**	**412.04**	**303.21**	**738.02**
3	**Segment assets**						
	a) Textile Engineering	2,220.01	2,256.35	2,302.56	2,220.01	2,302.56	2,172.41
	b) Non-Woven	4,961.03	4,778.64	4,059.34	4,961.03	4,059.34	4,433.84
	c) PSF	2,212.31	1,846.12	1,854.94	2,212.31	1,854.94	1,777.98
	d) Unallocable	1,074.96	1,158.59	1,058.47	1,074.96	1,058.47	1,061.91
	e) Inter-segment elimination	(1,470.75)	(1,104.93)	(1,021.91)	(1,470.75)	(1,021.91)	(1,402.83)
	Total	**8,997.55**	**8,934.78**	**8,253.40**	**8,997.55**	**8,253.40**	**8,043.32**
4	**Segment liabilities**						
	a) Textile Engineering	4,504.37	4,423.72	4,206.65	4,504.37	4,206.65	4,300.78
	b) Non-Woven	2,395.67	2,536.74	2,418.11	2,395.67	2,418.11	2,280.64
	c) PSF	1,285.98	1,019.33	1,289.39	1,285.98	1,289.39	1,016.64
	d) Unallocable	546.75	527.40	254.58	546.75	254.58	404.21
	e) Inter-segment elimination	(1,470.75)	(1,104.93)	(1,021.91)	(1,470.75)	(1,021.91)	(1,402.83)
	Total	**7,262.03**	**7,402.27**	**7,146.82**	**7,262.03**	**7,146.82**	**6,599.44**

Place: Mumbai
Date: 03/11/2026

For and on behalf of the Board of Directors
HARISH TEXTILE ENGINEERS LIMITED

Name: Sunil Bhirud
Designation: Executive Director
DIN: 03469816

HARISH TEXTILE ENGINEERS LIMITED
Regd. Office: 19, Parsi Panchayat Road, Andheri (East), Mumbai - 400 069.
Phone: +91 22 66490251, website: www.harishtextile.com; E Mail: investor@harishtextile.com
CIN: L29119MH2010PLC201521

NOTES TO RESULTS:

1. The Unaudited Financial Results for the quarter and half year ended 30th September, 2026 (Q2 of FY: 2026-27) were reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on November 03, 2026.

2. In accordance with provisions of Ind AS 108 "Operating Segments", the company has 3 reportable segments namely, manufacture of (A) Textile processing and Finishing Machinery (B) Non-Woven Fabrics and (C) polyester staple fibre from recycle waste material.

3. EPS has been calculated in accordance with Ind AS 33.

4. 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 Harish 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. 01st April, 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. Subsequently, the Hon'ble High Court of Bombay vide order dated 04th July, 2025 has disposed of the interim application seeking stay on the impugned order. The Impugned order restrains the appellants from the proceedings with the matter filed before the Hon'ble NCLT, Mumbai.

5. In the Interim application no: 15004 of 2026 in suit no. 11273 of 2026 filed by Mrs. Renu Umesh Sanjanvalla against Shri Sandeep Gandhi and family and Shri Nikhil Gandhi and Family, the Hon. Single judge of Hon. Bombay High Court vide order dated 1st July, 2026 has given ad-interim relief to Mrs. Renu Umesh Sanjanvalla in terms of prayer clause (c) of the Interim application, whereby the defendants no. 1 to 9 (i.e. Sandeep Gandhi family and Nikhil Gandhi Family) to the suit, their agents, servants and representative or all persons claiming through them from parting with the possession, dealing with, alienating, transferring, conveying or creating any third party rights or encumbering any of the family owned assets which are more particularly described in Exhibit A to the suit.

   Exhibit A to the said suit lists various assets and at Sr. no. 11 "Equity shares of Sandeep Gandhi family in M/s Harish Textile Engineers Limited along with underlying immovable and moveable assets like plant, machinery and Finished Goods" is mentioned. The appeal filed by defendant no. 1 to 4 (i.e. Sandeep Gandhi Family) to the suit, before the Hon. Division bench has also not been allowed by the Hon. Court vide order dated 24th July, 2026.

   The company has been advised that various assets owned by the company would not be the subject matter of stay by the Hon. Court. The Company is in the process of taking appropriate legal recourse to seek clarification and exclusion in the matter.

6. 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



NOTES TO RESULTS:

Companies Act, 2013. Further, the said shareholder has written one more letter / communications to the bank on the similar line. The company is taking appropriate legal recourse to protect its interest.

7. Redemption of Non-Convertible Debentures:

7.a. Pursuant to the supplementary deed executed on 24th June, 2024 and the second supplementary deed executed on 18th March, 2025 between the Company and Axis Trustee Services 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:

(INR in Lakhs)

Series of Debentures	Scheduled Date of Redemption	Extended Date of Redemption	Further Extended Date of Redemption	Further Extended Date of Redemption	Total Debenture Outstanding as on 30.09.2026	Amount in Default
Old Series-III	13th August, 2024	12th February, 2025	12th May, 2025	7th October, 2025*	64.72	64.72
New Series-IV	20th September, 2025	NA	20th December, 2025	20th December, 2025*	146.79	146.79

* The Company has failed to meet its redemption payment obligation on its 7% Unlisted, Secured, Unrated, Redeemable, Non-Convertible Debentures ("NCDs") - Old Series-III and New Series-IV, which were due for redemption on 07th October, 2025 and 20th December, 2025 respectively. The principal amount due was INR 64.72 Lakhs in respect of Old Series-III and INR 146.79 Lakhs in respect of New Series-IV. Interest on the said Non-convertible Debenture Series III and IV has been paid up to 30th June, 2026

The Company has received a Notice of "Event of Default" dated 11th November, 2025 from Debenture Trustee, Axis Trustee Services Limited. The Debenture Trustee has notified the Company of its intent to initiate enforcement proceedings. Further, the Debenture Trustee has called upon the Company to repay aggregate dues amounting to INR 211.51 Lakhs plus interest payable to the Old Series III and New Series IV Debenture Holders.

The Company is in discussions with the Debenture Trustee and the Debenture Holders to amicably resolve the matter and complete the redemption at the earliest possible date. The management continues to make every effort to arrange the requisite funds to discharge the said liability.

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 as on 30/09/2026 is negative. The current liabilities (including short term borrowings) amounted to INR 7,085.39 Lakhs. The current assets amounted to INR 5,732.05 Lakhs. The net negative working capital has amounted to INR 1,353.34 Lakhs.

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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 the NCD as mentioned above. The Company is confident of raising resources to tide over the liquidity crunch.

7.b The Company has recognised a provision towards managerial remuneration amounting to INR 97.20 Lakhs for the period October 2025 to March 2026 and INR 97.20 Lakhs for the period April 2026 to September 2026, aggregating INR 194.40 Lakhs, during which the Company is in default in repayment of dues to debenture holders. No payment of such remuneration has been made to the directors during the said period. After deduction of tax at source of INR 41.84 Lakhs, an amount of INR 152.56 Lakhs remains payable as at 30th September, 2026. The said provision has been made on the same basis as in earlier periods and in accordance with the approval granted by the shareholders. The management is of the view that having regard to the proviso to Section 197(1) of the Companies Act, 2013, managerial remuneration cannot be paid during the period of default in redemption of NCDs without the approval of NCD Holders and the shareholders. However, the said proviso does not absolve the Company from making the payment of managerial remuneration of the default period once the default is set right. Since the accounts are maintained on accrual basis, the Company is duty bound to make provision for remuneration which even though not payable during the default period, will become payable once the default is set right and subject to compliance with the applicable provisions of the Companies Act, 2013 and other relevant regulations.

8. Other Contingent Liabilities:

a) Liability pertaining to Goods and Service Tax Act with respect to delayed payments to suppliers has not been quantified and provided for.

b) The Company is in receipt of legal intimation dated 18th April, 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. 97.59 Lakhs which includes Principal amount of Rs. 25.50 Lakhs (already accounted for in the Books of Account) and an interest amount of Rs. 72.09 Lakhs as of 20/07/2023 (not accounted for in the books). The said creditor has moved an application to Arbitration proceedings in connection with the delayed payment claim made against the company.

c) 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 Lakhs (already accounted for in the Books of Accounts) - along with applicable interest.

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NOTES TO RESULTS:

d) The Company has received a Notice for Pre-Institution Mediation issued by the Mediation Centre, Mumbai District Legal Services Authority, City Civil & Sessions Court, Dindoshi, Mumbai, in the matter filed by M/s. Steel-O-Fab Engineers, demanding payment of the outstanding amount of Rs. 12.26 Lakhs (already accounted for in the Books of Account) – along with Interest of Rs. 2.78 Lakhs. The Company has since paid Rs. 3.92 Lakhs, after which the outstanding principal amount is Rs. 8.35 Lakhs.

e) The Company had received a notice under Section 148A(b) of the Income-tax Act, 1961 from the Office of the Assistant Commissioner of Income Tax, Circle 2(1)(1), Mumbai, dated 30th March, 2026, in respect of Assessment Year 2021-22 (Financial Year 2020-21). The Income Tax department has further issued notice u/s 148 for re-opening of the assessment proceedings. In the view of the management, based on the facts of the case, the notice is not sustainable and no material liability is expected to arise therefrom. Accordingly, no provision has been made in the financial statements.

f) The company had received a notice dated 16/07/2026 from State Tax Office Unit 74 (Vapi) stating that the company had availed excess ITC to the tune of Rs. 9,09,220/- for the FY 2022-23 stating that an amount of Rs. 16,39,065/- (including Interest of Rs. 6,20,561/- and penalty of Rs. 1,09,284/-) is payable. The company has already filed its reply against the said notice.

g) The Company has received a Notice in Form GST RFD08 along with an Additional Show Cause Notice in relation to the refund application for the period January 2026 to March 2026, proposing rejection of refund to the extent of Rs. 23,02,781/-. Since the matter is at the show cause stage and no final order has been passed, the ultimate financial impact, if any, cannot be ascertained at this stage. The company has already filed a detailed reply against the said show cause notice.

9. The company has received a notice for hearing on 24th July, 2025 at the National Company Law Tribunal (NCLT), Mumbai Bench in the matter of Kamlesh Corporation. The Ld. Counsel appearing on behalf of the Applicant states that an outstanding of Rs. 117 Lakhs has been claimed in the application, which comprises of principal amount of Rs.108.43 Lakhs (already accounted for in the Books of Account) and the balance amount is towards interest. In the hearing held on 10/07/2026 (order uploaded on 21/07/2026), the Hon. NCLT, Mumbai had kept the matter as reserved for orders. Subsequently, the company and the petitioner M/s Kamlesh Corporation had entered into a MOU dated 03/08/2026 for settlement of the said matter. As per the said MOU, the Company is required to pay a lump-sum amount of Rs. 130 Lakhs as against the principal amount of Rs. 108.43 Lakhs (already accounted for in the Books of Account), and the additional compensation/interest of Rs. 21.57 Lakhs has been accounted for in the Books of Account during the quarter ended 30th September, 2026. The said MOU was filed with the Hon. NCLT, Mumbai and the matter has been disposed of as withdrawn vide its order dated 01/09/2026.

10. The Company has received a Notice for Pre-Institution Mediation issued by the Mediation Centre, CBD Belapur, Navi Mumbai, District and additional session court, CBD Belapur, Navi Mumbai, in the matter filed by M/s. Vashi Integrated Solutions Ltd., demanding payment of the outstanding amount of Rs. 114.76 Lakhs (already accounted for in the Books of Account). The matter is kept



NOTES TO RESULTS:

for mediation on 17th November, 2026 and the Company shall participate in the mediation process in consultation with its legal team.

11. On 21st November, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

12. The lease agreement between the Company and Harish Enterprise Private Limited (HEPL), a related party, for the factory land and building situated at 103 Raikhadhi, Umbergaon Sanjan Road, Umbergaon, Gujarat (said premises) expired on 30th June, 2026 and has not been renewed. HEPL has issued a notice dated 1st July, 2026 asking the Company to vacate the said premises, and the Company has filed its detailed reply to the said notice. The Company has not vacated the said premises and continues to occupy and operate, and has accrued charges for the period from 1st July, 2026 at the rate applicable under the expired agreement. The interest-free security deposit of INR 275 Lakhs placed with HEPL is refundable on handing over possession of the said premises. Any further claim by HEPL for the period of occupation after expiry of the lease is presently not ascertainable. The Company's Textile Engineering segment and a part of its Non-Woven segment operate from the said premises.

13. The company at its Board Meeting held on 10th February, 2026 has approved the issuance of up to 21,23,800 (Twenty One Lakh Twenty three Thousand Eight Hundred) fully paid-up equity shares of the Company of face value of Rs. 10/- (Rupees Ten Only) each at an issue price of Rs. 64/- (Rupees Sixty Four Only) per equity share [including a securities premium of Rs. 54/- (Rupees Fifty-Four Only)] aggregating up to Rs. 13,59,23,200/- (Rupees Thirteen Crore Fifty Nine Lakh Twenty Three Thousand Two Hundred Only) to the proposed allottees, belonging to the Promoter and Non-Promoter Category ("Investors"), by way of a preferential issue on a private placement basis ("Preferential Issue"), for consideration in cash and/or other than cash, in accordance with the provisions of Section 42 and Section 62 of the Companies Act, 2013, as amended ("Act") read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended ("Rules"), Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("SEBI ICDR Regulations"), SEBI Listing Regulations and other applicable laws, subject to the approval of the regulatory authorities including BSE Limited, as may be applicable. Pursuant to the clarifications sought by BSE Limited in relation to the Company's application for in-principle approval, the Company has crystallised the proposed Preferential Issue. The Company now proposes to issue 10,60,800 fully paid-up Equity Shares of face value of Rs. 10/- each at an issue price of Rs. 64/- per Equity Share, aggregating up to Rs. 6,78,91,200/-, on a preferential basis only for consideration other than cash. The approval of the regulatory authorities, i.e. BSE Limited and SEBI, is awaited.

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NOTES TO RESULTS:

14. The Company's working capital facilities from Union Bank of India aggregate to Rs. 600.00 Lakhs, against which an amount of Rs. 606.69 Lakhs was outstanding as at September 30, 2026. The Company has provided an email communication from the Branch Manager confirming short renewal of the Cash Credit facility up to March 19, 2027. No formal sanction letter for the said renewal has been issued by the bank up to the date of approval of these results. However, the facility has continued to be operated by the Company and the bank has continued to honour transactions in the account in the normal course of business.

15. The Company is not regular in compliance with depositing statutory dues including Income Tax/Tax Deducted at Source/Professional Taxes/Gratuity/ESIC and GST with appropriate authority. The delays in payment of statutory dues have taken place arising out of liquidity crunch faced by the Company.

16. The Company has, based on the information and declarations presently available from its vendors, recognised a provision of INR 115.33 Lakhs towards interest payable to MSME vendors in accordance with the requirements of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006. The Company continues to obtain updated confirmations and necessary documentary evidence from the respective MSME vendors. Upon receipt of complete information, the Company will reassess and, if required, appropriately adjust the provision in subsequent periods.

17. Figures of the previous periods have been regrouped/reclassified wherever necessary to conform to the current period's classification/disclosure.

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

Sunil Bhirud
Executive Director
DIN: 03469816

Harish Textile Engineers Limited

Date: November 03, 2026
Place: Mumbai