

**DIRECTORS' REPORT**

To,  
The Members  
**HARI TEXTILE MILLS LIMITED**

Your Directors have pleasure in presenting their 49<sup>th</sup> Annual Report together with the Audited financial statements of your Company for the year ended 31<sup>st</sup> March, 2023.

**KEY FINANCIAL HIGHLIGHTS**

The highlights of the financial results of the Company are as follows: (AMT. IN "00")

<b>PARTICULARS</b>	<i>Year Ended March 31,2023</i>	<i>Year Ended March 31,2022</i>
<i>Revenue from Operations</i>	11,742.40	12,432.40
<i>Other Income</i>	86.67	238.96
<i>Total Revenue</i>	11,829.07	12,671.36
<i>Total Expenses</i>	15,018.15	15,91,532
<i>Profit/ (Loss) for the year before tax</i>	(3,189.09)	(3,243.96)
<i>Less : Provision for Taxation</i>	-	-
<i>Current Tax</i>	-	-
<i>Deferred Tax</i>	(3.13)	(2,7.77)
<i>Mat Credit Entitlement</i>	-	-
<i>(Excess)/Short provision for the earlier year</i>	-	-
<b>Profit during the year (PAT)</b>	<b>(3,185.96)</b>	<b>(3271.73)</b>

**BUSINESS PERFORMANCE REVIEW**

The main operations of the Company are that of Trading of Fabrics & Leasing out its properties. There are no material changes or commitments affecting the financial position of the Company which have occurred between the end of the Financial Year and the date of the report

**DIVIDEND**

Your Director's regret for not recommending any Dividend on Equity Shares as Company has incurred loss during the financial year ended on 31.03.2023

**RESERVES**

The Company proposes not to transfer any amount in any statutory reserves because Company has incurred loss during the financial year ended on 31.03.2023.

## **CHANGE IN THE NATURE OF BUSINESS**

During the year under review, there are no changes in the nature of the business of the Company.

## **SHARE CAPITAL**

The Equity shares of the Company are listed on the CSE. The paid up Equity Share Capital as on March 31, 2023 was Rs. 63.00 Lakhs. The Company has neither issued shares with differential rights as to dividend, voting or otherwise nor issued shares (including sweat equity shares) to the employees or Directors of the Company, under any Scheme.

## **LISTING**

Currently the Listing status of the Company are suspended on the CSE Limited (CSE) due to some technical non-compliance. The management of the Company has already submitted the Application to CSE for revocation of suspended status of the Company. The scrip code number of the Equity Shares of the Company on CSE is 10018095. The Annual Listing Fee for the Financial Year 2022-23 has been duly paid within the stipulated time to the Stock Exchange. However, there is mismatch between the capital shown as the CSE Website and actual paid up capital of the Company. Company is following with the Calcutta Stock Exchange to correct the records of the CSE.

## **DIRECTOR AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Archana Sanjay Todi (DIN- 00047870), Director of the Company retires by rotation and being eligible for reappointment and offers himself for re-appointment.

All the directors of the Company have confirmed that they are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013.

Mr. Sanjay Kumar Todi (Whole Time Director), Mr. Kishore Kumar Shah (Chief Financial Officer) and Aditya Vikram Fogla (Company Secretary) the Key Managerial Personnel (KMP) of the Company pursuant to the provisions of the Company Act, 2013, as on the date of this report.

All the Directors, Key Managerial Personnel and senior management of the company have affirmed compliance of with the code of conduct applicable to the Directors and employees of the Company and a declaration in this regard made by the Managing Director is attached which forms a part of this report of Directors. The Code of Conduct is available on the Company's website [www.haritextilemillsltd.com](http://www.haritextilemillsltd.com)

## **DIRECTORS RESPONSIBILITY STATEMENT**

To the best of their knowledge and belief and according to the information and explanations obtained, your Directors make the following statement in terms of Section 134 (3)(c) and 134 (5) of the Companies Act, 2013:

- a) that in the preparation of Annual Accounts for the financial year ended March 31, 2023, the applicable Accounting Standard has been followed;
- b) that 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 March 31, 2023 and the Statement of Profit and Loss for financial year ended March 31, 2023;

- c) that proper and sufficient care have been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding assets of the Company and for preventing and detecting frauds and other irregularities;
- d) that the Annual Accounts have been prepared on a 'going concern' basis;
- e) that proper internal financial controls laid down by the Directors is being followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) that proper system to ensure compliance with the provisions of all applicable laws as devised by the Directors are in place and that such systems are adequate and operating effectively.

### **DECLARATION BY INDEPENDENT DIRECTOR**

The Company has received declarations from the Independent Director that they meet the criteria as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16 of the SEBI Listing Regulations, 2015.

The Board confirms that the said Independent Director meet the criteria as laid down under the Companies Act, 2013 as well as the SEBI Listing Regulations, 2015.

### **SEPARATE MEETING OF INDEPENDENT DIRECTOR**

During the year under review, the Independent Director had, in accordance with the provisions of Schedule IV (Independent Director) of the Companies Act, 2013 and Regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, met separately and discussed and reviewed, inter-alia, the performance of Non-Independent Director and the Board as a whole after taking into consideration the views of Executive and Non- Executive Directors.

### **BOARD AND ITS COMMITTEES**

#### **BOARD MEETINGS**

The Board met Six times during the financial year as on 02.05.2022, 25.07.2023 09.06.2022, 23.08.2022, 28.10.2022 and 28.01.2023. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI Regulation, 2015.

Attendance of each Director at Board Meetings held during the financial year 2022-23 is as follows:

Name of Director(s)	Designation	No. of Board Meeting(s) during the tenure of the Director	
		Held	Attended
SANJAY KUMAR TODI	Whole Time Director	6	6
LAKSHMIKANT SHAH	Independent Director	6	6
ARCHANA SANJAY TODI	Executive Director	6	6
OM PRAKASH TODI	Non-Executive Director	6	5

KRISHNA KUMAR TODI	Non-Executive Director	6	5
BINOD KUMAR TULSYAN	Independent Director	6	2

## COMMITTEES OF THE BOARD

The Board has formulated the following Committees:

### 1. Audit Committee:

The Audit Committee was constituted in line with the provisions of Section 177 of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014. All the members of the committee possess sound knowledge of accounts, audit. Mr. Lakshmi Kant Shah is having expertise in financial management. During the year 2022-23, all the recommendations received from the Audit committee was accepted by the Board of Directors.

During the Financial Year 2022-23, the Audit Committee met 4 (Four) times on 09<sup>th</sup> June 2022, 23<sup>rd</sup> August 2022, 28<sup>th</sup> October 2022, 28<sup>th</sup> January 2022. The table below provides the details of meetings and attendance of the Audit Committee members during the year 2022-23:

	Category	No. of Meeting(s) during the tenure of Members	
		Held	Attended
LAKSHMI KANT SHAH (Chairman)	Independent Director	4	4
OM PRAKASH TODI (Member)	Non- Executive Director	4	3
BADRI KUMAR TULSYAN	Independent Director	4	3

### 2. Nomination and Remuneration Committee:-

The Nomination and Remuneration Committee was constituted in line with the provisions of Section 178 of the Companies Act, 2013 and Companies (Meetings of Board and its Powers) Rules, 2014.

During the Financial Year 2022-23, the Nomination and Remuneration committee met 2 (Two) times on 23<sup>rd</sup> August 2022, 28<sup>th</sup> October 2022, The composition of the Nomination and Remuneration Committee and the details of meeting attended by its members during the year 2022-23 are given below:

	Category	No. of Meeting(s) during the tenure of Members	
		Held	Attended
LAKSHMI KANT SHAH (Chairman)	Independent Director	2	2
OM PRAKASH TODI (Member)	Non Executive Director	2	2
KRISHNA KUMAR TODI (Member)	Non Executive Director	2	2

## **BOARD EVALUATION**

The Board of Directors of the Company carried out annual evaluation of its own performance, of the Committees of the Board and individual Directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board's functioning was evaluated on various aspects, including inter alia degree of fulfilment of key responsibilities, board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes. The Directors were evaluated on aspects such as attendance and contribution at Board/ Committee Meetings and guidance/ support to the management outside Board/ Committee Meetings.

In addition, the Whole Time Director was evaluated on key aspects of his role, including setting the strategic agenda of the Board, encouraging active engagement by all Board members and motivating and providing guidance to the Management Areas on which the Committees of the Board were assessed included degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.

The performance evaluation of the Independent Director was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Non Independent Director was carried out by the Independent Director, who also reviewed the performance of the Board as a whole.

## **RELATED PARTY TRANSACTION**

All Related Party Transactions entered into by your Company during the financial year were on arm's length basis and were in the ordinary course of business. The particulars of Contracts or Arrangements made with related parties referred to in subsection (1) of section 188 entered by the company during the financial year ended 31<sup>st</sup> March 2023 is annexed here to Annexure - I in prescribed Form AOC-2 and forms part of this report.

## **PARTICULARS OF EMPLOYEES**

During FY 2022-23, your Company had not employed anyone for entire year or part of the year which needs disclosure as per the provisions of the Companies Act, 2013 read with relevant Rules. The ratio of remuneration of each Director to the median of employees remuneration and such other details as required under Sec 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, is provided in the Annexure-II and forms part of this report.

## **CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The provisions of Section 135 of the Companies Act, 2013, in respect of Corporate Social Responsibility are not applicable to the Company.

## **POLICY FOR APPOINTMENT AND REMUNERATION**

The Board has, on recommendation of the Nomination and Remuneration Committee formulated a policy for selection and appointment of Directors, senior managements and their remuneration. The said policy is set out as an Annexure - III and forms a part of this report.

## **RISK MANAGEMENT POLICY**

In terms of Section 134(3)(n) of the Act, your Directors wish to state that the Company has drawn and implemented a Risk Management Policy including identification of elements of risks, if any, which may threaten the existence of the Company. The above policy is being reviewed/re-visited once a year or at such other intervals as deemed necessary for modifications and revisions, if any.

## **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The employees are free to report violations of applicable laws and regulations and the Code of Conduct.

The policy provides for a formal mechanism for all the directors, employees to report to the Management their genuine concerns or grievances about unethical behaviour, actual or suspected fraud and any violation of the Company's Code of Business Conduct and Ethics policy.

The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning Company. The Policy is available on the Company's website [www.haritextilemillsLtd.com](http://www.haritextilemillsLtd.com)

During the year under review, no employee was denied access to the Audit Committee. The said policy is available on the website of the Company.

## **POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE**

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at the Workplace, in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under. The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure.

The Company has not received any complaint of sexual harassment during the financial year 2022-23.

## **AUDITORS' REPORT**

### **STATUTORY AUDITOR'S REPORT**

In terms of Section 134(2) and 134(3) of the act, your directors are pleased to inform that there are no qualifications, reservation or adverse remark or disclaimer made by the statutory auditors of the company in their audit report for the financial Year FY 2022-23

## **INSTANCES OF FRAUD, IF ANY REPORTED BY THE AUDITORS**

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Act

## **STATUTORY AUDITORS**

The financial statements for the year under review have been audited by M/s. S N Roy. & Co. Chartered Accountants, Kolkata (FRN: ICAI-313054E), Statutory Auditors of the Company.

In terms of Section 139 of the Companies Act, 2013 and the rules framed thereunder, M/s. S N Roy. & Co Chartered Accountants were appointed as the Statutory Auditor of the Company at the 44<sup>th</sup> AGM held on 25<sup>th</sup> September, 2018 for a period of 5 years upto the conclusion of the 49<sup>th</sup> AGM of the Company. The Board recommends appointment of M/s. R S P M & CO. Chartered Accountants as Statutory Auditors for a period of 5 years for consideration of the Shareholders in the 54<sup>th</sup> Annual General Meeting.

The Statutory Auditors in their Report for the FY 2022-23 made qualifications on certain feature such as going concern concept, valuation of inventories, interest provision etc. The Notes to the Annual Financial Statement clarify the points adequately. With the proposed commencement of warehousing, the Company will continue to be going concern

## **SECRETARIAL AUDITOR**

In terms of Section 204 of the Companies Act, 2013 and the rules framed thereunder, the Company had appointed M & A Associates, Practicing Company Secretaries (Membership No. 9488 & CP No – 12588) to undertake the Secretarial Audit of the Company.

The Secretarial Audit Report for the financial year ended 31st March, 2023 is set out as an Annexure - IV and forms a part of this report. Secretarial Auditor has observed that the Company is not maintaining the Structured Digital Database (SDD) Software in terms of the Prohibition of Insider Trading Regulation, 2015. As the Company is listed on Calcutta Stock Exchange (CSE) and there is no trading in the shares of the Company. Company has decided to have the requisite software when trading in the shares of the company happens.

## **ANNUAL RETURN**

The Annual Return as on the Financial Year ended on March 31, 2023 as required under Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014 (as amended) is available on the website of the Company at [www.haritextilemillsLtd.com](http://www.haritextilemillsLtd.com) .

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

The Management Discussion & Analysis Report, in terms of Regulation 34 read with Schedule V of the SEBI Listing Regulations, 2015 is annexed as an Annexure-V and forms part of this Annual Report

## **PUBLIC DEPOSIT**

Your Company has not accept any deposit from the public during the financial year within the meaning of Section 73 of the Companies Act, 2013 or the Companies (Acceptance of Deposits) Rules, 2014 nor does it hold any public deposit

## **SUBSIDIARY COMPANIES AND CONSOLIDATED FINANCIAL STATEMENTS**

As per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable provisions of the Companies Act, 2013 read with the Rules issued thereunder, the Company has no subsidiaries or associate company.

## **PARTICULARS OF LOANS, GUARANTEES AND 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.

## **CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO**

Since your Company is a trading company and does not own any manufacturing facility, the requirement relating to providing the particulars relating to conservation of energy and technology absorption as per Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, are not applicable.

### **Accounting of Foreign Exchange Transactions:-**

	<b>2022-2023</b>	<b>2021-2022</b>
C.I.F. Value of Imports	NIL	NIL
Expenditure in Foreign Currency	NIL	NIL
Earnings in Foreign Exchange	NIL	NIL

## **CORPORATE GOVERNANCE**

During the year under review, Company does not fall under the any of the criteria of the Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 i.e. its Paid up share capital and Net Worth are less than 10 Crores and 25 Crores respectively. Therefore the Compliance with Corporate Governance provisions as per Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 are not applicable to the Company.

## **PREVENTION OF INSIDER TRADING**

The Company has adopted a Code of Conduct for Prevention of Insider Trading for its Designated Persons in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Code lays down Guidelines, which advise the insiders on procedures to be followed and disclosures to be made, while dealing with the shares of the Company, and cautioning them of the consequences of violations. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. As per Reg. 3(5) of the Prohibition of Insider Trading Regulation, 2015, Company is required to maintain Structured Digital Database, however as there is no Trading at CSE therefore Company is not maintaining the Structured Digital Database.

The code of conduct for Prevention of Insider Trading is posted on the website of the Company and can be accessed at [www.haritextilemillsltd.com](http://www.haritextilemillsltd.com)

All the Board of Directors and designated employees have confirmed compliance with the Code.



## **INTERNAL FINANCIAL CONTROLS**

Your Company has in place adequate internal financial controls. This ensures that all transactions are authorised, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition.

We have documented policies and procedures covering all financial and operating functions and processes. The Company's internal control system is commensurate with its size, scale and complexities of its operations.

The Audit Committee oversees and reviews the functioning of the entire audit team and the effectiveness of internal control system at all levels and monitors the implementation of audit recommendations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee.

Your Directors confirm that during the year under review, there were no reportable material weaknesses in the present systems or operations of internal controls.

## **SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS**

Your Directors confirm that CSE has suspended the status of the Company on account of technical non-compliance. Company has filed application for revocation of the suspended status of the Company.

## **DETAILS OF APPLICATION MADE OR ANY PROCEEDINGS PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR AND THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR**

There is no application made or pending during the year under the review.

## **DETAILS OF DIFFERENCES BETWEEN AMOUNT OF VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASON THEREOF**

There is no loan taken by the company from any banks or financial institution during the year under the review

## **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY**

No material changes or events affecting the financial position of the Company have occurred between the end of the financial year of the Company to which the financial Statements relates and the date of this report

## **SECRETARIAL STANDARD**

The Company has complied with the applicable Secretarial Standard(s) (as revised from time to time) issued by ICSI and approved by Central Government

## **APPRECIATION**

Your Directors would like to acknowledge the role of all its stakeholders' viz., shareholders, bankers, lenders, borrowers and all others for their continued support to your Company and the confidence and faith that they have always reposed in your Company.

## **Hari Textiles Mills Limited**

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Your Directors acknowledge and appreciate the guidance and support extended by all the Regulatory authorities including Securities Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), Registrar of Companies, Kolkata, the Stock Exchanges and the NSDL. We value the professionalism of all the employees who have proved themselves in a challenging environment and whose efforts have stood the Company in good stead and taken it to present level.

**For and on behalf of the Board**

**Place: Kolkata**  
**Dated: 27<sup>th</sup> May, 2023**

**Sd/-**  
**Sanjay Kumar Todi**  
**Whole Time Director**  
**DIN – 00029270**

**Sd/-**  
**Archana Sanjay Todi**  
**Director**  
**DIN – 00047870**

**Registered Office:**  
**19, Amratolla Street, Kolkata – 700 001**