

Pankaj R Shah & Associates

Chartered Accountants

CA. DR. Pankaj Shah
B.Com., F.C.A., Ph. D. (Commerce)

CA. Chintan Shah
B.Com., L.L.B., F.C.A.

CA. Nilesh Shah
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INDEPENDENT AUDITOR'S REPORT

To The Members of Harsha Engineers Advantek Limited

Report on the audit of the Standalone Ind AS Financial Statements: -

Opinion: -

We have audited the accompanying standalone Ind AS Financial Statements of Harsha Engineers Advantek Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss and the Cash Flow Statement, Statement of changes in Equity for the year then ended and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2023, its profit/loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion: -

We conducted our audit in accordance with the standards on auditing 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 Ind AS 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 Ind AS Financial Statements under the provisions of the Act 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 opinion.

Key audit matters: -

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS Financial Statements of the current period. These matters were addressed in the

context of our audit of the Ind AS Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Information other than the Ind AS Financial Statements and auditors' report thereon: -

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the Ind AS Financial Statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS Financial Statements or our knowledge obtained during the course of our 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.

Management's Responsibility for the Standalone Ind AS Financial Statements: -

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows, statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2016, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Statements 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 Responsibility for the audit of the Ind AS Financial Statements: -

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS Financial Statement, 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 financial controls relevant to the audit in order to design audit procedure that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion 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 the 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 Ind AS 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 Ind AS Financial Statements, including the disclosures, and whether the Ind AS Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone Ind AS Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone Ind AS Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results

of our works; and (ii) to evaluate the effect of any identified misstatements in the standalone Ind AS Financial Statements.

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 Ind AS Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstance, we determine that a matter should not be communicate 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 subsection 11 of section 143 of the Act, we report that the said clause is not applicable to the company & hence we have not prepared report on the same.
2. As required by Section 143(3) of the Act, based on our audit, we report that:
 - (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 Ind AS Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2016, as amended;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of directors is disqualified the as on 31st March, 2023 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; as the company does not fall within limits attracting compliance with IFC over FR, we have not presented report on the same.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(6) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 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:

- i. The Company has no pending litigations which can significantly impact its financial position.
- ii. The Company did not have any long-term contracts for which there were any material foreseeable losses.
- iii. The company is not required to transfer any amount to the Investor Education and Protection fund.
- iv. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company, its subsidiaries, associates and joint venture companies incorporated in India, hence reporting under this clause is not applicable.

For, M/s Pankaj R. Shah & Associates
Chartered Accountants
(Registration No. 107361W)



CA Chintan Shah
Partner
(Membership No. 110142)
UDIN:23110142BGZHHJG8256
Place: Ahmedabad
Date: 26-04-2023



Harsha Engineers Advantek Limited

1st Annual Report

2022-23

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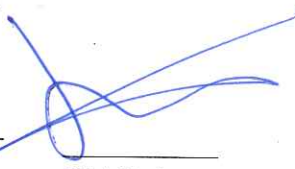
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- Directors' Report
- Independent Auditors' Report
- Balance Sheet
- Statement of Profit and Loss
- Cash Flow Statement
- Statement of Change in Equity
- Significant Accounting Policies & Notes to financial statements

A handwritten signature in the bottom left corner, appearing to be "A. G." or similar, written in a cursive style.

HARSHA ENGINEERS ADVANTEK LIMITED

Balance Sheet as at March 31, 2023

(Rs. In Lakhs)

Particulars	Notes	As at March 31, 2023
ASSETS		
Current assets		
Financial assets		
Cash and cash equivalents	2	10.00
Total current assets		10.00
TOTAL ASSETS		10.00
EQUITY AND LIABILITIES		
Equity		
Equity share capital	3	10.00
Other equity		-
Total Equity		10.00
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings		-
Total non-current liabilities		-
Total current liabilities		-
Total Liabilities		-
TOTAL EQUITY AND LIABILITIES		10.00
Significant Accounting Policies		
The accompanying notes (1 to 5) are integral part of the financial statements.		
As per our report of even date attached		
For Pankaj R. Shah & Associates		
Chartered Accountants		
FRN No.: 107361W		
 		
Chintan Shah		
Managing Partner		
M. No. : 110142		
Date: April 26, 2023		
Place: Ahmedabad		
For and on behalf of the Board of Directors		
Harsha Engineers Advantek Limited		
(U28140GJ2023PLC139182)		
 		
Harish Rangwala		
Director		
DIN: 00278062		
Pilak Shah		
Director		
DIN: 00407960		
Date: April 26, 2023		
Place: Ahmedabad		

HARSHA ENGINEERS ADVANTEK LIMITED

Statement of Profit and Loss for the period ended March 31, 2023

(Rs. In Lakhs)

Particulars	Notes	For the period ended March 31, 2023
INCOME		
Revenue from operations		-
Other income		-
TOTAL INCOME (A)		-
EXPENSES		
Cost of Materials Consumed		-
Change In Inventories of Finished Goods & Work-In-Progress		-
Employee benefits expenses		-
Finance costs		-
Depreciation and amortization expenses		-
Other expenses		-
TOTAL EXPENSES (B)		-
Profit/ (loss) before tax (A-B)		-
Tax expense		
Current Tax		-
Deferred Tax		-
Profit/ (loss) after tax for the period (C)		-
Other comprehensive income		
Items that will not be reclassified to profit or loss		-
Other comprehensive income for the period, net of tax (D)		-
Total Comprehensive Income for the Period (C+D)		-
Earning per equity share (EPS) for profit for the period (face value of Rs.10/-)		
Basic (Rs.)		-
Diluted (Rs.)		-

Significant Accounting Policies

The accompanying notes (1 to 5) are integral part of the financial statements.

As per our report of even date attached

For Pankaj R. Shah & Associates

Chartered Accountants

FRN No.: 107361W

Chintan Shah

Chintan Shah

Managing Partner

M. No. : 110142

Date: April 26, 2023

Place: Ahmedabad



For and on behalf of the Board of Directors

Harsha Engineers Advantek Limited

(U28140GJ2023PLC139182)

Harish Rangwala

Harish Rangwala

Director

DIN: 00278062

Date: April 26, 2023

Place: Ahmedabad

Pilak Shah

Pilak Shah

Director

DIN: 00407960

HARSHA ENGINEERS ADVANTEK LIMITED

Cash Flow Statement for the period ended March 31, 2023

(Rs. In Lakhs)

Particulars	For the year ended March 31, 2023
CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit before tax as per statement of profit and loss	-
Adjustments for:	
Depreciation, Amortisation, Depletion & Impairment	-
Finance cost	-
Operating Profit before working capital changes	-
Adjustments for changes in Working Capital	
Inventories	-
Trade Receivables	-
Short Term loan and Advances	-
Other Current Assets	-
Other Current Liabilities	-
Trade payables	-
Cash Generated from Operations	-
Taxes (paid)/ refund	-
Net Cash Flow from Operating Activities (A)	-
CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	-
Proceeds from sale of Assets	-
Net Cash Flow from Investing Activities (B)	-
CASH FLOW FROM FINANCING ACTIVITIES	
Proceed from Equity Share issue	10.00
Finance cost	-
Borrowings	-
Net Cash Flow from Financing Activities (C)	10.00
Net Increase/(Decrease) in Cash and Cash equivalents (D) (A+B+C)	10.00
Particulars	For the year ended March 31, 2023
Cash and Cash equivalents at the Beginning of the Year	
Cash on hand	-
Bank Balances	-
Cash and Cash equivalents at the End of the Year	
Cash on hand	-
Bank Balances	10.00
	10.00

As per our report of even date attached

For Pankaj R. Shah & Associates

Chartered Accountants

FRN No.: 107361W

Chintan Shah

Chintan Shah
Managing Partner
M. No.: 110142



Date: April 26, 2023
Place: Ahmedabad

For and on behalf of the Board of Directors

Harsha Engineers Advantek Limited

(U28140GJ2023PLC139182)

Harish Rangwala

Harish Rangwala
Director
DIN: 00278062

Date: April 26, 2023
Place: Ahmedabad

Pilak Shah

Pilak Shah
Director
DIN: 00407960

HARSHA ENGINEERS ADVANTEK LIMITED

Statement of Changes in Equity (SOCIE) for the period ended on March 31, 2023

A. Equity Share Capital

(Rs. In Lakhs)

Particulars	No. of Shares	Amount
Issued, Subscribed and Paid up Share Capital		
Equity Shares of Rs. 10/- each fully paid up		
As at the Beginning of the period	-	-
Changes in equity share capital	1,00,000	10.00
Balance at March 31, 2023	1,00,000	10.00

B. Other equity

(Rs. In Lakhs)

Particulars	Reserves & Surplus		Other Comprehensive Income	Total Equity
	General Reserve	Retained Earnings		
Balance as at the Beginning of the period	-	-	-	-
Profit for the year	-	-	-	-
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Utilisation during the year	-	-	-	-
Any Other Change	-	-	-	-
Balance at March 31, 2023	-	-	-	-

Significant Accounting Policies

The accompanying notes (1 to 5) are integral part of the financial statements.

As per our report of even date attached

For Pankaj R. Shah & Associates

Chartered Accountants

FRN No.: 107361W

Chintan Shah

Chintan Shah
Managing Partner
M. No. : 110142

Date: April 26, 2023
Place: Ahmedabad



For and on behalf of the Board of Directors

Harsha Engineers Advantek Limited

(U28140G)2023PLC139182)

Harish Rangwala

Harish Rangwala
Director
DIN: 00278062

Date: April 26, 2023
Place: Ahmedabad

Pilak Shah

Pilak Shah
Director
DIN: 00407960

HARSHA ENGINEERS ADVANTEK LIMITED

Notes to Financial Statements for the year ended March 31, 2023

Note 1 Statement of significant Accounting policies and practices

A. GENERAL INFORMATION

HARSHA ENGINEERS ADVANTEK LIMITED ("HEAL" or "the Company"), a public limited company incorporated under the provisions of the Companies Act, 2013 on March 14, 2023 as wholly owned subsidiary of the Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited) with object of manufacturing of bearing cages and other products and is yet to commence business. The Registered Office of the Company is located at NH-8A, Sarkhej-Bavla Highway, Sanand, Ahmedabad-382213, Gujarat, India.

During the year under review, the holding of the Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited) remains the same and the Company remains the Wholly Owned Subsidiary of Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited).

The Company was incorporated on March 14, 2023, hence we have not presented comparative year numbers for these first year Annual Report.

B. BASIS OF PREPARATION

B.1. Statement of compliance with Ind AS

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

B.2. Functional and presentation currency

These financial statements are presented in Indian Rupees ('INR' or 'Rs.'), which is also the functional currency of the Company. All the amounts have been rounded off to the nearest lakh, except per share data and unless otherwise indicated.

B.3. Basis of Measurement

The financial statements have been prepared on the accrual basis and under historical cost basis except for the following items:

ITEMS	MEASUREMENT BASIS
1) Investments in Debentures, Mutual Funds	Fair value
2) Employee Defined Benefit Plans	Plan Assets measured at fair value less present value of defined benefit obligation
3) Certain Financial Assets & Liabilities (including Derivative Instruments)	Fair value

B.4. Use of Estimates and Judgements

In preparing these financial statements, management has made judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Revisions to the accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the respective note.

Assumptions and Estimation Uncertainties:

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included in the respective note.

B.4. Measurement of Fair Values

The Company has established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Company assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

Level 2 - inputs other than quoted prices included in 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).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the respective note.

C. SIGNIFICANT ACCOUNTING POLICIES

C.1. Foreign Currency

Transactions in foreign currencies are translated into the functional currency of the Company at exchange rates at the date of transactions or an average rate if the average rate approximates the actual rate at the date of 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 foreign currency are translated at the exchange rate at the date of transaction. Exchange differences are recognised in the profit or loss, except exchange differences arising from the translation of qualifying cash flow hedges to the extent hedges are effective which are recognised in Other Comprehensive Income (OCI).

C.2. Financial Instruments

1. Financial Assets

i) Classification

The Company classifies its financial assets in the following measurement categories:

- Those measured at amortized cost and

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss)

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

- A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL :

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of a financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- 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.

ii) Measurement

At initial recognition, the Company measures a financial asset when it becomes a party to the contractual provisions of the instruments and measures at its fair value except trade receivables which are initially measured at transaction price. Transaction costs are incremental costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. A regular way purchase and sale of financial assets are accounted for at trade date.

iii) Subsequent Measurement and Gains and Losses

- Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains including any interest or dividend income, are recognized in profit or loss.

- Financial assets at amortized cost

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.

iv) Derecognition

The Company derecognises 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 derecognised.

2. Financial Liabilities

i) Classification, Subsequent Measurement and Gains and Losses

Financial liabilities are classified as measured at amortized 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 recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

ii) Derecognition

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

The Company also derecognises 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 the profit or loss.

3. Offsetting

Financial assets and financial liabilities are off set 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.

4. Investment in Subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements unless there is permanent diminution in value as at the date of the Balance sheet.

C.3. Derivative Instruments and Hedge Accounting

The Company designates derivative contracts or non-derivative Financial Assets/ Liabilities as hedging instruments to mitigate the risk of movement in interest rates and/or foreign exchange rates for foreign exchange exposure on highly probable future cash flows attributable to a recognised asset or liability or forecast cash transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in the cash flow hedging reserve being part of Other Comprehensive Income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the Statement of Profit and Loss. If the hedging relationship no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the underlying transaction occurs. The cumulative gain or loss previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the underlying transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold or terminated or exercised or no longer qualifies for hedge accounting.

C.4. Property, Plant and Equipment

i. Recognition and Measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation, and accumulated impairment losses, if any, except freehold land which is carried at historical cost.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and nonrefundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Useful lives have been determined in accordance with Schedule II to the Companies Act, 2013. The residual values are not more than 5% of the original cost of the asset.

Capital Work-in-progress includes cost of assets at sites and constructions expenditure.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit or loss.

ii. 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 or it enhanced the useful lives.

iii. Depreciation/Amortisation

Depreciation is calculated on cost of items of property, plant and equipment (other than freehold land and properties under construction) less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognised in the statement of profit and loss. Amortization on leasehold land is provided over the period of lease.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

According to Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", a change in the estimated useful life of, or the expected pattern of consumption of the future economic benefits embodied in, a depreciable asset affects depreciation expense for the current period and for each future period during the asset's remaining useful life. The effect of the change in the estimated useful life relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods. Hence, such change is considered as change in accounting estimate and not change in accounting policy and prospective effect for such change is given.

iv. Derecognition

An item of Property, Plant and Equipment is derecognised upon disposal or sale or when no future economic benefits are expected to arise from the continued use of assets.

C.5. Intangible Assets

i. Initial Recognition and Classification

Goodwill is not amortised. It is tested annually for impairment.

Other intangible assets including those acquired by the Company are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

ii. Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures are recognised in profit or loss as incurred or it enhanced the useful lives.

iii. Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values over the estimated useful lives using the straight line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Goodwill is not amortized and is tested for impairment annually. Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

iv. Derecognition

An item of an intangible asset is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of assets.

C.6. Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work-in-progress is valued at actual cost of production.

Cost of raw materials, Stock in trade, Project brought out components, stores and spares are determined on moving average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The net realisable value of work-in-progress is determined with reference to the selling prices of related finished products.

Raw materials, components and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

Excess/shortages if any, arising on physical verification are absorbed in the respective consumption accounts.

C.7. Revenue Recognition

i. Sale of Goods:

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

The timing of transfers of risks and rewards varies depending on the individual terms of sale, usually such transfer occurs as per Inco terms.

Revenue from contracts :

Revenue from long term contracts, where the outcome can be estimated reliably, is recognized under the percentage of completion method by reference to the stage of completion of the contract activity. The stage of completion is measured by calculating the proportion that costs incurred to date bear to the estimated total costs of a contract. The total costs of contracts are estimated based on technical and other estimates. When the current estimate of total costs and revenue is a loss, provision is made for the entire loss on the contract irrespective of the amount of work done.

Contract revenue earned in excess of billing has been reflected under "Other Current Assets" and billing in excess of contract revenue is reflected under "Current Liabilities" in the balance sheet.

Income from services :

Revenues from contracts priced on a time and material basis are recognised when services are rendered and related costs are incurred. Revenues from maintenance contracts are recognised on pro-rata basis over the period of the contract.

Export Benefits

Export Benefits are recognised as income on all the eligible exports and where there is no significant uncertainty regarding the ultimate collection of relevant exports.

C.8. Recognition of Dividend Income, Interest Income

Dividend on financial instruments is recognized as and when received. Interest is recognized on accrual basis.

C.9. Income Tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income.

i. Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable 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. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets - unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

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.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on net basis or their tax assets and liabilities will be realised simultaneously.

iii. Minimum alternate tax (MAT)

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit reversed/(availed)." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

C.10. Cash and Cash Equivalents

Cash and cash equivalents include cash and cheques in hand, bank balances, demand deposits with banks and other short term highly liquid investments that are readily convertible to know amounts of cash and which are subject to an insignificant risk of changes in value where original maturity is three months or less.

C.11. Borrowing Cost

Borrowing cost are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of cost of asset until such time the assets are substantially ready for their intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

C.12. Earnings Per Share

Basic earnings per share is calculated by dividing the net profit after tax for the year attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is calculated by dividing net profit attributable to equity shareholders (after adjustment for diluted earnings) by average number of weighted equity shares outstanding during the year plus potential equity shares.

C.13. Cash Flow Statement

Cash flows are reported using the indirect method whereby the profit before tax is adjusted for the effect of the transactions of a non cash nature, any deferrals or accruals of past and future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

C.14. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised at present value when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Provision for decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of PPE. The cash flows are discounted at a current pre-tax rate that reflects the risk specific to the decommissioning liability. The unwinding of discount is expensed as incurred and recognised in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are not provided for, if material, are disclosed by way of notes to accounts, until such time that the liabilities arising out of these outstanding litigations have been crystallised by virtue of a final order being passed by the relevant regulatory authority or court or forum. Contingent assets are not recognised in financial statements. However, the same is disclosed, where an inflow of economic benefit is probable.

C.15. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 as at 31st March is provided in Note No. 17 to the extent the company has received intimation from the "Suppliers" regarding their status under the MSMED Act.

HARSHA ENGINEERS ADVANTEK LIMITED

Notes to Financial Statements for the year ended March 31, 2023

Note 2

Cash and other bank balances

(Rs. In Lakhs)

Particulars	As at March 31, 2023
Cash and cash equivalents	
Balances with banks	
In current accounts	10.00
Cash on hand	-
Total cash and cash equivalents	10.00

Note 3

Equity share capital

(Rs. In Lakhs)

Particulars	As at March 31, 2023
Authorised share capital	
1,00,000 Equity Shares of Rs. 10 each	10.00
Total	10.00

(Rs. In Lakhs)

Particulars	As at March 31, 2023
Issued, subscribed and paid up share capital	
100,000 Equity Shares of Rs. 10 each	10.00
Total	10.00

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

Particulars	No of shares	Amount
As at the Beginning of the period		
At the beginning of the period	-	-
Add : Shares issued during the period	1,00,000	10.00
As at March 31, 2023	1,00,000	10.00

Details of shareholder(s) holding more than 5% Equity Shares

Particulars	As at March 31, 2023
Name of Shareholder & No. of Equity Shares	
Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)	1,00,000
% Holding in equity shares	
Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)	100%

HARSHA ENGINEERS ADVANTEK LIMITED

Notes to Financial Statements for the year ended March 31, 2023

Note 4 Related Party Disclosures

As per the Indian Accounting Standard-24 on "Related Party Disclosures", list of Related Parties Identified of the Company are as follows:

A1. Holding/ Subsidiary/ Joint Venture/ Associate

Name of Entity	Type
Harsha Engineers International Limited (formerly known as Harsha Engineers International Private Limited and Harsha Abakus Solar Private Limited)	Holding company

A2. Subsidiary/ Joint Venture/ Associate of Holding Company

Name of Entity	Type
Harsha Precision Bearing Components (China) Co., Ltd.	Subsidiary of Holding Company
Harsha Engineers Europe SRL	Subsidiary of Holding Company
HASPL Americas Corporation	Subsidiary of Holding Company
Harsha Engineers Advantek Limited	Subsidiary of Holding Company
Cleanmax Harsha Solar LLP	Joint Venture of Holding Company
Sunstream Green Energy One Private Limited	Associate of Holding Company

B. Director or Key Management Personnel		C. Relative of Key Management Personnel			
Name of Director or Key Management Personnel		Name of Relative of Key Management Personnel			
Harish Rangwala	Director	Charusheela Rangwala	Vaishali Shah	Viha Ukani	Tarana Rangwala
Pilak Shah	Director	Vishal Rangwala	Raag Shah	Preya Ukani	Rameshbhai Shah
Hetal Ukani	Director	Rajendra Shah	Mili Mehta	Manish Naik	Purnimaben Shah
Tanvi Rangwala	Director	Nirmala Shah	Ukani Brijeshkumar Parshottambhai HUF	Soham Naik	Nigam Shah

D. Enterprise on which Directors and Key Management Personnel have Significant Influence and Control

Crest Creative Unit	Vishal Rangwala Family Trust
Daylight Solar Private Limited	Pilak Shah Family Trust
First Light Asset Management Private Limited	Munjal Rangwala Family Trust
Hues Hub Online Private Limited	Mili Mehta Family Trust
Advantterra Capital Management LLP	Hetal Ukani Family Trust
Meghna Developers Private Limited	Brijesh Charitable Trust
Meghna Organisers Private Limited	Harsha Engineers Employees Co.Op. Credit Soc. Ltd
Nirman Capital Services Private Limited*	Munjal Rangwala Charitable trust
Tridym Infrastructures Private Limited	Aastha Charitable Trust for Welfare Mentally Challenged
Harsha Engineers Limited-Group Gratuity Scheme**	IMC of ITI Vadodara (Disable)
Aastha Tools Private Limited-Group Gratuity Scheme**	Institute Management Committee of ITI Bavla
Harsha Engineers International Limited Group Gratuity Trust (previously known as Harsha Abakus Solar Private Limited Employee Group Gratuity Assurance Scheme)	Changodar Green Enviro Project Association
	Vakil Premji Ragahvji Thacker Education Foundation Charitable Trust

Note:

*Nirman Capital Services Private Limited has filed an application with the RoC for striking off its name on December 5, 2022. The application is currently under process.

**Harsha Engineers Limited-Group Gratuity Scheme and Aastha Tools Private Limited-Group Gratuity Scheme is in the process of being transferred into Harsha Engineers International Limited Group Gratuity Trust. The transfer is currently under process.

E. Transactions during the year with Related party

Particulars	(Rs. in Lakhs)
	Equity Investment by Parents
	2022-23
Harsha Engineers International Limited	10.00

HARSHA ENGINEERS ADVANTEK LIMITED
Notes to Financial Statements for the year ended March 31, 2023

Note 5

A. Financial instruments by category and their fair value

(Rs. In Lakhs)

As at March 31, 2023	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Financial assets								
Cash and Cash Equivalents	-	-	10.00	10.00	-	-	-	-
Total financial assets	-	-	10.00	10.00	-	-	-	-
Financial liabilities								
Borrowings								
Non-current			-	-	-	-	-	-
Total financial liabilities	-	-	-	-	-	-	-	-

Fair value of financial assets and liabilities measured at amortised cost is not materially different from the amortised cost.

Types of inputs are as under:

Input Level I (Directly Observable) which includes quoted prices in active markets for identical assets such as quoted price for an equity security on Security Exchanges

Input Level II (Indirectly Observable) which includes prices in active markets for similar assets such as quoted price for similar assets in active markets, valuation multiple derived from prices in observed transactions involving similar businesses etc.

Input Level III (Unobservable) which includes management's own assumptions for arriving at a fair value such as projected cash flows used to value a business etc.

B. Measurement of fair values

There are none of financial assets or financial liabilities in the financial statement which requires fair value measurement under the requirement of IND AS-109.

C. Financial risk management

The Company's principal financial liabilities comprises of borrowings. The main purpose of these financial liabilities is to finance the Company operations and to provide guarantees to support its operations. The Company's principal financial assets include cash & cash equivalents that are derived directly from its operations. The Company has exposure to the following risks arising from financial instruments:

- i. Credit risk
- ii. Liquidity risk
- iii. Market risk

(i) Credit risk

Credit risk is the risk that a customer will fail to perform or fail to pay amounts due causing financial loss to the company. The potential activities where credit risks may arise include from cash and cash equivalents and principally from credit exposures to customers relating to outstanding receivables.

Other financial assets

Other financial assets comprise of cash and cash equivalents.

- Cash and cash equivalents are placed with banks.

(ii) Liquidity risk

Company does not have any kind of liquidity risk.

(iii) Market risk

Company does not have any kind of market risk.

D. Capital management

The Company defines capital as total equity including issued equity capital, share premium and all other equity reserves attributable to equity holders of the Company (which is the Company's net asset value). The primary objective of the Company's financial framework is to support the pursuit of value growth for shareholders, while ensuring a secure financial base.

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 and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity.

The Company's adjusted net debt to equity ratio on March 31, 2023 was as follows:

(Rs. In Lakhs)	
Particulars	As at March 31, 2023
Total non-current liabilities	-
Less : Cash and bank balances	10.00
Adjusted net debt	(10.00)
Total equity	10.00
Adjusted net debt to adjusted equity ratio	-1:1 times

The accompanying notes (1 to 5) are integral part of the financial statements.

As per our report of even date attached

For Pankaj R. Shah & Associates
Chartered Accountants
FRN No.: 107361W


Chintan Shah
Managing Partner
M. No.: 110142

Date: April 26, 2023
Place: Ahmedabad

For and on behalf of the Board of Directors
Harsha Engineers Advantek Limited
(U28140GJ2023PLC139182)


Harish Rangwala
Director
DIN: 00278062


Pankaj Shah
Director
DIN: 00407960

Date: April 26, 2023
Place: Ahmedabad